PROGRAM OF ADVANCES FOR PUBLIC WORKS PLANNING—Continued

Projects planned or being planned in areas eligible for aid under H.R. 10113, June 30, 1962—Continued

PENNSYLVANIA—Continued

City	County	Type of project	Estimated total cost
Orbisonia	Huntingdon	Sewer	$152,552
Canton	Bradford	do	359,740
West Wyoming	Luzerne	do	875,915
New Eagle	Washington	do	288,044
Monongahela	do	do	565,248
Nescopeck	Luzerne	do	101,666
Meyersdale	Somerset	do	80,635
Tunkhannock	Wyoming	do	353,771
Sayre	Bradford	do	272,216
Scranton	Lackawanna	do	7,560,417
Saegerstown	Crawford	do	83,399
Cornplanter Township	Venango	do	278,579
California	Washington	do	318,074
Hazleton	Luzerne	do	1,663,985
Belle Vernon	Westmoreland and Fayette.	do	500,000
Plymouth	Luzerne	do	614,848
Monessen	Westmoreland	do	1,470,000
Charleroi	Washington	do	796,430
Brownsville	Fayette	do	967,422
Wyalusing	Bradford	do	30,085
Do	do	do	118,410
Masontown	Fayette	do	404,500
Harrisville	Butler	do	103,050
Taylor	Lackawanna	do	545,504
Wyoming	Luzerne	do	377,071
Matamores	Pike	do	649,650
Cressona	Schuylkill	do	344,489
Borough of Ashland	do	do	442,400
Township of Lackawanna.	Lackawanna	do	353,973
West Pittston	Luzerne	do	194,245
Saxton	Bedford	do	246,395
Freeland City	Luzerne	do	550,000
Dawson	Fayette	do	79,661
Olyphant	Lackawanna	do	425,880
Dickson City	do	do	476,750
Vanderbilt	Fayette	do	207,846
Duquesne	Allegheny	do	1,582,000
St. Clair	Schuylkill	do	306,000
Township of Monroe	Snyder	do	477,921

RHODE ISLAND

City	County	Type of project	Estimated total cost
East Greenwich	Kent	Water	$1,157,000
Cranston	Providence	Sewer	2,500,000
Narragansett	Washington	do	601,000
Do	do	Town hall	298,000
Westerly	do	Incinerator	161,400
Smithfield	Providence	Sewer	345,000
Do	do	do	191,000

SOUTH CAROLINA

City	County	Type of project	Estimated total cost
Aiken	Aiken	Sewer	$1,500,000
Do	do	Storm drains	1,000,000
Fairfax	Allendale	Sewer	81,000
Summarville	Dorchester	Municipal building	27,800
St. Stephen	Berkeley	Water	11,420
Do	do	Sewer	80,000
Chester	Chester	Public buildings	60,986
Orangeburg	Orangeburg	Sewer	46,500
North	do	do	13,500
Port Royal	Beaufort	do	110,000
Springfield	Orangeburg	do	88,000
Orangeburg	do	do	83,500
Branchville	do	do	111,008
	McCormick	Health center	100,394
Dorchester	Dorchester	Courthouse	111,562
Kershaw	Kershaw	Sewer	86,500
Do	do	Water	45,500
Beaufort	Beaufort	Sewer	185,000
Do	do	do	273,000

TENNESSEE

City	County	Type of project	Estimated total cost
La Follette	Campbell	Sewer	$859,650
Brin	Houston	do	215,000
Monterey	Putnam	do	610,000
Pikeville	Bledsoe	do	281,059
Sneedville	Hancock	do	200,000
Jellico	Campbell	Roads	79,000
Jasper	Marion	Sewer	86,440
Do	do	Water	95,387
Big Sandy	Benton	Sewer	156,500
Livingston	Overton	Water	75,842
Sparta	White	Sewer	60,704

TEXAS

City	County	Type of project	Estimated total cost
Port Arthur	Jefferson	Bridge	$400,000
Do	do	Water	500,000
Do	do	Sewer	500,000
Do	do	Storm drains	2,500,000
Beckville	Panola	Water	50,000
Do	do	Sewer	85,000
Avery	Red River	Water	72,000
Blossom Prairie	Lamar	Sewer	50,832

UTAH

City	County	Type of project	Estimated total cost
Beaver	Beaver	Hospital	$260,000
Orem	Utah	Water	1,500,000
Coalville	Summit	Sewer	115,000

WASHINGTON

City	County	Type of project	Estimated total cost
	Kittitas	Hospital	$1,367,130
Ronald	do	Sewer	4,914,500
East Wenatchee	Douglas	Sewer and water	2,320,000
Toledo	Lewis	Sewer	125,500
Spokane	Spokane	Streets	4,440,000
Tacoma	Pierce	Park	496,265
Do	do	Bridge	3,000,000
Newport	Pend Oreille	do	890,000
Anacortes	Skagit	Sewer	310,000
Yakima	Yakima	do	585,000
Concrete	Skagit	do	138,760

WEST VIRGINIA

City	County	Type of project	Estimated total cost
Montgomery	Fayette and Kanawha	Sewer	$660,000
Clarksburg	Harrison	Water	52,000
Huntington	Kanawha	Sewer	194,000
Cameron	Marshall	do	297,000
Wheeling	Ohio	Water	5,343,000
Harrisville	Ritchie	Sewer	200,000
Craigsville	Nicholas	Water	532,000
Bethlehem	Ohio	Sewer	575,000
Blacksville	Monongalia	Water	40,000
Charleston	Kanawha	Sewer	1,460,000
	Mercer	Water	646,738
Rivesville	Marion	Sewer	300,000
Oceana	Wyoming	do	376,473
Welch	McDowell	do	358,973
Do	do	do	489,698
War	do	do	400,000
Marmet	Kanawha	do	243,847
Stonewood	Harrison	do	350,389
Ansted	Fayette	do	287,828
Wheeling	Ohio	do	2,150,000
Morgantown	Monongalia	Parks	186,000
Do	do	Airport	351,000

WISCONSIN

City	County	Type of project	Estimated total cost
Coleman	Marinette	Sewer	$44,000

SENATE

FRIDAY, AUGUST 24, 1962

The Senate met at 10 o'clock a.m., and was called to order by the President pro tempore.

Rev. Luther Holcomb, D.D., executive director, Greater Dallas Council of Churches, Dallas, Tex., offered the following prayer:

Help us, O God, lest our lives be kept within too small an orbit. Open our minds to the claim of a larger life, and open our hearts to the call of humanity.

We pray for those who seek truth and speak it when they find it, for those who cannot see evil without crying out against it, for those who condemn oppression and fight for liberty, for all who turn mankind toward the light of hope.

May Thy blessings be upon our President. Protect and guide our Vice President while he is away from us on a significant mission. Be with those who serve in this eminent body.

Grant us a vision of the world that is not yet, but ought to be; and in loyal devotion to its appearing, grant us the peace of those who strive in spirit and in truth. In His holy name. Amen.

THE JOURNAL

On request of Mr. HUMPHREY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 23, 1962, was dispensed with.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

LEAVE OF ABSENCE

Mr. MORSE. Mr. President, I ask to be excused from attendance on the sessions of the Senate for the rest of today and tomorrow, inasmuch as I shall be touring the Bureau of Land Management rangelands in Oregon with the Director of the Bureau of Land Management, on official business.

The PRESIDENT pro tempore. Without objection, the request for leave of absence is granted.

LIMITATION OF DEBATE DURING MORNING HOUR

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

On request of Mr. HUMPHREY, and by unanimous consent, the Subcommittee on Flood Control, Rivers and Harbors of the Committee on Public Works was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar, beginning with the nominations to the Atomic Energy Commission.

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

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

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

E. Avery Crary, of California, to be U.S. district judge for the southern district of California; and

Jesse W. Curtis, Jr., of California, to be U.S. district judge for the southern district of California.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the Executive Calendar, beginning with those to the Atomic Energy Commission, will be stated.

ATOMIC ENERGY COMMISSION

The Chief Clerk read the nomination of James T. Ramey, of Illinois, to be a member of the Atomic Energy Commission for the remainder of the term expiring June 30, 1964.

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

The Chief Clerk read the nomination of John Gorham Palfrey, of New York, to be a member of the Atomic Energy Commission for a term of 5 years expiring June 30, 1967.

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

THE NAVY

The Chief Clerk proceeded to read sundry nominations in the Navy.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

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

THE AIR FORCE

The Chief Clerk proceeded to read sundry nominations in the Air Force.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

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

THE ARMY, THE AIR FORCE, AND THE MARINE CORPS

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

Mr. HUMPHREY. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

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

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

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

LEGISLATIVE SESSION

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

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

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. SMATHERS, from the Committee on Commerce, with amendments:

S. 319. A bill to amend part I of the Interstate Commerce Act in order to provide that the provisions of section 4(1) thereof, relating to long-and-short haul charges, shall not apply to express companies (Rept. No. 1921).

By Mr. MAGNUSON, from the Committee on Commerce, with amendments:

S. Con. Res. 53. Concurrent resolution favoring travel by legislative and Government employees on United States air flag carriers (Rept. No. 1922).

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. PROXMIRE:

S. 3676. A bill to amend title II of the Social Security Act to lower from 62 to 60 the age at which benefits thereunder may be paid, with appropriate actuarial reductions made in the amounts of such benefits; to the Committee on Finance.

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

By Mr. BURDICK:

S. 3677. A bill for the relief of Eftyhios Psaltiras; to the Committee on the Judiciary.

By Mr. KUCHEL:

S.J. Res. 221. Joint resolution to designate the lake to be formed by the waters impounded by the San Luis Dam in the State of California as "Lake O'Neill"; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. KUCHEL when he introduced the above joint resolution, which appear under a separate heading.)

RETIREMENT AT AGE 60 UNDER SOCIAL SECURITY ACT

Mr. PROXMIRE. Mr. President, we have been working hard in the Joint Economic Committee to develop some constructive solution to the problem of unemployment. I am one of those Senators who disagree with the notion that we can constructively solve the problem by reducing taxes and increasing the Federal deficit. I do not think that is the constructive way to do it.

With this in mind, I submitted a resolution last week calling upon Governors and State legislatures to raise the school-leaving age to 17. I have been advised by authorities that this would help substantially in reducing unemployment, and open up jobs for the people who need them badly.

This morning, on the same line, I introduce a bill to permit social security retirement at age 60. The bill would require no increase in social security taxes because those electing retirement at 60 would take a one-third reduction in benefits.

The bill is principally aimed at unemployment. It is the second part of what I call my double-barreled attack on unemployment.

For more than 10 years I have been shaking hands with workers—literally by the tens of thousands—at Wisconsin's plant gates. The one persistent suggestion I constantly hear is a plea to lower the social security retirement age.

At a time when a high and persistent level of unemployment has become our No. 1 economic problem this grassroots suggestion has solid, commonsense merit.

The men and women who suggest this again and again point out that their retirement from the labor force would open up their jobs to younger workers—now unemployed—and in some cases to heads of families with growing children.

As workers pass the age of 60, the difficulty of finding new jobs multiplies. For men and women of this age, the du-

ration of unemployment frequently exceeds half a year.

The seriousness of the problem can also be measured by the fact that the older workers constitute a large and growing percentage of the high national total unemployment. With each passing year, the percentage mounts.

Under my bill if an individual chooses to take his social security at age 60 rather than 65, his monthly payments would be reduced one-third. Thus a man and wife who would get $180 per month if they retired at 65 would get $120 per month at 60.

By scaling the benefits down in this way, the cost to the social security program would be held virtually level.

The bill has been drafted by the legislative counsel in consultation with the Division of Actuary of the Social Security Administration. It provides actuarily reduced benefits to beneficiaries at age 60, at an estimated level premium cost of 0.03 percent of taxable payroll. This cost is entirely due to the dependents' beneficiaries—mainly children and wives—that will be brought in by the slightly younger retired workers.

I introduce the bill and ask that it be appropriately referred.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3676) to amend title II of the Social Security Act to lower from 62 to 60 the age at which benefits thereunder may be paid, with appropriate actuarial reductions made in the amounts of such benefits, introduced by Mr. PROXMIRE, was received, read twice by its title, and referred to the Committee on Finance.

DESIGNATION OF LAKE O'NEILL IN STATE OF CALIFORNIA

Mr. KUCHEL. Mr. President, I introduce, for appropriate reference, a joint resolution to designate the lake to be formed by the waters impounded by the San Luis Dam in the State of California as Lake O'Neill. I ask unanimous consent that the joint resolution lie on the desk until next Thursday, to be available for other Senators who may wish to cosponsor it.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will lie on the desk, as requested by the Senator from California.

The joint resolution (S.J. Res. 221) to designate the lake to be formed by the waters impounded by the San Luis Dam in the State of California as Lake O'Neill, introduced by Mr. KUCHEL, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

AMENDMENT OF WAR CLAIMS ACT OF 1948—AMENDMENTS

Mr. JOHNSTON (for himself, Mr. DIRKSEN, Mr. BIBLE, Mr. BUSH, and Mr. SALTONSTALL) submitted amendments, intended to be proposed by them, jointly, to the bill (H.R. 7283) to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses, which were ordered to lie on the table and to be printed.

REVENUE ACT OF 1962—AMENDMENTS

Mr. KUCHEL (for himself, Mr. BENNETT, Mr. MAGNUSON, Mr. JACKSON, Mrs. NEUBERGER, Mr. MORSE, Mr. MCCARTHY, and Mr. ENGLE) submitted amendments, intended to be proposed by them, jointly, to the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. BEALL (for himself and Mr. JAVITS) submitted an amendment, intended to be proposed by them, jointly, to House bill 10650, supra, which was ordered to lie on the table and to be printed.

Mr. MCCARTHY (for Mr. CLARK) submitted amendments, intended to be proposed by Mr. CLARK to House bill 10650, supra, which were ordered to lie on the table and to be printed.

PRINTING OF INTERIM REPORT ON CUTLER DRAIN AREA, FLORIDA, CENTRAL AND SOUTHERN FLORIDA PROJECT (S. DOC. NO. 123)

Mr. MANSFIELD. 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 18, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on an interim report on the Cutler Drain Area, Florida, central and southern Florida project, requested by a resolution of the Committee on Public Works, U.S. Senate. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

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

NOTICE OF HEARING ON NOMINATION OF INZER B. WYATT TO BE U.S. DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, August 31, 1962, at 10:30 a.m., in room 2228, New Senate Office Building, on the nomination of Inzer B. Wyatt, of New York, to be U.S. district judge, southern district of New York, a new position.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from New York [Mr. KEATING], and myself, as chairman.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Record, as follows:

By Mr. CAPEHART:

Address delivered by Senator GOLDWATER before the Order of AHEPA banquet, in Chicago, Ill., on August 22, 1962.

By Mr. RANDOLPH:

Speech delivered by Senator THOMAS J. DODD, of Connecticut, at the congressional breakfast of the Religious Heritage of America Pilgrimage; and an article appearing in the August 24 issue of the Washington Post and Times Herald concerning the appointment of Ella F. Harllee as Churchwoman of the Year.

ALBERT COATES AND HIS DREAM

Mr. ERVIN. Mr. President, for close to 40 years the State of North Carolina has been blessed with one of the most progressive and enlightened systems of local government in the United States. This superior quality is due in a considerable degree to the work of one man and the institute which he created—the Institute of Government at the University of North Carolina in Chapel Hill, the first facility of its kind in the history of the world.

Saturday of this week, August 25, marks the 66th birthday of the man, Dr. Albert Coates, and September 1 will mark his retirement as director of the institute he founded. Although officially he will leave the Institute of Government, the name of Albert Coates is emblazoned upon the heart of his progeny. The bold and rather shocking proposals that evolved into the Institute of Government undeniably were his originally. However, it is apparent to all of his close friends and associates that the institute is the child of both Albert Coates and his beloved wife, Gladys. They together have nurtured it through infancy and adolescence, and now that it is full grown they step back and pass on the mantle of guidance to those Albert Coates has trained to succeed him. Fortunately, Albert Coates will continue in his position as professor of law at the University of North Carolina Law School.

In 1933, before the institute had come to full fruition and while it was still struggling for recognition even within its own State, President Franklin D. Roosevelt wrote of it:

> The Institute of Government, its purposes and its organization, as conceived and established in North Carolina, has rendered and will continue to render fine service to the State and the Nation. It is my hope that other States will recognize the leadership of North Carolina in what it is doing through this institute and that States having no comparable agency will accept and follow your leadership.

Mr. President, other States have followed North Carolina's leadership in the field of local government, and the institute has succeeded, perhaps beyond the expectations of many of its supporters, but not beyond the expectations of Albert Coates. The institute has rendered

the service President Roosevelt envisaged. Several States presently are providing such services, and about 20 States have now requested information regarding the operation of the institute with, we hope, the idea of promoting similar facilities of their own.

The institute was established to study government at every level from the township to the State, including the best methods for cooperation with the Federal Government. The knowledge thus gained by its highly trained staff is made available to public officials through schools, publications, legislative journals, guidebooks, reference services, and special reports done for the Governor on any requested problem.

Close to 85 percent of the public officials in the State of North Carolina know Albert Coates as the person whose school first introduced them to their new offices, whose publications kept them informed of the most advanced methods of operation, and whose institute kept itself ready at all times to answer any questions that might arise during their terms in office.

Professor Coates approached the problem of popular government by citing the question arithmetic teachers used to ask of their students:

> A frog in a hole 30 feet deep jumps up 3 feet and falls back 2; how long will it take him to get out?

Using this question as a starting point, Coates taught:

> Popular government is in the hole today. Like the frog in the arithmetic problem, it starts out with officers fresh from the people, moves forward with them as they acquire knowledge and skill in the administration of the law, then on subsequent election days drops back to begin again, almost at the beginning, with new and inexperienced officers. Thus, with every rotation of officers in every general election, the continuity of governmental experience is broken. Accumulated government knowledge goes over the wheel to waste. Government is forever in the hands of beginners—who do not always have beginners' luck.

As professor Coates taught his first criminal law course in 1923, he became increasingly aware how little he was actually able to tell his students about what they really needed to know to practice law in their North Carolina communities. The textbooks discussed the philosophies of the law and the Supreme Court decisions, but did not attempt to deal with the hundreds of everyday problems faced by lawyers, justices of the peace, policemen, or clerks of court in the administration of criminal justice. Other courses did not provide practical methods for such necessary duties of government as supervising tax rolls, administering welfare programs, or running the precinct polls on election day. But to teach this material required that the teacher himself acquire a thorough knowledge of the field. So Coates went to the only source from which he could learn—the people elected to enact, administer, enforce the laws and local ordinances. In one county he would work with the police force, then the sheriff's office, the constable, the highway patrol, and later with the Federal authorities. Having mastered the practical application of the laws by the different agencies in one county, he would move to another area and repeat the process all over again. Only after learning his subject in this manner did he feel qualified to teach it to his students. Teaching the law as it actually functioned was one of the main objectives of Coates as he began teaching law at the University of North Carolina.

As he worked his way through the different levels of government, Coates was appalled by the petty jealousies among the different divisions. These jealousies and fears resulted in overlapping functions, waste, lack of cooperation, and general inefficiency. Even worse was the gap he found existing between the people and the governments they elected. He realized that the best method of improving a government of, by, and for the people was to inform and educate the people about the functions of government and the part they should play in it. This he sough to do through the Institute of Government. Other people were not always so sure about the functions of the institute, nor did everyone desire its success. For example, even some departments of the university became concerned that their domains were being invaded and Coates' institute on occasion bore the brunt of jokes, scorn, and ridicule. These were some of the problems Albert Coates confronted as he built the Institute of Government, and these are problems to which he and his wife have devoted 40 years of their lives.

Professor Coates was born in the country near Smithfield, Johnston County, N.C., and was educated at the University of North Carolina and Harvard Law School. He returned from Harvard to the State of his birth, and in 1928, he married Gladys Hall of Portsmouth, Va. She immediately assumed an important role in the life of the nascent institute. They married for love, but that did not prevent him from putting her to work on his dream, nor did it prevent her from helping it become reality. Sometimes I think she might deserve more credit than he. He was obsessed with an idea that drove him and held him as tenaciously as he held it. She married the man and the institute along with him. In the institute itself she was invaluable, working daily without pay and driving with him to his various meetings all over the State so that he could use travel time to prepare for his next lecture at the law school. Mrs. Coates' role can best be summed up by a remark a coed made to her in the institute's library one day:

> For a long time I thought you were Mr. Coates' secretary. And I felt so sorry for his wife.

She has been more than a wife to him.

In shaping his unique creation, Coates became so enamored by the knowledge, experience, and techniques derived from his association with it, that he became convinced that his law school classes also should share its benefits. This new approach to the study of law which he consequently introduced into the classroom was at that time extremely controversial and was the cause of many difficulties for the young professor. During the depression years, he and his wife had to sell their property and move from a house into one room and make many other sacrifices to keep the institute alive. It has been estimated that Coates by the early 1940's had contributed from his salary and other earnings over $40,000 to this project. In raising the money needed to build the institute's original home, Coates pledged half his salary for a number of years. It is, therefore, hard to separate Coates, the man, from Coates, the institute. Their stories are so entwined that they can only be told together. They grew together, they succeeded together, and had they failed, they would have failed together. According to Euripides, "toil * * * is the sire of fame." If this is true, fame could not be denied Albert Coates.

During its faltering years the institute had made a mark which was not to be erased. Its publication, Popular Government, concerning problems and information on local government was widely read; thousands of local officials, from tax assessors to county sheriffs, had been trained through the institute's facilities and by its experts; the university and the State legislature began to recognize its invaluable contribution. In 1935, Roscoe Pound, then dean of the Harvard Law School, wrote:

> I doubt whether anything which has taken place in connection with American government in the present century is as significant as the movement for planned, intelligent, official, and administrative cooperation which began some years ago in North Carolina, and has now taken on enduring form in the Institute of Government.

In 1942, the Institute of Government finally took its rightful place as a legitimate part of the University of North Carolina. Its accomplishments already had established it as an indispensible facility of the State in the minds of those who had taken advantage of its services. Slowly the other departments of the university began to accept the Institute of Government for what it really is. Where the staff of the institute had particular knowledge in an area covered by a course of another department, the staff member was invited to instruct the class for a few lectures, or often he was asked to teach an entire course.

Due, in a large measure, to the interest in government generated by the institute, North Carolinians rank among the Nation's best informed citizens on the activities of their State legislature. A service similar to the Federal Government's CONGRESSIONAL RECORD was begun. At the prompting of Coates, every legislative action, administrative decision or attorney general's ruling was immediately relayed by the institute to the public officials affected. The various and scattered State laws were collected and codified; the institute staff researched and compiled reports on important projects or problems either too complex or too time consuming for the legislators or government officials to handle. It has been said of Professor Coates that he got an idea and became completely obsessed with it. If this was a sickness, his malady was not one "unto death," but a sickness which infused

North Carolina government with a new and more meaningful life.

Since 1942, when the Institute of Government officially became a part of the University of North Carolina, the staff has held hundreds of schools for public officials, published about 100 guidebooks for the use of these officials, conducted 300 special studies, and contributed for publication over 1,400 articles and features in the field of government. In the year 1960 alone, the staff answered 4,800 written inquiries and thousands of oral inquiries pertaining to the administration of local and State government. Between 95 and 100 percent of the cities and counties in North Carolina participate in the services offered by the Institute of Government, and their yearly dues, along with an annual legislative appropriation, provide it with the funds it needs to function.

In 1956 through the efforts of Mr. Coates and a number of other benefactors the Institute of Government was able to leave its already overcrowded building and enter a new million-dollar plant. Its new facility, the Joseph Palmer Knapp Building, was made possible by the generosity of a number of patrons and a half-million-dollar grant from the Knapp Foundation which was matched by the State of North Carolina. Already it is becoming too small to accommodate Coates' constantly growing institution.

A corollary to its growth in plant facilities has been the institute's growth in staff to meet the ever-increasing demands from all levels of government, as well as of institutions and individuals, for information and assistance concerning government operations. The staff has grown from less than 1 full-time employee to approximately 20 full-time staff members today. It is these staff members and a number of benefactors with whom Albert Coates credits the success of the institute.

In accepting an award for distinguished service some years ago Mr. Coates said:

> I accept it in the name of half a dozen men of North Carolina who backed me with their vision and their judgment and gave the sum and substance to a dream.
>
> I accept it in the name of pioneering colleagues—from institute beginnings to this hour—men who have toiled and thought and wrought with me, who ever with a frolic welcome took the thunder and the sunshine, and opposed free hearts, free foreheads to all the lurking hazards of the way.
>
> I accept it in the name of men of the university administration who helped to bring the Institute of Government within the framework of the University of North Carolina.
>
> I accept it in the name of thousands of officials in city halls, county courthouses, State departments, and Federal agencies, who have sustained me through the trials and tribulations of the years; for if I have been privileged to draw the outlines of the Institute of Government, they have filled in its features and breathed into them the breath of life.
>
> I accept it on the common law theory that man and wife are one and the man is the one. I am sure this was the understanding of the givers of this good and perfect gift; and in that understanding I share the credit with the distaff side and commit the cash in toto to her keeping. For if a grateful heart is privileged to miss a beat in the catching of the breath which comes with this award, and in that breathless moment I confess this recognition satisfies a human longing for the only sort of fame I want; then in a spirit that vaunteth not itself, is not puffed up, and would not behave itself unseemly, I will put my feeling in its proper setting and clothe it with a poet's words:
>
> "O fame! If I e'er took delight in thy praises,
> 'Twas less for the sake of thy high-sounding phrases,
> Than to see the bright eyes of the dear one discover
> She thought that I was not unworthy to love her.
> There chiefly I sought thee, there only I found thee;
> Her glance was the best of the rays that surround thee;
> When it sparkled o'er aught that was bright in my story,
> I knew it was love, and I felt it was glory."

This moving statement by Albert Coates is an example of his great warmth and feeling for others and his desire to give full credit to all those who have participated with him in the creation and development of his dream.

When Albert Coates retires as director of the Institute of Government in September, he can look with pride on this monument to him. This unique creation is a product of years of unrelenting dedication, tenacity and plain hard work. I sincerely join in the words of the University of North Carolina's board of trustees at the time they presented him with the Oliver Max Gardner Award in 1952:

> No North Carolinians ever proved greater love for our State and few men or women in our history have rendered such lasting service to our people. May Heaven's blessings attend the great family of Coates always.

Mr. JORDAN of North Carolina. Mr. President, I would like to associate myself with the remarks made by my colleague, Senator ERVIN.

We in North Carolina take a great deal of pride in the fact that our State stands unusually tall in the ranks of responsible government. If we have made a mark of any kind in history, it has been a deep impression of sound and efficient State and local government. For many years good government has been a habit in North Carolina.

What we have been able to accomplish in this connection has been due, in large part, to the leadership of Albert Coates and the Institute of Government.

The history of the Institute of Government in North Carolina is the history of Albert Coates and the history of a dedicated man who overcame many, many obstacles.

Over 40 years ago Albert Coates came to the University of North Carolina as a country boy who wanted to be a teacher. He finished his undergraduate work at the university and went on to Harvard Law School. After completing his work there he returned to the university and started teaching in the law school. While teaching he came to the conclusion that the theory of law and government should be brought into closer company with the practice of law and government. He had a dream that a tremendous public service could be rendered by encouraging those who teach theory, those who make laws, and those who enforce laws, all to learn something from each other.

It was on this proposition that Albert Coates created the Institute of Government. He had a deep conviction that those who teach the law should have some understanding how it is executed. He had a deep conviction that those who made the laws should have some understanding of how they were enforced. And he had a deep conviction that those who enforce the laws should know something about how they were made and taught.

Through the years Albert Coates and the Institute of Government have specialized in just one product—more efficient government. Albert Coates has often said:

> One hundred thousand dollars lost through honest inefficiency is as great a burden to the taxpayer as a hundred thousand dollars lost through conscious fraud.

Although Mr. Coates is officially retiring as the director of the Institute of Government, all of us in North Carolina know that he will keep on teaching good government wherever he goes and whatever he does. It is impossible for us to say thank you enough for the contributions he has made to good government in our State.

FINANCING OF THE UNITED NATIONS

Mr. HUMPHREY. Mr. President, in this morning's New York Times there is a splendid editorial entitled "Paying for Peace." The editorial discusses the importance of congressional action on the matter of financing the United Nations peacekeeping activities.

As all of us know, this is one of the more important issues before the Congress—the Senate having acted favorably on the President's request for authority to purchase United Nations bonds in order to further the United Nations peacekeeping operations, and the other body now having this request under consideration.

It is particularly important that the matter of financing the activities of the United Nations be given additional attention. Later, I hope to be able to discuss in an informative and, I hope, helpful manner, some of the possibilities of improving the financial activities and arrangements of the United Nations. We have been meeting our responsibilities to the United Nations; I wish other nations would do as well. The trouble is that the financing of the United Nations activities has been handled on an ad hoc basis—always an emergency, always a crisis, and always a little short of cash.

It seems to me the time has come for members of the United Nations to give careful consideration to a more permanent and an orderly plan and system of financing the activities of the United Nations, particularly its peacekeeping activities and operations. I hope the Congress will look carefully into this matter. I also hope and urge that the

officials of the United Nations, particularly the Secretariat of the General Assembly, study further means of financing, on an orderly and permanent basis, the peacekeeping activities of the United Nations.

Mr. President, I ask unanimous consent that the New York Times editorial to which I have referred be printed at this point in the RECORD.

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

PAYING FOR PEACE

The United Nations has discovered that 104 or more members cannot live as cheaply as the original 50-odd members. It has also learned that new responsibilities, such as the use of U.N. *police* in the Middle East and the Congo, cost more than the do-nothing policy that killed the old League of Nations.

This is why Acting Secretary General Thant is asking for a larger regular budget this year than last—$4 million larger, for a total of over $86 million. This sum does not include the $10 million a month now being spent in the Congo or the $1,625,000 a month that goes into the Middle East border patrol.

This is also why Mr. Thant has been authorized to raise $200 million in bonds to meet the costs of the Congo affair. Such a device would not be needed if all the members were paying toward the Middle East and Congo costs as the International Court of Justice has held they should. But Russia, most of the Arab States, France, and some others are holding back on one or both, mainly on the peculiar reasoning that a minority should not pay for what it does not approve of, even when a majority votes it.

Finally, this is why President Kennedy seized the opportunity given him by a slanted question at his latest press conference. The inquiring reporter raised the subject of prospective House enactment of a bill authorizing purchase of up to $100 million worth of the U.N. bonds, a measure already passed by the Senate. But what he was apparently after was a guarantee from the President that none of the money would be used to finance atrocities in the Congo.

The President repudiated the insinuation, and properly. It is unlikely that each individual soldier for the U.N. in the Congo has behaved 24 hours a day like a Sunday school scholar. But these men have done a difficult and dangerous job with much self-restraint and with credit to the U.N.

Mr. Kennedy expressed hope that Premier Adoula for the Central Government and President Tshombe of Katanga Province might now reach accord. And he added, as to the U.N.'s financial problem:

"I can assure you that if the United Nations is denied funds, it will mean the collapse of peaceful efforts, not only in the Congo but in many parts of the world."

Are the expenditures for the regular and special budgets of the U.N., and for its scientific and humanitarian specialized agencies, worth while? We may be loath to pick up parts of the bill that Russia and other countries arrogantly refuse to pay, but the most we will pay or invest is not much in comparison with the cost in lost lives or of military hardware that the U.N. may spare the world if it is successful in preventing war. U.N. costs would not even take us or the Russians very far on a journey to the moon.

IMPORTANCE OF SUSPENSION OF NUCLEAR TESTING IN THE ATMOSPHERE

Mr. HUMPHREY. Mr. President, earlier this week I directed a letter to Mr. William C. Foster, Director of the U.S. Arms Control and Disarmament Agency. In the letter I referred to the danger our people are facing because of radioactive fallout. I referred particularly to the fallout of radioactive iodine 131 in the State of Minnesota and in other parts of the Nation.

I hope the responsible officials of our Government realize that a major disaster has occurred in vast areas of the Midwest—economic disaster, as well as a potential health disaster. Cattle in the State of Minnesota—by order of the public health authorities of that State—today are not being fed on pasture or on feed recently grown in our State, but are being kept in barns, under protection, and the feed has to be imported, in order to be sure the milk will not be contaminated by iodine 131, which, if taken in sufficient quantities, cumulatively, will cause cancer of the thyroid, and is particularly dangerous to children.

Mr. President, this is what happens when the world goes crazy and when mankind engages in the sort of suicidal madness of an uncontrolled arms race. The constant contamination of the atmosphere by radioactive fallout is a threat to the living—not only a threat to peace, but also a threat to health. It is death and sickness on the installment plan, rather than death on a moment's notice.

Mr. President, I ask that I may proceed for 2 additional minutes.

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

Mr. HUMPHREY. Mr. President, I shall ask unanimous consent to have printed in the RECORD the letter I have received from Mr. Foster. I have the highest regard for him; and he is doing a very fine job as Director of the U.S. Arms Control and Disarmament Agency. His letter of August 22 is a reply to my request and my urging that our Government take the lead at the disarmament discussions at Geneva and propose a ban on all nuclear-weapons testing in the atmosphere, in outer space, and under water. I do not urge the inclusion of a ban on nuclear testing underground, for we know there are difficulties in connection with the inspection of underground nuclear explosions. Fortunately, such detection means have improved; but there are still problems and difficulties. In addition, it would be necessary to have on-site monitoring and inspection stations close to and in the Soviet Union. But, Mr. President, nuclear testing in the atmosphere can be monitored without on-site inspection stations. It can be detected by our own seismic instruments. I strongly urge that we take the lead in this respect for the rest of the world. Of course this cannot be done unilaterally; it must be done by agreement—by agreement between ourselves, the Soviet Union, Britain, and France.

So, Mr. President, I ask unanimous consent that the letter addressed to me by Mr. Foster, in which he states again in clear and concise terms our policy regarding an agreement, or what we propose in the form of an agreement, on suspension of nuclear tests be printed at this point in the RECORD, in connection with my remarks.

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

U.S. ARMS CONTROL AND DISARMAMENT AGENCY,
Washington, D.C., August 22, 1962.

Hon. HUBERT H. HUMPHREY,
U.S. Senate.

DEAR SENATOR HUMPHREY: Your letter of August 21 properly points out the importance which must be attached to the early conclusion of a nuclear test ban agreement, both from the standpoint of achieving a deceleration in the nuclear arms race and from the standpoint of its opening up the possibilities of progress in broader areas of disarmament.

Since you have followed this subject so closely for so long a time, it is not necessary for me to recapitulate the efforts we have made to achieve agreement and I know you share my own great sense of disappointment at the lack of progress.

As you are aware, the United States has recently modified its position on the control requirements for a nuclear test ban in order to reflect the new scientific factors developed in the extensive research program on seismic detection and identification in which this Government has been engaged. We have recently pointed out to the conference in Geneva that the increase in long-range seismic detection capability has made possible the development of a satisfactory network composed of substantially fewer seismic detection stations than had been originally envisaged under the Geneva system which was agreed with the Soviet Union in 1958. We have pointed out that a detection system consisting of internationally supervised national stations, rather than internationally operated stations, is now feasible.

We have also pointed out that since the number of earthquakes comparable to underground tests of a given magnitude has been substantially reduced from previous estimates, it is possible to envisage a decrease in the number of on-site inspections which would be required to verify the nature of unidentified events recorded by the detection system.

We had hoped that these new developments would materially improve the prospects for successful negotiations in Geneva. Unfortunately, this has not appeared to be the case so far, although I personally, and my colleagues in the executive branch, believe that agreement in this area is so important and so significant for the future that we cannot afford to be deterred from pursuing it with the utmost persistence.

That is why we have not abandoned our effort to achieve a comprehensive agreement which would put an end forever to all nuclear tests. A comprehensive agreement would be the most effective agreement in slowing the arms race and in dealing with the danger represented by the spread of nuclear weapons capabilities to a widening group of countries. The major stumbling block in this effort has been and continues to be the problem of on-site inspection. The U.S. position that on-site inspection is an essential requirement in any control system is a soundly based one. The Soviet Union, however, reversing its previous position on this question, has now stated its unwillingness to accept the concept of objective on-site inspection and has maintained that such inspection could take place, if ever, only at the invitation of the party which might have violated the agreement. The complete unacceptability of this position does not need to be elaborated. It is patently improbable that anyone who had violated the agreement by conducting a clandestine underground test would ever voluntarily invite the inspection which might disclose the violation. The Soviet position obscures the essential scientific point that there is nothing about an underground test conducted in violation of the agreement which would dis-

tinguish it from an innocent seismic disturbance in the absence of on-site inspection. Therefore, there must be a right for an international control organization to have uninhibited capability for random checking on unidentified disturbances. The number of inspections need not be large, but the inspection must be objective.

Although this continues to be the central problem, we have not given up hope that a solution can be found. If it appears that despite the new revisions in the U.S. position an agreement is not forthcoming, we would, of course, consider possible alternatives so that all progress in this area will not be lost. One of these alternatives, as you suggest, is an agreement for an early end to atmospheric, underwater and outer space testing, which can be verified without control posts or on-site inspection in the Soviet Union. The United States has put forward proposals for an atmospheric ban in the past: by President Eisenhower in April 1959 and by President Kennedy in September 1961. In both cases this concept was rejected by the Soviet Union. However, a number of countries participating in the negotiation in Geneva have spoken favorably about such an agreement, and we could not, of course, write off as a foregone conclusion that the Soviet Union would not at some point accept this measure of progress.

Accordingly, while a comprehensive ban remains our first preference and our first negotiating objective, I can assure you that we would not want to bypass any road that offered possibilities for progress. Your most helpful letter and your earlier speeches outline one course of action to which we will continue to give the most serious consideration.

We will continue to keep you informed of developments in this field.

Sincerely,

WILLIAM C. FOSTER.

Mr. HUMPHREY. Mr. President, I regret that the letter does not espouse what I have openly advocated and what other Senators have advocated; namely, the suspension of all nuclear-arms testing in the atmosphere. I urge that we take that step, and that we place before the Soviet Union and the rest of the world our challenge to end these atmospheric tests before the tests end us.

I am of the opinion that our Government ought to reexamine this matter carefully, considering the national interest, national security, and our international responsibilities.

I ask my colleagues in the Senate, What do you intend to do with the people in my State of Minnesota who are today threatened by the contamination of iodine 131 from radioactive fallout? Who bears the responsibility for this contamination of the atmosphere and this threat to life? The State of Minnesota is only one of the many States affected. Regrettably, people do not know very much about this, but ultimately we must find some way of protecting the life and health of our people.

Mr. PROXMIRE. Mr. President, I want to join the Senator from Minnesota in his fervent plea for an agreement to suspend nuclear testing in the atmosphere. He is so right. It is good to hear his strong and influential voice raised on this score. I hope other Senators will join the Senator from Minnesota. There has been far too much criticism of any kind of constructive efforts, under any circumstances, to reach an agreement to suspend nuclear testing.

I realize that such an agreement must be based, without question, on a system of inspection and control that works and gives us assurance, but certainly we should do everything in our power to end atmospheric nuclear tests, which are polluting the atmosphere in Minnesota, Wisconsin, and Iowa. It is going to spread through the country if nuclear tests continue. Of course, we must safeguard our security, but we must do everything within our power consistent with the security of our country to bring about a suspension of atmospheric nuclear testing.

THE NOMINATION OF JUDGE THURGOOD MARSHALL

Mr. JAVITS. Mr. President, I think today should mark the final culmination of the drama which has represented the effort to confirm the nomination of Thurgood Marshall as a judge of the Court of Appeals for the Second Circuit. Another hearing is taking place before the subcommittee. It appears now that the case is clearly made and that the story is now complete. The President has had his say. We have had our say. The subcommittee obviously is in no hurry to deal with this nomination. So it has been made very clear to me that ultimately the Senate, either by direct action or on a motion to discharge the committee, is going to have to deal with this matter.

My colleague [Mr. KEATING], who has fought so magnificently in this struggle, has today released a letter from the American Bar Association showing that all of the questions which are raised against Judge Marshall in the subcommittee hearings have no appeal in the eyes of that association, and the association found every evidence that the nominee has a keen appreciation of the canons of ethics of the American Bar Association and that he has complied with them in every respect and that it received no evidence to the contrary, and unanimously concluded that Thurgood Marshall was well qualified for the Federal judiciary.

Also, I have a telegram from Herbert Brownell, president of the bar of the city of New York, my own hometown, in answer to the argument that Judge Thurgood Marshall is not admitted in New York, and, indeed, a number of States which represent the second circuit. Mr. Brownell, former Attorney General, speaking as the president of the bar of the city of New York, and following the action of the executive committee of the bar association, stated that the executive committee adopted a resolution that the Association of the Bar of the City of New York urge the Committee on the Judiciary of the U.S. Senate to file promptly a report favorable to Judge Thurgood Marshall's confirmation and that the Senate act promptly to confirm Judge Marshall's appointment to the Court of Appeals for the Second Circuit.

The President of the United States remarked that my colleague [Mr. KEATING] and I might have had Thurgood Marshall appointed a judge sooner.

Let me give an example of the differences in the record. As I said yesterday, I do not have to defend my record on Negroes being appointed to higher office, or on civil rights against the President or anyone else. Nevertheless, let us get the facts. Thurgood Marshall was nominated on September 24, 1961. The nomination has been languishing ever since.

Let us look at the record of the Eisenhower administration. As Al Smith used to say, "Let's look at the record."

The following Negroes were appointed to the bench in the Eisenhower administration:

Scovel Richardson, U.S. Customs Court, nominated March 4, 1957, and confirmed April 4, 1957.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The time of the Senator has expired.

Mr. JAVITS. I ask unanimous consent that I may proceed for 2 additional minutes.

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

Mr. JAVITS. Walter A. Gordon, to the U.S. District Court, Virgin Islands, nominated January 17, 1959, and confirmed September 2, 1959.

I do not say President Eisenhower was any more sympathetic to this matter than President Kennedy. I think both men have the same desire and wish, but I only give those facts, first, in answer to the President's feeling about what happened in the previous administration, about which I think he was wrong; and, second, and far more important, to show the comparison with the record on Thurgood Marshall.

I hope the administration and the majority leader in the Senate will not wait until the final days of the session, for that would be unseemly. I think the time for action on the Marshall nomination is no later than the week of Labor Day, which is sufficiently in advance of the time when the Senate apparently will adjourn. I have no doubt that the confirmation will take place, but this has been a hard fight and is a very key question in connection with our national policy. I join with my colleague in the struggle, not only as to Judge Marshall, but to show that we practice what we preach, and that when a man who is a Negro has the eminent and distinguished qualifications to receive this kind of backing from the American Bar Association and the bar of the city of New York, he should get prompt justice at our hands. That is what we have been trying to do.

Mr. President, I have another subject to discuss, but I shall not do so at this time.

INVESTMENT TAX CREDIT INCENTIVE PROVISION PROPOSED IN COMMITTEE

Mr. PROXMIRE. Mr. President, I rise once again to protest the investment credit provision in the pending tax bill. I have already pointed out that this investment credit provision would

result in an extra billion-dollar deficit, in addition to the presently expected deficit.

Second, it is an unwanted subsidy. The great business organizations which testified before the Finance Committee represent to some extent, at least, the thinking of businessmen. The chamber of commerce opposes it. The National Association of Manufacturers opposes it. The McGraw-Hill survey has indicated that business would not use it. The National Industrial Conference Board has indicated the same result. The Wall Street Journal survey also indicates that business would not use it.

It would be a windfall, but it would be a windfall which would have very little results.

There is one other fact I should like to bring to the attention of the Senate. I have overlooked this in my previous statements on the Senate floor, and I think it is most important.

The distinguished Senator from Illinois [Mr. DOUGLAS] and the distinguished Senator from Tennessee [Mr. GORE] have filed very enlightening and informative dissenting views on the tax bill, particularly with regard to the investment credit provision. They point out that the investment credit provision has been sharply changed from the administration's original request. Originally the investment credit provision was designed to provide an incentive for additional investments; that is, if a firm invested $1 million a year for a 3-year period it was to be entitled to get a credit to the extent it exceeded that $1 million in the fourth year. If in the fourth year the firm invested $1,100,000, then the credit would be based on the $100,000 additional investments. In that event it could have been a credit of 20 or 30 percent with a far lesser reduction in Federal revenues.

Mr. President, that provision could have been a substantial incentive. It would have been an incentive for several reasons. First, it would have persuaded firms to increase their investment in plant and equipment. In the second place, it would have provided an opportunity in respect to the greatest handicap toward the growth in our economic system, that is the growth of the small but highly efficient firms.

A competent, scholarly study by Professors Butters and Lintner of Harvard Business School, made several years ago, showed that under the present corporation income tax laws the very efficient and growing firms could not begin to grow as corporations grew in the past because the corporation income tax takes such a huge proportion of their income.

Mr. President, the pending investment credit provision would not provide for that kind of relief. The investment credit provision would provide that all investment—I repeat, all investment, including a reduction in investment—still would receive the investment credit. For example, if a firm invested $1 million a year for 3 years and then reduced its investment—I repeat, cut back its investment—from $1 million to $900,000, the firm still would get the 7-percent credit, which in that case would be a $63,000 reduction in the tax liability.

So, as the Senator from Illinois [Mr. DOUGLAS] and the Senator from Tennessee [Mr. GORE] point out so well in their dissent, this provision would work as a very feeble incentive to business to increase its investment. At the same time it would constitute a billion-dollar drain on the Treasury.

I think this particular part of the dissenting views of Senators GORE and DOUGLAS is so persuasive that I ask unanimous consent that pages 396 through 400 of the report of the Committee on Finance, which embraces the dissenting views of the Senator from Illinois [Mr. DOUGLAS] and the Senator from Tennessee [Mr. GORE], be printed in the RECORD at this point.

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

THE INVESTMENT CREDIT—THE OPENING OF ANOTHER LOOPHOLE

(Dissent of Senators DOUGLAS and GORE)

WHAT THE INVESTMENT CREDIT IS

1. The bill in its present form provides a tax credit of 7 percent on amounts invested in new tangible depreciable property, other than buildings, which is subject to a depreciation life of more than 8 years. There are certain limitations which can be briefly stated: (a) If the life of the property is less than 4 years, no credit will be granted; (b) if the life is from 4 to 6 years, only one-third of the credit (2⅓ percent) will be granted; (c) if the life is from 6 to 8 years, then two-thirds of the credit (4⅔ percent) will be granted. The credit for used property is limited to the first $50,000 of investment.

2. The bill also provides a 3-percent credit for regulated private utilities such as telephone and domestic telegraph, gas, and electric companies.

3. The investment credit can be offset dollar for dollar against taxes owed up to $25,000 but above that amount may not reduce tax liability by more than 25 percent.

4. The Long amendment adopted by the Finance Committee slightly reduces the effect of these tax credits in later years by providing that the basis cost of the asset shall not exceed the value of asset minus the investment credit. Thus, depreciation is limited to 93 percent of the original cost of the asset (97 percent for utilities).

The Department of Commerce estimates that the production of durable equipment in 1961 amounted to $25.5 billion. A 7-percent reduction in this would amount to $1¾ billion annually. This would be reduced in practice by the lower rate for the private utilities, the exceptions listed above, and the Long amendment.

It is probably safe to estimate the initial loss of revenue from this feature of the bill at somewhere between $1.1 billion to $1.4 billion. We personally believe it will amount to not far from $1.3 billion.

This measure is advocated by the majority as a means of stimulating industry to improve its plant and machinery, reduce its costs, and by stimulating investment to expand employment and reduce unemployment.

Here it should be noted that the tax credit originally proposed by the administration was on net additional investment, or the amount invested in industry over and above that allowed for depreciation. There would have been strong grounds for supporting such a proposal or one which would have given the credit to increases in investment over the average for a previous 3- or 5-year period. But during its consideration by the House Ways and Means Committee, this proposal was vulgarized almost beyond recognition. Instead of being a bonus for net additional investment or for increased investment, it was tranformed into a credit for all investment (aside from buildings) or what may be termed gross investment. Thus, if a company invests less than the physical depreciation of its machinery and equipment, it will still get a 7-percent credit, or a 14-percent tax deduction on this gross investment. To repeat, an actual decrease in investment as compared with the years prior to July 1, 1962, will be rewarded.

II. WOULD THE INVESTMENT CREDIT APPRECIABLY STIMULATE INVESTMENT?

In other words, by giving the rewards on average gross investment rather than on marginal net investment any possible stimulus to added investment is greatly reduced and in our judgment is very slight indeed. We are confirmed in this opinion by the results of the McGraw-Hill survey in the spring of 1962. The question asked by McGraw-Hill was as follows:

"If the administration's program of tax incentives for investment were enacted, how much would this increase your capital expenditures in 1962?"

In reply to this, business as a whole indicated that it would raise its 1962 plans by only about 1 percent, or about $300 million. Nine out of every ten companies which replied stated that they would not use such a gram in 1962.

Since the bonus under the proposed investment credit will amount to about $1.1 to $1.4 billion, this would mean that, out of every dollar which the Government will lose in taxes less than 30 cents will find its way into increased investment in American industry. This is a very high price to pay for a little stimulus.

The National Industrial Conference Board made a special survey in late March and early April 1962 of the 1,000 largest manufacturing corporations in the United States to determine what effect the 7-percent investment credit would have upon their capital investment. While the influence of the credit on the plans of the companies varied somewhat from industry to industry, the results were that only 8 percent of those responding said they would revise their capital spending for the balance of 1962 if the credit were enacted by mid-1962. Seventeen percent of the reporting companies said they would increase their investments in 1963 if the credit were enacted by the end of the current session of Congress. But the prospective change in the dollar volume of capital spending in 1963 as a result of the credit would be as small as 1 percent.

As the report of the survey states:

"Overall, the increase in 1963 outlays expected on account of the investment tax credit may be small in relation to its potential. In more than half of the industries covered, moreover, the imputed difference was less than 1 percent."[1]

There are already more than adequate funds available for investment on the part of corporations which they are refusing to use for this purpose. Thus the July 1962 Survey of Current Business, issued by the Department of Commerce (p. 24), shows that in 1961, American corporations had acquired $43.1 billion of corporate funds[2] but invested only $31.3 billion in equipment and inventories.[3] In this 1 year, therefore, they piled up nearly $12 billion in plant and assets. There were also very large accumula-

[1] The Business Record, National Industrial Conference Board, August 1962, p. 19.

[2] Made up as follows (in billions of dollars): Retained profits, $7.3; depreciation, $24.8; sale of stocks, $4.5; sale of bonds, $5.1.

[3] Made up of $29.6 billion in plant and equipment and $1.8 billion in inventories.

tions of liquid assets in preceding years, amounting to about $5 billion in 1960 and an equal amount in 1959.[4] If business conditions did not cause American corporations to invest these huge sums in past years, there is little prospect that the extra bonus of $1.3 billion will be translated into investment. What is more likely to happen is that the overwhelming proportion will also pass into the cash reserves and swell them still further. There would seem to be little prospect that the investment credit will have any real stimulative effect. It will increase the power and wealth of the already powerful and wealthy.

We should also realize that a very large percentage of plant and equipment now lies idle and unutilized primarily because there is not adequate demand for the goods which could be produced at the prices charged.

The McGraw-Hill index of plant utilization is now at approximately 85 percent. Even though the 15 percent which now lies idle is partially composed of a standby reserve or is markedly obsolete, it is still true that the percentage of plant utilized is 5 or 6 percent short of what would be used under full employment. Can it be maintained that, if good machinery and equipment is thus allowed to lie idle because of a shortage in effective demand relative to prices, a bonus on investment would stimulate a still further increase in machinery and equipment? For would not this still further increase the already high percentage of idle equipment?

In addition, it should be realized that, while the purpose of the investment credit is to stimulate economic growth and to help business to compete more effectively in foreign markets, it would in fact be given all the way across the board without regard to the quality or social need for the investment. Thus, the credit would be available for such investments as a new ski lift at Sun Valley or in Vermont, an escalator in a department store, new farm machinery to spread fertilizer on lands which are already overproducing, klieg lights in a burlesque house, and martini-mixing machines in a bar. Other investments of an even more questionable nature would receive the bonus.

It is hard to see how this increases our efficiency as compared with other countries or whether this serves meaningful economic growth.

The 3-percent credit which is to go to utilities would be completely wasted and is wholly unnecessary.

The rate of return of the private utilities is regulated by both State and Federal bodies. If regulation is properly carried out, then any favorable tax consequences of the credit would be offset by reductions in the rates charged to consumers.

If not properly carried out, it would be an outright gift to the private utilities, for it would merely increase their rate of return above that set by the regulatory bodies.

In addition, the 3-percent credit for utilities has nothing to do with other stated purposes of the credit, namely, to help modernize industry or to make it more competitive in world markets.

III. WHO HAS BEEN GETTING THE TAX CUTS?

Let us also note the way in which tax benefits and reductions have been made during these last 8 years. In 1954, accelerated depreciation, with the double declining balance and the sum of the digits methods, was authorized by Congress. This amounted to an initial loss of revenue to the Government of at least $2 billion a year. This went to the industrial corporations and to the industrialists. At the same time the $50 dividend exclusion and the 4-percent credit were passed in 1954, which gave $400 million a year more to the owners of common stocks. This summer the Treasury has issued a new Bulletin F, permitting machinery and equipment to be depreciated much more rapidly. It is estimated that this will reduce business taxes by approximately $1.5 billion a year. All of these taken together comes to just short of $4 billion a year.

Now we have this provision for the investment credit which will give the investors in machinery and equipment at least another $1.3 billion annually. Thus, in 8 years we have decreased the annual tax burden on industry by over $5 billion a year. This, of course, goes to the upper income groups in society who own the overwhelming proportion of the stock of American corporations.

During this period the low- and middle-income groups have received virtually nothing in the way of tax cuts. It is about time that the United States was less partial in its distribution of favors. This is true both on economic and ethical grounds.

IV. INVESTMENT CREDIT A FORM OF THE TRICKLE-DOWN THEORY

The basic way in which investment is stimulated and the economy moved forward is not by granting incentives for increased capital expenditures at a time when the existing plant and equipment is not fully used, but by increasing the demand for the products which the existing plant and equipment can produce which, in turn, will stimulate investment. In other words, the investment credit proposed is really a form of the trickle-down theory of economics which has largely been shown to be ineffective in the past. We believe instead in the theory that purchasing power should be built from the bottom up.

V. INVESTMENT CREDIT OPENS UP ANOTHER LOOPHOLE

Finally, the investment credit would open up more tax loopholes and would be quickly extended to other fields.

As nearly as possible a proper tax system should be neutral in the way it treats both income and expenditures. If we could have an absolutely just tax system it would probably make no distinctions as to the amount of tax to be paid on income or deductions for expenditures, no matter where the funds were derived or for what they were spent. It is the failure to carry out this principle which has so eroded our present tax system and which has made it so unjust.

For example, income from a wage or salary, in general, is taxed at the full rate, but income from oil, or from stock options, or from the cutting of timber, or from dividends, or from gains on the stock market, or from the sale of real property, among others, is taxed at lower rates and has special privileges not afforded to income from a wage or salary.

On the expenditure side, money spent for entertainment expenses, for business expense accounts, including yachts, club dues, and so forth, are deductible from taxable income, while the expenses of an ordinary person driving to and from work, or the payment of rent, or expenditures for the recreation or education of one's children are not deductible. These privileges for deductions and allowances go almost entirely to the strong, the powerful, and the well-to-do, and favor high income groups and unearned income as opposed to low income groups and earned income.

The main purpose of tax reform is to try to modify or to do away with some of these inequities and privileges in the tax laws.

What the investment credit does is to say that for social purposes we should give a special tax privilege for funds used to buy most kinds of depreciable property. At least as good a case can be made that society would be as wise to allow deductions for money spent for the education of children, for a future pension, or for preventive medicine rather than for capital investment.

Every legislator is pressed almost daily by some constituent or interest group to vote for a tax deduction for their particular interest. Once we start on this road it is almost impossible to stop. For this reason alone it is very unwise to give a special deduction for funds which are spent in this particular way; namely, for capital investment. It would be equally unwise to give deductions for most of these other proposals.

If the 7-percent tax credit is allowed on machinery and equipment, it will be only a short time before it will be granted on plant and buildings, and this will amount to another revenue loss of not far from $1.5 billion. Indeed, proposals to this effect have already been made. Residential construction would not be left behind for long and this would take another $1.5 billion away from our revenue. It would also be inevitable that the principle of H.R. 10 would find its way into enactment, and moneys devoted to purchasing voluntary retirement plans would be exempted from taxation. So would expenditures to educate children in college.

The final result would be that only income spent for current consumption would be taxed. This would be a kind of sales tax which would be highly regressive in nature and would weigh proportionately far more heavily upon those with lower or middle incomes than upon those with large resources. State and local taxation is already highly regressive. This is only made bearable by the fact that Federal taxation is progressive and hence introduces a kind of rough proportionality over the range of most incomes. To make Federal taxation also regressive or less progressive would in our opinion be grossly unjust. And yet that is precisely the end result toward which the opening of these loopholes would tend. We cannot acquiesce in these tendencies however well intentioned they may be.

[4] John K. Landrum seems to come to the same general conclusion, although with somewhat smaller increases in liquid funds. See his "Corporate Profits and Cash Flow" supplement to testimony before Joint Economic Committee, Aug. 10, 1962, p. 1.

RETIREMENT OF MAJ. GEN. TERENCE P. FINNEGAN, CHIEF OF CHAPLAINS, U.S. AIR FORCE

Mr. DODD. Mr. President, a distinguished citizen of Connecticut and of the United States is about to retire from the Air Force after 25 years of outstanding service to his country.

The Chief of Chaplains of the U.S. Air Force, Maj. Gen. Terence P. Finnegan, will leave the service on August 31. His devotion to God and country is in the great tradition of our Armed Forces, a tradition which goes back to the foundation of the Republic.

Monsignor Finnegan was at Schofield Barracks in Honolulu during the infamous Japanese attack on Pearl Harbor, December 7, 1941. He worked without sleep for the next 3 days, succoring the wounded, comforting the dying, and evacuating civilians out of the danger areas.

Throughout the war, he was in the Pacific theater, almost invariably in the frontlines; he again served in the Far East during the Korean conflict. Since then, he has traveled to almost every Air Force installation to establish with the officers and men a personal relationship that has done much to make the chaplains service an integral and indispensable part of the education of our young men in the Air Force.

The Air Force moral leadership program initiated by Major General Finnegan has recently been cited by the Senate Subcommittee on Preparedness as

being the best conceived, planned, and executed educational program in the armed services to date.

During his tenure of office, the very serious recruitment problems of the chaplain's service were largely overcome. Monsignor Finnegan established minimum educational standards for chaplains, and almost doubled the strength of the corps, so that the serious shortage of priests, ministers, and rabbis in the Air Force was largely alleviated.

He was substantially responsible for the magnificent design of the Air Force Academy chapel, insisting that the three major faiths should worship under one roof.

Even more important than his organizational achievements are the basic tenets which Monsignor Finnegan has impressed upon the men and officers of the U.S. Air Force. To him, the love of country, of liberty, and of justice has always been inseparable from the love of God; indeed, man's devotion to his country and to his fellow man is directly derived from the precepts of religion. To Father Finnegan, there can be no patriotism, no self-sacrifice, no freedom without the conviction that man's liberty is derived from a higher Being to whom he owes allegiance and life itself, and who is the final arbiter of man's actions.

Acutely aware of the danger which Communist atheism presents to the Western World, he told the graduating class of the Air Force Academy, in June 1960:

> It shall probably be during your lifetime the coming of a decision whether our Western way of life, as we have known it, shall maintain itself and be passed on to your children's children. The world in its long history has seen great crises. The world has been in none greater than this of our day.
>
> There still stands in the balance, and it remains yet to be decided, whether the world of tomorrow shall be the world of godless atheism or whether it shall be to live under the principles of Christ.

Perhaps Monsignor Finnegan's service to his country is best described by the citation accompanying the Distinguished Service Medal about to be awarded to him:

> Chaplain, Maj. Gen. Terence P. Finnegan distinguished himself by exceptionally meritorious service to the United States in a position of great responsibility as chief of Air Force chaplains, U.S. Air Force, from August 15, 1958 to September 1, 1962.
>
> The superb ability, exemplary leadership and selfless dedication displayed by Chaplain Finnegan significantly advanced the moral and religious program of the Air Force.
>
> The singularly distinctive accomplishments of Chaplain Finnegan in this important assignment culminate a distinguished career in the service of his country, and his dedicated contributions reflect the highest credit upon himself and the U.S. Air Force.

THE NEUTRON BOMB

Mr. DODD. Mr. President, there has been a surprising amount of confusion, even in circles that should be informed, on the subject of the neutron bomb. This is unfortunate, because our ability to produce a pure fusion weapon and its practical application to tactical warfare have critical significance for the conduct of the test-ban negotiations in Geneva, for the future of NATA and our relations with our allies, and for our entire national security.

How widespread are the misunderstandings on the question of the neutron bomb and how deep they go was illustrated several months ago in an article written by Mr. William Laurence, Pulitzer Prize winning writer, for the Saturday Evening Post.

I first asked the Saturday Evening Post for permission to reply to Mr. Laurence's article in article form and at the same length. When the editors of the Post replied that this would not be possible, I attempted to deal with the inaccuracies contained in Mr. Laurence's article within the framework of a letter to the editor. This letter, in considerably condensed form, was printed in the Saturday Evening Post's recent issue.

Mr. President, because I consider this question to be of such very great significance, I ask unanimous consent to have printed at this point in the RECORD the uncut version of my letter to the editor of the Saturday Evening Post concerning the feasibility and potential utility of the neutron bomb.

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

JULY 6, 1962.

The EDITOR, THE SATURDAY EVENING POST,
Philadelphia, Pa.

SIR: Mr. William Laurence, in his article in your issue of May 5, questioned the scientific feasibility of the neutron bomb; in effect, he said that it would have no serious military utility if it were developed; and he impugned the judgment of those who have urged a concerted effort to develop the neutron bomb. Among these was the late Thomas E. Murray, one of the most experienced and distinguished members of the Atomic Energy Commission, who, until the day he died, had full access to all material relating to nuclear weapons development.

Mr. Laurence it is clear, does not understand the concept of the neutron bomb. This is revealed by his statement that "it is easier to guard against this thermonuclear weapon, the N-bomb, than against the H- or A-bombs." The comparison is meaningless because the H-bomb and the N-bomb are weapons with totally different applications. The H-bomb is, by its nature, a strategic weapon, a weapon of mass destruction unsuitable for use in the battlefield because it would blot out the very countries we are attempting to defend. The N-bomb, in contradistinction, is conceived not as a mass destruction weapon, but as a tactical weapon which could be used with discrimination in battlefield situations and which, in addition, would provide an effective warhead for the antimissile missile. It would make an ideal defensive weapon (1) because it produces no significant fallout; (2) because it could be tailored for use in a variety of ranges, extending from several hundred yards to more than half a mile; (3) because there would be no effective defense against it; (4) because it would be comparatively cheap to produce.

Mr. Laurence quoted a number of prominent nuclear scientists as challenging the scientific feasibility of the neutron bomb. But there are nuclear scientists of at least equal distinction who are convinced that the neutron bomb can be made, and that we should proceed with its development as a matter of highest priority. Indeed, those experts who are working on the project are of the opinion that the N-bomb can be perfected in highly sophisticated form within a reasonable short time.

One of the scientific authorities quoted by Mr. Laurence was the eminent theoretical physicist, Dr. Hans Bethe. Dr. Bethe belongs to the group of scientists who, understandably, are horrified over the potentialities of the unceasing race in nuclear technology, and who believe that somehow, this race must be stopped. Because they consider this to be of transcendent importance, these scientsists, I believe without exception, all urged that we take the risk implicit in the ill-fated 3-year honor moratorium on nuclear testing. Speaking for this philosopsy when the H-bomb was only a concept, Dr. Bethe once said that the H-bomb should not be made. At a later date, he said that, even if the H-bomb was built, it would not be as effective as an improved A-bomb.

There is another group of scientists who are equally horrified over the potentialities of the nuclear weapons race, but who accept the hard political fact that the Kremlin is out to cut our throats and will never tolerate the minimal measure of inspection essential to any agreement on nuclear testing or disarmament. The stand of this group is that we must run as hard and as fast as we can in the nuclear race because the Kremlin's unbroken record of aggression and dishonesty leaves us with no alternative.

It may be hard for the layman to make up his mind when two groups of equally distinguished scientists take diametrically opposed stands on a project like the N-bomb. But, in general, history demonstrates that those scientists who have said "we can and we must" have far more frequently been correct than those who have said "we cannot" or "we must not," or who have minimized the importance of further technological progress in the field of nuclear weaponry.

Mr. Laurence pursued his argument against the scientific feasibility of the neutron bomb, by tying it in with Project Sherwood, which is aimed at producing industrial power through a controlled fusion process. He quoted Dr. Edward Teller as telling him that he did not expect this goal to be acheived before the end of the century. "Nor, for that matter," continued Mr. Laurence, "does anyone know whether such fusion without fision ever will be possible."

When I read this passage to Dr. Teller over the telephone, Dr. Teller replied as follows: "Because of the rigid classification imposed on the entire question of the neutron bomb, I have never offered any public opinion, either pro or con, on its feasibility or on the advisability of pursuing the project. * * * The comments I have made at various times on Project Sherwood have absolutely no bearing on the neutron bomb for the simple reason that the two projects are unrelated. As for Mr. Laurence's statement that no one actually knows whether fusion without fission will ever be possible, I would point out that in a paper published in December 1958 the Soviet physicist, L. A. Artsimovich, strongly implied that the Soviets, as early as 1952, had been able to produce a neutron-emitting thermonuclear reaction, using a high-explosive trigger."

In questioning the military utility of the neutron bomb, Mr. Laurence is pitting himself against the considered judgment of the Joint Chiefs of Staff, who have carefully weighed the military application of the neutron bomb and are of the opinion that it would be an extremely effective weapon, considerably more effective, in fact, than any tactical weapon developed to date.

As matters now stand, we propose, in any limited warfare situation, to limit ourselves to conventional weapons, at least in the initial stages. But suppose the Kremlin demonstrates its possession of the neutron bomb and employs it for tactical purposes in the first stage of a military encounter at Berlin

or some other point. We would then be confronted with the terrible choice between surrender or escalation to the all-out thermonuclear war which we are seeking to avoid.

The development of the neutron bomb would make war less likely by increasing our defensive capabilities. And, if a limited warfare situation should erupt, the possession of this potent but discriminating and credible tactical weapon, would enable the administration to prevent or at least minimize the possibility of escalation into general thermonuclear war.

THOMAS J. DODD,
U.S. Senator.

CHAOS IN THE CONGO

Mr. DODD. Mr. President, as the Senate is aware, I have repeatedly urged that we abandon the futile policy of force in our dealings with Katanga and that we seek, instead, to find a solution for the differences between the Adoula government and the Tshombe government through the traditional devices and processes of conciliation.

There are some who attempt to justify the policy of force which has thus far produced nothing but chaos in the Congo by arguing that Mr. Tshombe cannot be trusted to keep his word, that he has repeatedly violated agreements into which he has entered. This canard has been so assiduously fostered by the United Nations and, I regret to say, by certain members of our Department of State, that it has come to enjoy a measure of acceptance even by responsible and fairminded editors.

In an editorial in the New York Herald Tribune yesterday morning we were again told—for the thousandth time—that, I quote, "the trouble is that Mr. Tshombe always agrees to proposals but that's as far as he ever goes. A few weeks pass and then one sees again that no progress whatever has been made toward a unified Congo."

I think it important to set the record straight, Mr. President, because if conciliation is to work, it is important to know in advance whether or not the parties to be conciliated have records of good faith.

The most effective answer to the Herald Tribune editorial and to the persistent canards concerning Tshombe's bad faith was, in my opinion, given by the distinguished columnist, Arthur Krock, on the editorial page of the New York Times yesterday. I believe that Mr. Krock's column should be read in juxtaposition to the Herald Tribune editorial, because such a reading will make it apparent how much misrepresentation there has been on the question of the Congo.

Mr. Krock points out that the only two agreements Tshombe is specifically accused of violating are the Coquilhatville agreement of June 1961, and the Kitona agreement of last December.

He points out that Tshombe signed the Coquilhatville agreement under duress after he had been imprisoned for almost 2 months by the Léopoldville authorities, in contravention of the historic immunity of political and military conferees.

And finally, he points out that the Kitona agreement was also the product of duress in the form of military action and political pressure; that the commitment to the loi fondamentale, which had never been ratified and which was only intended to be a provisional document, was at the best questionable from a legal standpoint; and that "Tshombe committed himself to this law by a signature which was sure to prove worthless when the circumstances by which it was obtained became known in Katanga."

Mr. President, I believe that good faith and conciliation have never been given a proper chance in the Congo; and it is from this standpoint that I ask unanimous consent to have printed into the RECORD at this point the editorial from the August 23 New York Herald Tribune entitled, "Tshombe Knows His Bargaining," and Mr. Arthur Krock's column from the August 23 New York Times entitled, "U.N. Chance for Unbiased Congo Showdown."

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

TSHOMBE KNOWS HIS BARGAINING

Moise Tshombe of Katanga is a cool campaigner. He agrees at once to U Thant's proposals for a federal Congo, and even offers to share some of his copper mine revenue with the rest of the country while a constitution is worked out.

The trouble is that Mr. Tshombe always agrees to proposals, but that's as far as he ever goes. A few weeks pass, and then one sees once again that no progress whatever has been made toward a unified Congo.

Nor was it perhaps wise for Mr. Thant to issue his proposals in the form of a threatening ultimatum. It is easy to sympathize with the Acting Secretary General's exasperation, but it puts the U.N. back in the position of a contestant in the struggle, not its referee.

And just how will Mr. Thant enforce the sanctions he talks of? How is he to persuade countries which consume Mr. Tshombe's copper and cobalt not to import any on the basis of what some of them regard as a jurisdictional dispute and others as unwarranted U.N. meddling? The State Department is supporting Mr. Thant's move strongly, but as we have already seen, the State Department possesses lamentably little influence in the financial circles of London and Brussels where the Katanga's mineral revenues are doled out.

Perhaps Mr. Tshombe is at last ready to agree genuinely to a federated Congo under the reign, if not the rule, of Léopoldville. He suggests, for example, that Katanga be given the status of one of the Soviet Union's "autonomous" republics.

This seems like a workable arrangement until we remember he is referring to the power these republics have on paper, not in practice. Their paper power is of course very great, and two of them, Byelorussia and the Ukraine, have independent seats in the U.N.

So if Mr. Tshombe is asking for a U.N. seat for Katanga in return for agreeing to a favorable constitution, he does not for example intend to surrender anything. Mr. Tshombe wasn't born yesterday.

U.N. CHANCE FOR UNBIASED CONGO SHOWDOWN

(By Arthur Krock)

WASHINGTON, August 22.—The definite and detailed offer of negotiation of the Congo impasse by Moise Tshombe of Katanga offers the U.N. and the principal backer of its Congo policy, the Kennedy administration, an opportunity to substitute equitable statesmanship for incessant threats of, and resorts to, armed compulsion. But this will not be possible if Acting Secretary General Thant and the State Department continue to exhibit the bias and the inclination to pursue their anti-Tshombe feud that were again implicit in the following report in this newspaper today of U.N. official reaction to Tshombe's proposal:

"He has entered negotiations more than once but has always found a way to put off a solution of the crisis over Katanga's secession."

This is a sample of the half-truths which have characterized the U.N.-U.S. statements, both on and off the record, since Belgium in 1960 yielded to the pressures from Washington and the Afro-Asian U.N. members and granted independence to the Congo peoples and leaders before they were prepared for it. While it is literally true that Tshombe has balked and repudiated "solutions of the crisis over Katanga's secession," the statement is flagrantly deceptive when unaccompanied by an acknowledgment of the U.N.-U.S. provocations for his actions and that the solutions thrust upon him were ultimatums of total surrender.

He was arrested by the Congo leaders then dominated by Moscow's protege, Patrice Lumumba, when he walked out of the meeting at Coquilhatville that was summoned to ratify the agreement at Tananarive for a loose confederation of the former Belgian Provinces. He walked out because this agreement had previously been abrogated by a new compact between other Congo leaders and the U.N., made without his assent, and because the Coquilhatville conference had been rigged in advance to effect this repudiation of Tananarive. But neither the U.N. nor the State Department made any protest of the arrest.

After the U.N.-Katanga war, Tshombe went to Kitona as one of the understandings on which the bloodshed in his Province was suspended. There he was subjected to combined U.N.-U.S. pressures, in which the American Ambassador was a principal, attended by threats of renewed and more intensive war measures against Katanga unless Tshombe signed an agreement to recommend to his parliament the acceptance of the Belgian loi fondamentale.

This law, governing the Congo in its colonial status, provided for a heavily centralized government at Léopoldville by which Katanga would have much less autonomy than an American State, and the entire revenue from its mineral sources, the only support in the Congo of a viable economy, would be turned over to the wasteful, grossly overstaffed Adoula government. Also, under the loi fondamentale, Léopoldville would unilaterally decide what portion of this revenue would be returned for the maintenance of the provincial government.

THE FORCED SIGNATURE

At Kitona, Tshombe committed himself to this law by a signature which was sure to prove worthless when the circumstances by which it was obtained became known in Katanga. Since then the U.N., on the representation of "peaceful persuasion," has issued a series of threats of compulsion; with the endorsement of the State Department has proposed various economic boycotts and embargoes; but has never put in definite terms the modifications of the loi fondamentale that it has expressed willingness to exchange for the ending of Katanga's secession.

These are but a few of the U.S.-U.N. provocations of Tshombe's devious obstructions by fair means and foul, of his subsequent evasions and rejections of the terms of absolute surrender that the U.N. spokesman yesterday classified as a "solution" of the crisis in the Congo. They belong in any fair and adequate record on which an informed public opinion can be based. This record has been importantly supplemented by the

proposals Tshombe now has tendered—not only definite, but promising as the basis of a real and feasible solution.

These proposals call for a practical test by the U.N. and the State Department in which the good faith of all concerned, or the lack of it by any, will be established persuasively for the first time.

JUVENILE DELINQUENCY PREVENTION PROGRAM SPONSORED BY CLAIROL, INC., OF CONNECTICUT

Mr. DODD. Mr. President, at a time when every day we read in the press about crime and juvenile delinquency in our Nation's Capital, when women are attacked in churches, and tourists assaulted by teenage girls on the very steps of the Capitol, it is a pleasure for a change to report some progress in our fight against this menace. It is good to be able to speak of some new steps that are taken in the right direction.

I am proud today to acquaint my colleagues with a delinquency-prevention project in the District of Columbia developed and sponsored by a business corporation from my own State of Connecticut. Clairol, Inc., a cosmetics firm with its home office in Connecticut, has provided an example that I hope will be followed by industrial and business concerns everywhere.

The program I speak of is operated by Clairol, Inc., in conjunction with the District Government, and consists of 5 weeks of lectures on self-improvement given to a selected number of teenage girls from all parts of Washington. The lectures are delivered by experts in the respective areas, and deal with such topics as personal appearance and grooming, physical fitness, understanding of self and others, discovering one's talents and job opportunities, and understanding the world in which we live. The basic purpose of the project is not only to help the young participants increase their own self-confidence and their social and cultural awareness, but also to develop the leadership qualities of these girls, so they can help other young people in the community to become better citizens.

I applaud the intent of this program, because as chairman of the Juvenile Delinquency Subcommittee, I have learned time and again that it is often those young people who do not know how to handle themselves, who have not learned the rudiments of manners, of grooming, and of conduct, who are the first on the road to delinquency. They have no self-respect, and, thus, no respect for others. They lack the proper bearing and the social skills for coping with even the most elementary problems of community living. Some do not know how to present themselves to a potential employer, because no one has bothered to teach them this procedure. Some do not know what their strong and weak points are, because they have not been taught to take stock of themselves. As a result, they are at a disadvantage in competing for jobs, for recognition and approval in school, and in social activities.

If our community programs can strengthen the personalities of these young boys and girls, if they can raise the level of self-confidence and self-awareness in them, and if such programs can train some of the young people to be leaders, to influence and help their fellows, we shall have made an important contribution to the prevention and control of youth crime. The best help is often not that which comes from some official agency, but, rather, the help and the encouragement received from one's friends and neighbors. The best help in many cases is the chance to help one's self.

The program initiated by Clairol, Inc., seems to afford such a chance; and we can express the hope that this pilot project will be successful and that it will be extended to young people in other communities. Particularly in view of the unprecedented rise in delinquency among girls in the past several years, it is good that the present program is specifically directed toward girls.

But even more commendable is the fact that this project is supported by a business firm. Clairol, Inc., has recognized the responsibility the business community has in helping our youth become productive and constructive members of society. Our free enterprise system has produced a great industrial economy but this economy needs young people to run it and to keep it going. Our industry and business have a stake in American youth; and a recognition of this will bring rewards, not only to the industry, but also to the entire country.

Mr. President, I am indeed glad to see a firm from my State contributing resources and personnel and joining forces with the District government to help the youth of this city, the city that belongs to all the States and to all the citizens of our land. And I am proud to be able to tell my colleagues of the fine work that Clairol, Inc., has undertaken in our Nation's Capital.

MASS TRANSIT SUPPORT

Mr. WILLIAMS of New Jersey. Mr. President, the mass transportation bill, S. 3126, has received widespread support from all parts of the country, and I have received communications in support of the legislation from local governing bodies and civic groups of both large and small communities.

In all these instances, local officials, who understand local problems, have exercised their right of petition in support of a program which they feel is both a sound and a necessary one; a program to allay the public cost and the private torture of traffic congestion in our urban areas.

In addition to these communications, it is worth pointing out that both the Senate and House held extensive hearings, and support was received from all parts of the country and all shades of opinion. The Senate committee heard the testimony of 35 witnesses, and only 2 opposed the bill. The House heard 50 witnesses, with only 2 expressing opposition.

I ask for unanimous consent to have printed in the RECORD a number of resolutions adopted in favor of S. 3126, which has been reported as a clean bill, S. 3615.

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

CHAMBER OF COMMERCE
OF GREATER PHILADELPHIA,
Philadelphia, Pa., May 11, 1962.

Hon. HARRISON A. WILLIAMS, Jr.,
U.S. Senate,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR WILLIAMS: The Chamber of Commerce of Greater Philadelphia strongly supports this bill to provide aid for urban transportation systems and urges that you attempt to obtain its passage into law. We ask that you insert this statement of our reasons into the hearing record on the above bill.

Urban transportation has become a national problem. Of the 20 largest of the Nation's standard metropolitan areas as shown by the latest census, 15 are experiencing transit crises in some manner. Within these 15 areas reside 51.3 million persons, compared with a total of 54.5 million residing in rural areas and 16 million aged 65 or over, numbers of persons affected by two other widely recognized national problems.

In the growing urbanization of this Nation's population, adequate transportation, especially in rural systems, is an absolute necessity for community maintenance and economy. As parts of a total transportation system, they must be coordinated with highway facilities to provide a proper regional network. They must be capable of reaching across natural obstacles such as water and political obstacles such as State lines.

S. 3126 appears well designed and well fitted to achieve these objectives. It covers each of them in what appears to be a practicable manner. It appears to be a bill well suited to achieve all of these objectives.

Special provision contained therein for aiding pilot and demonstration projections, such as Philadelphia's Passenger Service Improvement Corp. and its regionalwide arrangement in the southeast transportation compact can develop experiments and experience from which the whole Nation may benefit. The total benefit to the Nation from enactment of this legislation and its intelligent implementations exceed by far its cost.

We urge your favorable action.

Sincerely yours,

JOHN H. DEMPSTER.

SOMERVILLE, N.J., *May 9, 1962.*

Hon. HARRISON A. WILLIAMS,
U.S. Senator,
Washington, D.C.

DEAR SIR: The following resolution was adopted by the Somerville Borough Council, at its meeting held May 7, 1962.

"Be it resolved by the Borough Council of the Borough of Somerville, N.J., That—

"Whereas the problem of mass transportation in the northern New Jersey-New York area is a matter of vital concern to our economic welfare; and

"Whereas integrated transportation requires rail transportation as one of its components to prevent the billions of dollars of expenditures for highway facilities with its consequent loss of ratables, increased auto insurance costs, high fatalities, additional police and maintenance expense and loss of income by reason of the removal of commuters to areas outside of New Jersey; and

"Whereas the President in his message of April 5, 1962, to the Congress has recommended a comprehensive plan for an integrated transportation system; and

"Whereas S. 3126 introduced in the Senate by Senator HARRISON A. WILLIAMS, of New Jersey, provides for additional assistance for the development of comprehensive and coordinated mass transportation as recommended in the President's message: Now, therefore, be it

"*Resolved,* That the Congress of the United States is hereby requested to act as expeditiously as possible in the adoption of S. 3126 and such other legislation as will implement and put into effect the recommendation of the President contained in his message of April 5, 1962, heretofore referred to, and be it further

"*Resolved,* That copies of this resolution be spread in full in the minutes of the borough council, and copies thereof be forwarded to Senator HARRISON A. WILLIAMS, Senator CLIFFORD P. CASE, Congressman PETER FRELINGHUYSEN, and to the intermunicipal group for better rail service."

Very truly yours,

EDITH A. VARLEY,
Borough Clerk.

PLAINFIELD, N.J., RESOLUTION

Whereas the problem of mass transportation in the northern New Jersey-New York area is a matter of vital concern to our economic welfare; and

Whereas integrated transportation requires rail transportation as one of its components to prevent the billions of dollars of expenditures for highway facilities with its consequent loss of ratables, increased auto insurance costs, high fatalities, additional police and maintenance expense, and loss of income by reason of the removal of commuters to areas outside New Jersey; and

Whereas the President in his message of April 5, 1962, to the Congress has recommended a comprehensive plan for an integrated transportation system; and

Whereas, S. 3126, introduced in the Senate by Senator HARRISON A. WILLIAMS of New Jersey provides for additional assistance for the development of comprehensive and coordinated mass transportation as recommended in the President's message; Now, therefore, be it

Resolved by the Common Council of the City of Plainfield, N.J., That the Congress of the United States is hereby requested to act as expeditiously as possible in the adoption of S. 3126 and such other legislation as will implement and put into effect the recommendation of the President contained in his message of April 5, 1962, hereinbefore referred to.

RICHARD P. DYCKMAN,
Mayor.

TOWNSHIP OF SCOTCH PLAINS, N.J., RESOLUTION

Whereas the problem of mass transportation in the northern New Jersey-New York area is a matter of vital concern to our economic welfare; and

Whereas integrated transportation requires rail transportation as one of its components to prevent the billions of dollars of expenditures for highway facilities with its consequent loss of ratables, increased auto insurance costs, high fatalities, additional police and maintenance expense and loss of income by reason of the removal of commuters to areas outside New Jersey; and

Whereas the President in his message of April 5, 1962, to the Congress has recommended a comprehensive plan for an integrated transportation system; and

Whereas S. 3126, introduced in the Senate by Senator HARRISON A. WILLIAMS, of New Jersey, provides for additional assistance for the development of comprehensive and coordinated mass transportation as recommended in the President's message: Now, therefore, be it

Resolved, That the Congress of the United States is hereby requested to act as expeditiously as possible in the adoption of S. 3126 and such other legislation as will implement and put into effect the recommendation of the President contained in his message of April 5, 1962, hereinbefore referred to.

HELEN M. REIDY,
Clerk.

RESOLUTION BY FREEHOLDER TILLER FOR THE DEPARTMENT OF PUBLIC WORKS

Whereas the problem of mass transportation in the northern New Jersey-New York area is a matter of vital concern to our economic welfare; and

Whereas integrated transportation requires rail transportation as one of its components to prevent the billions of dollars of expenditures for highway facilities with its consequent loss of ratables, increased auto insurance costs, high fatalities, additional police and maintenance expense and loss of income by reason of the removal of commuters to areas outside New Jersey; and

Whereas the President, in his message of April 5, 1962, to the Congress, has recommended a comprehensive plan for an integrated transportation system; and

Whereas, S. 3126, introduced in the Senate by Senator HARRISON A. WILLIAMS of New Jersey provides for additional assistance for the development of comprehensive and coordinated mass transportation as recommended in the President's message: Now, therefore, be it

Resolved, That the Congress of the United States is hereby requested by the Board of Chosen Freeholders of the County of Union to act as expeditiously as possible in the adoption of S. 3126 and such other legislation as will implement and put into effect the recommendation of the President contained in his message of April 5, 1962, hereinbefore referred to; and be it further

Resolved, That certified copies of this resolution be forwarded to the New Jersey Members of the Congress of the United States and to the intermunicipal group for better rail service.

NEW JERSEY BUS ASSOCIATION, INC.,
Jersey City, N.J.

Whereas mass transportation systems in many municipalities of New Jersey are being jeopardized by the deterioration of the bus equipment owned and operated by the common carrier bus companies; and

Whereas said companies are unable to finance the purchase of new equipment because of their financial inability to meet the interest and installment requirements demanded by banking institutions or finance companies; and

Whereas under the provisions of U.S. Senate Bill S. 3126 introduced by Senator WILLIAMS of New Jersey, municipalities will be enabled to obtain loans from the U.S. Housing and Home Finance Administrator which can be used to purchase new buses for operation by said common carriers under lease or management arrangement:

Now, the New Jersey Motor Bus Association, Inc., as the spokesman for the independent bus companies of the State of New Jersey does, on this 8th day of June 1962, express its approval of and give its endorsement to said bill S. 3126 and hereby urges Senator CASE and the New Jersey Members of the U.S. House of Representatives to support and vote for said legislation.

RESOLUTION REQUESTING CONGRESS TO ACT EXPEDITIOUSLY IN THE ADOPTION OF S. 3126

Be it resolved by the township committee of the township of Cranford, That—

Whereas the problem of mass transportation in the northern New Jersey-New York area is a matter of vital concern to our economic welfare; and

Whereas integrated transportation requires rail transportation as one of its components to prevent the billions of dollars of expenditures for highway facilities with its consequent loss of ratables, increased auto insurance costs, high fatalities, additional police and maintenance expense and loss of income by reason of the removal of commuters to areas outside New Jersey; and

Whereas the President in his message of April 5, 1962 to the Congress has recommended a comprehensive plan for an integrated transportation system; and

Whereas, S. 3126, provides for additional assistance for the development of comprehensive and coordinated mass transportation as recommended in the President's message: Now, therefore, be it

Resolved, That the Congress of the United States is hereby requested to act as expeditiously as possible in the adoption of S. 3126 and such other legislation as will implement and put into effect the recommendation of the President contained in his message of April 5, 1962, hereinbefore referred to.

RESOLUTION OF THE COUNCIL OF THE BOROUGH OF FANWOOD, N.J.

Be it resolved by the mayor and Council of the Borough of Fanwood, That—

Whereas the problem of mass transportation in the northern New Jersey-New York area is a matter of vital concern to our economic welfare; and

Whereas integrated transportation requires rail transportation as one of its components to prevent the billions of dollars of expenditures for highway facilities with its consequent loss of ratables, increased auto insurance costs, high fatalities, additional police and maintenance expense and loss of income by reason of the removal of commuters to areas outside New Jersey, and

Whereas the President in his message of April 5, 1962 to the Congress has recommended a comprehensive plan for an integrated transportation system; and

Whereas S. 3126, introduced in the Senate by Senator HARRISON A. WILLIAMS, of New Jersey, provides for additional assistance or the development of comprehensive and coordinated mass transportation as recommended in the President's message: Now, therefore, be it

Resolved, That the Congress of the United States is hereby requested to act as expeditiously as possible in the adoption of section 3126 and such other legislation as will implement and put into effect the recommendation of the President contained in his message of April 5, 1962 hereinbefore referred to; be it further

Resolved, That a copy of this resolution be sent to the New Jersey Members of Congress and intermunicipal group for better rail service.

JOHN H. CAMPBELL,
Clerk.

RESOLUTION OF THE BOROUGH OF BOUND BROOK, N.J.

Be it resolved by the Borough of Bound Brook, That—

Whereas the problem of mass transportation in the northern New Jersey-New York area is a matter of vital concern to our economic welfare; and

Whereas integrated transportation requires rail transportation as one of its components to prevent the billions of dollars of expenditures for highway facilities with its consequent loss of ratables, increased auto insurance costs, high fatalities, additional police and maintenance expense, and loss of income by reason of the removal of commuters to areas outside New Jersey; and

Whereas the President in his message of April 5, 1962, to the Congress has recommended a comprehensive plan for an integrated transportation system; and

Whereas S. 3126 introduced in the Senate by Senator HARRISON A. WILLIAMS of New Jersey provides for additional assistance for the development of comprehensive and coordinated mass transportation as recommended in the President's message: Now, therefore, be it

Resolved, That the Congress of the United States is hereby requested to act as expeditiously as possible in the adoption of S. 3126 and such other legislation as will implement and put into effect the recommendation of the President contained in his message of April 5, 1962, hereinbefore referred to.

ANTHONY L. CURCIO,
Mayor.

RESOLUTION OF THE COUNCIL OF THE BOROUGH OF ROSELLE, N.J.

Be it resolved by the mayor and Council of the Borough of Roselle, That—

Whereas the problem of mass transportation in the northern New Jersey-New York area is a matter of vital concern to our economic welfare; and

Whereas integrated transportation requires rail transportation as one of its components to prevent the billions of dollars of expenditures for highway facilities with its consequent loss of ratables, increased auto insurance costs, high fatalities, additional police and maintenance expense and loss of income by reason of the removal of commuters to areas outside New Jersey; and

Whereas the President in his message of April 5, 1962, to the Congress has recommended a comprehensive plan for an integrated transportation system; and

Whereas S. 3126, introduced in the Senate by Senator HARRISON A. WILLIAMS, of New Jersey, provides for additional assistance for the development of comprehensive and coordinated mass transportation as recommended in the President's message: Now, therefore, be it

Resolved, That the Congress of the United States is hereby requested to act as expeditiously as possible in the adoption of S. 3126 and such other legislation as will implement and put into effect the recommendation of the President contained in his message of April 5, 1962, hereinbefore referred to; be it further

Resolved, That the borough clerk be and she is hereby directed to forward certified copies of this resolution to the U.S. Senators from New Jersey and to all New Jersey Members of the House of Representatives, together with a copy to the intermunicipal group for better rail service.

JAMES G. ARGYROS,
Mayor.

BOROUGH OF GARWOOD,
Union County, N.J.

Whereas, the problem of mass transportation in the northern New Jersey-New York area is a matter of vital concern to our economic welfare; and

Whereas integrated transportation requires rail transportation as one of its components to prevent the billions of dollars of expenditures for highway facilities with its consequent loss of ratables, increased auto insurance costs, high fatalities, additional police and maintenance expense, and loss of income by reason of the removal of commuters to areas outside New Jersey; and

Whereas the President in his message of April 5, 1962, to the Congress has recommended a comprehensive plan for an integrated transportation system; and

Whereas S. 3126, introduced in the Senate by Senator HARRISON A. WILLIAMS of New Jersey, provides for additional assistance for the development of comprehensive and coordinated mass transportation as recommended in the President's message: Now, therefore, be it

Resolved by the mayor and Council of the Borough of Garwood, County of Union, State of New Jersey, That the Congress of the United States is hereby requested to act as expeditiously as possible in the adoption of S. 3126 and such other legislation as will implement and put into effect the recommendation of the President contained in his message of April 5, 1962, hereinbefore referred to.

Approved:

I. GEORGE CASABONA,
Mayor.

HOUSING FOR THE ELDERLY

Mr. WILLIAMS of New Jersey. Mr. President, among the many accomplishments of the Kennedy administration, one of the most important is the new lift that has been given to the efforts to deal with the critical problem of providing decent housing for our growing number of elderly families.

I am sure many Members will be as gratified as I was to learn that the Housing and Home Finance Agency has accepted and programed as many applications for elderly housing in 1961 as it did in the 5 previous years combined.

Last month, Mr. Sidney Spector, Assistant Administrator in charge of the various housing programs in this area, gave an excellent review of the programs now available, the progress that is now being made, and the philosophy guiding the efforts of the Housing Agency to make the golden years of retirement a bit more of a reality.

Particularly encouraging is the Agency's recognition, as expressed by Mr. Spector:

Aging is an individual matter of infinite and ineffable variety. There is the widest conceivable variation in needs, capabilities, desires, and characteristics. We are, therefore, determined that we must not allow rigidities and dogmatisms to dominate our Federal housing programs. Rather, they must meet a wide range of desires and needs and must do so flexibly, imaginatively, and with periodic evaluation of the results being achieved.

Mr. President, I ask unanimous consent that this speech, given to the National Council on Aging, Institute on Housing for the Elderly, in Glenwood Springs, Colo., July 15, be included in the RECORD at this point.

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

HOUSING: SHELTER, SHOWCASE, OR LIVING ENVIRONMENT

(Address by Sidney Spector, Assistant Administrator, Housing for Senior Citizens, Housing and Home Finance Agency, to National Council on Aging, Institute on Housing for the Elderly, Glenwood Springs, Colo., July 15, 1962)

This is a most important institute. In many ways it deserves the term "historic." For the first time in my knowledge we are holding an intensive, systematic set of seminars on the total problem—sponsorship and management—of this new, exploding, field of housing for America's senior citizens.

And we are doing it under the most significant and important sponsorship. We in the HHFA were delighted and eager to join in supporting an institute on this subject initiated by the National Council on the Aging, the Metropolitan Denver Conference of Non-Profit Housing for the Aging, and the National Association of Housing and Redevelopment Officials and supported further by the Department of Health, Education, and Welfare. It is an area where we not only have a human interest, but in which we are handling an investment of over a billion dollars. The proper sponsorship, effective planning and prudent management of this investment is a matter of major concern and one which all of us need education and understanding.

The composition, program and setting for this institute are most auspicious. I wish Dr. Weaver were here to deliver his own address, but, as he wrote to Beverly Diamond, the events in Washington have made it absolutely impossible. He is interested in this institute and has insisted on good representation at its sessions. With Commissioner Sidney Woolner, Commissioner Marie McGuire, Bill Hughes, Flora Hatcher, and Abner Silverman, you can do no better and we will all give him a detailed report on our proceedings.

But I want to begin at the end—by speaking about the last years of life.

This is a subject we joke about in public but worry about in private. The fear of age, deterioration, and death is the one fear that unites us.

Ideally we would like to view our old age as Huck Finn viewed his own funeral; just walk in, say it was a mistake, and thank everyone for coming anyway. But, if we were like Huck, each time we would want to repeat this; to see if the crowds were any larger, the praise any louder, the tears any wetter. We find this amusing and whimsical.

But, what about the people who now are in their old age? Do they find much whimsy and amusement? I think not. For, despite all of our stereotypes about the goldenness of old age, it is today's senior citizens who know it personally, who feel it in their souls, their arms, their legs, their brains; for whom old age is the final emptiness before the void.

One of the greatest measures of civilization we have thought is the degree to which it is concerned about its older members. We have made many advances on the scientific and humanistic fronts and we thought that we had altered our yardstick of measurement from the social Darwinist theory of survival of the fittest to a new index, that of survival of the weakest—to insure survival of all.

Yet in many ways, we in our "civilized society" seem lower on this index than some of the more primitive cultures. Our tendency to isolate our senior citizens psychologically through rejection, and physically through institutionalization, stands in sharp contrast to the pattern of some nonliterate societies. Too often we witness the sinister syndrome of the typical older person in our culture—unwanted and unrecognized. He is put on the shelf and assigned a passive role, not expected to make any positive contribution to the community. Finally, alone in Burgess' "roleless role" he may become senile, and consigned, often because there is no other available facility, to a mental hospital. For ours, we boast, is a youthful, virile society with little room for slow moving noninnovating aged.

The aged today, as a group, are deprived of meaningful contribution through lack of social expectation. They have become the victims of civilized Darwinism.

It is civilized Darwinism because we are not so brutal, or perhaps so honest, as some of the primitive tribes. We don't solve the problems of aging as some nonliterate cultures do by placing a dependent grandfather in a canoe, sending the canoe down the river and letting the alligators dispose of the problem.

But neither are we as progressive as some of the primitive societies that place older citizens on a higher level as advisers, as judges, like the Sanhedrins of ancient Israel. Instead, often we tell ourselves that older persons want to disengage and should do so; besides they are hard to live with and by leaving them in solitude we are actually helping them.

In many ways we as a nation are encumbered by a combined philosophy of "Uncle

Tom's Cabin" in which we let our problems grow like Topsy, and of Alice in Wonderland where events seem to have us moving two steps backward for every one we take forward.

However, there is a new administration in Washington with a new Administrator of the Housing and Home Finance Agency, Robert C. Weaver, deeply concerned with the needs and aspirations of America's senior citizens. And in 1961, we took some major steps forward.

As a result of the Housing Act of 1961, of President Kennedy's leadership and direction, the inspired commitment of Administrator Robert C. Weaver, the Housing and Home Finance Agency now has a set of major instruments with which to begin the attack on the housing needs of America's senior citizens. If this administration does not establish a dramatic milestone in the history of improving the conditions of our older citizens, then a great opportunity will have been lost.

As I shall describe in greater detail, we now have techniques in the armamentarium of housing to apply therapies from a many-sided approach—just as the needs themselves are many sided and individual. The Nation now has available:

For the very low income senior citizens, a substantial expansion in public housing.

For those who are able and wish to own their own homes, liberalized financing methods for home purchase.

For moderate and higher income groups, mortgage insurance for both profit and nonprofit motivated rental housing through the private lending market.

For the lower middle income group, direct loans at low rates of interest on a long-term basis.

For those wishing to rehabilitate existing homes, liberalized means of financing through long-term mortgage insurance.

For those concerned with nursing homes, easier techniques of financing the construction of skilled nursing homes.

However, these major legislative steps only authorized movement. The basic question was one asked many years ago by Rudyard Kipling:

"'Ye have read, ye have heard, ye have thought,' he said,
And the take is yet to run:
By the worth of the body that once ye had,
Give answer—what ha' he done?"

The speed with which these programs moved forward in 1961 is a dramatic demonstration of the intensity of need and the commitment of this administration. The Housing and Home Finance Agency had as much business in the single calendar year of 1961 as in the previous 5 years combined.

Applications accepted and programed for rental units in 1961 totaled 44,353 approximately equal to the 44,602 units accumulated from 1956 to 1960. As of May 31, 1962, the total volume of applications had reached almost 109,000 units for an approximate total dollar value of $1.3 billion.

Of greater significance is the volume of actual commitments made by our constituent agencies for senior citizens housing. In 1961 commitments were issued for 22,483 rental units, which was more than double the 10,623 issued in 1960. The total of commitments for 1961 alone was about 80 percent of the combined figures of the entire 5 years. As of May 31, 1962, total cumulative commitments were for close to 59,000 units, or an estimated total $718.5 million.

A considerable interest thus has developed into a surging momentum and now is the time to take advantage of this momentum to insure for senior citizens the opportunity of selecting housing in accordance with their needs and desires.

This complex of legislative authorizations provides a balanced set of methods for accelerating a sound program of housing—new and rehabilitated, subsidized and insured, private and public, low and moderate incomes.

HOUSING FOR SENIOR CITIZENS: A SPECIAL PROBLEM

It is sometimes asserted that the aged of this Nation do not constitute a special category, but rather have the same order and kind of problems as the rest of the population. In the housing field, this stereotypical concept implies that housing for older persons should not be viewed as a separate problem, but that by solving the housing needs of the Nation as a whole we will automatically take care of the older population. In theory and over the long run, this is doubtless true. Fortunately, however, the American approach has been one of practical wisdom. We have attacked problems when and where they were the most critical and have made immediate ameliorations to the extent necessary and possible. We have not permitted suffering today while we carry tomorrow's objectives to their logical, often absurd, conclusions. With the aged, this is even more pressing and valid. For them, the adage which Keynes made famous—namely, "In the long run we shall all be dead"—is no empty epigram but a foreseeable reality, which presses for immediate response.

But it is not only the time factor which induces special, accelerated action to meet the housing needs of older persons. It is the fact that a whole series of problems converge with age and although they are similar to problems at any age, their incidence is so extensive and their frequency so much higher that they combine to form a special set of problems for national attention.

OBJECTIVES IN SENIOR CITIZEN HOUSING

The programs of housing for senior citizens administered through the Housing Agency are designed to help sustain the dignity and maximum independence of the individual older person. Housing for senior citizens cannot be molded into a single pattern, but should offer a wide range of opportunities for the maximum exercise of free choice of living arrangement.

This objective can best be attained by continuing in the retirement years the contributions and close relationship to the community which the older person enjoyed during his working years. The policies of the Housing Agency, therefore, encourage senior citizens housing in a neighborhood where the residents can participate in community life with neighbors, children, and friends. Older persons often desire and need to live together and to profit from the company, interests, and support of their age group. But they also desire and need to be part of the life of the larger community containing people of all ages.

Thus, the site of a development for housing older persons may be in the downtown area of a city, in a suburb, or in a small rural community. But, whatever location may be found desirable, it should promote and facilitate participation in general community activities.

The process of aging also carries with it physical and psychological changes, which often involves diminution of capacity. To attain dignity and independence under these conditions the structures require a physical and social design which permits an older person to continue living safely in his own apartment. When a disability occurs, the elderly person should be able to obtain suitable accommodations. Housing Agency policy is designed to achieve these ends to the extent possible.

Closely connected with these factors is the general need to assure the accessibility of health and welfare facilities related to successful living in the retirement years. Here again the location and site of a housing project are of basic importance in insuring the availability of community health resources.

Housing for senior citizens should also be accessible to senior centers, and other community groups, thus encouraging social relationships as avenues to greater participation in community activities. Senior citizens should have an opportunity not only for recreation but for work as hospital aids, homemaker assistants, teachers, counselors, civic volunteers, and for other part-time employment—paid or unpaid.

Older persons want to be near the life and excitement of daily living. The retirement years are meant to be busy and active years, but at an individual's own direction, discretion, and pace. Thus, their housing should be close to good public transportation, adequate shopping facilities, and churches. It should be easily accessible to the educational and cultural centers of the community.

Senior citizens need to mix with their neighbors, in order to have social contacts which may help to compensate for the loss of spouse and friends and to counter their tendencies to withdraw from activity. This requires creative skill in physical design to encourage, through the structural arrangements themselves, the informal groupings, the active subgroups, and the identification of new family relationships so important to the retired older persons.

Older persons, like everyone else, need to feel proud of their apartments and buildings. Housing Agency criteria, therefore, call for imaginative design, good site, suitable size of units, and beauty in architecture and furnishings.

In the development of housing for senior citizens encouragement is given in the programs of the Housing Agency to achieving these objectives. Sponsoring groups are further advised that housing for senior citizens should be consonant with overall plans for community growth. Programs of local planning, health, and welfare agencies are also considered. More favorable consideration is given to those applicants who relate their housing projects to community health care services.

The Agency emphasizes the achievement of a proper relation between the cost of good, enduring construction with low maintenance costs for the life of the loan, and the attainment of the lowest possible rental charges.

In brief, the objectives of our national housing policy are to assist in filling the need for good housing adapted to the physical, psychological, and economic changes which take place with age: housing designed to achieve independence and dignity; housing which the aged can afford; housing which nurtures and promotes self-respect and usefulness in the retirement years.

THE AGED: A SPECIAL HOUSING PROBLEM

Twenty-one million people are now 62 and over, and by 1980 we expect at least 30 million in this age group. The over 65 population increases at a net rate of 400,000 each year.

Perhaps even more thought provoking than the overall numbers involved is the fact that already one out of three persons reaching the age of 60 has a parent or close relative over 80 to be concerned about. In just 40 years this ratio will rise to two out of three. Then our society will have the unique challenge of meeting the housing needs of not one but two generations of senior citizens.

As an indication of how fast our senior citizens population is growing, it may be noted that while the general population increased only 19 percent from 1950–60, the group over 65 rose 35 percent and the age group 85 and over increased more than 60 percent.

It is true that most older people are mobile and able to care for themselves with a

minimum of help. However, 8 out of 10 do have one or more chronic illnesses and older people do spend twice as many days in hospitals as those under 65. Thus, as constrasted to detailed provision of, access to medical facilities is a basic consideration in planning housing for the elderly.

While not a homogeneous economic group, the aged tend to be in the low or moderate income categories with median money incomes about 50 percent of those under 65. Thus, more than one-half of the aged families have annual incomes of less than $3,000 per year and about one-third have less than $2,000 per year. On the other side, of course, one-half of the aged families have incomes of more than $3,000 per year. About one-half of the single aged persons have annual incomes of less than $1,050 per year. Housing for senior citizens must relate particularly to their income levels and to the relative inflexibility of their income potentials.

With the cessation of regular employment, and the end of years occupied by raising and educating a family with associated activities, many older people find themselves lacking in clear purpose. Yet on the average they face 14 years of life expectancy after retirement and thus need new activities to fill their days.

This is the period when children have left home and when the death of a spouse occurs most frequently, leaving serious social and emotional vacuums. Almost one-half of the aged are either widowed, separated, divorced, or single; a total of about 8 million senior citizens thus live alone. They are subject to social isolation, lower incomes, and unsuitable living arrangements.

About two-thirds of the aged now live in their own homes. A large portion of them have lived in these homes for 30 years or more, after having purchased them to house their young and growing families. They face problems of rising maintenance expenses, higher property taxes, and major repairs at a time when their physical capacities are substantially reduced and their family incomes halved. At this stage much of the existing housing occupied by senior citizens is too large, too old, too costly, or too inefficient and unsafe for the changes which occur with age.

Additional data are required to identify the national needs of elderly persons, and special studies are required for particular areas. However, there are now some indices which are helpful. Data are now being provided by the special tabulations processed by the U.S. Bureau of the Census under contract arrangements with the Housing Agency. These tabulations have been financed by the appropriation of $125,000 authorized by the Congress last year.

For the first time we will have detailed data on the kinds of housing older persons occupy, the cost, room size, and quality of housing, their incomes, and their status of dependence or independence. A preliminary analysis of these special tabulations has been completed and will be published in a series of reports very shortly.

Preliminary data from the special Census Bureau tabulations indicate that over 19 percent of the households in which senior citizens live are substandard in that they lacked private bath, toilet, or hot running water, or were structurally deficient. These substandard units do not include those which—while basically standard—may not be suitable for older persons, because they are too large or too costly to maintain.

The data do not include the 17–20 percent of the aged who do not live in their own households but live, as dependents, with their children or others in generally standard housing. Current research provides evidence that senior citizens generally prefer to live independently if they can. In most cases desperately low incomes or poor health, or both, compel a parent to move in with children.

A recent study by the Cornell University Center for Housing and Environmental Studies analyzed the quality of housing of a national sample of persons receiving social security benefits in 1960. The results of this research study indicated the following:

1. Forty percent of older persons were living in houses built 51 years ago and an additional 40 percent were living in houses built between 30 and 50 years ago.

2. The aged in poorer health tended to occupy the poorest housing.

3. Approximately 45 percent of all aged households were classified as being in "need of better accommodations" based on the quality of the housing and the living arrangements of individuals who were dependent on their relatives.

These are the basic large considerations which relate to the condition of senior citizens and to their living arrangements. There are other factors which social gerontologists could list such as increasing social isolation, progressive reduction in strength, increasing social distance between generations. But for the formulation of national policy, the elements of retirement, income, health, and marital status constitute the crucial four horsemen of the later period of life.

TYPES OF FEDERAL PROGRAMS

Despite the relatively higher frequency of the above trends in older age, I cannot stress adequately enough the need to be constantly aware of the fact that aging is an individual matter of infinite and ineffable variety. There is the widest conceivable variation in needs, capabilities, desires, and characteristics. We are, therefore, determined that we must not allow rigidities and dogmatisms to dominate our Federal housing programs. Rather, they must meet a wide range of desires and needs and must do so flexibly, imaginatively and with periodic evaluation of the results being achieved.

The aging process is a gradual and dynamic one affecting individuals at different times, in different places, in different ways. No facet of aging strikes everyone at the same time and thus no generalization has more than a partial validity. It often results in an approach of ubiquitous ambiguity, but this is the nature of man in society.

The diversity of these needs, fortunately, is now matched by the availability of a multifaceted group of programs which I mentioned earlier in this paper. I should like now to review each of the programs. Many of them are new and verbalization today will have to be tested by action tomorrow. But this is the test which all of us are willing to meet.

Low-rent public housing

The great surge forward in the provision of senior citizen housing has been reflected dramatically in the public housing program, where during fiscal 1962, over 12,200 units, or 53 percent of all dwelling units placed under annual contributions contracts in that period, are designed specifically for the elderly. Increasing interest and activity are evidenced by the fact that during the six-month period ending March 31, 1962, 48 out of the 62 newly created local housing authorities included plans for housing senior citizens.

Over 100,000 units or more than ⅕ of all public housing dwellings are occupied by elderly families, and ⅓ of all local housing authorities have included some units for senior citizens in their programs.

Public housing projects are marked also by the inclusion of activity centers of great variety. This indicates an understanding of the need for an active life as well as a safe and secure one. These activity centers, often the first of their kind in a community, embrace recreation, education, preventive health and other facilities. Their operation involves many local and State organizations. Thus, through the combined and coordinated efforts of housing and community officials, we can be optimistic that the low-income elderly, a large majority of whom have only a State pension or a limited social security income, may not only be housed in comfort in their later years but may find fulfillment through daily association with persons of their own ages and citizens of the community.

A number of excellent examples of community center design and program structure have resulted from public housing study and experience in this field.

FHA mortgage insurance

As of May 30, 1962, the Federal Housing Administration had 193 active projects representing 29,712 units and mortgage insurance in the amount of $334,759,019. Of these:

1. Sixty-eight projects were finally endorsed for mortgage insurance and occupied, providing 7,256 units and mortgage insurance in the amount of $69,444,521;

2. In addition to the finally endorsed projects are 88 projects with 13,157 units which have been initially endorsed for insurance or committed for insurance in a total of $157,267,300, more than two-thirds of which are under construction, some completed but awaiting final endorsement; and

3. The remaining 37 of 193 projects in active status ("application on hand") have been given feasibility approval and are in process. These represent $108,047,198 of mortgage insurance and would create 9,299 additional units, bringing the total to 29,712 units and $334,759,019 of mortgage insurance.

There were 101 active projects as of January 1, 1961, covering about 4 years of operation. These included 12,550 units; calling for mortgage insurance of $127,928,721.

Properties covered by mortgage insurance under the program have a replacement cost of much more than the mortgage insurance by reason of the fact that many projects have, through gifts and founders' fees, been able to construct housing costing more than the amount of mortgage insured. A tabulation of December 31, 1961, covering 54 completed projects, revealed an average replacement cost on 5,203 units of $11,700.

The range in per-unit cost is great, running from $6,189 up to $28,570 per unit. This range is attributable to the degree of inclusion in projects of special features and amenities such as infirmaries, chapels, social rooms, recreation facilities (indoor and outdoor), and art-craft shops.

All projects under section 231 are built to at least minimum standards adopted by FHA, with particular care to provide for residents the utmost security against fire, special designing for their comfort, health care, recreation, and security against accidents.

FHA nursing homes

Prior to January 1, 1961, there were only 30 applications received representing 2,468 beds with $13,138,760 in mortgage amount. Only 10 commitments had been issued and 2 projects were under construction.

As of May 31, 1962, a total of 179 project applications had been received having 15,397 beds and mortgage requirements of $91,167,823; 108 commitments had been issued. These projects contained 8,861 beds with mortgage amount of $49,360,400. Of the 108 projects committed, 7 had been completed and 49 were under construction.

Nursing homes under FHA commitment in 1961 ranged in size from 39- to 150-patient capacity, the median being 76. FHA regulations require a minimum of 20 beds. FHA regulations, reinforcing most State or local license requirements, also require elevators in all structures of more than one story. One-story nursing homes in 1961 accounted for 71 percent of the projects committed and for 66 percent of the accommodations. Structures with elevators accounted

for the remaining 29 percent of the projects and for 34 percent of the accommodations.

Mortgage amounts prorated according to the number of beds resulted in a median per bed of $5,744. Almost 8 percent of the beds had average mortgage amounts of $9,000 to $10,000, while about 1 percent averaged less than $3,000.

Monthly charges per patient varied from $165 to more than $500 per month, varying generally according to the number of beds per room.

At the present time more than two-thirds of the States have developed one or more projects.

FHA has maintained extremely close and cooperative working relations with the Department of Health, Education, and Welfare, the State Health Agencies and Professional groups.

During the past several months as the national interest in this program has expanded projects beyond the usual nursing home type have been developed. These have included projects for retarded children, alcoholics, and mild mental cases.

The direct loan program

A dramatic program given new stimulus by President Kennedy and the Congress this year is the Senior Citizens Housing Loan Program. The Administrator of the Housing Agency is authorized to make loans directly to private nonprofit organizations, consumer cooperatives and certain public agencies to construct rental housing for older persons whose income is above that for public housing, but still not sufficient for more expensive private housing.

The Housing Act passed in 1961 and signed by the President increased the authorization from $50 to $125 million for this program. It also raised the proportion which the Federal Government could lend from 98 to 100 percent of the development cost. The current interest rate is 3½ percent and the term of the loan as long as 50 years. The program is administered by the Community Facilities Administration and is one which is expected to be used as a model for providing senior citizens housing. Just this week the Administration requested an increase in the authorization for this program from $125 to $250 million and Congressman RAINS has introduced a bill to accomplish this end. You will hear a detailed analysis of this program from its head, Sidney Woolner, Commissioner of CFA.

There was dramatic progress during 1961 and continuing into the first 5 months of 1962 in the amount of business under the direct loan program. Applications filed totaled 103 for $51 million in 1960, 102 for $152 million in 1961 and 49 for $78 million during the first 5 months of 1962, making a total of 254 applications for $284 million since inception of the program. Executed loan agreements totaled 22 for $17 million in 1961 and 12 for $12 million during the first 5 months of 1962.

It is estimated that cumulative net reservations will reach about $180 million by June 30, 1963, and approximately $250 million by December 31, 1963. Of the 254 projects, for $284 million, in applications filed through May 31, 1962, a total of 119 projects for $124.2 million was either rejected or withdrawn. This program in which the Federal Government makes direct loans to nonprofit sponsors requires careful screening and responsible analysis since so many of the sponsors are wonderfully motivated but highly inexperienced in this field. Our staffs in Washington and in the regions work carefully and at great length with these sponsors; they perform many of the planning functions which a more experienced sponsoring group would ordinarily undertake prior to the submission of an application.

In these early stages of the program a great number of applications have been rejected or withdrawn in order to safeguard both the soundness of the projects and the purpose for which the legislation was intended. We have felt that these rejections, while difficult to make, were prudent requirements and will have a direct bearing on the success of the program.

We are now reaching the stage, however, where sponsoring groups are increasing their know-how and we can expect a decreased rate of rejections with a consequent increase in the rate at which applications become fund reservations, executed agreements and completed projects.

Despite this very large number of rejected or withdrawn applications, we had a backlog of applications under review, exclusive of those under fund reservation, amounting to 69 projects for $97.1 million as of May 31, 1962.

MORE EFFECTIVE ORGANIZATION

To insure a coordinated, helpful administration of these programs, Robert Weaver early established a central Office of Housing for Senior Citizens. When this administration came in, we found the different programs had varying and duplicating standards and policies, confusing to architect, builder and public alike. There was no place where an ordinary citizen, church or civic groups could secure information and assistance on an overall basis.

We now have a full-time office, headed by an Assistant Administrator, to devote energy and interest to accelerating the construction of housing for older persons.

We have developed a common, national policy on the objectives of senior citizens housing. The assumptions behind these objectives should undergo rigorous research examination since they represent only the consensus of best thinking—published and unpublished. Essentially, this policy is one which assists in financing that type of housing which sustains independence and dignity, which provides and encourages opportunities for continued relationships with the community as a whole.

We have worked out a common set of standards for our major programs dealing with design and construction. These standards are intended to avoid rigidity, permit imagination and provide for the development of housing suitable for the elderly, while protecting the public interest.

We organized and are operating an information and technical service for sponsors who are often uninformed in the fields of finance and construction. An internal clearinghouse of information on each of the senior citizen housing programs has been developed to minimize duplication of activity, to exchange knowledge and to provide a means by which each constituent agency can benefit from the experience of the others.

With the establishment of this Office, the operating responsibilities of the direct lending program were transferred to the Community Facilities Administration which administers a similar direct lending program for college housing. All of our programs are now decentralized to the field so that service can be local, personal, and speedy.

A national policy concerned with housing for senior citizens must take into account the achievements in housing and community settings, not only among the older generations, but among the younger generations as well. Further, it is of even greater importance that it view the future in terms of the changing expectations of all Americans.

Remarkable advancements in science and technology plus a general improvement in living and working conditions have abetted higher levels of individual health and extended life expectancy. Those achievements have demonstrated the possibility of and encouraged the belief in, a better life—healthier and more meaningful—for everyone. They have impressed these values not only during the young, working lives of Americans, but have set them down as expectations for retirement and old age. For all of us, life under self-respecting conditions has become the natural order of things. Senior citizens of tomorrow may be expected to be more insistent than their elders were, on decent housing in suitable living environments—environments in which they may spend their days in independence and in dignity.

President Kennedy has accepted this goal as his own and will provide the magnetic leadership to stride across this new social frontier with concrete accomplishments. This administration has an appreciation of the aged not as a problem, but as a positive gain of American civilization.

These are exciting and winning times in the field of lengthening life and in the war against deterioration—greater perhaps than in any previous century. We have before us the luminous possibility that a child born today or tomorrow can look forward to a healthy childhood, productive middle years, and a creative old age. And we may repeat the prayer of the great Navajo poet:

"In beauty may I walk
With beauty before me may I walk
With beauty behind me may I walk
With beauty all around me may I walk
In old age wandering on a trail of beauty, lively, may I walk
In old age, wandering on a trail of beauty, living again, may I walk
It is finished in beauty. It is finished in beauty."

NOMINATION OF JUDGE THURGOOD MARSHALL

Mr. SCOTT. Mr. President, the disgraceful delay in acting on the nomination of Judge Thurgood Marshall is described very well in an editorial in today's New York Herald Tribune entitled "Senate's Obligation on Thurgood Marshall."

The hearings on this nomination are an unprecedented example even for this body of procrastination and, to borrow a word from the Tribune editorial, "pettifogging."

Judge Marshall's career is a matter of public record and there can be no doubt of his eminent qualifications for judicial service. He should have been confirmed long ago and would have been if not for the stalling tactics of a few of his opponents. Not a shred of testimony has been presented in the months of hearings on this nomination which casts one iota of doubt on the character, loyalty, and ability of Thurgood Marshall.

The Tribune editorial points out that our colleague, Senator KEATING, whose State is within the principal jurisdiction of the court of appeals to which Judge Marshall has been appointed, has taken the lead in pressing for action on this nomination. It is most regrettable that the President at his press conference recently chose to engage in some partisan sniping at the efforts of the Senator from New York. The truth is that Senator KEATING has always approached this matter without any regard for partisanship and if anything, he deserves the commendation, not condemnation from the administration for his effort to keep this nomination from dying of neglect.

This is another illustration of the White House's unfortunate tendency to

place politics ahead of progress on crucial issues. The only opposition to Marshall of which I am aware comes from members of the President's own party. I hope that the President's remarks will not imperil the solid Republican support which the nomination has had to date.

Mr. President, I ask unanimous consent that the editorial from the New York Herald Tribune be printed following my remarks in the RECORD.

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

SENATE'S OBLIGATION OF THURGOOD MARSHALL

Democratic Senators of the South are doing nothing about President Kennedy's nomination of Thurgood Marshall to the U.S. Court of Appeals.

This is a disgraceful situation. Here we have an eminent lawyer, thoroughly qualified in every respect, and yet the southern Democrats, through their committee control, have held up the confirmation for almost a year.

This stalling in the Judiciary Subcommittee, headed by Senator OLIN JOHNSTON, of South Carolina, is clearly occasioned by the fact that Judge Marshall, a Negro and longtime counsel of the National Association for the Advancement of Colored People, won the Supreme Court victory in the historic 1954 school desegregation cases.

But the temper of the Senate is unmistakably for action, Senator KENNETH B. KEATING, of New York, a member of the full Judiciary Committee, has served notice that he intends to move that the subcommittee be discharged. And if this is blocked by the committee chairman, Senator JAMES EASTLAND, the chronic obstructionist from Mississippi, there is plenty of evidence that traditional respect for committee processes cannot always be endured. The leaders of both parties are determined to get the Marshall question to a vote on the Senate floor.

This is a matter of fairplay and integrity. The pettifogging over Thurgood Marshall's qualifications, which is nothing but racism in disguise, is clearly intolerable. The great majority of the Senate, we feel confident, are fed up with unworthy, subterranean tactics. It is mandatory to approve the Marshall selection on merit.

The PRESIDING OFFICER. Is there further business in the morning hour? There being no further business in the morning hour, morning business is closed.

BALANCE OF AWARDS MADE BY PHILIPPINE WAR DAMAGE COMMISSION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 11721) to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission and to authorize the appropriation of $73 million for that purpose.

STRATEGY FOR THE LONG PULL—TRUE VICTORY

Mr. JAVITS. Mr. President, no issue is more important to Americans at all times than the question of peace and how to preserve it in the presence of the deep conflicts that divide East and West. Our efforts have been directed in large part to the integration of the power of the free world, to help the newly established and developing countries escape the dangers of internal violence and political upheaval on the one hand, and the infiltration and subversion of aggressive international communism on the other hand.

In an address which I delivered earlier this year before the World Affairs Council of Albany, N.Y., I discussed at length many of the problems that confront us both within and without the borders of the United States as a consequence of the great political conflict of our times. I have since supplemented and brought this information up to date and included references to later events. I ask unanimous consent to print in the RECORD my remarks as follows:

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

STRATEGY FOR THE LONG PULL—TRUE VICTORY

No one who analyzes American foreign policy today can help but be overwhelmed by the myriad of forces, the complex challenges and the recurring crises that shape our times.

It seems as if we are constantly living in a sea of troubles.

I wish there were some easy answer to this chronic headache that besets the Nation and all mankind. There isn't. The realities of U.S. foreign policy exist in the fact that the world has undergone revolutionary changes since World War II and that the end of this historical upheaval is nowhere in sight. In the age we live in today, there are no longer only two sides to every question; there are often four sides, and sometimes more.

It has become the vogue among a certain wing of both the Republican and Democratic Parties to meet this situation with a cry for "total victory"—not negotiations, not coexistence, but total victory, and the only alternative to such total victory is alleged to be defeat. Leaders of this group frequently denounce the foreign policies of President Eisenhower and now President Kennedy as a no-win policy. They demand a halt in foreign aid, the end of any channels of communication with the Communist bloc and withdrawal from the United Nations.

I do not believe that they represent the mainstream of American public opinion. But their following is substantial enough to warrant a serious rebuttal. Moreover, they offer slogans that, unless exposed, could catch fire and gravely endanger our security. After all, what American would say he is against "total victory"? Or for a no-win policy? The danger comes in the sweeping adventures, the long-shot gambles and the stark isolationism which these men would have us embark on in order to achieve what they define as total victory.

Their ideas are simple enough—that we should get set to fight whenever some challenge comes along from a foreign power; and that we should say what we want on any major foreign policy issue no matter how difficult or obscure and give our opponents a take-it-or-leave-it ultimatum.

Is this the best way to answer the Communist challenge? It seems to me that those who beat the drums for allegedly quick, decisive moves in our current struggle for freedom are suffering mainly from despair. They cannot bear to face the burdens of the long pull which is required to meet a strong and resourceful enemy, and which offers a real chance to win without atomic war.

I believe they are—and I say this in a strictly philosophical sense—the intellectual cowards of our time, because it takes much more stamina and courage to face a continuing struggle of enormous proportions, involving military, political, economic, cultural, moral, and ideological facets than it does to say, "OK, let's end it all one way or the other, right here and now."

I advocate a policy of true victory—a strategy of the long pull, the burdens of which we must carry in the years ahead.

It is a strategy which accepts the challenge of communism with the courage and determination to meet it by using every instrumentality of our foreign policy—political and economic as well as military; and with a willingness to see it through as far into the future as may be necessary. This is truly the "tough" approach.

It is a strategy which recognizes the chief objective of American foreign policy to be free world integration. The building of an Atlantic community, beginning with a European community which is alone already stronger economically than the Soviet Union, is the most exciting facet of this era. It means we can help the age-old rivalries of Europe, which launched the great wars of the past, give way to a momentous partnership with enormous potential benefit to the free world's mission. It means we must work with this new unified Europe not just for military defense but for economic prosperity through a truly great trade program. It means that we must team up with Western Europe to do a better job at helping the developing nations of Asia, Africa, and Latin America through public and private foreign aid, trade, and technical assistance programs which are truly effective and practical.

This building of free world strength and unity cannot be accomplished overnight, but it is the sure route to the ultimate triumph for freedom for all mankind. We cannot achieve that goal by yielding to archaic protectionist fears or by refusing to help the new nations in the constructive task of building new societies which will ally themselves to the side of freedom.

There are those who complain that our concern for the newly developing nations is, as one of my colleagues said recently, "sluggish sentimentality." But is it in our national interest to ignore their struggle for independence and progress and to push them into the waiting arms of the Communist bloc? I assure you the Communists look upon the underdeveloped areas as an arena of opportunity and they are investing great resources into the struggle to prove to them that their system is superior to ours.

It is significant that none of the 40 countries which have become independent since World War II has chosen communism as a form of government. But these new nations, undergoing drastic social, political and economic changes in this new revolutionary atmosphere, are vulnerable to crisis. It will take patience, skill, insight and resources to deal with their problems so that the free world's cause prevails.

Nor can we let free world interests be damaged by an unwillingness to face the fact that our current trade law is obsolete. We must allow our trade and tariff policy to expand trade, not contract it. This will require that we take the risks of increased competition with the other industrialized nations of the free world. But the alternative policy would stagnate our economy and split the economic power of the free world into factions.

Then there is this matter of withdrawing from the United Nations. Granted the U.N. is an imperfect instrument, and there is perhaps reason for disappointment that as it has enlarged to 104 nations, frustrations have mounted. But it has had enormous successes, too—in restoring order where there has been a breach of the peace, as in

Iran, Indonesia, Kashmir and Palestine; in preventing war-producing confrontation between the big powers, as in the Congo; in helping transform colonies into independent nations at it did with surprisingly little bloodshed in Africa; and in providing a forum where countries can negotiate and exchange ideas.

The United Nations of course does not have the strength to keep the great powers together, but it has had the strength to keep the great powers apart. The strategy for the long pull is not to withdraw from this community of nations, but to help strengthen it and improve its machinery for dealing with threats to peace and for preventing international disagreements from breaking out into open hostilities. That is in our national interest and consistent with the objectives of our foreign policy.

We live in a dangerous era. It is not a time for extravagance nor for irresponsibility. It is a time for discipline and patience. We will have frustrations and setbacks in the years ahead, but if we refuse to be stampeded into misguided adventures, the spirit of what our Nation stands for will guide us to true victory.

Mr. JAVITS. Mr. President, the conflict we are referring to is the struggle between freedom and communism. This is a political conflict and a very real one.

The reason it is so intense right now, aside from its normal dynamics, is that there is an attitude in this Nation being expressed by people who fancy themselves conservatives but are really on the extreme right, who use a slogan which is very misleading and yet typifies the political conflict in which we are engaged. That slogan is "total victory"—whatever that may mean—total victory in the struggle against the Communists.

Now I wish you would bear those words in mind as we discuss the situation, because in my opinion in the coming congressional elections, you will meet this slogan more and more. I do not think the ultraright is going to get very much further in any part of the country than it already has, which is not too far, in the States in which it has made a bid, as in California against former Vice President Nixon. And I do not think it will get anywhere in my own State of New York.

But nonetheless as sometimes happens with movements in the United States which do not necessarily muster great public support in numbers, the ultraright does set a cause for public discussion which is very real and sometimes can be very useful. I believe that the reevaluation of American techniques in the political conflict as represented by the debate with the ultraright is very useful in crystalizing our discussion and very useful in sharpening our own thinking upon these subjects.

Our foreign policy, obviously, can hardly keep from being overwhelmed by the myriad of forces, the complexity of the challenges, the recurring crises that are the hallmark of our times. It must seem to you as it does to me that there is not a moment that one is untroubled, that we are literally living in a sea of troubles.

Now, what is endemic in the American people, obviously, is that they would like to have some answer to this. Americans like to wrap things up and get them done. They do not like them to drag on and leave loose ends.

I wish that I could offer a prescription to the people or to you, but I cannot, because there is not one. There is one prescription which would be real and final—and unthinkable—that is, to issue a set of specifications for the Russians and Communist Chinese, give them a stated time in which to deliver on them, and if they did not deliver, bomb them with atomic weapons and hydrogen weapons.

Now, that would be very final and very decisive. And when you analyze the concept of "total victory," it pretty much leads only to that. This is why it is so dangerous to the thinking of the American people—not that they should not hear it. The people should by all means, hear it as many times as they wish, but it must not be left unchallenged. This is my purpose in this discussion and in many other discussions of a similar character which I have had and will continue to have.

The realities of our situation, which we must understand in terms of the political conflict, is that even if the Russians did not exist, there would be a political conflict. Now, if I leave you with nothing else, may I leave you with that: Even if the Russians did not exist, we would have a major political conflict.

The reason we have a major political conflict is that two-thirds of the world is very poor and also yellow or black and only one-third of the world is white with a generally higher standard of living. Scientists may question whether anybody is truly white or black, but that is neither here nor there. I am using the generally accepted terms.

These people who are yellow or black have for some centuries been administered, to use a polite phrase, by the one-third that is white. And by some process which no one can fathom they have come to two conclusions: one, that they are not going to be ruled by white men any more; and, two, that there is enough well-being in the world in terms of technology so that they do not have to starve all their lives or endure serious economic privation.

Now, when you are dealing with this mass of people—in round figures, about 2 billion people or more, of whom not less than 1½ billion are in the free world, let alone those who are behind the Iron Curtain and the slave world—you begin to appreciate that the realities of our foreign policy are not only based on the struggle against the Communists—which, would be obsessive enough—but also upon the revolutionary changes which the world has undergone since World War II. The occurrence of so deep a revolution in mankind and of such historic size has probably never been known because the world has never operated at one time in such orders of magnitude.

We all know about the wars of old. The other night somebody said to the surprise of those who were listening that Caesar conquered Gaul with 10 legions. That is about 10,000 men. And the great Alexander probably did not have any more effectives than that when he conquered what was then known as the civilized world. The whole continent of Europe at one time, as you all know, even in a state of somewhat advanced civilization, represented a total of about 15 or 20 million people.

The orders of magnitude today are unbelievable, and it is no wonder, therefore, that there is great complexity, especially over the very deep currents which are influencing the world.

Now, why do I speak this way about this expression "total victory?" The reason is that it typifies two contrasting points of view. There is on the one hand a desire to win the struggle for freedom through negotiation, the arts of effective preparation, strong alliances, vigorous and vital economic ties among all nations of the world, and assurances of success economically, socially, and culturally. We want to induce nations to pursue the path of freedom, to engage in efforts to establish various types of rule by law in the world, even instruments as elementary and as inadequate as the United Nations or the World Court of Justice—not very glamorous activities, not decisive activities which some Napoleon or Charlemagne or other great captain would order upon the world—but the only way that I know of to avert world war III.

On the other hand, there is "total victory," a point of view which holds that leaders of the United States—whether Eisenhower or Kennedy or other leaders—are pursuing a no-win policy.

And now what would they like us to do?

They would like to halt foreign aid. They would like us to declare a complete embargo upon any communication or trade with the Communist bloc. They would like us to withdraw from the United Nations. They would like us to send armed forces into Cuba. They would like us to tell the Russians that we give them so many hours or days or weeks or months to tear down the Berlin wall and if they refuse, the necessary implication is that we will push it over. And if that is not satisfactory to them and they insist on fighting, we will fight, and if that becomes escalated into an atomic war, then we are ready to accept that eventuality.

The alternative, I would assume, is to look hard and long over the wall of what would be Fortress U.S.A., make ourselves impregnable, and then tell the rest of the world to go hang.

Now obviously neither of these alternatives will appeal to the American people because neither can be delivered to the American people with any assurance that the forces arrayed against us will remain inactive while we engage in all these measures. I think even untutored minds in our country, and there are not too many any more that are untutored, understand the fundamental proposition, that great powers cannot bluff.

Let us understand that. Great powers cannot bluff.

The best proof of that is Mr. Khrushchev. Mr. Khrushchev has been engaging in all kinds of loud denunciations about Berlin. And every time he has to recede from an ultimatum date, his position gets progressively weaker. Hence he has ceased giving us ultimatums with dates. He now makes them

very generally; for example, he says we have to get our troops out of Berlin someday. He does not say precisely when, because he has learned the hard way what we already know in our free society—that great powers cannot bluff.

And so, my friends, the dangers of these broad generalizations, the broad slogan about "total victory" and the allegation that distinguished Americans are pursuing "no win" policies—these are given to us by devotees of sweeping adventures and long-shot gambles or by stark isolationists who would have us embark upon programs which in my view would be fateful to our country.

Now, their ideas are simple enough when you boil them down: That we should get set to fight when any foreign power challenges us. That we should lay down the rules as to what we want on any major foreign policy issue and give our opponents a take-it-or-leave-it alternative. And obviously this is the challenge and the issue in our country on what is called, in your series of lectures, "the political conflict."

Now, is this the best way to deal with a political conflict? I must say that I do not think so at all.

I think that those who beat the drums for this approach, for the allegedly quick, decisive moves, are suffering mainly from despair or a lack of ideas. They cannot bear to face the 10, 20, 30, 40, maybe 50 years, which may be required to meet a strong and resourceful enemy and which is the only way in my view to win without atomic war and to avert world war III.

I think in all honesty that it is intellectual cowardice to assume that quick catchy slogans are a substitute for brains and resources and the willingness to sacrifice and what is most important, the willingness to pursue a line of policy over a long period of time.

Now, mind you, my friends, there are no short cuts. Fifty billion dollars a year for defense represents roughly 9 percent of the U.S. gross national product, and it is completely nonproductive, a real drain and a real strain on our economic system and the endurance of our people. And this is not the first time that Americans will die, as they are now dying in Vietnam; and as a matter of fact, it is not even in the order of magnitude in which casualties may have to be suffered.

Let us never forget that Japan and the Soviet Union fought a full-scale war, complete with tanks, artillery, infantry and air, on the shores of Lake Baikal, and neither ever declared war against the other. This may very well be a hallmark of our times.

Let us not forget also that we are dealing with hundreds upon hundreds of millions of people in the world who feel that they have had a raw deal for centuries, and now finally see a way, even if they ally themselves with the devil; namely, the Russians and the Communist Chinese, to get back their dignity and get a little even with the world which they feel has treated them so badly for all these centuries.

We happen to be living in a time which has the disadvantage of forcing us to answer for the sins of our fathers and our grandfathers and our great-grandfathers to these people who have been held down, in their view, for a very, very long time. This, as I see it, is a major issue of the conflict and one that we have to meet.

Now, how do we go about meeting it? You are by now very well aware of all the aspects of the policy which this country is pursuing—our aid, our trade, our technical assistance, our general political effort to cement broad-scale security as well as economic alliances, our efforts to buttress the economic condition of the whole world through organizations like the International Bank, the Monetary Fund, the new International Development Authority, the Inter-American Bank, Bank for International Settlements, and other agencies.

You are very well aware, I am sure, of the indirect effort which we are also making through other countries to raise the standard of living and the sense of dignity of the developing peoples who might be otherwise unhappy or disspirited if they had been compelled to accept some aid from us or from European powers who were formerly their administering countries or, as they would call it, their colonial masters.

Mr. President, now these are matters which are inherent in the justly famous, bipartisan foreign policy of our country. They are being dealt with and are going through the Congress every day. A foreign aid bill is going through the Congress right now, roughly in the magnitude of four and a half billion dollars; there are also our defense appropriations, our surplus food disposal programs, our Peace Corps—all of these are inherent and part of an established policy which has been practically unchanging from Truman through Eisenhower through Kennedy, and as far as we can see will be carried on for some considerable time just as it is.

As a matter of fact, even if the most ardent advocate of the "total victory" policy and the most ardent denouncer of the "no win" policy were to be elected President of the United States in 1964, I assure you that the first thing he would do would be to assure the nations of the world that the United States will carry on the same policy which Kennedy is carrying on today, as far as all of these bread and butter things are concerned. He would know that if he did not do this, the whole house would collapse around his ears; and no President wants a national disaster, I do not care what views he widely advertises before he is elected.

Now, what are the new ideas? What is the more advanced thinking in these fields? Are Government officials like myself and others who have addressed you and will do so, are we thinking in more fundamental terms?

The reason I think our country has the right to ask that of me and others like me is this: I think it is just about even, a 50–50 chance, that if we go on with all the things we are doing and the Russians and the Communist Chinese go on with all the things they are doing, it is about 50–50 whether we shall win or lose. I do not think victory is assured at all. And I do not think anybody in authority will tell you that it is assured.

Now, that even split is just unnecessary and too close for comfort for the American people. I think we have the resources, I think we have the skill and the ability, I think we have the determination to win. And what is more, I think we have the moral right because in this matter I think we are without any question on the side of human decency and the progress of mankind to a better destiny than it has ever had before. I think, therefore, that we have every right to see before us a decisive opportunity to win the struggle for freedom, and the 50–50 division is just not good enough. In addition 50–50 is just too low, considering the resources which we have to throw into the struggle.

I would like to present to you, therefore, the new lines of activity which to my mind will add that quotient necessary to give us much better than a 50–50 opportunity to win the cold war struggle.

First, what needs to be done is the building of the Atlantic Community. I think this is the base of strength representing the industrialized nations bordering upon the Atlantic, upon which a secure future and a future which can surely win for freedom must be built. Now, this does not mean that we need to join the European Common Market tomorrow, and it does not mean Atlantic union or any other slogans. It does mean that we have to join with our allies both in the Western Hemisphere, like Canada for example and Mexico, and on the European Continent in building an Atlantic Community infinitely more integrated than the one today, militarily, culturally, socially, and economically. It means also that we must team up with this Atlantic Community in order to do a much better job than we are doing now in helping the developing nations of Asia, Africa, and Latin America.

In short, we would then have two missions. One, to integrate our own strength right here in the Atlantic Community in order to have a base of strength which would be truly impregnable in terms of the world. And the other, and very importantly, to build a base of assistance for the new nations of the world which can do more with them than we are able to do alone, or that all of us are able to do today with a relatively uncoordinated effort.

Now, in democratic terms, this is essential, too, because if you did give a solid base to this struggle for freedom in terms of the Atlantic Community, you would be enlisting a population which for the first time begins to be comparable in its totality as a population to the populations of the Soviet Union and Communist China. In this Atlantic Community you have a population, in very broad general orders of magnitude, of something like 600 million. This begins to be a unity of power which can be compared in population terms to the unit of power which exists as you know upon the Eurasian Continent. In this connection, I think we would be very unwise—and I think we in the Congress would be very unwise—if we have any assumptions that the Russians and the Communist Chinese are going to fall

apart and that tomorrow morning at 4 o'clock Khrushchev is going to turn to us to ask us to help him defend himself against the Communist Chinese. They have altogether too much in common and the Communist Chinese are altogether too intransigent against the West and especially against us, to leave us any area of comfort whatever except the broadest possible integrated base for the security of the Western World.

Now, such an integrated community—and I will discuss with you what measures are inherent in the beginnings of this integrated community even now—such an integrated Atlantic Community would have at the present writing a thousand billion dollars in productive power, something more than twice that of the United States.

I just beg you to imagine what Khrushchev would do to us if he had a thousand billion dollars of productive power. The most optimistic estimate of Russian productive power is something in the area of a quarter of that; that is, the Soviet Union, all its satellites, and including Communist China. If Khrushchev had a thousand billion dollars of productive power, I assure you we would not last very long.

Now, no one is going to utilize our power against him, notwithstanding his sins against mankind, and I use him only as a symbol of the whole Communist complex, in the same way that they would use it against us. But it gives us some concept of the tremendous economic base which mankind would then have with which to do the job of winning in this struggle for freedom.

There are many things which are going on right now which are very conducive to building up this Atlantic community. For one thing, we have an opportunity in the trade bill which is now going through the Congress, to work ou a contractural arrangement with the European Common Market which will be very strong for them and very strong for us.

Now, I have no illusion whatever that the clever Europeans have suddenly grown wings and have become angels in whom you can entrust your fate expecting they will take good care of you. Not at all. Cupidity, avarice, and greed, and parochialism and antipathies are still very much part of the scene in Europe just as they have been for centuries.

But what Europe has been learning now is that it is very profitable to integrate. This is the great lesson which Europe has learned. It is very profitable to integrate. Europe has at long last had a taste of what we have known ever since our national history began, that a broad intercommunicating market with a balance of many skills and many types of resources leads to undreamed of freedom of movement, freedom of the human imagination and human construction ability and therefore to new heights of prosperity. This is the extraordinary thing about the European Economic Community, or the European Common Market.

It is composed of only 6 countries, as you all know, with a population of roughly 165 million and a gross national product not much more than $165 billion—perhaps $200 billion.

It started from a point way behind ours in terms of the standard of living and in terms of an integrated economy, but it is making the most extraordinary, sensational, and exciting strides forward. This is a great object lesson to Europeans, and I think will make dealing with them very much more congenial for us than it ever has been before.

And so I say, while we have to keep our eyes wide open in making our arrangements with them, we must at the same time free our hands so that we may negotiate arrangements which will be extremely useful and profitable to them and to us.

The trade bill is perhaps the first test of the kind of liquidity in our operations which we must have if we are to carry this matter off successfully. We have to emphasize the expansion of trade, not its contraction.

Now, let us understand that we will be taking considerable risks in this matter, especially the unavoidable risks of the competition of increased imports and of the increased competition with our own production.

But the alternative policy would stagnate our economy. Even more significant than this consequence, the alternative policy would split the economic power of the free world in a way which we just cannot afford or tolerate in this political conflict that we are talking about.

So I think the trade law—and I will not trouble you with the details which I think you are quite familiar with in a general way—the trade law represents the first indication that we are moving in the direction of an integrated Atlantic Community.

Now there are many more things that need to be done. There is, for example, in Europe now a new cooperative organization which is called the Organization for Economic Cooperation and Development (OECD) of which we and Canada and the European nations are all full members. The OECD is dedicated to a cooperative effort in helping the newly developing areas of the free world. It has concentrated such activity in what is called the Development Assistance Committee, which is composed of a group of nine countries including ourselves and Japan, which is not a member of the OECD. These countries represent the main foreign-aid-giving countries in the world. Great effort is being made to coordinate the activities of the DAC, and its success would mean a better interrelationship between the aid which the various countries get and the free world.

Although we think a very great deal about our own aid program, let us begin to understand that the assistance being given by other countries is growing appreciably. It is not unfair to estimate that even today Europe is responsible for about one-third to one-half as much aid as we are giving to the underdeveloped countries.

Let us also not forget that in this field of aid there is great competition from the Communist bloc. Today it is putting out something like a billion and a half, or two billion dollars a year in foreign assistance programs. It is true that this Communist aid goes to a more selected list of countries than we help—something like 20 countries, whereas our list runs to about 60. Nonetheless, there are more free world countries, especially new countries, and we ought to be glad that our list is considerably longer than the Communists'.

Now, the Communists very closely integrate and coordinate their aid because it is all run from Moscow. Czechoslovakia and Poland, Rumania and Hungary and other countries are told what they are to give and what part of the package they are to make up. Obviously in the free world that cannot be done; so the OECD is the instrument for it. That is the second point: better coordination of the governmental aid now going on which needs to be helped and promoted. Thus our two points so far: trade and better governmental coordination of aid.

The third point, a very important one, is the tying in of the private enterprise system to our foreign policy. If there is any one area in which we are more remiss than any other, it is the failure to utilize the private enterprise system, of the United States particularly, in order to support and forward the foreign economic policy of our country. Our efforts in this respect have been minor.

We have, for example, a program which guarantees oversea investments of American companies when their projects are conducive to the national foreign policy. Notwithstanding that this program has been in effect now for about 13 years, it has yet to attain the billion-dollar mark. American investments abroad, if my memory serves me, run to about $36 billion today, which indicates that this guarantee program has been relatively little utilized.

It is unusual rather than usual for our Government to put into effect programs of development for underdeveloped countries in association with private enterprise. Two exceptions to that generality are India and Turkey. The great Indus River project between India and Pakistan, which is resulting in a very great improvement in the agricultural economy of both countries had the participation of private enterprise. It was made possible by a consortium of countries, including ourselves, the United Kingdom and West Germany, elements of private business enterprises in all of these countries, and international financing agencies.

The same kind of assistance was given to Turkey, but this was on an ad hoc basis, that is, temporarily, for that situation.

We have a committee called Comac functioning now in AID, the Agency for International Development, which handles our foreign aid program. This is a committee of private enterprises for the purpose of encouraging participation by private enterprise in the Alliance for Progress. Comac is headed by two very distinguished businessmen: Jack Sundelson, former treasurer of Ford

Motors, and Peter Grace, of W. R. Grace & Co. But this is a very elementary effort which has not really advanced very far. I am very proud to say that I was successful in inserting in the foreign aid bill a provision to give some staffing and financing to this group. But it is just an indication of how very new and relatively untried are these efforts.

And yet American private business is by all odds the most effective medium for giving technical assistance and investment help to new countries, as well as for introducing the system of private enterprise. It has one other effect, which may be more important than its direct effects, and that is, it induces the wealthy group in those countries to leave some of their capital at home.

For example, one of the curses of Latin America is the fact that capital developed by local capitalists, whether they are landowners or other local industrialists, often is no sooner created than it leaves the country and escapes to Switzerland, the United States, the United Kingdom, France, or West Germany. Thus the native population never gets the benefit of the capital which they themselves produced.

Now, this is a very persuasive argument for use by the Communists. The one thing the Communists sell is the promise that they will make sure that the capital remains in the country for its own development even though the capital might have come off the backs of the people in terms of privation. This is a very serious matter, this matter of flight capital.

Now, when American private enterprise gets into a country and offers partnerships to the local capitalists, that begins to make some sense to them. They begin to see a way in which they, too, can leave their capital at home and keep it productive with less fear of various things that can happen to it if they have American partners.

This is true also of the foreign enterprise partners not just American necessarily—French, British, German, Italian, Belgian, Dutch, and other countries. So it has a very important and very interesting side effect.

The final thing which we must achieve is to do an infinitely better job than we are doing with our education and information programs. It is one of the things which literally breaks my heart, that a great power like the United States, with a tremendous body and rippling muscles, speaks with a pipsqueak voice.

We spend on our U.S. Information Agency, the core of our propaganda transmittal to the world, about $140 million a year for all of the educational and informational activities which we carry on in the world. The Russians are said to spend, and I am sure the figure is reliable, not less than 10 times that, not less than $1,400 million for the same purpose.

As a matter of fact, in the hierarchy of expenditures for propaganda, we rank probably behind the United Arab Republic. This is almost laughable, but it is true.

The ideas of leaders like Gen. David Sarnoff of RCA, who has offered blueprints for the effective utilization of mixed programs of government and private enterprise to make a real propaganda dent in the world at a cost of probably a billion a year, are not being heard in any way.

The most parochial attitude, in my opinion, is shown by the Congress of the United States in its attitude toward these programs. The USIA is treated like a stepchild and yet should be as critically important to us as any branch of foreign aid or military defense.

I am sure that many people could come up with more ideas than I have given you today as to new things which we must do in order to weight the balance decisively in our favor. Nonetheless, I have shared with you some thoughts which I hope will be provocative and encourage you to go further in this field.

I would like to close upon the subject of the rule of law, which relates to all kinds of matters including disarmament, an end to nuclear testing, a treaty for outer space, and many other aspects of the foreign policy of the United States—the rule of law, which it seems to me is the end and aim of everything which we are trying to accomplish in terms of our foreign policy.

The United States, unlike the Soviet Union, has no fear of the judgments of mankind. We are accustomed to taking lickings. This is not sensational or earth shaking in our free society, as long as it is done within the context of law and as long as you know that because you are the minority you are not going to be taken out and shot at sunrise. This is a system so unlike that of the Communist countries that to erect this standard for the free world and to make it vital and effective is probably one of the single greatest steps that we can take to win the cold war struggle.

I might tell you my own definition of what it means to win the cold war struggle, which is not by any means just an arid phrase. It is to nail down the fact that the great preponderance of nations in the world will choose the path of self-determination and free institutions in a solid way so that it is completely embedded in their systems. I think if we can do that, if we can accomplish that, we will have definitely won the cold war.

In order to accomplish that, I think we can be enormously aided by erecting the standard of the rule of law.

Now, that means many things. It means, for example, that those who would have us withdraw from the United Nations should be defeated. Not that the United Nations is an organization which can take care of everything. It cannot. When it gets into a confrontation between the superpowers, as, for example, in Berlin, there is nothing the United Nations can do.

On the other hand, the United Nations has been very useful in Iran, in Indonesia, in Kashmir, in Palestine. It has been very useful, in my view, in preventing a confrontation of the big powers in the Congo. It helped the transition of colonies like Libya and Somaliland from a colonial status to an independent status without undue use of force or upset.

It has provided a forum where countries can negotiate and exchange ideas and blow off steam. And very importantly it has given a sense of independence, a sense of dignity to the new nations of the world.

After all, suppose you were from Mali or Ghana or the Ivory Coast or Burundi and Ruanda, which have just attained their independence. What would it mean if you were lost in some little capital in Africa, in terms of your dignity and importance as a nation? What could your people be proud of? Your poverty and your ignorance and the long distances from the centers of culture and activity of mankind?

But all of that is transformed when they, too, can go to the UN and send their diplomats and representatives and prime ministers and presidents to meet the other heads of government and when they, too, can have a voice in the debate and when, of all miracles of mankind, they have a vote—think of it, a vote equal with that of the United States or the Soviet Union in determining great international questions.

Think of the sense of responsibility, the experience in democracy, the taste for democracy which this intoxicating medicine provides.

Now, some of them are extreme and irresponsible. You have to expect that. After all, who is not when he first gets started in a career which calls for responsibility?

There are plenty of restraints on them. We do not have to do what the United Nations says and on some occasions we have not. I understand that fully; and so must all Americans. But still it is a very useful and important body for the reasons which I have described.

The same is true of the World Court at The Hague which for example, is responsible for an important decision on U.N. financing which, I think we will find, is accepted by the nations of the world.

I see my colleague, Senator Moss, here in the audience. I did not realize we were honored by the presence of a fellow Senator. He will remember that when we approved the Treaty for Antarctica, one of the extraordinary aspects of that treaty which was made with the Soviet Union among other powers, was the acceptance of the International Court of Justice as the adjudicatory medium in respect of the enforcement of that treaty. Many of us feel that that ought to be done on a treaty for outer space for which the Treaty on Antarctica sets a very fine precedent.

I know many people favor the Connolly reservation which keeps the United States from accepting the jurisdiction of the World Court in an adverse sense, so we cannot be sued there without our consent, even in a case properly susceptible of international adjudication. I must say I disagree. I do not know that it can be changed right away, although I think it should be done as soon as possible. I think when we do it we will also be making a major contribution to what I call the progress of the rule of law in the world.

And I will ask you to note, too, that this is no extreme and radical idea. A

man named Charles Rhyne, a former president of the American Bar Association, heads a committee of the American Bar Association with some of the most distinguished lawyers in America among its members. This committee is doing precisely what I am telling you today and pursuing this line of activity with lawyers all over the world. And I think it is one of the most important things, incidentally, that lawyers can do.

Well, gentleman, I see my time is up. We live in a dangerous era. It is not a time for extravagance nor a time for irresponsibility. But on the other hand it is a time for discipline and patience.

We will have frustrations and setbacks in the years ahead. But if we refuse to be stampeded into misguided adventures by catchwords, like "total victory" and "no win" accusations applied even to distinguished leaders of our land like Dwight Eisenhower, if we refuse to be stampeded in that way but keep our heads as American pioneers—and there is still lots of pioneer spirit in this country—the spirit of what our nations stand for may not guide us to "total victory" but it will guide us to true victory.

PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

Mr. JAVITS. Mr. President, I wish in a few moments to discuss briefly the issue of Berlin. Before I do so, however, I should like to invite attention, very briefly, to the situation which now affects the President's Committee on Equal Employment Opportunity.

The news today is that Mr. Troutman, an Atlanta lawyer, a member of the Committee supposed to be a friend of the President, who has been responsible for the voluntary so-called plans for progress program, which has been the subject of some discussion, consideration, and controversy, has now left the Committee.

Mr. President, I believe that post mortems on whether his work was good, bad, or indifferent, therefore, are immaterial. But, Mr. President, this does mark, apparently, the implementation of a report which has been written about in the press, but not actually released, made by Theodore Kheel, of New York. I refer to the New York Times story on the report, published in the New York Times August 19, 1962.

Mr. President, I ask unanimous consent that the article relating to this report 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:

WHITE HOUSE URGED TO USE COMPULSION IN NEGRO JOB DRIVE

(By Peter Braestrup)

WASHINGTON, August 18.—The administration is being urged to give priority to compulsory, rather than voluntary, approaches to ending discrimination against Negroes by employers with Government contracts.

Full use of the leverage inherent in the Government's power to cancel contracts with private companies was proposed by Theodore W. Kheel in a study of the President's Committee on Equal Employment Opportunity.

"Purely voluntary approaches," he wrote, "are not likely to produce lasting results."

Mr. Kheel, a former president of the Urban League, prepared the report at the request of the panel's Chairman, Vice President JOHNSON. It will be made public next week, following a meeting of the full Committee.

JOHNSON SAID TO CONCUR

The Vice President and Secretary of Labor Arthur J. Goldberg, the panel's Vice Chairman, were said to agree wholeheartedly with Mr. Kheel's proposals on policy and reorganization of the Committee's effort.

The report emphasized using the leverage provided in President Kennedy's Executive order of March 1961, creating the panel as an aid to persuading Federal contractors to comply with the order's ban on discrimination. This emphasis was seen by officials as an answer to fears expressed by Negro groups that the administration and Mr. Kheel favored a "soft" line.

"The Committee," Mr. Kheel wrote, "will not realize its potential of accomplishment unless the contractors are persuaded that they must not only not discriminate but [also] take affirmative forward steps as well.

"It follows, therefore, that the proper blend of enforcement and persuasion is the main challenge."

Mr. Kheel's major reorganization proposal asked a full-time Executive Vice Chairman to serve as operating head of both the 33-man regular Committee staff, headed by John Feild, and the semiautonomous 4-man plans for progress group, headed by Robert B. Troutman, Jr., of Atlanta.

The National Association for the Advancement of Colored People has attacked the administration for giving too much leeway to Mr. Troutman's "voluntary" approach.

Mr. JOHNSON is expected to appoint Hobart Taylor, his Negro special assistant and the panel's special counsel, to the full-time post next week. The job was filled on a part-time basis by Assistant Secretary of Labor Jerry R. Holleman until his resignation in May. Since then, Stephen Shulman, Mr. Goldberg's special assistant, has handled the work on an interim basis.

PRAISE FOR TROUTMAN

Mr. Kheel praised the energetic leadership of Mr. Troutman, a panel member and friend of the President, in signing up 85 major corporations under voluntary plans for progress to open up jobs for Negroes.

Mr. Kheel noted that all of the signers, which include General Motors and the General Dynamics Corp., had been aware that signing a plan for progress did not exempt a Federal contractor from compliance with the President's order.

Extended to private concerns that do not have Federal contracts, Mr. Kheel commented, the plans for progress should have great moral influence over the rest of the business and labor community.

However, he said, the plans for progress, although an "important addition" to the Committee effort, are not the only available means of "persuasion." He noted that the President's order specified that the Executive Vice Chairman should use conferences, mediation and persuasion before instituting legal proceedings against an offending company.

VOLUNTARY PLAN REJECTED

Such approaches, coupled with the threat of contract cancellation, have been successfully used in the South by Mr. Feild's staff and by Defense Department specialists. No contract has yet been canceled.

Mr. Kheel firmly rejected Mr. Troutman's controversial proposal that the plans for progress be "served from the Committee and operated as a private organization supported by private funds." Instead, he said, the new Executive Vice Chairman should exercise close supervision over the Troutman operation.

Over all, Mr. Kheel wrote, the Johnson panel has compiled a record in which "all associated with the Committee may take just pride." Among the specifics he cited were:

The start of a compliance-reporting system, covering 38,000 companies and 5 million workers, to enable the Committee to see which companies and unions are hiring and promoting Negroes.

A pilot Federal-State-local vocational education project in Los Angeles, designed to recruit and train Negroes and Mexicans for jobs opened up by the Executive order.

The training of nine Air Force "compliance" officers, skilled in race relations, to help private concerns live up to anti-discrimination clauses in procurement contracts.

Numerous advances in previously segregated plants and unions in both the North and the South.

KHEEL'S PROPOSALS

However, Mr. Kheel wrote, "this formative stage has not passed without some displays of weakness." He recommended that:

Less attention be paid to much publicized individual complaints of discrimination, except where they can be used as leverage to investigate [and change] patterns of [discriminatory] employment in a given company or area.

The committee should recognize by awards those companies that comply fully with the President's order, and publicize the worst offenders in public hearings. The plans for progress signing ceremonies, held it the White House, he noted, have preempted the spotlight.

The 27 individual panel members, who include Cabinet officials and private citizens such as Walter P. Reuther, president of the United Auto Workers Union, and Edgar Kaiser, president of the Henry J. Kaiser Co., should be kept informed of the staff's actions in monthly reports.

Outside speaking chores for Mr. Feild and his aids should be kept to a minimum, and help from volunteers and other Federal specialists used to the maximum.

Mr. Kheel warned that the Johnson panel had inherent limitations owing to its $425,000 annual budget.

Moreover, Mr. Kheel said, "it must be recognized that an Executive order does not have the same force and effect as a law of Congress." Proposed fair employment practices legislation has been thwarted in the past by southern Senators.

The Urban League, of which Mr. Kheel was head, is a private organization of white and Negroes devoted to promoting the welfare of Negroes.

Mr. JAVITS. Mr. President, I understand that this is only a story on a report, but nonetheless these things have a way of being accurate. It is said:

Mr. Kheel firmly rejected Mr. Troutman's controversial proposal that the plans for progress be "severed from the committee and operated as a private organization supported by private funds." Instead, he said, the new Executive Vice Chairman should exercise close supervision over the Troutman operation.

All of this, the statement about the report and the resignation of Mr. Troutman, would now indicate that the plans for progress idea will only be part of the fundamental machinery which is built upon the sanction of the Government's right to cancel contracts and not to deal with a particular contractor. The whole operation will now be built upon that fundamental machinery and the plans for progress will not be an escape valve for companies which, by merely signing

an agreement, may seek to evade complaints against them and evade the obligation to obey the Executive order.

Mr. President, I think this is a very salutary charge, if the Kheel report is what it is rumored to be. Incidentally, I see no reason why it should be withheld from us and a report of it not published, so I hope that it will speedily be released and become a public document.

Mr. President, I think this change is all for the good. I am glad to see that the work of the committee is being consolidated in this fashion.

I make one other request, Mr. President. I think it is high time that President Kennedy did what President Eisenhower did. President Eisenhower sought a statutory base under this committee, which was one of the major aspects of the Eisenhower administration activity in this field. I think that is essential. It would give them subpena power. It would give them staffing. It would give them the backing of Congress and the right to look to the Congress for some money. Then this would cease to be an activity carried on under an Executive order, which does not have the force of statutory law, when the Government has to engage in the sanction of canceling contracts instead of seeking an injunction and bringing people into court, as they should, which is the established way of proceeding in these matters.

As we know, Mr. President, the disposition of the Senate is to table the civil rights proposals, certainly at this stage of the session, unless they have administration support, so the only effective way to proceed is to have administration support. I urge the President of the United States, now that he is in effect reorganizing the Committee, to do what President Eisenhower did and to seek from us either now or early in the next session of Congress the statutory base for the President's Committee on Equal Employment Opportunity.

BERLIN

Mr. JAVITS. Mr. President, I now wish to address myself to the question of Berlin.

Mr. President, one of the functions and one of the attributes of being a Senator is the opportunity to air a matter of this character without having it regarded as fundamental and considered Government policy.

Mr. President, I believe from an observation of the critical buildup of tensions in the Berlin area that the "salami tactics" of the Communists, and the Soviet Union in particular, are taking a toll of the American position in Berlin. I say that because now we have seen riots in the streets of Berlin, which will tend to give concern to the American people, and quite rightly, that our policy, instead of being decided by the United States, will be driven out of control by some untoward action on the streets of Berlin.

For example, Mr. President, suppose that the Russian trooper who stood up in an armored car, when it was being conducted to the Russian war memorial in Berlin yesterday, had, instead of merely standing up, fired at some rock thrower and killed him, or injured him seriously. Then we might very well have an incident which would be truly incendiary in character, and our policy would thus be made on the streets of Berlin.

The hampering conditions—the niggling, undignified, unseemly and, indeed, intolerable conditions which prevail at the checkpoint between East and West Berlin—certainly do not befit the dignity, strength, and authority of the great United States of America. Whatever the Communists may be able to do to tolerate it—and perhaps it is epitomized by Khrushchev's thumping his shoe on a desk at the United Nations—that kind of action is not for us. We do not operate in that way. We should not. In my opinion, it would hurt us and not help us in the world, including Germany.

Let us remember that we are still in occupation in Berlin. The memories of a previous Germany are still fresh. There has always been a worry on the part of the Western World that perhaps someday, in some effort or impetus to reunify Germany, the Germans might again be tempted to make a deal with the Russians if that were the only place in which they saw any hope for their ultimate aim. Let us remember that World War II—and the world must never forget this—was sparked by an agreement between Ribbentrop and Molotov or, for practical purposes, between Hitler and Stalin. The world must be kept aware of that.

Mr. President, I ask unanimous consent that the Allied statement on Berlin 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:

ALLIED STATEMENT ON BERLIN

WASHINGTON, August 23.—Following is the text of a joint communique on Berlin issued today by the United States, Britain, and France:

1

"The Soviet Government has announced the liquidation as of August 23, 1962, of the office of the Soviet commandant in Berlin. The Governments of the United States, the United Kingdom, and France note with concern that at a moment when tension has arisen in Berlin as a consequence of irresponsible action at the wall by East Berlin guards the Soviet Government is attempting by unilateral steps to dilute long existing four-power responsibilities and procedures in the city of Berlin."

2

"It is quite clear that these unilateral steps can have no effect whatsoever on either Allied rights or Soviet responsibilities in Berlin. The Governments of the United States, the United Kingdom, and France will continue to exercise their full rights and discharge their full resposibilities in Berlin. They will continue to hold the Soviet Government responsible for the discharge of its obligations there."

3

"The Soviet Government obviously has authority to organize or reorganize its military structure in Germany as it sees fit. It does not have the authority to abolish or change the Kommandatura (the four-power governing authority in Berlin) which was established by quadripartite agreement on the basis of the rights accruing to the four powers as the result of the defeat of Nazi Germany."

4

"The unwarranted withdrawal of the Soviet representative from the Kommandatura in 1948 did not destroy the authority of the Kommandatura, and the announced abolition of the office of the Soviet commandant likewise cannot have that result. That office was established under four-power agreements as a part of the administrative machinery for Berlin, and its quadripartite responsibilities cannot be abolished by the Soviet Government without the consent of the three Western Powers."

5

"The reference in the Soviet announcement to certain limited functions does not and cannot in any respect limit or restrict the full responsibilities of the Soviet Union in Berlin. Nor can the reference to the 'temporary' discharge of functions in any way alter the fact that four-power responsibilities for Berlin can be changed only by four-power agreement and that fundamental responsibilities for Berlin can only be terminated by a peace settlement with Germany as a whole. There is no unilateral way to dispose of these responsibilities, and the Soviet assertions concerning the alleged sovereignty and independence of the so-called GDR (German Democratic Republic) and the nonexistence of the four-power Kommandatura are without foundation or effect."

6

"Accordingly, the commandants in the Western sectors of Berlin will continue to exercise their rights and discharge their responsibilities both in their individual sectors and jointly in the Kommandatura in accordance with long established procedures and agreements. They will continue to consider the Soviet officials as responsible for carrying out their obligations regarding the Soviet sector of Berlin."

7

"Moreover, the Soviet announcement can in no way affect the unity of Berlin as a whole. Despite the illegality of the wall and the brutality of the East German authorities in preventing the inhabitants of East Berlin from leaving that area, Berlin remains a single city. No unilateral action by the Soviet Government can change this."

8

"The Governments of the United States, United Kingdom, and France cannot acquiesce in any impairment of their rights or in any encroachment threatening the life of Berlin. Responsibility for the consequences of any such attempts will rest entirely with the Soviet Government. The Governments of the United States, the United Kingdom, and France must take whatever steps they think necessary to discharge their obligations to the population of Berlin and to protect their right and vital interests."

Mr. JAVITS. That Allied statement on Berlin speaks in the traditional terms which we have been carrying on now ever since the end of World War II. It states:

> Four-power responsibility for Berlin can be changed only by four-power agreement, and fundamental responsibilities for Berlin can only be terminated by a peace settlement with Germany as a whole. There is no unilateral way to dispose of these responsibilities.

That is what the statement says. We have been saying that now for 17 years. The fact is that East Berlin is effectively cut off from West Berlin by a wall. There is no access and no communication. The Soviet Union has unilaterally, outrageously, and flagrantly violated the four-power agreement. Normally,

when someone violates an agreement on one side, the other side is free to do anything it chooses to protect itself and no longer must respect that agreement. But U.S. policy is that we should respect that agreement. That is what our policy is stated, restated, and restated to be, according to this, the very latest document on policy issued on our part and on the part of the other Allied Governments.

I respectfully submit that that policy is getting to be old hat. More than that, it may be a handicap, in that we would be tied to the four-power agreement without any freedom of movement whatever. All we have to do is worry about whether the Russians will make good any of their threats. The newest threat is that they will hamper communications between East Germany and West Germany on the autobahn.

Everyone knows that the very life of West Germany and its 2 million people is absolutely dependent upon communication by land, by canal, and by air. Therefore today I will confine myself to urging upon our Government, together with the other Allied Governments, consideration of a new policy on Berlin. I urge that we consider what we could do to take the initiative ourselves by renouncing the four-power agreement on the ground that it has been outrageously and flagrantly violated by the Soviet Union, and therefore is no longer binding.

In other words, we have been pursuing a policy of being bound by an agreement which the other side has nullified. Let us now examine the consequences of a policy in which we would say,

Okay. If you do not want it that way, then we are not bound either. But there are a few things we can do about the situation, too, which may not be very much to your liking.

By way of explanation of what could be done, I myself have written an article for the Reporter magazine. I ask unanimous consent that the text of the article be printed at this point in my remarks.

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

A PROPOSAL FOR TAKING THE INITIATIVE IN BERLIN

(By Senator JACOB K. JAVITS, of New York)

Of course we must stand firm in Berlin. For it is there that the Kremlin is attempting to consolidate its iron grip on Eastern Europe and to push its influence forward into Western Europe. But it is also in Berlin that we ourselves can best demonstrate our own determination to help defend the freedom of Western Europe and to hold out the hope of freedom to the peoples of Eastern Europe. And in order to do that, standing firm may not be enough. We must also be prepared to take risks.

I do not believe that the Soviet rulers want war. Memories of the destruction of whole cities and regions are still fresh in the minds of the Soviet people, and even Communist leaders must take into account the possible consequences of recklessness in the age of nuclear warfare. Yet their behavior in Berlin has come uncomfortably close to cornering us and leaving us no honorable way out. In the interests of the millions of people who live on both sides of the wall that runs through Berlin and all across the heart of Europe, we should not and we cannot refuse to negotiate. But at the same time I see no reason to rush into negotiations on Berlin and the rest of Germany unless there is some promise of an acceptable result. We cannot, in short, be bound to consider only those problems the Russian leaders would put up for negotiation. After all, they have left very little, and on their terms we would begin to negotiate right down at the rock bottom of what must be preserved at all costs. The Communists must clearly give some evidence of a greater willingness to make concessions. And for our part we must not expect Khrushchev to like our proposals any more than we have to like his on Berlin.

WHY WE ARE THERE

We must seize the diplomatic initiative from the Soviet Union. This must be done so that at the appropriate moment we can in obvious good faith propose clear and compelling terms that will command the respect of everyone—even of the people inside the Soviet Union. We have been on the defensive in Berlin for 3 years. For too long we have been reacting to each successive Communist violation of the four-power agreement covering the occupation of Berlin with nothing stronger than purely defensive actions and words of protest. While the Communists have proceeded with their concerted campaign to bludgeon Berlin into surrender—culminating last August 13 in the erection of a prison wall—we have seemed to be in constant retreat.

The wartime agreements among the four powers looked forward to the eventual unification of Germany on the basis of self-determination by free elections. They provided for the occupation status of Greater Berlin and the rights of access to the city from West Germany over the 110-mile corridor across East German territory. The Soviet leaders have never denied the lawful right of the Western Powers to deploy their own troops in Berlin; they have sought to justify their own numerous violations of the wartime agreements—such as the presence of East German troops in Berlin, the interruption of communications between West Germany and West Berlin and between East and West Berlin, and now the wall that physically divides the city—on the ground that changes which have occurred since the agreements were signed have rendered them invalid. In other words, the changes the Communists themselves have made have been used as the justification for further changes—on the ground that the situation has changed.

Well, if conditions have changed, as the Communists say they have, the goals of the occupation have not. Indeed, the Allied occupation of Berlin is more necessary than ever today if Germany is not to become once more the cause of a world war.

The NATO Allies clearly have right on their side in Berlin, and fortunately the Russians cannot ignore their might. The mission of Western troops in Berlin is to carry out the allied commitments on the joint administration of the whole city, East and West alike, until such time as the unification of Germany is finally accomplished. This is still our stand, and the fact that the Communists have done everything they could to perpetuate the division of Germany in no way gives them a right to claim that reunification is a dead issue.

There most certainly are some facts to be faced about the situation in Berlin. But they are not the facts the Soviet Union wants us to accept. As I see it, the Western Allies must insist emphatically on three fundamental principles in any negotiations over the Berlin question:

1. West Berlin is part of the West, and its freedom cannot under any circumstances be traded away.

2. We cannot recognize the validity of any steps taken or attempted by the Soviet Union to alter the original four-power agreement on Berlin, including above all our right of access both to and within Greater Berlin.

3. We must seek peaceful means by which the security of Europe may be guaranteed. In such negotiations it may be desirable to have representatives of both the German Federal Republic and the East German regime present, as they were at the Geneva talks of 1959. But the presence of East German representatives must not be taken as a recognition on our part of the Ulbricht regime. For it must be clearly understood that as one of the principal guarantees of the security of Europe we shall continue to work for the eventual reunification of Germany on the basis of self-determination through free elections. In short, we are working for an integrated Europe of which a reunified Germany can be a peace-maintaining element.

Only if the three Western Powers are firmly united on these basic principles can the willingness of the Soviet Union to conduct meaningful negotiations be tested. The Western Powers must, as they have already made clear, be prepared to use force to maintain these principles if force is used against them. Our own willingness to try to reach a reasonable solution was abundantly demonstrated in 1958 when the Soviet Union demanded drastic changes in the status of Berlin as a climax to a decade of agitation. Extensive negotiations were carried on among the four powers for many months and resulted in the convening of a Foreign Ministers Conference at Geneva in the spring of 1959. A number of earnest proposals were put forward there by Secretary of State Christian Herter, but as we now know they came to nothing. The lessons of those dark days have not been forgotten. Now it is up to the Kremlin to demonstrate its own desire for serious negotiation.

We cannot forget, however, that for some time the reunification of Germany along the lines laid down at Potsdam has been the last thing the Soviet Union wants. The counterproposals for a free city in Berlin would have the effect of perpetuating the division of Germany. Indeed, the Russians seem to want not merely two Germanys but three. Chairman Khrushchev has now repeated these demands and demonstrated how far he is determined to go in putting this policy into effect by cutting off communications between West and East Berlin.

Chairman Khrushchev has sought to justify this drastic action by invoking in Europe the terrible memories of the holocaust wrought by Germany under Hitler. I, too, believe it is vital for all of us to remember vividly the horrors of aggressive German militarism. That consideration must inevitably influence our own German policy. But Chairman Khrushchev must not be allowed to provide a reborn German militarism with a new chauvinistic cause, and the permanent division of Germany would do just that.

Of course, Chairman Khrushchev would be glad to reunify Germany in a flash—but as a Communist satellite all of whose resources he would then be able to employ to force communism's way further into Europe. But even if we should be tricked or frightened into letting Khrushchev have all of Germany, this course would lead sooner or later to the imminence of war. It would present a greater danger to the security of Europe than anything since the Ribbentrop-Molotov pact of 1939. This is the basic reason why it is our policy on Germany, not Chairman Khrushchev's, that is the policy of peace, based, as it is, on full knowledge of history. As President Kennedy said in his interview with Khrushchev's son-in-law, Aleksei Adzhubei, the editor of Izvestia, our policy would prevent

Germany from taking any unilateral acts of aggression, since it would irrevocably consolidate the position of Germany as an integral part of Western Europe as a whole, dependent on European unity for its own security. It is the Kremlin's policy that would make for a repetition of the fatal errors that preceded the Second World War.

A STEP FORWARD

There is no reason for us to ask for new legal rights in Berlin. In fact, our basic demand is that the old rights be respected, and we certainly must insist on the restoration of communication between the eastern and western parts of the city. We should, however, move forward—legally and fully within the spirit of the occupation agreements—to implement our insistence on the reunification of Germany.

I am therefore also making the following proposal for consideration and study as a step to be taken toward the ultimate reunification of Germany while negotiations with the Soviet Union are being prepared: Without abandoning any of their rights and agreements as occupation powers, the United States, France, and the United Kingdom could concur in the incorporation of West Berlin into the Federal Republic of Germany. This could be done legally and with the full consent of the people of West Berlin.

Under the Bonn constitution as well as the Berlin constitution, the entire city was declared to be a "land," or state, of West Germany. Reservations made by the allied military governors on May 4, 1949, and reaffirmed in 1955, when West Germany joined NATO, restricted German sovereignty so as not to compromise the special status of the city. But now that that status has been drastically undermined by the Communists, West Berlin cannot be left dangling as a kind of third Germany. The city's loose and informal association with West Germany is indeed something that can be considered a fact, one that is far more genuine and meaningful than the East German regime. And as long as West Berlin remains isolated and exposed, more than a hundred miles from the nearest friendly territory, Western troops must be there to protect the city's freedom. The size of these troop units may make the allied military presence in Berlin seem merely symbolic. Yet it is an armed symbol, and the determination with which it is maintained can provide a very effective guarantee of security to the nations of the West and of hope to the peoples of the East. And as long as the Russians refuse to live up to their agreement on the reunification of Germany, they must be required to respect our rights of access to Berlin.

Accordingly, the restrictions placed on West German sovereignty in Berlin could now be formally withdrawn. Berlin, though still occupied by Allied military forces, could formally pass into the governmental jurisdiction of the Federal German Republic, and the West Berlin representatives in the Bundestag and Bundesrat, who now sit as nonvoting members, could be given full legal status. This would be a logical sequel to the use of a common currency, close economic ties, and many laws in common between West Berlin and the Federal German Republic.

It would not be necessary to amend the basic law of West Germany or the Berlin constitution. Incorporation could be accomplished by holding a plebiscite to determine the will of the people and by a joint declaration of the United States, France, and the United Kingdom. By thus legally integrating West Berlin into the German Federal Republic, close ties could be maintained between the city and West Germany while at the same time our guarantees not to let West Berlin fall to the Communists would be preserved.

So long as this step is regarded as a basic move in the fulfillment of the allied obligation to reunify Germany, the Soviet Union could not object on valid legal grounds. And yet the Russians would be confronted with an accomplished fact that would certainly have to be taken into account in any negotiations over the future of Berlin. Heretofore, it has been the Russians who have presented us with accomplished facts—the main difference being that they have effected changes by illegal means of military force, whereas the change we would make would be based on a perfectly legal agreement between the people of West Berlin and the people of West Germany.

It has recently been reported that West Germany and West Berlin have been encouraged—perhaps by the President of the United States—to work out a "new contractual basis" for their relationship. It is not yet clear what all this might involve, but it would seem that the creation of new legal bonds between two sections of West Germany might add a number of new difficulties to an already difficult situation. The Russians, too, might want to have a voice in the matter. No such difficulties would be presented by the integration of West Berlin into the German Federal Republic, since the step would involve only the formal ratification of old and fully established economic, political, and spiritual bonds.

In the past our policy on Germany has been criticized as a weak one because we have apparently sought only to maintain the status quo. It has been repeatedly said that the status quo should be improved. What I am suggesting is that the status quo be improved in the interest not only of Berlin but of the West.

Mr. JAVITS. In that article I have suggested the possibility that West Berlin be incorporated in West Germany and be a part of it—or a land, as it is called. We would then have the State of West Germany with all the juridical rights and the protection of the NATO Treaty. That is one possibility.

Another possibility is that we all know that several hundred million dollars worth of business is done between West Germany and East Germany to this very day. It is said to be indispensable business in very important materials essential to the production of East German industrial plants.

At one time it will be remembered that the East Germans threatened to interfere with commercial traffic from West Germany to West Berlin. The West Germans threatened to retaliate by cutting off all trade with East Germans about as fast as one could snap his fingers.

I only say those things to indicate that we are by no means powerless with respect to Berlin. I am beginning to feel, as I expressed today—and it is my duty to express it—that because we are apparently fixed in one position, giving us no freedom of maneuver whatsoever, the salami tactics which the Soviet Republic is using in Berlin are ruthless, brutal, and to the death in terms of shooting people who try to get over that wall, to the outrage of all civilized communities of mankind. We do not have to stand and take it.

Mr. President, I urge upon our Government today that it consult with the other allied governments with a view toward exploring the possibility of a new policy on Berlin, such policy being our saying, "We are no longer bound by the four-power agreement. We have freedom of action, and here are a few things we are going to do as long as you have torn the agreement up and treated it as a scrap of paper."

Mr. President, I shall return to this subject again, but I open it now in the expectation that our Government will explore the possibilities of other positions from the one which it has taken as recently as this morning.

I thank my colleague for making it possible for me to speak at greater length than the time allotted.

BALANCE OF AWARDS MADE BY PHILIPPINE WAR DAMAGE COMMISSION

The Senate resumed the consideration of the bill (H.R. 11721) to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission and to authorize the appropriation of $73 million for that purpose.

The PRESIDING OFFICER. The bill is open to amendment.

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

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

Mr. SPARKMAN. Mr. President, H.R. 11721 was passed by the House of Representatives on August 1 of this year. It authorizes an appropriation of $73 million to pay the balance af awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of 1946.

Under the terms of title I of that act, $400 million was appropriated to provide for payments to claimants, on account of war damage to private property in the Philippines, for rebuilding, replacement, or repair of such damaged property. The act authorized payments up to a maxmium of 75 percent of the approved amount of each claim after an initial $500 had been paid on such claim. The $400 million appropriated was sufficient to pay the initial $500 on each claim and approximately 52.5 percent of the amount of each claim in excess of $500. All approved claims for $500 or less were paid in full in accordance with the act. I should point out that after the deduction of certain authorized administrative and other expenses of the Philippine War Damage Commission, an amount slightly in excess of $388 million was left for the payment of approved claims.

No new claims would be allowed under the terms of H.R. 11721. Only those claimants, or their successors in interest, who received an award under the original Philippine Rehabilitation Act of 1946 would be entitled to receive payment for the balance of their awards. Moreover, before any payment can be made to a claimant, he is required to submit proof

that he has invested, or will invest, in the rehabilitation and economic development of the Philippines, a sum equal to the value of his war damage award. This is the same condition for payment which was contained in the 1946 act. H.R. 11721 provides that only the smaller payments, those of less than ₱25,000—approximately $6,200—are exempt from this requirement.

Under the terms of the bill the Foreign Claims Settlement Commission is directed to review claims applications and certify awards to the Secretary of the Treasury, who would have the option of paying the awards to individual claimants in either dollars or Philippine pesos.

Mr. President, the legislation relating to the payment of the balance of awards made under the Philippine Rehabilitation Act of 1946 has been before the Congress for a number of years. It has been thoroughly debated in the House of Representatives and in the press. Our continued failure to act on this matter has tended to exacerbate United States-Philippine relations, and I hope the Senate will approve H.R. 11721 so that we may settle this longstanding obligation once and for all.

I may add to that brief statement that the bill was reported by the Foreign Relations Committee in exactly the same form in which the House had passed it. Therefore, if we accept the bill today in that form it will be ready to go to the White House.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. HUMPHREY. Mr. President, I thank the Senator from Alabama for his concise and informative statement on this important bill. It is one which has caused a great deal of concern, and its passage by the House the second time and now the possibility of its passage in the Senate will do a great deal to improve relationships between the Republic of the Philippines and the United States. It is much deserved legislation.

It was my privilege to introduce on August 4, 1961, S. 2380, which was a companion bill to the one introduced by Representative ZABLOCKI, H.R. 11721. That is the bill which is now before the Senate.

The proposed legislation as passed by the House and as approved by the Committee on Foreign Relations is, in my mind, good legislation. I am hopeful that it will be promptly approved by the Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement showing the background to the Philippine war damage bill.

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

BACKGROUND TO PHILIPPINE WAR DAMAGE BILL

PURPOSE OF H.R. 11721

This bill authorizes the Foreign Claims Settlement Commission to complete payment on approved claims of individual Filipino and American citizens and corporations for damage to their private property in the Philippines during World War II. All claims under $500 have already been paid in full. The $73 million that could be paid under this bill represents the balance (22.5 percent) between the 52.5 percent already paid on approved claims exceeding $500, and the 75 percent authorized to be paid by the Philippine Rehabilitation Act of 1946 but for which insufficient funds were appropriated. Approximately 88,000 claimants are involved.

SAFEGUARDS

This bill contains safeguards to prevent submission of new claims, to prevent duplicate payments and to limit the legal fees which may be charged claimants for assistance in processing claims. It also modifies H.R. 8617, defeated in May 1962, to require that all claimants receiving amounts over 25,000 pesos (approximately $6,200) prove that such amounts have been invested in the rehabilitation of the Philippine economy. The Philippines is aware that with the passage of this bill, no further war damage claims will be considered.

PHILIPPINE OBLIGATIONS TO UNITED STATES PAID ON ASSUMPTION THEIR CLAIMS WOULD BE SETTLED

The Philippines, in April 1961, settled its obligation to the United States (under the Romulo-Snyder agreement of 1950) with the payment of $20 million. The Philippines fully anticipated that having settled its obligation, Congress would act favorably on war claims legislation in 1961. There was considerable disappointment in the Philippines when Congress adjourned last year with no action taken on the war damage claims.

IMPORTANCE TO U.S. FOREIGN RELATIONS OF PASSAGE OF H.R. 11721

With the passage by the Congress of the Philippine Rehabilitation Act of 1946, the United States accepted a self-assumed but unescapable moral commitment to provide compensation to Filipino and American individuals and corporations who suffered property losses as a consequence of World War II action in the Philippines. This commitment was part and parcel of the epic-making legislative acts passed by the 78th and 79th Congress which laid the foundation for and gave expression to Philippine independence. The Department of State recognizes this commitment. It has been acknowledged by President Kennedy who has repeated his wholehearted support for Philippine war damage legislation on several occasions. It is also strongly felt in the Philippines.

The depth of feeling in the Philippines became readily apparent earlier this year after the failure of the Congress to pass H.R. 8617. Philippine reaction at all levels was one of disbelief which gave way to disappointment and then bitterness that the United States would so treat its best friend in Asia. Public opinion was aroused against President Macapagal's going through with his state visit to the United States and, with reluctance, he postponed his trip. Coincidentally, the Philippines announced the changing of its independence day from July 4 to June 12, the day of the declaration of independence from Spain in 1898. Subsequently, President Macapagal explained that this shift had not been caused by the war damage bill's defeat, but had long been planned. He announced that July 4 would be kept as a holiday and observed as Philippine-American Friendship Day.

There have been indications from the Philippines that the adverse reaction appearing after defeat of H.R. 8617 has gradually subsided; the Philippines is, however, closely following congressional intentions on war damages. The Department of State is strongly of the opinion that it would be in our best foreign policy interests to take favorable action on H.R. 11721. This would not only fulfill a solemn moral commitment and thus help clear the air in our relations with the Philippines, but at the same time be seen as tangible evidence to the neutralist nations that the United States does not ignore its obligations to its proven friends and allies.

RECORD OF MACAPAGAL ADMINISTRATION

Inaugurated December 30, 1961, President Macapagal has undertaken sweeping economic and social reforms in the Philippines. After 10 years of restrictions, currency controls have been abandoned. Plans for accelerated economic development are being drawn up and efforts have been made to attract foreign investment. A campaign against governmental graft is underway, directed by the President, who is endeavoring to provide the country with an able and clean administration.

Mr. SPARKMAN. The Senator referred to the bill that he introduced. Of course, the Senator knows that we also had a bill which had been introduced by the chairman of the Committee on Foreign Relations.

Mr. HUMPHREY. Yes; by the Senator from Arkansas [Mr. FULBRIGHT].

Mr. SPARKMAN. The bill that was introduced by the Senator from Minnesota was the one which had been recommended by the administration. It followed somewhat closely the bill that we finally agreed upon. The bill we agreed upon really is a crossing of the two measures. The one that was introduced by the chairman of the Committee on Foreign Relations was the bill that had been recommended by the administration a few years ago.

However, the House worked out this formula and passed the bill which is now before us. It was our information that any one of the three bills would be perfectly acceptable to the Philippine Government. It was our belief that by handling this matter on the basis of making payments to the individuals who had been awarded claims, a greater amount of good would come because the money would go to the individuals with the knowledge that it was coming from the United States for the settlement of their claims. Furthermore, we felt it was entirely possible that we might save some money by the adoption of this plan, of limiting it to those who had already established a claim, because some of them may move away and may not follow up their claims.

Then, too, the House added the formula which they picked up from the original Rehabilitation Act, requiring investment for those who received more than 20,000 or 25,000 pesos, the equivalent of $6,200. It requires the investment of that amount, unless it had been reinvested since the damage accrued. Either that, or they must reinvest it. This reinvestment must be made in their own country.

Since this is thoroughly acceptable to the Philippines, because there was not a great deal of substantive difference among the three measures, it was decided it would be wise to report to the Senate the bill that had been passed by the House in order that we might obtain final action in the Senate.

Mr. MANSFIELD. Mr. President, would the acting chairman of the Foreign Relations Committee yield?

Mr. SPARKMAN. If I have the floor, I shall be very happy to yield to the majority leader.

Mr. MANSFIELD. First, I wish to commend the distinguished Senator from Alabama who acted as the chairman of the committee during the active consideration of the pending Philippines war claim bill. I congratulate him for being successful in unanimously reporting from the Foreign Relations Committee the bill which is almost the same, if not exactly the same, as the one passed by the House.

Mr. SPARKMAN. I may say that it is exactly the same. We did not change a word or a comma.

Mr. MANSFIELD. Some Senators were interested in attaching an amendment to the bill. I have been in touch with them over the past several days, in the hope that such amendment will not be offered. I have assured them that if the amendments which they had in mind were not offered to the pending bill, the leadership would do all in its power, at the appropriate time, to bring up another bill to which those amendments could be attached. It is my understanding that these Senators—and they are both Republicans and Democrats—have agreed to this procedure. However, as the Senator knows, it is better to have these pledges, promises, and commitments in writing in the RECORD if at all possible. Therefore, with the Senator's permission I would like to suggest the absence of a quorum, which I do.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. LONG of Louisiana. Mr. President, I regret that I did not have the opportunity to hear the statement by the majority leader, but I believe I should state what my understanding with the majority leader was. I was planning to offer a war claims amendment which I believe has been altogether too long delayed—17 years too long, to be exact—but the majority leader informed me that he would feel compelled to move to table such an amendment if I offered it to the Philippine war claims bill, because he said that this is a priority measure which the President is most desirous of signing. The amendment which I have in mind would cause some debate and thus delay action on the Philippine bill. However, the majority leader indicated that if on a subsequent date I would offer the same amendment to a measure which was not a priority item, he would be willing to give it sympathetic consideration.

Mr. MANSFIELD. Mr. President, the Senator from Louisiana has my assurance in that respect. I thank him for his consideration. I thank also the Senator from New Jersey [Mr. WILLIAMS] and the Senators from New York [Mr. JAVITS and Mr. KEATING] for their consideration of the importance of the Philippine war claims bill, the passage of which is long overdue. It entails the payment of a debt legally owed the Philippine Government, based upon legislation passed by previous Congresses.

I hope that the action about to be taken by the Senate, which I trust will be unanimous, will serve further to cement the relations between the United States of America and its longtime close friend and strong ally, the Republic of the Philippines.

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

The bill (H.R. 11721) was ordered to a third reading, was read the third time, and passed.

Mr. SPARKMAN. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I am delighted that this measure has passed the Senate unanimously.

Mr. FONG subsequently said: Mr. President, by its action today approving the Philippine war damage claims bill, the Senate has brought the United States one giant step closer toward removing a longstanding source of irritation in the relations between our two Nations.

With the Senate action, both Houses of Congress have now declared their policy. All that is needed to make this policy official is the signature of the President, and I am confident that will be forthcoming.

This is a step that was long overdue. It is a demonstration that America fulfills her commitments, whether they be moral commitments or legal commitments. Now approximately $73 million in remaining unpaid claims under the Philippine Rehabilitation Act of 1946 can be fully and finally satisfied.

We in Hawaii have an especially close feeling of kinship with our Pacific neighbors in the islands of the Republic of the Philippines. We were partners for survival in World War II, when Hawaii suffered a staggering blow at Pearl Harbor and the Philippines suffered a near-mortal invasion. Today, Hawaii and the Philippines carry on extensive trade and commerce, and there is considerable travel between the islands. Educational and cultural ties bind us as well. More than one-tenth—69,000—of Hawaii's residents are of Filipino ancestry. They are fine citizens of America.

Freedom has no more vigorous champions than the Philippine people who cherish their independence as we do ours. In war and in peace we have no more stanch allies than they.

Though in size and population the Republic of the Philippines ranks among the smaller nations of the world, the spirit of its people is as strong and vigorous as that of any other land. As President Eisenhower said 2 years ago when he visited the Philippines:

> The spirit of a people is not to be measured by its size or its riches or even its age. It is something that comes from the heart, and from the very smallest nation can come some of the great ideas—particularly those great inspirational ideas that inspire men to strive always upward and onward. * * * In the great cause of peace and friendship and freedom, we who are joined together will succeed. The eternal aspirations, purposes, ideals of humanity inspire and hearten and urge us to success.

We Americans are brothers with our Philippine friends through blood commonly shed on the field of battle when we struggled against the foe. We are spiritual brethren with them in the quest for a world of freedom with dignity and justice for all mankind. The action taken by the Senate today strengthens the brotherhood between us.

Mr. COOPER subsequently said: Mr. President, I am glad that I am a Member of the Senate today and that I have the opportunity to support this bill, which authorizes the payment of $73 million by the United States to the Republic of the Philippines in partial compensation and settlement of damages inflicted upon the people of the Philippines during World War II.

This final payment arises from the obligation declared by the United States under the terms of the Philippine Rehabilitation Act enacted by the Congress in 1946. The passage of this bill will make possible the payment of a part—not exceeding 75 percent—of the approved claims of Philippine individuals and companies suffering war damage in World War II. Out of the 88,000 claims, over 87,000 average less than $400, and we can hope that these payments, although small, will be of some benefit to them.

The passage of this legislation has been supported by all our Presidents since World War II, and I am sure by an overwhelming number of the Congress and the American people. We support the legislation because we believe it is an obligation—if not legally binding—yet of such moral force that its payment represents the honorable course for our country.

And this commitment made in 1946, arises from the circumstances and events of World War II, and our association and alliance with the people of the Republic of the Philippines that we can never forget.

It was in the Philippines that the soldiers of our country suffered early reverses, surrender, and the death march of Bataan. The soldiers of the Philippines were then comrades-in-arms, fighting and dying with them. The soldiers, the people of the Philippines never surrendered. The people, the veterans of the Philippines participated in the liberation of their country, and when Gen. Douglas MacArthur fulfilled his promise to return, with him when he came ashore was Gen. Carlos Romulo.

The bravery of the people of the Philippines, their loyalty to the cause of the United States, and to their own cause of independence, sovereignty and freedom fill bright pages in history.

At the close of World War II the United States kept its promise, and the Republic of the Philippines came to full status in the family of nations. Since that time, it has stood with the United States in alliances, and in many causes in the United Nations against the threat

of aggression and subversion by the Soviet Union or Communist China. It has remained true to its traditions against colonialism, for representative government and free democratic institutions and values. I know from my experience as a delegate to the United Nations, that the Republic of the Philippines came under attack by the Soviet Union because it stood by its democratic friends—because it believes in freedom.

The United States has a special relationship with the Republic of the Philippines. Our political and economic institutions are mingled with the culture of that great and beautiful country. We have been faithful to our friendship with this Republic, and its people and Government have been loyal and friendly to us. We must respect and help each other as equals. I would like to see the United States do all that it can appropriately do, and with generosity assist the Republic of the Philippines and its people to reach its high goals of political and economic stability and freedom.

MEDICAL CARE FOR CERTAIN COAST AND GEODETIC SURVEY RETIRED SHIPS' OFFICERS AND CREW MEMBERS AND DEPENDENTS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1866, S. 3318.

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

The LEGISLATIVE CLERK. A bill (S. 3318) to provide medical care for certain Coast and Geodetic Survey retired ships' officers and crew members and their dependents, and for other purposes.

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

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

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

The bill (S. 3318) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject, to regulations of the President, retired ships' officers and retired members of the crews of vessels of the Coast and Geodetic Survey shall be entitled to medical, surgical, and dental treatment and hospitalization at facilities of the Public Health Service, provided the ships' officer or crew member (1) was on active duty as a vessel employee of the Coast and Geodetic Survey on July 1, 1962, and his employment as a vessel employee was continuous from that date until retirement, or (2) was retired as a vessel employee of the Coast and Geodetic Survey on or before July 1, 1962.

(b) Subject to regulations of the President, dependent members of families (as defined in such regulations) of ships' officers and members of crews of vessels of the Coast and Geodetic Survey, whether on active duty or retired, shall be furnished medical advice and outpatient treatment by the Public Health Service at its hospitals and relief stations and, if suitable accommodations are available, they shall also be furnished hospitalization at hospitals of the Public Health Service: *Provided,* That the ships' officer or crew member (1) was on active duty as a vessel employee of the Coast and Geodetic Survey on July 1, 1962, and his employment as a vessel employee has been continuous from that time; or (2) was on active duty as a vessel employee of the Coast and Geodetic Survey on July 1, 1962, and his employment as a vessel employee was continuous from that time until retirement; or (3) was retired as a vessel employee of the Coast and Geodetic Survey on or before July 1, 1962. When dependent members of families are hospitalized, a per diem charge, at such uniform rate as may be prescribed from time to time for the hospitalization of dependents of members of the uniformed services at hospitals of the uniformed services pursuant to section 1078(a) of title 10, United States Code, shall be made.

(c) The Coast and Geodetic Survey shall furnish proper identification to those persons entitled to medical treatment under the provisions of this Act.

SEC. 2. (a) Section 326(b) of the Public Health Service Act (42 U.S.C. 253(b)) is repealed.

(b) Section 326(c) of the Public Health Service Act (42 U.S.C. 253(c)) is amended by inserting the words "or Coast and Geodetic Survey" after the words "Coast Guard" both times the words appear in the subsection.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement in explanation of the bill.

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

EXPLANATION

S. 3318 would restore permanent authority for treatment at Public Health Service facilities of retired vessel employees of the Coast and Geodetic Survey and their dependents. This authority was inadvertently repealed by section 5 of Public Law 86-415, approved April 8, 1960 (74 Stat. 34) but has been continued on a year-to-year basis by language in the Public Health Service appropriation acts. The bill would also provide for an eventual transition to medical care coverage under the Federal Employees' Health Benefits Act of 1959, rather than under the Public Health Service Act, for retired vessel employees and for the dependents of all vessel employees, active or retired.

EXTENSION OF FEDERAL EMPLOYEES COMPENSATION ACT TO EMPLOYEES IN TRUST TERRITORY OF PACIFIC ISLANDS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1867, S. 3319.

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

The LEGISLATIVE CLERK. A bill (S 3319) to extend to certain employees in the Trust Territory of the Pacific Islands the benefits of the Federal Employees' Compensation Act.

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

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

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

The bill (S. 3319) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all of the provisions of the Act of Congress approved September 7, 1916, entitled "An Act to provide compensation for employees of the United States suffering injuries while in performance of their duties, and for other purposes", are hereby extended to employees who perform services for the government of the Trust Territory of the Pacific Islands under an appointment from the Department of the Interior or any other Federal agency.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement in explanation of the bill.

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

EXPLANATION

S. 3319 was reported unanimously from the Committee on Labor and Public Welfare. It would extend the benefits of the Federal Employees' Compensation Act to certain persons, otherwise regarded as employees of the United States for civil service purposes, who perform services for the government of the Trust Territory of the Pacific Islands.

There are some 250 employees who hold appointments from the Department of the Interior through the High Commissioner of the Trust Territory or his delegate, acting pursuant to authority delegated from the Secretary of the Interior, that are paid from funds that are a combination of local revenues and Federal grants. These individuals are considered as employees of the United States by the Civil Service Commission and by the Comptroller General of the United States. The Bureau of Employees' Compensation in the Department of Labor, however, has concluded that these employees of the Trust Territory of the Pacific Islands cannot be regarded as within the coverage of the Federal Employees' Compensation Act.

Enactment of this bill would remove an inconsistency that currently exists between rulings of the Civil Service Commission and the Bureau of Employees' Compensation with respect to employees of the United States performing services for the government of the Trust Territory of the Pacific Islands.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. PELL in the chair). Without objection, it is so ordered.

VETERANS READJUSTMENT ASSISTANCE ACT OF 1961

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 676, Senate bill 349.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 349) to provide readjustment assistance to veterans who serve in the Armed Forces between January 31, 1955, and

July 1, 1963, which had been reported from the Committee on Labor and Public Welfare, with amendments, on page 52, at the beginning of line 21, to strike out "(2)" and insert "(3)", and on page 55, line 1, after the word "shall", to strike out "be subject to the provisions of section 1811(h) of this title" and insert "not be made after June 30, 1973, except pursuant to commitments issued by the Administrator on or before that date"; 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 this Act shall be known as the "Veterans' Readjustment Assistance Act of 1961".

SEC. 2. (a) Title 38 of the United States Code is amended by adding after chapter 39 the following new chapter:

"CHAPTER 40—EDUCATION OF VETERANS WHO SERVE BETWEEN JANUARY 31, 1955, AND JULY 1, 1963

"Subchapter I—Definitions

"Sec.
"1908. Definitions.

"Subchapter II—Eligibility

"1910. Entitlement to education or training generally.
"1911. Duration of veteran's education or training.
"1912. Commencement; time limitations.
"1913. Expiration of all education and training.

"Subchapter III—Enrollment

"1920. Selection of program.
"1921. Applications; approval.
"1922. Change of program.
"1923. Disapproval of enrollment in certain courses.
"1924. Discontinuance for unsatisfactory progress.
"1925. Period of operation for approval.
"1926. Institutions listed by Attorney General.

"Subchapter IV—Payments to veterans

"1931. Education and training allowance.
"1932. Computation of education and training allowances.
"1933. Measurement of courses.
"1934. Overcharges by educational institutions.

"Subchapter V—State approving agencies

"1941. Designation.
"1942. Approval of courses.
"1943. Cooperation.
"1944. Use of Office of Education and other Federal agencies.
"1945. Reimbursement of expenses.

"Subchapter VI—Approval of courses of education and training

"1951. Apprentice or other training on the job.
"1952. Institutional on-farm training.
"1953. Approval of accredited courses.
"1954. Approval of nonaccredited courses.
"1955. Notice of approval of courses.
"1956. Disapproval of courses and discontinuance of allowances.

"Subchapter VII—Miscellaneous provisions

"1961. Authority and duties of Administrator.
"1962. Educational and vocational counseling.
"1963. Control by agencies of United States.
"1964. Conflicting interests.
"1965. Reports by institutions.
"1966. Overpayments to veterans.
"1967. Examination of records.
"1968. False or misleading statements.
"1969. Information furnished by Federal Trade Commission.
"1970. Effective date and retroactive allowances.

"Subchapter I—Definitions

"§ 1908. Definitions

"(a) For the purpose of this chapter—

"(1) The term 'eligible veteran' means any veteran who is not on active duty and who—

"(A) served on active duty at any time between January 31, 1955, and July 1, 1963;

"(B) was discharged or released therefrom under conditions other than dishonorable; and

"(C) served on active duty for a period of more than one hundred and eighty days (exclusive of any period he was assigned by the Armed Forces to a civilian institution for a course of education or training which was substantially the same as established courses offered to civilians, or as cadet or midshipman at one of the service academies), or was discharged or released from a period of active duty, any part of which occurred between January 31, 1955, and July 1, 1963, for an actual service-connected disability.

"(2) The term 'program of education or training' means any single unit course or subject, any curriculum, or any combination of unit courses or subjects, which is generally accepted as necessary to fulfill requirements for the attainment of a predetermined and identified educational, professional, or vocational objective.

"(3) The term 'course' means an organized unit of subject matter in which instruction is offered within a given period of time or which covers a specific amount of related subject matter for which credit toward graduation or certification is usually given.

"(4) The term 'dependent' means—

"(A) a child of an eligible veteran;

"(B) a parent of an eligible veteran, if the parent is in fact dependent upon the veteran; and

"(C) the wife of an eligible veteran, or, in the case of an eligible veteran who is a woman, her husband if he is, in fact, dependent upon her.

"(5) The term 'educational institution' means any public or private elementary school, secondary school, vocational school, correspondence school, business school, junior college, teachers college, college, normal school, professional school, university, scientific or technical institution, or other institution furnishing education for adults.

"(6) The term 'training establishment' means any business or other establishment providing apprentice or other training on the job, including those under the supervision of a college or university or any State department of education, or any State apprenticeship agency, or any State board of vocational education, or any joint apprentice committee, or the Bureau of Apprenticeship established in accordance with chapter 4C of title 29, or any agency of the Federal Government authorized to supervise such training.

"(7) The term 'State' includes the Canal Zone.

"(8) The term 'Commissioner' means the United States Commissioner of Education.

"(b) Benefits shall not be afforded under this chapter to any individual on account of service as a commissioned officer of the Coast and Geodetic Survey, or of the Regular or Reserve Corps of the Public Health Service.

"(c) The Congress of the United States hereby declares that the veterans' education and training program created by this chapter is for the purpose of providing vocational readjustment and restoring lost educational opportunities to those service men and women whose educational or vocational ambitions have been interrupted or impeded by reason of active duty between January 31, 1955, and July 1, 1963, and for the purpose of aiding such persons in attaining the educational and training status which they might normally have aspired to and obtained had they not served their country.

"Subchapter II—Eligibility

"§ 1910. Entitlement to education or training generally

"Each eligible veteran shall, subject to the provisions of this chapter, be entitled to the education or training provided under this chapter.

"§ 1911. Duration of veteran's education or training

"(a) Each eligible veteran shall be entitled to education or training under this chapter for a period equal to one and a half times the duration of his service on active duty between January 31, 1955, and July 1, 1963, and, with respect to an eligible veteran on active duty on June 30, 1963, service on active duty after such date until his first discharge or release from such active duty after such date (or to the equivalent thereof in part-time training), except that—

"(1) in computing the duration of such service, there shall be excluded (A) any period of active duty which is creditable to an eligible veteran in determining entitlement to education or training under chapter 33 and (B) a period equal to any period he was assigned by the Armed Forces to a civilian institution for a course of education or training which was substantially the same as established courses offered to civilians or served as a cadet or midshipman at one of the service academies;

"(2) the period of education or training to which an eligible veteran shall be entitled under this chapter shall not, except as provided in subsection (b), exceed thirty-six months reduced by a period equivalent to any period of educational assistance afforded him under chapters 33 and 35 of this title; and

"(3) the period of education or training to which an eligible veteran shall be entitled under this chapter together with vocational rehabilitation training received under chapter 31 of this title, and education or training received under part VIII of Veterans Regulation Numbered 1(a), and section 12(a) of the Act enacting this title shall not, except as provided in subsection (b), exceed thirty-six months in the aggregate.

"(b) Whenever the period of entitlement to education or training under this chapter of an eligible veteran who is enrolled in an educational institution regularly operated on the quarter or semester system ends during a quarter or semester and after a major part of such semester or quarter has expired, such period shall be extended to the termination of such unexpired quarter or semester. In all other courses offered by educational institutions, whenever the period of eligibility ends after a major portion of the course is completed such period may be extended to the end of the course or for nine weeks, whichever is the lesser period.

"(c) In the case of any eligible veteran who is pursuing any program of education or training exclusively by correspondence, one-fourth of the elapsed time in following such program of education or training shall be charged against the veteran's period of entitlement.

"§ 1912. Commencement; time limitations

"(a) No eligible veteran shall be entitled to initiate a program of education or training under this chapter after three years after his discharge or release from active duty or after three years after the date of enactment of this chapter, whichever is later. Notwithstanding the preceding sentence, any otherwise eligible veteran whom the Administrator determines to have been prevented from initiating a program of education or training under this chapter within the period prescribed by the preceding sentence because he had not met the nature of discharge requirements of section 1908(a)(1)(B) of this title before a change, correction, or modification of a discharge or dismissal made pursuant to section 1553 of title 10,

the correction of the military records of the proper service department under section 1552 of title 10, or other corrective action by competent authority, shall be permitted to initiate a program of education or training under this chapter within three years after the date of his discharge or dismissal was so changed, corrected, or modified, or within three years after the date of enactment of this chapter, whichever is later.

"(b) The program of education and training of an eligible veteran under this chapter shall, on and after the delimiting date for the veteran to initiate his program, be pursued continuously until completion, except that an eligible veteran may suspend the pursuit of his program for periods of not more than twelve consecutive months, and may suspend the pursuit of such program for longer periods if the Administrator finds that the suspension for each such period was due to conditions beyond the control of the eligible veteran.

"(c) For the purposes of computing the three-year period under this section and the eight-year period under section 1913, the date of an eligible veteran's discharge or release shall be the date of his discharge or release from his last period of active duty which began before July 1, 1963, but no period of active duty performed after July 1, 1963, shall be included in computing such periods unless it follows a break in active duty status of more than 90 days.

"§ 1913. Expiration of all education and training

"No education or training shall be afforded an eligible veteran under this chapter beyond eight years after his discharge or release from active duty or eight years after the enactment of this chapter, whichever is later, except that any veteran who is eligible to initiate a program of education or training by reason of the second sentence of section 1912(a) of this title shall be permitted to pursue, subject to other provisions of this chapter, such program for a period of not more than five years after the date of initiation thereof; but in no event shall education or training be afforded under this chapter after June 30, 1973, unless the veteran's date for initiating his program occurs after June 30, 1968.

"Subchapter III—Enrollment

"§ 1920. Selection of program

"Subject to the provisions of this chapter, each eligible veteran may select a program of education or training to assist him in attaining an educational, professional, or vocational objective at any educational institution or training establishment selected by him, whether or not located in the State in which he resides, which will accept and retain him as a student or trainee in any field or branch of knowledge which such institution or establishment finds him qualified to undertake or pursue. Nothwithstanding the foregoing provisions of this section, an eligible veteran may not pursue a program of education or training at an educational institution or training establishment which is not located in a State, unless such program is pursued at an approved educational institution of higher learning. The Adminstrator in his discretion may deny or discontinue the enrollment under this chapter of any veteran in a foreign educational institution if he finds that such enrollment is not for the best interest of the veteran or the Government.

"§ 1921. Applications; approval

"Any eligible veteran who desires to initiate a program of education or training under this chapter shall submit an application to the Administrator which shall be in such form, and contain such information, as the Administrator shall prescribe. The Administrator shall approve such application unless he finds that such veteran is not eligible for or entitled to the education or training applied for or that his program of education or training fails to meet any of the requirements of this chapter, or that the eligible veteran is already qualified, by reason of previous education and training, for the educational, professional, or vocational objective for which the courses of the program of education or training are offered. The Administrator shall notify the eligible veteran of the approval or disapproval of his application.

"§ 1922. Change of program

"(a) Subject to the provisions of section 1921 of this title, each eligible veteran (except an eligible veteran whose program has been interrupted or discontinued due to his own misconduct, his own neglect, or his own lack of application) may, at any time before the end of the period during which he is entitled to initiate a program of education or training under this chapter, make not more than one change of program of education or training.

"(b) Each eligible veteran, who has not made a change of program of education or training before the expiration of the period during which he is entitled to initiate a program of education or training under this chapter, may make not more than one change of program of education or training with the approval of the Administrator. The Administrator shall approve such a change if he finds that—

"(1) the eligible veteran is not making satisfactory progress in his present program and that the failure is not due to his own misconduct, his own neglect, or his own lack of application, and if the program to which the eligible veteran desires to change is more in keeping with his aptitude or previous education and training; or

"(2) the program to which the eligible veteran desires to change, while not a part of the program currently pursued by him, is a normal progression from such program.

"(c) As used in this section the term 'change of program of education or training' shall not be deemed to include a change from the pursuit of one program to pursuit of another where the first program is prerequisite to, or generally required for, entrance into pursuit of the second.

"§ 1923. Disapproval of enrollment in certain courses

"(a) The Administrator shall not approve the enrollment of an eligible veteran in any bartending course, dancing course, or personality development course.

"(b) The Administrator shall not approve the enrollment of an eligible veteran—

"(1) in any photography course or entertainment course; or

"(2) in any music course—instrumental or vocal—public speaking course, or course in sports or athletics such as horseback riding, swimming, fishing, skiing, golf, baseball, tennis, bowling, sports officiating, or other sport or athletic courses, except courses of applied music, physical education, or public speaking which are offered by institutions of higher learning for credit as an integral part of a program leading to an educational objective; or

"(3) in any other type of course which the Administrator finds to be avocational or recreational in character;

unless the eligible veteran submits justification showing that the course will be of bona fide use in the pursuit of his present or contemplated business or occupation.

"(c) The Administrator shall not approve the enrollment of any eligible veteran, not already enrolled, in any nonaccredited course below the college level offered by a proprietary profit or proprietary nonprofit educational institution for any period during which the Administrator finds that more than eighty-five per centum of the students enrolled in the course are having all or any part of their tuition, fees, or other charges paid to or for them by the educational institution or the Veterans' Administration under this chapter, chapter 31 or 33 of this title, or section 12(a) of the Act enacting this title.

"§ 1924. Discontinuance for unsatisfactory progress

"The Administrator shall discontinue the education and training allowance of an eligible veteran if, at any time, he finds that, according to the regularly prescribed standards and practices of the educational institution or training establishment, the conduct or progress of such veteran is unsatisfactory.

"§ 1925. Period of operation for approval

"(a) The Administrator shall not approve the enrollment of an eligible veteran in any course offered by an educational institution when such course has been in operation for less than two years.

"(b) Subsection (a) shall not apply to—

"(1) any course to be pursued in a public or other tax-supported educational institution;

"(2) any course which is offered by an educational institution which has been in operation for more than two years, if such course is similar in character to the instruction previously given by such institution;

"(3) any course which has been offered by an institution for a period of more than two years, nothwithstanding the institution has moved to another location within the same general locality; or

"(4) any course which is offered by a nonprofit educational institution of college level and which is recognized for credit toward a standard college degree.

"§ 1926. Institutions listed by Attorney General

"The Administrator shall not approve the enrollment of, or payment of an education and training allowance to, any eligible veteran in any course in an educational institution or training establishment while it is listed by the Attorney General under section 3 of part III of Executive Order 9835, as amended.

"Subchapter IV—Payments to veterans

"§ 1931. Education and training allowance

"(a) The Administrator shall pay to each eligible veteran who is pursuing a program of education or training under this chapter, and who applies therefor, an education and training allowance to meet in part the expenses of his subsistence, tuition, fees, supplies, books, and equipment.

"(b) The education and training allowance for an eligible veteran shall be paid, as provided in section 1932 of this title, only for the period of the veteran's enrollment as approved by the Administrator, but no allowance shall be paid—

"(1) to any veteran enrolled in an institutional course which leads to a standard college degree or a course of institutional on-farm training for any period when the veteran is not pursuing his course in accordance with the regularly established policies and regulations of the institution and the requirements of this chapter;

"(2) to any veteran enrolled in an institutional course which does not lead to a standard college degree or in a course of apprentice or other training on the job for any day of absence in excess of thirty days in a twelve-month period, not counting as absences weekends or legal holidays established by Federal or State law during which the institution or establishment is not regularly in session or operation; or

"(3) to any veteran pursuing his program of education excusively by correspondence for any period during which no lessons were serviced by the institution.

"(c) No education and training allowance shall be paid to an eligible veteran for any period until the Administrator shall have received—

"(1) from the eligible veteran (A) in the case of an eligible veteran enrolled in an

institutional course which leads to a standard college degree or a course of institutional on-farm training, a certification that he was actually enrolled in and pursuing the course as approved by the Administrator, or (B) in the case of an eligible veteran enrolled in an institutional course which does not lead to a standard college degree or a course of apprentice or other training on the job, a certification as to actual attendance during such period, or (C) in the case of an eligible veteran enrolled in a program of education or training by correspondence, a certification as to the number of lessons actually completed by the veteran and serviced by the institution; and

"(2) from the educational institution or training establishment, a certification, or an endorsement on the veteran's certificate, that such veteran was enrolled in and pursuing a course of education or training during such period, and, in the case of an institution furnishing education or training to a veteran exclusively by correspondence, a certification, or an endorsement on the veteran's certificate, as to the number of lessons completed by the veteran and serviced by the institution. Education and training allowances shall, insofar as practicable, be paid within twenty days after receipt by the Administrator of the certifications required by this subsection.

"§ 1932. Computation of education and training allowances

"(a) The education and training allowance of an eligible veteran who is pursuing a program of education or training in an educational institution and is not entitled to receive an education and training allowance under subsection (b), (c), (d), (e), or (f) shall be computed as follows:

"(1) If such program is pursued on a full-time basis, such allowance shall be computed at the rate of $110 per month, if the veteran has no dependent, or at the rate of $135 per month, if he has one dependent, or at the rate of $160 per month, if he has more than one dependent.

"(2) If such program is pursued on a three-quarters time basis, such allowance shall be computed at the rate of $80 per month, if the veteran has no dependent, or at the rate of $100 per month, if he has one dependent, or at the rate of $120 per month, if he has more than one dependent.

"(3) If such program is pursued on a half-time basis, such allowance shall be computed at the rate of $50 per month, if the veteran has no dependent, or at the rate of $60 per month, if he has one dependent, or at the rate of $80 per month, if he has more than one dependent.

"(b) The education and training allowance of an eligible veteran who is pursuing a full-time program of education and training which consist of institutional courses and on-the-job training, with the on-the-job training portion of the program being strictly supplemental to the institutional portion, shall be computed at the rate of (1) $90 per month, if he has no dependent, or (2) $110 per month, if he has one dependent, or (3) $130 per month, if he has more than one dependent.

"(c) The education and training allowance of an eligible veteran pursuing apprentice or other training on the job shall be computed at the rate of (1) $70 per month, if he has no dependent, or (2) $85 per month, if he has one dependent, or (3) $105 per month, if he has more than one dependent; except that his education and training allowance shall be reduced at the end of each four-month period as his program progresses by an amount which bears the same ratio to the basic education and training allowance as four months bears to the total duration of his apprentice or other training on the job; but in no case shall the Administrator pay an education and training allowance under this subsection in an amount which, when added to the compensation to be paid to the veteran, in accordance with his approved training program, for productive labor performed as a part of his course, would exceed the rate of $310 per month. For the purpose of computing allowances under this subsection, the duration of the training of an eligible veteran shall be the period specified in the approved application as the period during which he may receive an education and training allowance for such training, plus such additional period, if any, as is necessary to make the number of months of such training a multiple of four.

"(d) The education and training allowance of an eligible veteran pursuing institutional on-farm training shall be computed at the rate of (1) $95 per month, if he has no dependent, or (2) $110 per month, if he has one dependent, or (3) $130 per month, if he has more than one dependent; except that his education and training allowance shall be reduced at the end of the third, and each subsequent, four-month period as his program progresses by an amount which bears the same ratio to $65 per month, if the veteran has no dependent, or $80 per month, if he has one dependent, or $100 per month, if he has more than one dependent, as four months bears to the total duration of such veterans' institutional on-farm training reduced by eight months. For the purpose of computing allowances under this subsection, the duration of the training of an eligible veteran shall be the period specified in the approved application as the period during which he may receive an education and training allowance for such training, plus such additional period, if any, as is necessary to make the number of such months of such training a multiple of four.

"(e) The education and training allowance of an eligible veteran pursuing a program of education or training exclusively by correspondence shall be computed on the basis of the established charge which the institution requires nonveterans to pay for the course or courses pursued by the eligible veteran. Such allowance shall be paid quarterly on a pro rata basis for the lessons completed by the veteran and serviced by the institution, as certified by the institution.

"(f) The education and training allowance of an eligible veteran who is pursuing a program of education or training under this chapter in an educational institution on a less-than-half-time basis shall be computed at the rate of (1) the established charges for tuition and fees which the institution requires similarly circumstanced nonveterans enrolled in the same course to pay, or (2) $110 per month for a full-time course, whichever is the lesser.

"(g) Each eligible veteran who is pursuing an approved course of flight training shall be paid an education and training allowance to be computed at the rate of 75 per centum of the established charge which similarly circumstanced nonveterans enrolled in the same flight course are required to pay for tuition for the course. If such veteran's program of education or training consists exclusively of flight training, he shall not be paid an education and training allowance under one of the preceding subsections of this section; if his program of education or training consists of flight training and other education or training, the allowance payable under this subsection shall be in addition to any education and training allowance payable to him under one of the preceding subsections of this section for education or training other than flight training. Such allowance shall be paid monthly upon receipt of certification from the eligible veteran and the institution as to the actual flight training received by the veteran. In each such case the eligible veteran's period of entitlement shall be charged (in addition to any charge made against his entitlement by reason of education or training other than flight training) with one day for each $1.25 which is paid to the veteran as an education and training allowance for such course.

"(h) No eligible veteran shall be paid an education and training allowance under this chapter for any period during which (1) he is enrolled in and pursuing a course of education or training paid for by the United States under any provision of law other than this chapter, where the payment of such allowance would constitute a duplication of benefits paid to the veteran from the Federal Treasury, or (2) he is pursuing a course of apprentice or other training on the job, a course of institutional on-farm training, or a course of education and training described in subsection (b) on a less than full-time basis.

"§ 1933. Measurement of courses

"(a) For the purposes of this chapter (1) an institutional trade or technical course offered on a clock-hour basis below the college level involving shop practice as an integral part thereof, shall be considered a full-time course when a minimum of thirty hours per week of attendance is required with not more than two and one-half hours of rest periods per week allowed, (2) an institutional course offered on a clock-hour basis below the college level in which theoretical or classroom instruction predominates shall be considered a full-time course when a minimum of twenty-five hours per week net of instruction is required, and (3) an institutional undergraduate course offered by a college or university on a quarter or semester-hour basis for which credit is granted toward a standard college degree shall be considered a full-time course when a minimum of fourteen semester hours or its equivalent is required.

"(b) The Administrator shall define full-time training in the case of all types of courses of education or training other than institutional on-farm training and the types of courses referred to in subsection (a); except that, the Administrator shall not define full-time apprentice training for a particular establishment other than that established as the standard workweek through bona fide collective bargaining between employers and employees.

"§ 1934. Overcharges by educational institutions

"The Administrator may, if he finds that an institution has charged or received from any eligible veteran any amount in excess of the established charges for tuition and fees which the institution requires similarly circumstanced nonveterans enrolled in the same course to pay, disapprove such educational institution for the enrollment of any veteran not already enrolled therein, except that, in the case of a tax-supported public educational institution which does not have established charges for tuition and fees which it requires nonveteran residents to pay, such institution may charge and receive from each eligible veteran who is a resident an amount equal to the estimated cost of teaching personnel and supplies for instruction attributable to such veteran, but in no event to exceed the rate of $10 per month for a full-time course. Any educational institution or training establishment disapproved under this section shall also be disapproved for the enrollment of any veteran not already enrolled therein under chapter 31 or 33, or for the enrollment of any eligible person not already enrolled therein under chapter 35.

"Subchapter V—State approving agencies

"§ 1941. Designation

"(a) Unless otherwise established by the law of the State concerned, the chief executive of each State is requested to create or designate a State department or agency as the 'State approving agency' for his State for the purposes of this chapter.

"(b) (1) If any State fails or declines to create or designate a State approving agency, the provisions of this chapter which refer to the State approving agency shall, with respect to such State, be deemed to refer to the Administrator.

"(2) In the case of courses subject to approval by the Administrator under section 1942 of this title, the provisions of this chapter which refer to a State approving agency shall be deemed to refer to the Administrator.

"§ 1942. Approval of courses

"(a) An eligible veteran shall receive the benefits of this chapter while enrolled in a course of education or training offered by an educational institution or training establishment only if such course is approved by the State approving agency for the State where such educational institution or training establishment is situated or by the Administrator. Approval of courses by State approving agencies shall be in accordance with the provisions of this chapter and such other regulations and policies as the State approving agency may adopt. Each State approving agency shall furnish the Administration with a current list of educational institutions and training establishments, specifying courses which it has approved, and, in addition to such list, it shall furnish such other information to the Administrator as it and the Administrator may determine to be necessary to carry out the purposes of this chapter. Each State approving agency shall notify the Administrator of the disapproval of any course previously approved and shall set forth the reasons for such disapproval.

"(b) The Administrator shall be responsible for the approval of courses of education or training offered by any agency of the Federal Government authorized under other laws to supervise such education or training. The Administrator may approve any course in any other educational institution or training establishment in accordance with the provisions of this chapter.

"(c) Any course offered by an educational institution or training establishment shall be considered approved for the purposes of this chapter if it is in an approved status for education or training under chapter 33 of this title, and has not been disapproved under the provisions of this chapter.

"§ 1943. Cooperation

"(a) The Administrator and each State approving agency shall take cognizance of the fact that definite duties, functions, and responsibilities are conferred upon the Administrator and each State approving agency under the veterans' educational programs. To assure that such programs are effectively and efficiently administered, the cooperation of the Administrator and the State approving agencies is essential. It is necessary to establish an exchange of information pertaining to activities of educational institutions and training establishments, and particular attention should be given to the enforcement of approval standards, enforcement of wage and income limitations, enforcement of enrollment restrictions, and fraudulent and other criminal activities on the part of persons connected with educational institutions and training establishments in which veterans are enrolled under this chapter.

"(b) The Administrator will furnish the State approving agencies with copies of such Veterans' Administration informational material as may aid them in carrying out this chapter.

"§ 1944. Use of Office of Education and other Federal agencies

"(a) In carrying out his functions under this chapter, the Administrator may utilize the facilities and services of any other Federal department or agency. The Administrator shall utilize the services of the Office of Education in developing cooperative agreements between the Administrator and State and local agencies relating to the approval of courses of education or training as provided for in section 1945 of this title, in reviewing the plan of operations of State approving agencies under such agreements, and in rendering technical assistance to such State and local agencies in developing and improving policies, standards, and legislation in connection with their duties under this chapter.

"(b) Any such utilization shall be pursuant to proper agreement with the Federal department or agency concerned; and payment to cover the cost thereof shall (except in the case of the Office of Education) be made either in advance or by way of reimbursement, as may be provided in such agreement. Funds necessary to enable the Office of Education to carry out its functions under this chapter are authorized to be appropriated directly to such Office.

"§ 1945. Reimbursement of expenses

"The Administrator is authorized to enter into contracts or agreements with State and local agencies to pay such State and local agencies for reasonable and necessary expenses of salary and travel incurred by employees of such agencies in (1) rendering necessary services in ascertaining the qualifications of educational institutions and training establishments for furnishing courses of education or training to eligible veterans under this chapter, and in the supervision of such educational institutions and training establishments, and (2) furnishing, at the request of the Administrator, any other services in connection with this chapter. Each such contract or agreement shall be conditioned upon compliance with the standards and provisions of this chapter.

"Subchapter VI—Approval of courses of education and training

"§ 1951. Apprentice or other training on the job

"(a) Apprentice or other training on the job shall consist of courses offered by training establishments whenever such courses of training are furnished in accordance with the provisions of this section. Any training establishment desiring to furnish a course of apprentice or other training on the job shall submit to the appropriate State approving agency a written application setting forth the course of training for each job for which an eligible veteran is to be trained. The written application covering the course of training shall include the following:

"(1) Title and description of the specific job objective for which the eligible veteran is to be trained;

"(2) The length of the training period;

"(3) A schedule listing various operations for major kinds of work or tasks to be learned and showing for each, job operations or work, tasks to be performed, and the approximate length of time to be spent on each operation or task;

"(4) The wage or salary to be paid at the beginning of the course of training, at each successive step in the course, and at the completion of training;

"(5) The entrance wage or salary paid by the establishment to employees already trained in the kind of work for which the veteran is to be trained; and

"(6) The number of hours of supplemental related instruction required.

"(b) The appropriate State approving agency may approve a course of apprentice or other training on the job specified in an application submitted by a training establishment in accordance with subsection (a) if such training establishment is found upon investigation to have met the following criteria:

"(1) The training content of the course is adequate to qualify the eligible veteran for appointment to the job for which he is to be trained.

"(2) There is reasonable certainty that the job for which the eligible veteran is to be trained will be available to him at the end of the training period.

"(3) The job is one in which progression and appointment to the next higher classification are based upon skills learned through organized training on the job and not on such factors as length of service and normal turnover.

"(4) The wages to be paid the eligible veteran for each successive period of training are not less than those customarily paid in the training establishment and in the community to a learner in the same job who is not a veteran.

"(5) The job customarily requires a period of training of not less than three months and not more than two years of full-time training, except that this provision shall not apply to apprentice training.

"(6) The length of the training period is no longer than that customarily required by the training establishment and other training establishments in the community to provide an eligible veteran with the required skills, arrange for the acquiring of job knowledge, technical information, and other facts which the eligible veteran will need to learn in order to become competent on the job for which he is being trained.

"(7) Provision is made for related instruction for the individual eligible veteran who may need it.

"(8) There is in the training establishment adequate space, equipment, instructional material, and instructor personnel to provide satisfactory training on the job.

"(9) Adequate records are kept to show the progress made by each eligible veteran toward his job objective.

"(10) Appropriate credit is given the eligible veteran for previous training and job experience, whether in the military service or elsewhere, his beginning wage adjusted to the level to which such credit advances him, and his training period shortened accordingly, and provision is made for certification by the training establishment that such credit has been granted and the beginning wage adjusted accordingly. No course of training will be considered bona fide if given to an eligible veteran who is already qualified by training and experience for the job objective.

"(11) A signed copy of the training agreement for each eligible veteran, including the training program and wage scale as approved by the State approving agency, is provided to the veteran and to the Administrator and the State approving agency by the employer.

"(12) Upon completion of the course of training furnished by the training establishment the eligible veteran is given a certificate by the employer indicating the length and type of training provided and that the eligible veteran has completed the course of training on the job satisfactorily.

"(13) That the course meets such other criteria as may be established by the State approving agency.

"§ 1952. Institutional on-farm training

"(a) An eligible veteran shall be entitled to the benefits of this chapter while enrolled in a course of full-time institutional on-farm training which has been approved by the appropriate State approving agency in accordance with the provisions of this section.

"(b) The State approving agency may approve a course of institutional on-farm training when it satisfies the following requirements:

"(1) The course combines organized group instruction in agricultural and related subjects of at least two hundred hours per year (and of at least eight hours each month) at an educational institution, with supervised work experience on a farm or other agricultural establishment.

"(2) The eligible veteran will perform a part of such course on a farm or other agricultural establishment under his control.

"(3) The course is developed with due consideration to the size and character of the farm or other agricultural establishment on which the eligible veteran will receive his supervised work experience and to the need of such eligible veteran, in the type of farming for which he is training, for proficiency in planning, producing, marketing, farm mechanics, conservation of resources, food conservation, farm financing, farming management, and the keeping of farm and home accounts.

"(4) The eligible veteran will receive not less than one hundred hours of individual instruction per year, not less than fifty hours of which shall be on such farm or other agricultural establishment (with at least two visits by the instructor to such farm each month). Such individual instruction shall be given by the instructor responsible for the veteran's institutional instruction and shall include instruction and home-study assignments in the preparation of budgets, inventories, and statements showing the production, use on the farm, and sale of crops, livestock, and livestock products.

"(5) The eligible veteran will be assured of control of such farm or other agricultural establishment (whether by ownership, lease, management, agreement, or other tenure arrangement) until the completion of his course.

"(6) Such farm or other agricultural establishment shall be of a size and character which (A) will, together with the group-instruction part of the course, occupy the full time of the eligible veteran, (B) will permit instruction in all aspects of the management of the farm or other agricultural establishment of the type for which the eligible veteran is being trained, and will provide the eligible veteran an opportunity to apply to the operation of his farm or other agricultural establishment the major portion of the farm practices taught in the group-instruction part of the course, and (C) will assure him a satisfactory income for a reasonable living under normal conditions at least by the end of his course.

"(7) Provision shall be made for certification by the institution and the veteran that the training offered does not repeat or duplicate training previously received by the veteran.

"(8) The institutional on-farm training meets such other fair and reasonable standards as may be established by the State approving agency.

"§ 1953. Approval of accredited courses

"(a) A State approving agency may approve the courses offered by an educational institution when—

"(1) such courses have been accredited and approved by a nationally recognized accrediting agency or association;

"(2) credit for such course is approved by the State department of education for credit toward a high school diploma;

"(3) such courses are conducted under sections 11–28 of title 20; or

"(4) such courses are accepted by the State department of education for credit for a teacher's certificate or a teacher's degree.

For the purposes of this chapter the Commissioner shall publish a list of nationally recognized accrediting agencies and associations which he determines to be a reliable authority as to the quality of training offered by an educational institution and the State approving agencies may, upon concurrence, utilize the accreditation of such accrediting associations or agencies for approval of the courses specifically accredited and approved by such accrediting association or agency. In making application for approval, the institution shall transmit to the State approving agency copies of its catalog or bulletin.

"(b) As a condition to approval under this section, the State approving agency must find that adequate records are kept by the educational institution to show the progress of each eligible veteran. The State approving agency must also find that the educational institution maintains a written record of the previous education and training of the veteran and clearly indicates that appropriate credit has been given by the institution for previous education and training, with the training period shortened proportionately and the veteran and the Administrator so notified.

"§ 1954. Approval of nonaccredited courses

"(a) No course of education or training (other than a course of institutional on-farm training) which has not been approved by a State approving agency pursuant to section 1953 of this title, which is offered by a public or private, profit or nonprofit, educational institution shall be approved for the purposes of this chapter unless the educational institution offering such course submits to the appropriate State approving agency a written application for approval of such course in accordance with the provisions of this chapter.

"(b) Such application shall be accompanied by not less than two copies of the current catalog or bulletin which is certified as true and correct in content and policy by an authorized owner or official and includes the following:

"(1) Identifying data, such as volume number and date of publication;

"(2) Names of the institution and its governing body, officials and faculty;

"(3) A calendar of the institution showing legal holidays, beginning and ending date of each quarter, term, or semester, and other important dates;

"(4) Institution policy and regulations on enrollment with respect to enrollment dates and specific entrance requirements for each course;

"(5) Institution policy and regulations relative to leave, absences, class cuts, make-up work, tardiness and interruptions for unsatisfactory attendance;

"(6) Institution policy and regulations relative to standards of progress required of the student by the institution (this policy will define the grading system of the institution, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress and a description of the probationary period, if any, allowed by the institution, and conditions of reentrance for those students dismissed for unsatisfactory progress. A statement will be made regarding progress records kept by the institution and furnished the student);

"(7) Institution policy and regulations relating to student conduct and conditions for dismissal for unsatisfactory conduct;

"(8) Detailed schedules of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

"(9) Policy and regulations of the institution relative to the refund of the unused portion of tuition, fees, and other charges in the event the student does not enter the course or withdraws or is discontinued therefrom;

"(10) A description of the available space, facilities, and equipment;

"(11) A course outline for each course for which approval is requested, showing subjects or units in the course, type of work or skill to be learned, and approximate time and clock hours to be spent on each subject or unit; and

"(12) Policy and regulations of the institution relative to granting credit for previous educational training.

"(c) The appropriate State approving agency may approve the application of such institution when the institution and its nonaccredited courses are found upon investigation to have met the following criteria:

"(1) The courses, curriculum, and instruction are consistent in quality, content, and length with similar courses in public schools and other private schools in the State, with recognized accepted standards.

"(2) There is in the institution adequate space, equipment, instructional material, and instructor personnel to provide training of good quality.

"(3) Educational and experience qualifications of directors, administrators, and instructors are adequate.

"(4) The institution maintains a written record of the previous education and training of the veteran and clearly indicates that appropriate credit has been given by the institution for previous education and training, with the training period shortened proportionately and the veteran and the Administrator so notified.

"(5) A copy of the course outline, schedule of tuition, fees, and other charges, regulations pertaining to absence, grading policy, and rules of operation and conduct will be furnished the veteran upon enrollment.

"(6) Upon completion of training, the veteran is given a certificate by the institution indicating the approved course and indicating that training was satisfactorily completed.

"(7) Adequate records as prescribed by the State approving agency are kept to show attendance and progress or grades, and satisfactory standards relating to attendance, progress, and conduct are enforced.

"(8) The institution complies with all local, city, county, municipal, State, and Federal regulations, such as fire codes, building and sanitation codes. The State approving agency may require such evidence of compliance as is deemed necessary.

"(9) The institution is financially sound and capable of fulfilling its commitments for training.

"(10) The institution does not utilize advertising of any type which is erroneous or misleading, either by actual statement, omission, or intimation. The institution shall not be deemed to have met this requirement until the State approving agency (A) has ascertained from the Federal Trade Commission whether the Commission has issued an order to the institution to cease and desist from any act or practice, and (B) has, if such an order has been issued, given due weight to that fact.

"(11) The institution does not exceed its enrollment limitations as established by the State approving agency.

"(12) The institution's administrators, directors, owners, and instructors are of good reputation and character.

"(13) The institution has and maintains a policy for the refund of the unused portion of tuition, fees, and other charges in the event the veteran fails to enter the course or withdraws or is discontinued therefrom at any time prior to completion and such policy must provide that the amount charged to the veteran for tuition, fees, and other charges for a portion of the course shall not exceed the approximate pro rata portion of the total charges for tuition, fees, and other charges that the length of the completed portion of the course bears to its total length.

"(14) Such additional criteria as may be deemed necessary by the State approving agency.

"§ 1955. Notice of approval of courses

"The State approving agency, upon determining that an educational institution has complied with all the requirements of this chapter, will issue a letter to such institution setting forth the courses which have been approved for the purposes of this chapter, and will furnish an official copy of such

letter and any subsequent amendments to the Administrator. The letter of approval shall be accompanied by a copy of the catalog or bulletin of the institution, as approved by the State approving agency, and shall contain the following information:

"(1) date of letter and effective date of approval of courses;

"(2) proper address and name of each educational institution or training establishment;

"(3) authority for approval and conditions of approval, referring specifically to the approved catalog or bulletin published by the educational institution;

"(4) name of each course approved;

"(5) where applicable, enrollment limitations such as maximum numbers authorized and student-teacher ratio;

"(6) signature of responsible official of State approving agency; and

"(7) such other fair and reasonable provisions as are considered necessary by the appropriate State approving agency.

"§ 1956. Disapproval of courses and discontinuance of allowances

"(a) Any course approved for the purposes of this chapter which fails to meet any of the requirements of this chapter shall be immediately disapproved by the appropriate State approving agency. An educational institution or training establishment which has its courses disapproved by a State approving agency will be notified of such disapproval by a certified or registered letter of notification and a return receipt secured.

"(b) The Administrator may discontinue the education and training allowance of any eligible veteran if he finds that the course of education or training in which such veteran is enrolled fails to meet any of the requirements of this chapter or if he finds that the educational institution or training establishment offering such course has violated any provisions of this chapter or fails to meet any of its requirements.

"(c) Each State approving agency shall notify the Administrator of each course which it has disapproved under this section.

"Subchapter VII—Miscellaneous provisions

"§ 1961. Authority and duties of Administrator

"Payments under this chapter shall be subject to audit and review by the General Accounting Office as provided by the Budget and Accounting Act of 1921 and the Budget and Accounting Procedures Act of 1950.

"§ 1962. Educational and vocational counseling

"The Administrator may arrange for educational and vocational counseling to persons eligible for education and training under this chapter. At such intervals as he deems necessary, he shall make available information respecting the need for general education and for trained personnel in the various crafts, trades, and professions. Facilities of other Federal agencies collecting such information shall be utilized to the extent he deems practicable.

"§ 1963. Control by agencies of United States

"No department, agency, or officer of the United States, in carrying out this chapter, shall exercise any supervision or control, whatsoever, over any State approving agency, State educational agency, or State apprenticeship agency, or any educational institution or training establishment. Nothing in this section shall be deemed to prevent any department, agency, or officer of the United States from exercising any supervision or control which such department, agency, or officer is authorized by law to exercise over any Federal educational institution or training establishment, or to prevent the furnishing of education or training under this chapter in any institution or establishment over which supervision or control is exercised by such other department, agency, or officer under authority of existing provisions of law.

"§ 1964. Conflicting interests

"(a) Every officer or employee of the Veterans' Administration, or of the Office of Education, who has, while such an officer or employee, owned any interest in, or received any wages, salary, dividends, profits, gratuities, or services from, any educational institution operated for profit in which an eligible veteran was pursuing a course of education or training under this chapter shall be immediately dismissed from his office of employment.

"(b) If the Administrator finds that any person who is an officer or employee of a State approving agency has, while he was such an officer or employee, owned any interest in, or received any wages, salary, dividends, profits, gratuities, or services from, an educational institution operated for profit in which an eligible veteran was pursuing a course of education or training under this chapter, he shall discontinue making payments under section 1945 of this title to such State approving agency unless such agency shall, without delay, take such steps as may be necessary to terminate the employment of such person and such payments shall not be resumed while such person is an officer or employee of the State approving agency, or State Department of Veterans Affairs or State Department of Education.

"(c) A State approving agency shall not approve any course offered by an educational institution operated for profit and, if any such course has been approved, shall disapprove each such course, if it finds that any officer or employee of the Veterans' Administration, the Office of Education, or the State approving agency owns an interest in, or receives any wages, salary, dividends, profits, gratuities, or services from, such institution.

"(d) The Administrator may, after reasonable notice and public hearings, waive in writing the application of this section in the case of any officer or employee of the Veterans' Administration, of the Office of Education, or of a State approving agency, if he finds that no detriment will result to the United States or to eligible veterans by reason of such interest or connection of such officer or employee.

"§ 1965. Reports by institutions

"(a) Educational institutions and training establishments shall, without delay, report to the Administrator in the form prescribed by him, the enrollment, interruption, and termination of the education or training of each eligible veteran enrolled therein under this chapter.

"(b) The Administrator shall pay to each educational institution which is required to submit reports nad certifications to the Administrator under this chapter, an allowance at the rate of $1 per month for each eligible veteran enrolled in and attending such institution under the provisions of this chapter to assist the educational institution in defraying the expense of preparing and submitting such reports and certifications. Such allowances shall be paid in such manner and at such times as may be prescribed by the Administrator, except that if any institution fails to submit reports or certifications to the Administrator as required by this chapter, no allowance shall be paid to such institution for the month or months during which such reports or certifications were not submitted as required by the Administrator.

"§ 1966. Overpayments to veterans

"Whenever the Administrator finds that an overpayment has been made to a veteran as the result of (1) the willful or negligent failure of the educational institution or training establishment to report, as required by this chapter and applicable regulations, to the Veterans' Administration excessive absences from a course, or discontinuance or interruption of a course by the veteran or (2) false certification by the educational institution or training establishment, the amount of such overpayment shall constitute a liability of such institution or establishment, and may be recovered in the same manner as any other debt due to the United States. Any amount so collected shall be reimbursed if the overpayment is recovered from the veteran. This section shall not preclude the imposition of any civil or criminal liability under this or any other law.

"§ 1967. Examination of records

"The records and accounts of educational institutions and training establishments pertaining to eligible veterans who received education or training under this chapter shall be available for examination by duly authorized representatives of the Government.

"§ 1968. False or misleading statements

"The Administrator shall not make any payments under this chapter to any person found by him to have willfully submitted any false or misleading claims. In each case where the Administrator finds that an educational institution or training establishment has willfully submitted a false or misleading claim, or where a veteran, with the complicity of an educational institution or training establishment, has submitted such a claim, he shall make a complete report of the facts of the case to the appropriate State approving agency and where deemed advisable to the Attorney General of the United States for appropriate action.

"§ 1969. Information furnished by Federal Trade Commission

"The Federal Trade Commission shall keep all State approving agencies advised of any information coming to its attention which would be of assistance to such agencies in carrying out their duties under this chapter.

"§ 1970. Effective date and retroactive allowances

"The provisions of this chapter shall take effect as of September 1, 1961. In the event this chapter is enacted subsequent to such date, the Administrator shall prescribe regulations for making retroactive payments of education and training allowances, upon application therefor, to eligible veterans for education or training pursued by them on or after September 1, 1961, and prior to the date of the enactment of this chapter."

(b) The table of contents at the beginning of such title is amended by inserting immediately after

"39. Automobiles for Disabled Veterans..1901"

the following:

"40. Education of Veterans Who Serve Between January 31, 1955, and and July 1, 1963..... 1908".

(c) The table of chapters at the beginning of part III of such title is amended by inserting immediately after

"39. Automobiles for Disabled Veterans..... 1901"

the following:

"40. Education of Veterans Who Served Between January 31, 1955, and July 1, 1963..... 1908".

(d) Such title is further amended—

(1) by inserting in section 102(a)(2) immediately after "chapter 33" the following: "or 40", and by striking out "chapters 19 and 33" in section 102(b), and inserting in lieu thereof "chapters 19, 33, and 40";

(2) by striking out in section 111(a) "33 or 35", and inserting in lieu thereof the following: "33, 35, or 40";

(3) by inserting in section 211(a) after "1761," the following: "1961,";

(4) by striking out in section 1662(b) "chapters 31 and 35" and inserting in lieu thereof the following: "chapters 31, 35, and 40";

(5) by striking out in section 1711(b) "chapter 31 or 33", and inserting in lieu

thereof the following: "chapter 31, 33, or 40";

(6) by striking out in section 1734(a) "chapter 31 or 33" and inserting in lieu thereof the following: "chapter 31, 33, or 40";

(7) by striking out in section 3013 "and 35" and inserting in lieu thereof the following: "35, and 40";

(8) by inserting after "chapter 35" in section 1611 (a) (2) the following: "or education or training under chapter 40"; and

(9) by inserting in section 1634 immediately before the comma following "therein" the following: "under this chapter or chapter 40".

(e) Public Law 85-857 (72 Stat. 1264) is amended by adding at the end of section 12 (a) the following: "The period of education or training to which a veteran is entitled under part VIII, Veterans Regulation Numbered 1(a) as saved from repeal by this subsection together with education or training received under chapter 33 or 40 of title 38 of the United States Code shall not exceed forty-eight months in the aggregate."

SEC. 3. (a) Section 1502(a) of title 38 of the United States Code is amended to read as follows:

"(a) Every veteran who is in need of vocational rehabilitation on account of a service-connected disability which is, or but for the receipt of retirement pay would be, compensable under chapter 11 of this title shall be furnished such vocational rehabilitation as may be prescribed by the Administrator, if such disability—

"(1) arose out of service during World War II or the Korean conflict; or

"(2) arose out of service either between July 25, 1947, and June 27, 1950, or subsequent to January 31, 1955, and is rated for compensation purposes as 30 per centum or more, or if less than 30 per centum is clearly shown to have caused a pronounced employment handicap."

(b) The first sentence of paragraph (3) of section 1502(c) of such title is amended to read as follows:

"(3) Vocational rehabilitation may not be afforded a veteran on account of post-World War II service after nine years following his discharge or release; except vocational rehabilitation may be afforded to any person until—

"(A) August 20, 1963, if such person was discharged or released before August 20, 1954; or

"(B) nine years after the date of the enactment of the Veterans' Readjustment Assistance Act of 1961 if such person is eligible for vocational rehabilitation by reason of a disability arising from service prior to such enactment either between July 25, 1947, and June 27, 1950, or subsequent to January 31, 1955."

(c) Paragraph (4) of section 1502(c) of such title is amended to read as follows:

"(4) Vocational rehabilitation may not be afforded outside of a State to a veteran on account of service after July 25, 1947, if the veteran, at the time of such service, was not a citizen of the United States."

(d) Section 1502(d) of such title is repealed.

SEC. 4. (a) Chapter 37 of title 38 of the United States Code is amended by inserting immediately after section 1817 the following new section:

"§ 1818. Veterans who serve between January 31, 1955, and July 1, 1963.

"(a) Each veteran who served on active duty at any time between January 31, 1955, and July 1, 1963, shall be eligible for the benefits of this chapter (except sections 1813 and 1815, and business loans under section 1814, of this title), subject to the provisions of this section, if his total service was for a period of more than one hundred and eighty days, or if he was discharged or released from a period of active duty, any part of which occurred between January 31, 1955, and July 1, 1963, for a service-connected disability.

"(b) No veteran shall be eligible for benefits under this section so long as he is eligible under this chapter for any unused benefits derived from service during World War II or the Korean conflict. Any veteran who is eligible for benefits under this section and who has obtained benefits under this chapter by reason of service during World War II or the Korean conflict shall have his benefits under this section reduced by the amount of any benefits previously obtained under this chapter. Benefits shall not be afforded under this section to any individual on account of service as a commissioned officer of the Coast and Geodetic Survey, or the Regular or Reserve Corps of the Public Health Service.

"(c) Loans may be guaranteed under this section if made before July 1, 1973. If a loan report or application for loan guaranty is received by the Administrator before July 1, 1973, an additional period not to exceed one year will be allowed for disbursement of the loan and the issuance of evidence of guaranty. Direct loans authorized by this section shall not be made after June 30, 1973, except pursuant to commitments issued by the Administrator on or before that date.

"(d) A fee shall be collected from each veteran obtaining a loan guaranteed or made under this section, and no loan shall be guaranteed or made under this section until the fee payable with respect to such loan has been collected and remitted to the Administrator. The amount of the fee shall be established from time to time by the Administrator, but shall in no event exceed one-half of 1 per centum of the total loan amount. The amount of the fee may be included in the loan to the veteran and paid from the proceeds thereof. The Administrator shall deposit all fees collected hereunder in the revolving fund established under the provisions of section 1824 of this title."

(b) The table of sections at the beginning of chapter 37 of such title is amended by inserting immediately below

"1817. Release from liability under guaranty."

the following:

"1818. Veterans who serve between January 31, 1955, and July 1, 1963."

(c) Section 1822(a) of such title is amended by striking out "or 1813", and inserting in lieu thereof "1813, or 1818".

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

Mr. GOLDWATER. Mr. President, reserving the right to object—and I probably shall object—I do not think this is the time to bring up this bill.

The PRESIDING OFFICER. The Senator from Arizona is not in order. The Senator can either object or not object.

Mr. GOLDWATER. I object.

Mr. MANSFIELD. Mr. President, would the Senator withhold his objection?

Mr. GOLDWATER. No.

The PRESIDING OFFICER. Objection is heard. The clerk will continue to call the roll.

The Chief Clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

[No. 217 Leg.]

Aiken	Jordan, N.C.	Pell
Boggs	Long, La.	Smathers
Church	Mansfield	Sparkman
Ervin	McCarthy	Wiley
Goldwater	McNamara	Williams, Del.
Javits	Morse	Yarborough

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. BIBLE], the Senator from Pennsylvania [Mr. CLARK], the Senator from California [Mr. ENGLE], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], and the Senator from Massachusetts [Mr. SMITH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from Missouri [Mr. LONG], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Maryland [Mr. BUTLER], the Senator from New Hampshire [Mr. MURPHY], the Senator from Illinois [Mr. DIRKSEN], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business.

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the presence of absent Senators.

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

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. ALLOTT, Mr. BEALL, Mr. BURDICK, Mr. BUSH, Mr. BYRD of Virginia, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE, Mr. CHAVEZ, Mr. COOPER, Mr. COTTON, Mr. CURTIS, Mr. DODD, Mr. DOUGLAS, Mr. EASTLAND, Mr. ELLENDER, Mr. FONG, Mr. FULBRIGHT, Mr. HART, Mr. HAYDEN, Mr. HICKENLOOPER, Mr. HILL, Mr. HOLLAND, Mr. HUMPHREY, Mr. JACKSON, Mr. JOHNSTON, Mr. JORDAN of Idaho, Mr. KEATING, Mr. KEFAUVER, Mr. KERR, Mr. KUCHEL, Mr. LAUSCHE, Mr. LONG of Hawaii, Mr. MAGNUSON, Mr. MCCLELLAN, Mr. MCGEE, Mr. METCALF, Mr. MILLER, Mr. MONRONEY, Mr. MOSS, Mr. MUNDT, Mr. MUSKIE, Mrs. NEUBERGER, Mr. PASTORE, Mr. PEARSON, Mr. PROUTY, Mr. PROXMIRE, Mr. RANDOLPH, Mr. ROBERTSON, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SCOTT, Mrs. SMITH of Maine, Mr. STENNIS, Mr. TALMADGE, Mr. THURMOND, Mr. WILLIAMS of New Jersey, Mr. YOUNG of North Dakota, and Mr. YOUNG of Ohio entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). A quorum is present.

Mr. YARBOROUGH obtained the floor.

Mr. KEFAUVER. Madam President, will the Senator from Texas yield for a unanimous-consent request as in the morning hour?

Mr. YARBOROUGH. Madam President, I ask unanimous consent that I may yield to the Senator from Tennessee for a unanimous-consent request, provided I do not lose my right to the floor.

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

EFFECT ON PROPOSED SATELLITE CORPORATION OF DISTRICT OF COLUMBIA BUSINESS CORPORATION ACT

Mr. KEFAUVER. Madam President, many problems raised by the proposed communications satellite legislation were not fully explored either in committee or on the floor of the Senate. Among them is the effect on the satellite corporation of the District of Columbia Business Corporation Act.

The organizational structure of the satellite corporation will present legal problems never before encountered in a commercial profit-making corporation. For instance, the unique composition of its board of directors raises serious doubts as to the duties of different directors and the legal standards by which their conduct is to be judged. Unprecedented questions concerning quorums, executive committees, vacancies on the board, merger and charter amendment are also involved.

When cloture was invoked, I had a prepared speech pointing out some of the defects and problems connected with the corporation's organizational structure. After the guillotine was dropped, my one remaining hour did not permit me to deliver this speech and direct the Senate's attention to these points.

Mr. James C. Kirby, Jr., a staff counsel who has had considerable experience in the practice of corporation law, assisted me in analyzing these problems, collecting legal authorities and preparing the speech. I wish to express my appreciation to Jim Kirby. In this field he has fine expertise. The issues the proposal raises are still pertinent and I think it would be most helpful to the Congress for this analysis to be made a part of the CONGRESSIONAL RECORD.

I had proposed amendments which would have remedied some of these problems, but under the cloture procedure, they were not properly considered. I hope the Members of the House will take note and that some corrective amendments will be recommended in conference. Perhaps some of the defects and uncertainties in the bill can be dealt with by appropriate provisions in the articles of incorporation and this statement may be helpful to the Department of Justice as it goes about this. I invite attention to this statement by all who are interested in the subject and in the success of the corporation.

I am sorry I did not have the opportunity to deliver this speech and that the Senate was prevented from considering these serious shortcomings of this corporation, but it is always timely to criticize and correct bad legislation. I therefore ask unanimous consent that the speech which I had prepared and would have delivered be printed in the RECORD as a written statement.

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

SPEECH TO HAVE BEEN DELIVERED BY SENATOR ESTES KEFAUVER CONCERNING MANAGEMENT STRUCTURE OF SATELLITE CORPORATION

I direct the attention of the Senate to the legal structure for the management of the corporation which is to be established under H.R. 11040.

Some of us think the space communications satellite should be owned and operated by a corporation owned by the Government and operated solely under considerations of the public interest and national objectives of the United States.

Others thought that space communications by means of satellites should be treated just like any other method of communications despite the critical national and international problems involved and despite the great public investment in the assets to be used. Under this theory the satellite corporation would have been entirely owned and operated privately but subject to regulation as a public utility and monopoly like other communications carriers.

H.R. 11040 is neither of these. It is neither fish nor fowl; it is neither animal, vegetable, nor mineral. It is a hybrid polyglot creature which was thought to be a compromise between public and private interests. However, it does not incorporate the best features of either alternative and does not serve the legitimate purposes of either.

Let us look at this strange corporation which is proposed by H.R. 11040. Has it somehow, like Solomon in his wisdom, split the baby in half? Can the prerogatives of parenthood be given both to the public interest of all the people of the United States and to the interests of private corporations who seek profits? I believe close examination will show that this corporation has an illogical organizational structure which does not fit into legal or economic concepts of corporate ownership and control.

H.R. 11040 provides in section 301 that there is to be created "a communications satellite corporation for profit which will not be an agency or establishment of the U.S. Government." Thus, it is to be made clear to everyone, including prospective investors, that this corporation is to be operated with a view to profits to be earned by its shareholders. This is not unusual. In fact, it is the objective of every private corporation and it is one of the great features of our free enterprise competitive system. It would be unfair and misleading to members of the public who are prospective investors in this corporation if it were to be operated for any other purpose than for profit, as section 301 assures.

Then section 301 goes on: "The corporation shall be subject to the provisions of this act and, to the extent consistent with this act, to the District of Columbia Business Corporation Act." This statement is a proper one to follow the first clause of section 301. Except as otherwise provided in H.R. 11040, this corporation is to be like any other corporation organized under the laws of the District of Columbia. It will have the same powers, the same rights and duties, the same liabilities as any other corporation except as this bill expressly says to the contrary. The first question that occurs is, Who is to manage this corporation? Who is to make its business decisions? When conflicts arise between a course which might serve the national interest and the course which might make the largest profits, who will choose between the alternatives? What will their duty be and what is the standard for their decision?

To every lawyer and every businessman, the answer, I am sure, is very clear to the question of who will conduct the corporation's business and make its decisions. This is a corporate function which is entrusted universally to the board of directors. Corporations organized in the District of Columbia are no exception. Section 916 of title 29 of the District of Columbia Code, 1961 edition, expressly provides that "the business and affairs of a corporation shall be managed by a board of directors."

THE DIVIDED STRUCTURE OF THE BOARD OF DIRECTORS

The next question then becomes, Who will be the Directors of this corporation? Of course, we do not know who these individuals will be. No one knows. There is no way of knowing at this time. We only know how they will be chosen.

Directors are covered by section 303(a), which provides, first, that the corporation shall have a board of directors consisting of individuals who are citizens of the United States. Three members of the board shall be appointed by the President of the United States by and with the consent of the Senate for 3-year terms, except that the initial three directors are to have staggered terms so that one Presidentially appointed director's term of office will expire every year. Six members of the board are to be elected annually by the stockholders, who are communications carriers, and six are to be elected by other stockholders of the corporation.

No stockholder who is a communications common carrier and no trustee for such a stockholder is allowed to vote for more than three directors. This is intended to insure that no one carrier like A.T. & T. can place more than three persons directly on the board.

Thus, we have a 15-member board of directors, 6 of whom are to be elected by communications carriers, 6 by other stockholders, and 3 to be appointed by the President subject to confirmation by the Senate. I venture that there is no other corporation for profit, which this is guaranteed to be by section 301, which has such an unusually constituted board of directors.

Directors appointed by the President will be half as many as the numbers who may be elected by communications common carriers. This is very interesting. Do the supporters of the bill contemplate by this that decisions of the board shall pay only one-half as much attention to the public interest as is paid to the private interests of a company like A.T. & T.? Then there are the six directors elected by other stockholders. Is it thought that the public interest is to have one-half as much emphasis in the management of the corporation as the interests of noncommunications carrier stockholders?

On the surface, it would appear that the public is to receive some sort of weighted representation worth 20 percent of this board of directors. Where Solomon suggested an equal division of the baby, apparently H.R. 11040 suggests an 80- to 20-percent division. I suggest that in either event it is fatal to attempt to divide the baby at all. Solomon knew this but apparently the supporters of H.R. 11040 do not. What is this three-faced board of directors to mean in practical effect?

Suppose there arises a corporate decision where the public interest of the United States as a whole calls for one course and the financial welfare of the stockholders calls for another. Is it expected that the Presidentially appointed directors will always vote on the course required by the public interest? If so, it must also be expected that the directors elected by the stockholders will vote for a contrary course if it is in the interests of their constituents. If so,

the directors echoing the public interest will always be outvoted and might as well not be on the board at all. I suggest that their very presence on the board as a 20-percent minority carries a clear implication that the other directors are to be guided by different considerations and influences in reaching corporate decisions.

Although this is the inference from the composition of the board, I hesitate to draw it as a final conclusion. It carries dangerous suggestions as to the conflicts which could arise in the board and the ultimate factors which will guide its decisions. It also is contrary to all the established rules of corporation law concerning the duties and loyalties of directors of a corporation. I shall go into this in more detail later.

PAUL A. PORTER'S VIEWS ON GOVERNMENT DIRECTORS

This is not the first occasion when it has been suggested that the Government be represented on a board of directors. In 1945, the Commerce Committee of the U.S. Senate conducted an investigation of international communications by wire and radio, pursuant to Senate Resolution 187 of the 78th Congress, as extended by Senate Resolution 24 of the 79th Congress. A subcommittee under the chairmanship of Senator Burton K. Wheeler conducted extensive hearings inquiring into the best means of developing efficient international communications by wire and radio. The Navy proposed a corporation very similar to that contemplated by H.R. 11040. It was to be privately owned but sponsored by the Government and comanaged by private owners and the Government. It would have been the single American operating agency in the field of international communications and would have merged the facilities of all private communications carriers. The resulting corporation was to be owned by American communications carriers and manufacturers and suppliers of communications equipment. It was also proposed by the Navy that the U.S. Government be represented on the board of directors. The proposal was a bit more complex than H.R. 11040. One-fourth of the board was to be Government officials and certain acts of the corporation were to require the consent of these Government directors.

However, the basic theory was apparently the same as that behind H.R. 11040, that the public interest was very much involved and U.S. national policy was a factor and that the Government should have a voice in the management of a privately owned corporation for profit.

On Wednesday, March 21, 1945, the Honorable Paul A. Porter, then Chairman of the Federal Communications Commission, testified before the subcommittee. His comments upon the Navy's proposal of Government representation on the board of directors are still pertinent to our discussion today. I have extracted this portion of his testimony and I would like to read it in its entirety. It begins at page 184 of part 1 of the hearings, and I now quote from Mr. Porter:

"The Navy plan, as I understand it, envisages an anomalous pattern of a privately owned corporation, sponsored by the Government, comanaged by private owners and the Government, yet purportedly subject to existing measures of regulatory control.

"This type of organization, has, I believe, certain deficiencies which I would summarize as follows:

"1. It would tend to divide Government regulatory authority and thus create confusion and the usual consequences of divided responsibility.

"2. The relationship of a regulatory agency to a private monopoly even in the international field should be one of arm's length, and the limited participation by Government directors in the affairs of the company would destroy that relationship.

"3. The public might tend to be misled in the purchase of securities of the new carrier because of this limited Government participation on its board of directors.

"I will comment briefly on each of these points.

"The proposal would exclude the regulatory authority from any jurisdiction over extensions or maintenance of service. This is based upon the assumption that regulation as to rates and division of traffic is separable from the other operating policies of the utility. Our experience would indicate that these functions are not separable, and considerations of rates, division of traffic, and so forth, are linked closely with the maintenance of circuits, extension of service, and other operating procedures. We do not believe that it would be feasible to have one group of governmental officials determining one set of problems concerning the company's operations—that is, the Cabinet members—and another agency, the FCC, passing upon related and interwoven problems. Sound public administration would seem to me to dictate that the authority should be centralized and repose in an expert body charged with responsibility of enforcing the standards which Congress must write in the legislation creating a monopoly in this field. In effect, the proposal would set up on certain matters a new regulatory agency composed of the Government directors and leave the existing agency with responsibility as to other matters. The anomaly becomes all the more apparent when it is realized that the jurisdiction of not only the FCC is involved, but of other agencies, such as the SEC, the NLRB, and the Treasury Department, would have to be applied to a corporation one-fourth of whose directors represent members of the Cabinet.

"Senator McFARLAND. Maybe what the Government had in mind is what Senator Wheeler suggested the other day. Too frequently it appears the company controls the regulatory body and in this case somebody thought it advisable to propose an additional agency so they could not control.

"Mr. PORTER. It would be my private opinion an arrangement of this sort would probably precipitate the thing Senator Wheeler fears.

"The CHAIRMAN (who was Senator Wheeler). If 5 Cabinet officers were placed on the board with 15 private directors, I feel the Government representatives might be taken over. It seems to me the Government would be charged with responsibility for the operation of the company, for its financial standing, for its financial policies, and everything else, although actually the Government would not have complete control of the company by any means. But a great many people would think because of the fact Secretary Wallace or some other Cabinet official was on the board of directors that the enterprise was sure to be a great success.

"Senator McFARLAND. Do you think, Mr. Porter, that if such a company were set up there should be a separate agency or a separate part of the FCC to present or handle policies?

"One of the major difficulties in regulatory commissions is that you find yourself in the position of acting, or having to act as a judge and advocate both. That, of course, is always bad. In other words, here is a new territory that needs to be explored and we need a communications system. Who is going to present these problems to the FCC? Are you going to present it and then act as judge?

"Mr. PORTER. Well, I think a procedure can be developed.

"Senator McFARLAND. Now that is what I presume the Navy had in mind. I do not say their proposal is the solution of it, but I presume that is what they had in mind; that there should be some agency which would present the interests of the Nation other than the Commission.

"Mr. PORTER. Than the regulatory authority?

"Senator McFARLAND. Yes. You are sitting as judges. Now if you are also an advocate, no one wants to have a judge who is an advocate because he is at a kind of a disadvantage.

"Mr. PORTER. I certainly think there are a number of alternatives that could be considered, sir, such as the creation of a Government advisory board, or a policy board of some character that could make representations as far as their particular interests were concerned, to the company or the regulatory authority. I am directing my comment to Government participation if with a privately managed group.

"Senator McFARLAND. Of course, it might well be the companies which wanted to do business in this particular field could present their problems to the FCC, but if it followed the pattern in freight rate hearings in the United States, sometimes a man is too small to get in and fight. It costs more than the extra rates would bring him to present it.

"Mr. PORTER. If what you are concerned about is the development of an arrangement that would protect the Government's interest in fields which I believe Admiral Redman described as strategic, I do not think the problem is insoluble. A relationship can be worked out between the services and the regulatory authority and the private carrier that will accomplish those objectives.

"To my mind, there are a number of compelling reasons that could be marshaled against the proposals for Cabinet officials participating in the management of this private company. I am, of course, completely sensitive to the objectives of the Navy Department's proposals to make certain that the interests of national security are properly safeguarded, but I disagree as to the practicability of the plan.

"Government directors would naturally be concerned with the earning capacity of the company. Their responsibilities for its prosperity could not be separated under all circumstances from their responsibility for considerations of broader public concern.

"Conflicts will doubtless arise with respect to abandonment of service or extension of service and related matters. It is my view that the public's interest will be better protected by an arm's-length relationship than by intimate participation in the affairs of the proposed company. Other procedures can be devised to make certain that considerations of importance to the military are amply protected, and in the field of foreign policy, the State Department can and should be in a position to assist the company without being required to participate on its board. I feel strongly that this limited marriage between Government and private business will not in practice result in the advantages claimed for it, but to the contrary will have many disadvantages.

"With the proper kind of merger, it is the expectation of all with whom I have discussed this problem that the integrated company can function efficiently and profitably. With detailed and appropriate standards in the act authorizing such a merger, I feel that sound public policy requires elimination of Government participation in the management of a private monopoly even on a limited scale. The Government's regulatory powers over the private carrier should be specific and definite, but it seems to me we should avoid if possible the commingling of functions of regulation and management which this plan appears to do.

"The CHAIRMAN. Under that plan the final appeal would be left to the President of the United States.

"Mr. PORTER. Yes, sir.

"The CHAIRMAN. And that is almost an impossible task for the President to assume.

"Mr. PORTER. He would have to delegate it, obviously.

"The CHAIRMAN. Surely.

"Mr. PORTER. And I think the members of the Cabinet would have to delegate their responsibilities, and you would be setting up a new communications agency dealing with these problems, and I do not think they could separate their governmental functions from their participation in the general activities of the company.

"The CHAIRMAN. You say the Government ought to take the enterprise over completely?

"Mr. PORTER. Or it either ought to be an arm's-length relationship.

"The CHAIRMAN. Or, you say, it ought to be an arm's-length relationship, one or the other.

"Mr. PORTER. Yes, sir.

"My third point on the form of organization rests upon the consideration that the presence of directors representing the Government, but without financial interest or responsibility, might create misleading impressions of Government financial support to the detriment of investors.

"In any organization of this kind, the Government would face the criticism of injecting itself into management, and will be charged with the responsibility for any mistakes or abuses by the carrier, even though the Government directors may have had no responsibility for the policies. Moreover, Government will inevitably be expected to insure the financial success of the company."

I suggest that the very keen analysis made by Mr. Porter in 1945 is still relevant today. The presence of Government directors on the board of the satellite corporation when it is being regulated by the Federal Communications Commission will only confuse and divide the Government's authorities and responsibilities.

It is true today as it was in 1945 that a regulated private monopoly should be at an arm's-length relationship with the Government, and that participation by Government directors in the management of the corporation might tend to destroy that relationship. Furthermore, the public who are being invited to purchase stock in this company as an investment may be misled as to the Government's role and responsibility. They may expect the Government to insure that they make profits on their investment and they may hold the Government responsible for actions of management for which the Government really was not responsible.

Let us consider now the directors other than those appointed by the President. First, how are they to be elected?

Section 303(a) provides that six directors are to be elected by the stockholders who are communications common carriers and six shall be elected annually by the other stockholders. Thus, it is contemplated that the members of the public who buy stock at $100 a share will have equal representation with the communications companies on the board.

I suggest this is again a snare and a delusion. Apparently, it is thought that some great democratic principle will operate and that thousands of American citizens and small investors will go to the polls and elect directors who will be responsive to their interests.

PUBLIC STOCKHOLDERS DO NOT REALLY CHOOSE DIRECTORS

No one who has had the slightest acquaintance with stockholders' meetings in widely held corporations can really believe that this will be true. Mr. Beardsley Ruml wrote about this subject in 1950 in an article entitled "Corporate Management As a Locust of Power." This was published by New York University Law School as a part of broader study entitled "Social Meaning of Legal Concepts." At page 229, Mr. Ruml stated:

"The fact is that the stockholders elect the directors but they do not choose them. They are chosen by the board of directors itself, which makes the nominations.

"The reason for this lack of correspondence of form and substance rests on two practical considerations: (1) The stockholders cannot choose directors because they are not organized as a political body in a way to make their franchise effective, and (2) real choice of directors by stockholders would be an extremely costly and disruptive procedure, damaging to efficient management, to business profits, and to the interests of the stockholders."

In other words, Mr. Ruml observed that it was not only impractical but it would be unwise for the stockholders to actually choose the directors. Here we touch upon one of the facts of life of large American corporations today. The fact that stocks of corporations are widely held among thousands of small shareholders is a good thing. This is to be applauded for many reasons, but it has brought one clear development with it and that is the separation of control and ownership. Those who own the corporation are its shareholders. Although technically and legally they have the ultimate power of control, as a practical matter control is exercised by the full-time management officials of the company, and by the word "control," I mean not merely the day-to-day operation of a company's affairs, but the power to select and change management.

Berle and Means, writing in 1932 in their famous book, "The Modern Corporation and Private Property," discussed how control had come to be divorced from ownership as corporate wealth had become more widely dispersed. I quote a few of their statements, as follows, from pages 5, 66, and 68:

"Parallel with the growth in the size of the industrial unit has come a division in its ownership such that an important part of the wealth of individuals consists of interests in great enterprises of which no one individual owns a major part. Frequently ownership is so widely scattered that working control can be maintained with but a minority interest. Separation becomes almost complete when not even a substantial minority interest exists, as in the American Telephone & Telegraph Co. Under such conditions control may be held by the directors or titular managers who can employ the proxy machinery to become a self-perpetuating body, even though as a group they own but a small fraction of the stock outstanding.

"A large body of security holders has been created who exercise virtually no control over the wealth which they or their predecessors in interest have contributed to the enterprise. In the case of management control, the ownership interest held by the controlling group amounts to but a very small fraction of the total ownership. Corporations where this separation has become an important factor may be classed as quasi-public in character in contradistinction to the private, or closely held corporation in which no important separation of ownership and control has taken place.

"Thus the position of ownership has changed from that of an active to that of a passive agent. Henceforth, in the corporate system the 'owner' of industrial wealth is left with a mere symbol of ownership while the power, the responsibility and the substance which have been an integral part of ownership in the past are being transferred to a separate group in whose hands lies control."

INSIDERS CONTROL THROUGH PROXY MACHINERY

It is well known that those who are in charge of the proxy machinery of a widely owned corporation are in control as a practical matter and can dictate the selection of officers and directors. Under the District of Columbia Business Corporation Act, most of the stockholders of this satellite corporation will doubtless vote by proxy just like other stockholders of widely held corporations. Section 911 of title 29 of the District of Columbia Code provides that:

"A shareholder may vote either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney in fact. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the person executing it or his personal representatives or assigns; but the parties to a valid pledge or to an executory contract of sale may agree in writing as to which of them shall vote the stock pledged or sold until the contract of pledge or sale is fully executed."

I understand that this is substantially the same provision as is found in most State corporation laws.

The members of the public who buy stock in the satellite corporation will undoubtedly receive a solicitation of their proxy in the mail before every annual meeting. They will either fail to return it at all and thus fail to vote at all, or they will designate some predetermined member of management as their agent to vote for management's slate of directors. For the stockholders as a group ever to join together and oppose management, they would have to conduct their own proxy solicitation. The difficulty and expense of proxy battles is fairly well known and I should not have to dwell on it at length.

In 1929, it cost John D. Rockefeller $300,000, although his interests owned 15 percent of the stock, in order to oust the management of the Standard Oil Co. of Indiana. Professor Newcomer, in the book, "The Big Business Executive," written in 1955, summed up the situation as follows:

"In a corporation where stock is widely distributed, the possibility of dissatisfied stockholders mustering the necessary votes to force a change is very slim. It is easier to sell the stock. The cost alone is prohibitive, as was made abundantly clear in the recent New York Central upset. The cost of this proxy battle was estimated to be more than $1 million. Only when the dissatisfied minority has really important holdings, as in the case of the New York Central, is the chance of getting a new deal a real one."

The most forthright and candid statement I have found concerning minority control and the proxy system in modern corporations is a monograph prepared by the Temporary National Economic Commission in 1940. This was monograph No. 11 entitled "Bureaucracy and Trusteeship in Large Corporations." From pages 20 and 21, I quote as follows:

"Minority control is much more common than majority control among the large companies. It arises where a compact group owns a substantial but minority interest which constitutes a majority of the stock actually represented at stockholders' meetings, or to which the control group can attract a sufficient number of proxies from scattered holders to constitute a majority at such meetings. The latter rather than the former is the usual means of minority control.

"Once in power a minority group is difficult to dislodge. It has, of course, picked a management which is congenial and cooperative. Then the proxy machinery, with expenses paid by the company, is commonly at its disposal. The proxy committee is in

effect chosen by the control group and is used as a means of perpetuating itself. Naturally, the larger the corporation and the more dispersed the stock, the more difficult it is for a noncontrol faction to amass a sufficient number of proxy certificates to oust the control group and assume command.

"As long as management is cooperative with the minority control group, therefore, the minority is relatively secure in its power. When, however, the minority and the management disagree, a major battle may impend in which the management holds a powerful and strategic position. In the ensuing struggle for proxies the management may deny the use of the proxy machinery to the minority, which is then faced with formidable obstacles. The expense of circularizing stockholders with arguments sufficiently convincing to result in their sending in proxy certificates to the minority is a considerable item when stockholders are numbered in thousands. Then there is the natural tendency of the stockholders to let well enough alone and to vote for the existing management, if they vote at all. Thirdly, there are always two sides to the arguments, and to many the side of management may be the more convincing.

"The most common form of control among the large corporations may be termed management control. When stockholding is sufficiently diffuse, the position of management becomes almost impregnable. Management does not need to own stock; the strategic advantages of its location are quite sufficient. A presumption of worth is in its favor and, more concretely, the proxy machinery is at its disposal. Management chooses the proxy committee and by making appointments from among the members of management assures its own continuance. The effectiveness of this machinery is too formidable for small stockholders to overcome."

Therefore, as a practical matter, the public stockholders cannot be expected really to choose the directors whom they elect. There is no requirement that the directors who are elected by these stockholders have any particular qualifications. They could be officers of the satellite corporation; they could even be representatives of A.T. & T. or some other communications carrier. Any communications carrier can vote for only three candidates for the board of directors but there is no restriction upon other stockholders electing persons chosen by them.

The domination of widely held corporations by inside management is not necessarily bad. I am merely pointing out the misleading nature of this bill if it implies that the six directors elected by the public stockholders are apt to be significantly different from those elected by the carriers. From the standpoint of business efficiency, this may be a good thing. A study published by Brookings Institute in 1945, entitled "Business Leadership in the Large Corporation," noted that the trend was for directors no longer to be a body independent of, and superior to, the executive officers of a corporation. This view is shown from the following quotations from this publication:

"In the broader of the two senses in which the word is used, 'management' includes not merely the executives but also the board of directors. The board stands between the stockholders and the executive group. It is not expected even in theory to direct the affairs of a business in any detail, but it is supposed to exercise a broad supervision. This broad supervision presumably includes several types of activities: choice of the major executives (or at least the chief executive), establishment of general objectives, formulation of broad policies, a general appraisal of the operating and financial results of the firm's activities, and distribution of profits. The chief executive reports to the board, and the board reports to the stockholders and—though its responsibilities here are very nebulous—to the community at large.

"It is no secret of course that the board's actual role in most large corporations is far different from the conventionalized picture given in the preceding paragraphs. The extent to which boards of directors have become inactive is indicated in part by the dissatisfaction expressed in many quarters with the role which the typical board now plays in the operation of the large corporation.

"The fact that executives make up a large fraction of the total board assumes great significance when management has become separated from ownership. If the executive group holds a majority of the stock, the fact that officers predominate on the board does not of itself prejudice the interests of any group. The officer-directors, whether as officers or as directors, represent the majority stockholders. When the great bulk of stock ownership is divorced from management, however, a board made up primarily of officers creates an entirely different situation. In this case, the officers are given the right to supervise themselves; there is no continuous independent link between management and stockholders; and the interests of the latter can be protected, except as management chooses to protect them, only through the medium of the annual stockholders' meetings and through resort to legal action by particular stockholders. The weakness of the protection provided by these two media needs elaboration. Thus, in effect, the officer board means that the board as an independent supervisory body has ceased to exist.

"While the officer board, taken in conjunction with the separation of ownership and management, represents a significant development, its importance should not be overstressed. In the first place, officers may, despite their lack of ownership, take their responsibilities to stockholders quite seriously. In addition, the executive group is in a better position to recognize and protect the interests of other groups—for example, workers or customers—than are directors elected by and owing allegiance to particular stockholding and other interests. How seriously officers take their responsibilities in these directions is, of course, a moot point. Some broadening of their sense of responsibility in recent years has certainly occurred, and in the last few years chief executives have paid a good deal of lip service, at least, not only to their stockholders but also to labor and the public.

"Those who seek to restore the board as a true decisionmaking body misread the problem of large-scale management organization. The withering away of the active leadership function of the board is unavoidable. It is merely a reflection of the fact that large-scale business leadership can be performed efficiently only by a single group of working officials willing and able to devote the necessary time to the business. Nonofficer directors, however, have other roles to play. Executives need the advice of outside directors, and what is even more important, we must rely on the board as an independent body to provide the link between executives and those outside groups whose welfare the company exists to serve."

Professor Newcomer's study, "The Big Business Executive," noted the same trend and concluded that the records of corporations with inside boards was better than those with outside boards. The following quotation from page 40 of this work is a possible explanation:

"Between the typical inside board of today and that of the earlier period there are two important differences which may account for the apparent current success of this type of board. Today it is rarely made up of officers appointed and dominated by a small group of stockholders and bankers. The subordinate officers are usually the appointees of the president, but his authority is not likely to be exercised with the same degree of arbitrariness as that of the owner-president, and the chance of decisions being reached after consideration by a group of officers appears to be better than in the board dominated by the owner-president or by bankers and stockholders interested in a quick profit. The other factor, related to this, is the professionalization of business leadership. The officers for the most part have had longer experience with the company and are more likely to identify their interests with those of the company. They tend to have a professional pride in its success.

"These factors may account for the apparent superiority of the inside board. But to the extent that it prevails, the accepted system of checks and balances, which the relationship of the board to the stockholders on the one hand and the officers on the other was designed to provide, is disappearing."

It is not completely clear exactly what are the purposes of classifying the directors of the corporation. As I will demonstrate later, as a legal matter, all directors will have the same duty under the law. It is certainly safe to conclude, as a practical matter, that all of the elected directors are likely to be of the same viewpoint.

Let us now examine the lawful duties and responsibilities of these directors. H.R. 11040 contains provisions which I have just discussed concerning the manner of electing directors. However, once they are elected, they all then step into the office of director of this satellite corporation. H.R. 11040 makes no classification beyond the manner of their election. Once they're elected and take their seats at the board of directors' table, each of them falls into the same category and has the same duties. It would be helpful at this time to review the general rules of law which determine the duties of directors of corporations for profit.

FIDUCIARY DUTIES OF DIRECTORS TO STOCKHOLDERS

Professor Ballantine's "Treatise on Corporations," the most recent volume of which was published in 1946, is probably the most widely used and highly respected single volume on this subject. It is relied upon extensively by law schools, practicing lawyers, and the courts. At page 156, Professor Ballantine summarizes the duties of directors as to management, as follows:

"It has been said that 'directors owe a three-fold duty to the corporation. First, they must be obedient. Second, they must be diligent. Third, they must be loyal. As to obedience, they, of course, owe a duty to keep within the powers of the corporation as well as within those of the board of directors. * * * With regard to diligence, the directors owe a duty to exercise reasonable care and prudence. * * * In no event is the idea to be tolerated that directors serve merely as brightly gilded ornaments of the corporate institution. * * * The third duty owing by directors is that of undivided loyalty'."

Fletcher on Corporations is probably the most authoritative, multivolume treatise on the subject of corporation law. It analyzes and discusses every aspect of corporation law in great detail. Volumes 2 and 3 are devoted to the rights, duties, and liabilities of directors and officers of corporations. In volume 3, at page 173, Fletcher summarizes the fiduciary duty, or duty of loyalty, of directors, as follows:

"At common law and by the modern current of authority in this country and in England, the directors of a private corporation are considered in equity as bearing a fiduciary relation to the corporation and its stockholders. In other words, it is universally recognized that courts of equity treat the relationship of director and stockholder

as a trusteeship, in order to determine the rights, duties, and liabilities of directors."

At page 178, Fletcher continues on the same subject in a bit more detail as follows:

"The directors of a corporation are entrusted with the management of its business and property for the benefit of all the stockholders, and occupy the position of trustees for the collective body of stockholders in respect to such business. They are subject to the general rule, which prevails in regard to trusts and trustees, that they cannot use the trust property or their relation to it for their own personal gain. It is their duty to administer the corporate affairs for the common benefit of all the stockholders, and exercise their best care, skill, and judgment in the management of the corporate business solely in the interest of the corporation."

Thus, under the law, it will be the duty of each and every one of these 15 directors, whether appointed by the President, whether elected by the communications common carriers, or whether elected by the public stockholders to manage the corporation and make corporate decisions for the common benefit of all the stockholders, and they are to be guided solely by the interests of the corporation.

At page 197 of volume 3 of Fletcher on Corporations, after reviewing decisions and authorities from all the States, Fletcher concludes with this summary:

"In other words, the directors of a corporation, in the performance of their duties as trustees of the corporation's business and property, must administer the corporate affairs for the good and benefit of all the stockholders and exercise their best care, skill and judgment for the management of the corporate business and act solely in the interests of the corporation."

Everyone concerned with this legislation admits and recognizes that the public interest of all the people of the United States and the national objectives of the U.S. Government are very much involved in space communications.

PUBLIC INTEREST CONSIDERATIONS

Section 102(a) of the bill provides that Congress declares it to be the policy of the United States to establish a commercial communications satellite system "which will be responsive to public needs and national objectives."

The President's policy statement on communications satellites of July 24, 1961, stated that private ownership and operation of the U.S. portion of the system is favored only if it could meet eight considerations of public and national policy. At this point, it might be helpful to restate those eight public policy considerations to which private ownership is supposed to be subordinated. I would like to qubte those policy requirements verbatim as follows:

"1. New and expanded international communications services be made available at the earliest practicable date;

"2. Make the system global in coverage so as to provide efficient communication service throughout the whole world as soon as technically feasible, including service where individual portions of the coverage are not profitable;

"3. Provide opportunities for foreign participation through ownership, or otherwise, in the communications satellite system;

"4. Nondiscriminatory use of and equitable access to the system by present and future authorized communications carriers;

"5. Effectve competition, such as competitive bidding, in the acquisition of equipment used in the system;

"6. Structure of ownership or control which will assure maximum possible competition;

"7. Full compliance with antitrust legislation and with the regulatory controls of the Government;

"8. Development of an economical system, the benefits of which will be reflected in oversea communication rates."

Now, let us return to a consideration of what the duties and responsibilities of these 15 directors will be under the law as directors of a privately owned commercial corporation. As I have previously indicated, their sole duty is one of undivided loyalty to the corporation and its stockholders as a collective group. It should require no elaboration for the proposition that stockholders invest in the common stock of a corporation for the purpose of earning a profit on their investment. It is the duty of directors, as trustees of their invested capital, to manage the capital solely with a view to that end. It is a healthy development of our free enterprise system that many companies are conscious of a duty to the public and manage corporate affairs with some degree of responsibility to the public's needs. However, this has come about as a matter of social and moral responsibility and enlightenment. It is not a duty imposed by law or enforcible in the courts. As a matter of law, directors' duty is still one of undivided loyalty to the corporation and its stockholders. I do not suggest that the law should be changed in this respect. I merely suggest that a privately owned corporation for profit, managed by directors whose sole duty is to their stockholders, is not the proper vehicle for an undertaking such as the space communications system where the public's interest is so overriding.

DUTY OF DIRECTORS TO SEEK PROFITS

Suppose these directors are faced with a decision where the public interest of the people of the United States is best served by a course of action which would be the least profitable to the corporation? Can these directors dissipate corporate funds or throw away corporate profits in order to serve the public interest? The law of corporate directors' duties clearly says they cannot. From page 228 of "Ballantine on Corporations," I read the following pertinent statement:

"A business corporation is regarded as being carried on primarily for the profit of its shareholders. The discretion of the directors does not, in general, extend to humanitarian purposes or to purely philanthropic donations for the benefit of mankind, or even its employees, at the expense of the shareholders."

In support of this general statement, Professor Ballantine cites the famous case of *Dodge* v. *Ford Motor Company,* which was decided in 1919 by the Supreme Court of Michigan and is reported at volume 204, page 459 of the "Michigan Reports," and in volume 170, page 668 of "Northwest Reports." I think it would be helpful at this point to review that case briefly.

THE CASE OF HENRY FORD

Minority stockholders of Ford Motor Co. owning 10 percent of its capital stock brought suit against Henry Ford, the president of the company, and its board of directors to compel the company to declare a dividend. Ford Motor Co. had been a spectacularly successful operation. From an initial capital of $2 million, it had grown to have total assets in 1916 of $132 million. From 1911 until 1915, it had paid regular quarterly dividends equal to 5 percent monthly on its capital stock. It had also paid special dividends of $1 million in 1911, $4 million in 1912, $10 million in 1913, $11 million in 1914, and $15 million in 1915, for a total of $41 million in special dividends. In 1910 it had produced 18,664 cars. By 1916 its annual production of cars had risen to 472,350. Originally, the Ford automobile had sold for more than $900. From time to time, the selling price had been lowered until in 1916 it sold for $440.

Henry Ford thought the stockholders had been amply rewarded on their investments. He announced that it would be the policy of the company in the future not to pay any special dividends but to put back into the business in the future all of the company's earnings other than the regular dividend of 5 percent per month on the authorized capital of the company. Mr. Ford had made the following statement:

"My ambition is to employ still more men; to spread the benefits of this industrial system to the greatest possible number, to help them to build up their lives and their homes. To do this, we are putting the greatest share of our profits back into the business."

Henry Ford also thought the company had a duty to give to the American public a low-priced car. At the same time he announced the limitation on dividends, he also announced that the price of the Ford car would be reduced another $80 to sell at a price of $360.

The minority stockholders sought to compel Henry Ford and the company to pay a special dividend instead of using the surplus profits to build new plants and provide more jobs and a cheaper car. The brief filed by the minority stockholders, or plaintiffs, with the Supreme Court of Michigan, contains the following statement as the grounds of their action:

"1. The proposed scheme of expansion is not for the financial advantage of the corporation, either mediate or immediate, and is not to be prosecuted with that intent, but for the purpose of increasing the number of employees and of the cars produced, to the end of giving employment and low-priced cars to a greater number of people.

"These are ends worthy in themselves but not within the scope of an ordinary business corporation—ends which, if prosecuted, should be by individuals associated for such purposes."

The Supreme Court of Michigan unanimously ruled for the plaintiffs and upheld a judgment of the trial court compelling the Ford Motor Co. to pay a special dividend of $19 million to the minority stockholders. The opinion of Judge Ostrander is regarded as a classic statement of the purpose of private corporations and their duties in managing the corporation affairs. I would like to read just two pages of the opinion which summarizes the basic facts and the holding of the court upon those facts:

"When plaintiffs made their complaint and demand for further dividends, the Ford Motor Co. had concluded its most prosperous year of business. The demand for its cars at the price of the preceding year continued. It could make and could market in the year beginning August 1, 1916, more than 500,000 cars. Sales of parts and repairs would necessarily increase. The cost of materials was likely to advance, and perhaps the price of labor; but it reasonably might have expected a profit for the year upwards of $60 million. It had assets of more than $132 million a surplus of almost $112 million and its cash on hand and municipal bonds were nearly $54 million. Its total liabilities, including capital stock, was a little over $20 million. It had declared no special dividend during the business year except the October 1915 dividend. It had been the practice, under similar circumstances, to declare larger dividends. Considering only these facts, a refusal to declare and pay further dividends appears to be not an exercise of discretion on the part of the directors, but an arbitrary refusal to do what the circumstances required to be done. These facts and others call upon the directors to justify their action, or failure or refusal to act. In justification, the defendants have offered testimony tending to prove, and which does prove, the following facts: It had been the policy of the corporation for a considerable time to annually reduce the selling price of cars, while keeping up, or improving, their quality. As early as in June 1915 a general plan for the

expansion of the productive capacity of the concern by a practical duplication of its plant had been talked over by the executive officers and directors, and agreed upon; not all of the details having been settled, and no formal action of directors having been taken. The erection of a smelter was considered, and engineering and other data in connection therewith secured. In consequence, it was determined not to reduce the selling price of cars for the year beginning August 1, 1915, but to maintain the price, and to accumulate a large surplus to pay for the proposed expansion of plant and equipment. and perhaps to build a plant for smelting ore. It is hoped by Mr. Ford that eventually 1 million cars will be annually produced. The contemplated changes will permit the increased output.

"The plan, as affecting the profits of the business for the year beginning August 1, 1916, and thereafter, calls for a reduction in the selling price of the cars. It is true that this price might be at any time increased, but the plan called for the reduction in price of $80 a car. The capacity of the plant, without the additions thereto voted to be made (without a part of them, at least), would produce more than 600,000 cars annually. This number, and more, could have been sold for $440 instead of $360, a difference in the return for capital, labor, and materials employed of at least $48 million. In short, the plan does not call for and is not intended to produce immediately, a more profitable business, but a less profitable one; not only less profitable than formerly, but less profitable than it is admitted it might be made. The apparent immediate effect will be to diminish the value of shares and the returns to shareholders.

"It is the contention of plaintiffs that the apparent effect of the plan is intended to be the continued and continuing effect of it, and that it is deliberately proposed, not of record and not by official corporate declaration, but nevertheless proposed, to continue the corporation henceforth as a semi-eleemosynary institution, and not as a business institution. In support of this contention, they point to the attitude and to the expressions of Mr. Henry Ford.

"Mr. Henry Ford is the dominant force in the business of the Ford Motor Co. No plan of operations could be adopted unless he consented, and no board of directors can be elected whom he does not favor. One of the directors of the company has no stock. One share was assigned to him to qualify him for the position, but it is not claimed that he owns it. A business, one of the largest in the world, and one of the most profitable, has been built up. It employs many men, at good pay.

"'My ambition,' said Mr. Ford, 'is to employ still more men, to spread the benefits of this industrial system to the greatest possible number, to help them build up their lives and their homes. To do this we are putting the greatest share of our profits back in the business.'

"'With regard to dividends, the company paid 60 percent on its capitalization of $2 million, or $1,200,000, leaving $58 million to reinvest for the growth of the company. This is Mr. Ford's policy at present, and it is understood that the other stockholders cheerfully accede to this plan.'

"He had made up his mind in the summer of 1916 that no dividends other than the regular dividends should be paid, 'for the present.'

"Question. For how long? Had you fixed in your mind any time in the future, when you were going to pay——

"Answer. No.

"Question. That was indefinite in the future?

"Answer. That was indefinite; yes, sir.

"The record, and especially the testimony of Mr. Ford, convinces that he has to some extent the attitude toward shareholders of one who has dispensed and distributed to them large gains, and that they should be content to take what he chooses to give. His testimony creates the impression also, that he thinks the Ford Motor Co. has made too much money, has had too large profits, and that, although large profits might be still earned, a sharing of them with the public, by reducing the price of the output of the company, ought to be undertaken. We have no doubt that certain sentiments, philanthropic and altruistic, creditable to Mr. Ford, had large influence in determining the policy to be pursued by the Ford Motor Co.—the policy which has been herein referred to.

"It is said by his counsel that 'although a manufacturing corporation cannot engage in humanitarian works as its principal businesss, the fact that it is organized for profit does not prevent the existence of implied powers to carry on with humanitarian motives such charitable works as are incidental to the main business of the corporation.'

"And again: 'As the expenditures complained of are being made in an expansion of the business which the company is organized to carry on, and for purposes within the powers of the corporation as hereinbefore shown, the question is as to whether such expenditures are rendered illegal because influenced to some extent by humanitarian motives and purposes on the part of the members of the board of directors.'

"In discussing this proposition, counsel have referred to decisions such as [here the court cited a number of cases from the United States and England]. These cases, after all, like all others in which the subject is treated, turn finally upon the point, the question, whether it appears that the directors were not acting for the best interests of the corporation. We do not draw in question, nor do counsel for the plaintiffs do so, the validity of the general proposition stated by counsel, nor the soundness of the opinions delivered in the cases cited. The case presented here is not like any of them. The difference between an incidental humanitarian expenditure of corporate funds for the benefit of the employees, like the building of a hospital for their use and the employment of agencies for the betterment of their condition, and a general purpose and plan to benefit mankind at the expense of others, is obvious. There should be no confusion (of which there is evidence) of the duties which Mr. Ford conceives that he and the stockholders owe to the general public, and the duties which in law he and his co-directors owe to protesting, minority stockholders. A business corporation is organized and carried on primarily for the profit of the stockholders. The powers of the directors are to be employed for that end. The discretion of directors is to be exercised in the choice of means to attain that end, and does not extend to a change in the end itself, to the reduction of profits, or to the nondistribution of profits among stockholders in order to devote them to other purposes."

OPPORTUNITIES FOR DIRECTORS' CONFLICTS OF INTEREST

It would be appropriate now to paraphrase this statement of Mr. Ford's duties to apply to the directors of the satellite corporation. It would read "there should be no confusion of the duties which the directors of the communications satellite corporation owe to the general public and the duties which in law these directors owe to the stockholders of the corporation. The satellite corporation is organized and carried on primarily for the benefit of its stockholders. The powers of the directors are to be employed for that end."

The divided structure of the board of directors of the satellite corporation obscures and confuses this basic principle of corporate law. All 15 of its directors will be obligated to the stockholders about managerial decisions in operating the corporation for the benefit of its stockholders. To distinguish the directors according to whether they are appointed by the President, or whether they are elected by communications carriers, or whether they are elected by other stockholders is either illusory or it invites breaches of the duties owing by the directors to the stockholders.

The satellite corporation will be different from ordinary corporations and even ordinary public utilities in many ways. But one of the most important distinctions is that the satellite corporation will be dealing principally with its stockholders as its customers. Usually there is no identity of interest between those who do business with a corporation or purchase its product and those who have invested in the corporation and seek profits upon their investment.

However, the communications carriers who own stock in the satellite corporations will be using its facilities, and paying for this use, for the transmission of international communications. Suppliers of equipment and services who are selling to the corporation are expected to invest in the stock which is available to the public at large. They too will then be in the dual capacity of expecting to profit from the corporation by investing in it and expecting to profit from the corporation by dealing with it.

This presents unusual opportunities for self-dealing and great dangers of conflicts of interest. If a director is faced with a situation where the stockholder responsible for his election, whether a communications carrier or supplier of equipment, is involved in a corporate decision, whose interests is he to serve? He will be torn between his fiduciary duty of loyalty to the corporation and all its stockholders as a whole and his practical loyalty and obligation to the interests which placed him on the board. This is a question which has come up, indirectly at least, in the hearings which have been held on this subject. Several witnesses representing private interests showed their concern about control of the corporation and representation on its board of directors.

On February 27 and 28, 1962, Dr. Elmer W. Engstrom, president of the Radio Corp. of America, was testifying before the Committee on Aeronautical and Space Sciences which was holding hearings on S. 2650 and S. 2814. The distinguished senior Senator from Missouri [Mr. SYMINGTON], who is very knowledgeable about the realities of the business world, engaged Dr. Engstrom in an interesting colloquy. I would like to quote from these hearings beginning on page 111, as follows:

"Senator SYMINGTON. You say in your statement that you approve this legislation provided three points, which you stipulate in detail, are accepted. In those three points, you don't talk about the stock. Does that mean you approve the stock proposal in the administration bill?

"Dr. ENGSTROM. I think, sir, if that is the interpretation that I have given, I must——

"Senator SYMINGTON. You say: 'RCA is in favor of S. 2814 as proposed by President Kennedy. At the same time we recommend the following additional provisions which we believe would clarify and strengthen the objectives of the bill.'

"Then you give three, none of which refer to the stock.

"Dr. ENGSTROM. That is correct.

"Senator SYMINGTON. Is the inference, therefore, that you are satisfied with the stock provisions?

"Dr. ENGSTROM. To the extent that, of course, we would have the option of whether or not we wished to purchase stock under those conditions, yes.

"Senator SYMINGTON. If you don't purchase any stock, you are out of the picture, aren't you?

"Dr. ENGSTROM. Except as we might rent facilities from the satellite corporation.

"Senator SYMINGTON. Is that in the back of your mind, not to buy either A or B stock? You would just like to rent from the people that put their money into the corporation?

"Dr. ENGSTROM. No, sir. We would much rather have a position where we could have ownership in the satellite corporation.

"The CHAIRMAN. If you will yield, he said as of this time and on the basis of his knowledge, he wouldn't buy any.

"Dr. ENGSTROM. That is correct.

"Senator SYMINGTON. Do you think, as president of a corporation, with stockholders, you would have the right to put their money into this B stock, under the present terms of this bill?

"Dr. ENGSTROM. I think, sir, I have expressed enough doubt. I would question the validity of such action.

"Senator SYMINGTON. Do you believe, based on the wording of the administration bill as to the B stock, as president of RCA, you would buy B stock?

"Dr. ENGSTROM. I think I would have the right, but I think it would be poor judgment at the moment.

"Senator SYMINGTON. I accept that.

"Do you know of any corporation run by directors who do not have an interest in the corporation operations?

"Dr. ENGSTROM. No, they should have such interest.

"Senator SYMINGTON. But that would be possible here, wouldn't it? You could have directors running this company who would have no interest in the actual operation of the company.

"Dr. ENGSTROM. I don't understand this would be true after the first year.

"Senator SYMINGTON. Let's put it this way: The proposed bill says that under no circumstances can anybody buy more—any corporation, individual, or combination—than 25 percent, is that correct, of the issued stock, outstanding stock?

"Dr. ENGSTROM. That is correct, and not more than 15 percent, I believe of the total authorized stock.

"Senator SYMINGTON. You are allowed 13 directors, are you not, as the maximum number?

"Dr. ENGSTROM. Yes.

"Senator SYMINGTON. Assuming that you went to the maximum number, you could have a majority of the directors who were not directly interested in the corporation. Even if all six interested companies wanted stock, you could still have seven who didn't participate in any way, could you not? Assume that they exercised their rights, and there is a cumulative voting clause, you could have six directors representing the carriers, is that correct?

"Dr. ENGSTROM. Yes.

"Senator SYMINGTON. If you could have 13 directors, you could have 7 not representing the carriers, could you not?

"Dr. ENGSTROM. I think that is theoretically possible; yes.

"Senator SYMINGTON. What do you mean theoretically possible? It is right here in the proposed bill, isn't it?

"Dr. ENGSTROM. Except as each party owning stock has the right to vote for two directors, and if the stock is widely held, then, of course, there might be the possibility, as you outlined, that directors would be elected not by those who have an interest in the business, but those who have the financial interest in the company; yes, sir.

"Senator SYMINGTON. Let me pursue that. If other people have the same apprehension about stock investment, you might end up with only two or three directors who were carriers, might you not?

"Dr. ENGSTROM. Yes.

"Senator SYMINGTON. Directors generally run a company, do they not?

"Dr. ENGSTROM. Yes, sir; they set the policy.

"Senator SYMINGTON. The president reports to the directors?

"Dr. ENGSTROM. Yes."

Notice how Dr. Engstrom apparently did not like the idea of a satellite corporation where those who would do business with it were not represented on the board of directors.

The testimony of Dr. Allen E. Puckett, vice president of Hughes Aircraft Co., on March 1, 1962, before the same committee, is very illuminating. It indicates why a supplier of equipment or a carrier wants representation on the board of directors. At pages 240 and 241 of the hearings, the senior Senator from Missouri and Dr. Puckett had the following discussion:

"Senator SYMINGTON. You say on page 9 that your company is interested in the communications satellite company both as a potential supplier of equipment to the company and as a potential investor in the company, which you believe could be reasonably profitable.

"All communications carriers are closely regulated, as you know, by the FCC, as to the amount of profit they can make. Would you expand on what you mean by 'reasonably profitable'?

"Dr. PUCKETT. I am afraid I can't give you a more specific idea of what we would consider a reasonable profit.

"As you know, corporations of our type these days are satisfied with very, very small profits in terms of percentage on business, or any other measure you want to make. And 8 or 10 percent on this investment would look pretty good.

"Senator SYMINGTON. Do you see any conflict of interest if you are both an investor in the company, if it is set up the way you want it, with members on the board of directors, and also a supplier of equipment?

"Dr. PUCKETT. We have discussed this. It is a very reasonable question. As best we can see, there should not be a conflict of interest on several grounds, partly that at most our share in the ownership would be quite small, and we would expect that our degree of control would be almost nonexistent. Secondly——

"Senator SYMINGTON. Your degree of control of what?

"Dr. PUCKETT. Of the satellite corporation. We would expect to have only the same influence through stockholders' votes that the other stockholders would have.

"Senator SYMINGTON. Let's discuss it corporately. If you have a director as a result of your interest, you wouldn't be adverse to him working to get your equipment used, would you?

"Dr. PUCKETT. No, I wouldn't.

"Senator SYMINGTON. Thank you."

In other words if through cumulative voting a supplier of satellite equipment is enabled to elect a member of the board of directors of the satellite corporation, it can be expected that the director will use his influence to get the satellite corporation to purchase equipment from his sponsor. I do not doubt that this is true. I expect realistically it is what is expected of such a director. I expect that directors elected by communications carriers would be similarly expected to owe allegiance to the carriers.

But under the law of fiduciary duties of corporate directors, these same individuals would be expected under law to owe undivided loyalty to the corporation itself and to all its stockholders as a group. At this time, it would be helpful to look at a few of the court cases which have arisen as a result of this sort of conflict of interest. They will demonstrate the illogical setup provided by this bill and will illustrate the dangers which are risked if such a corporation operates the satellite system.

COURT DECISIONS ON DIRECTORS' CONFLICT OF INTEREST

One of the leading cases on the subject is *Wardell* v. *Railroad Company*, which is reported at 103 United States Reports, page 651. In this case, a committee of the board of directors of a railroad company entered a contract to purchase coal. The coal company with which they contracted was largely owned by the directors of the railroad company. The contract was held by the U.S. Supreme Court to be a fraud upon the railroad company.

In delivering the opinion of the U.S. Supreme Court in this case, Mr. Justice Field said at page 658 of 103 United States Reports:

"It is among the rudiments of the law that the same person cannot act for himself and at the same time, with respect to the same matter, as the agent of another whose interests are conflicting. Thus a person cannot be a purchaser of property and at the same time the agent of the vendor. The two positions impose different obligations, and their union would at once raise a conflict between interest and duty; and, 'constituted as humanity is, in the majority of cases duty would be overborne in the struggle.' The law, therefore, will always condemn the transactions of a party on his own behalf when, in respect to the matter concerned, he is the agent of others, and will relieve against them whenever their enforcement is seasonably resisted. Directors of corporations, and all persons who stand in a fiduciary relation to other parties, and are clothed with power to act for them, are subject to this rule; they are not permitted to occupy a position which will conflict with the interest of parties they represent and are bound to protect. They cannot, as agents or trustees, enter into or authorize contracts on behalf of those for whom they are appointed to act, and then personally participate in the benefits. Hence all arrangements by directors of a railroad company, to secure an undue advantage to themselves at its expense, by the formation of a new company as an auxiliary to the original one, with an understanding that they, or some of them, shall take stock in it, and then that valuable contracts shall be given to it, in the profits of which they, as stockholders in the new company, are to share, are so many unlawful devices to enrich themselves to the detriment of the stockholders and creditors of the original company, and will be condemned whenever properly brought before the courts for consideration."

The statement which I have just quoted from Mr. Justice Field is still a sound statement of the law concerning the duties of corporate directors. In 1949, Circuit Judge Clark of the U.S. Court of Appeals for the District of Columbia Circuit, quoted the same passage in delivering the opinion in *Mayflower Hotel Stockholders Protective Committee* v. *Mayflower Hotel Corporation*, which is reported at 193 Federal Reporter, 2d, page 416. At page 420, Judge Clark said of Mr. Justice Field's holding in the Wardell case that "this case has been many times cited, universally followed, and never overruled."

Another leading case is *Geddes* v. *Anaconda Copper Mining Company*, decided by the Supreme Court of the United States in 1921 and reported in 254 U.S. Reports 590.

In that case, Mr. Justice Clarke delivered the opinion of the Court and at page 599, he said:

"The relation of directors to corporations is of such a fiduciary nature that transactions between boards having common members are regarded as jealously by the law as are personal dealings between a director and his corporation, and where the fairness of such transactions is challenged the burden is upon those who would maintain them to show their entire fairness and where

a sale is involved the full adequacy of the consideration."

In this case, one corporation negotiated to sell its property to another corporation. The board of directors had one member in common. Minority stockholders of one of the corporations brought suit to set aside the sale on the grounds that its property had been sold for an inadequate consideration. The Court upheld a finding that the agreed price was inadequate and held that the sale should have been set aside as demanded by the minority stockholders.

There have been many, many reported cases in the courts where minority stockholders have gone to court to try to undo the effects of contracts which resulted from boards of directors who had conflicting interests. The cases generally do not hold such contracts are totally void. They do hold that because of the divided loyalties involved, the courts will subject them to close scrutiny and place the burden of proof on those who made the contract to show that it is entirely fair.

In the case of *Corsicana National Bank* v. *Johnson*, decided by the Supreme Court of the United States in 1919, Mr. Justice Pitney delivered the opinion of the Court and on page 90 said the following:

"The fact that the same persons were directors and managers of both corporations subjects their dealings inter sese to close scrutiny. That two corporations have a majority or even the whole membership of their boards of directors in common does not necessarily render transactions between them void; but transactions resulting from the agency of officers or directors acting at the same time for both must be deemed presumptively fraudulent unless expressly authorized or ratified by the stockholders; and certainly where the circumstances show, as by the undisputed evidence they tended to show in this case, that the transaction would be of great advantage to one corporation at the expense of the other, especially where in addition to this the personal interests of the directors or any of them would be enhanced at the expense of the stockholders, the transaction is voidable by the stockholders within a reasonable time after discovery of the fraud."

A more recent case which is widely cited by courts and legal writers is the case of *Pepper* v. *Litton*, decided by the U.S. Supreme Court in 1939 and reported at 308 U.S. Reports, page 295. In this instance, a trustee in bankruptcy was attacking a claim which a controlling stockholder had filed against a bankrupt corporation. The opinion of the Court in this instance was written by Mr. Justice Douglas. At page 306, he stated:

"A director is a fiduciary. *Twin-Lick Oil Co.* v. *Marbury*, 91 U.S. 587, 588. So is a dominant or controlling stockholder or group of stockholders. *Southern Pacific Co.* v. *Bogert*, 250 U.S. 483, 492. Their powers are powers in trust. See *Jackson* v. *Ludeling*, 21 Wall. 616, 624. Their dealings with the corporation are subjected to rigorous scrutiny and where any of their contracts or engagements with the corporation is challenged the burden is on the director or stockholder not only to prove the good faith of the transaction but also to show its inherent fairness from the viewpoint of the corporation and those interested therein. *Geddes* v. *Anaconda Copper Mining Co.*, 254 U.S. 590, 599. The essence of the test is whether or not under all the circumstances the transaction carries the earmarks of an arm's-length bargain. If it does not, equity will set it aside. While normally that fiduciary obligation is enforceable directly by the corporation, or through a stockholder's derivative action, it is, in the event of bankruptcy of the corporation, enforceable by the trustee. For that standard of fiduciary obligation is designed for the protection of the entire community of interests in the corporation—creditors as well as stockholders."

The standards which the courts have applied in passing on transactions of this sort are most enlightening as to the proper duty of a corporate fiduciary such as a director. The case of *Austrian* v. *Williams* was decided by Judge Weinfeld of the U.S. District Court for the Southern District of New York in 1952. It is reported at 103 Federal Supplement, page 64. Judge Weinfeld cited *Pepper* v. *Litton* for the proposition that the essence of the test of fairness of such a transaction is whether or not under all the circumstances it carries the earmarks of an arm's-length bargain. He went on to say that this is not a test which permits of precise definition but that it involves a judgment based on all the factors and circumstances. He then went on to adopt a statement made by the great Justice Learned Hand in an earlier case to the effect that "whether the proposition would have commended itself to an independent corporation" is very close to the proper test of fairness. Judge Weinfeld also stated the test in another way as whether the transaction was worse than the corporation would have accepted or could have been forced to accept had the parties traded at arm's length.

The earlier case decided by Justice Learned Hand and to which Judge Weinfeld referred was *Ewen* v. *Peoria and Elgin Railway*, which is reported at 78 Federal Supplement, page 312. This case involved an operating agreement between two railroads where one was the controlling stockholder of the other. The opinion was rendered by Judge Hand for a three-judge district court. In the course of the opinion, Judge Hand discussed the problem of determining whether a transaction between affiliated corporations bore the earmarks of an arm's-length bargain, as required by *Pepper* v. *Litton*. At page 315, he noted that the ideal principle, if it were always capable of practical application, would be that the fiduciary should never use his power to the prejudice of the corporation; that is, "that it should fix the terms of any transaction between the two as though each had, in fact, exerted its bargaining power against the other at arm's length." He noted that this can be done fairly easily in some situations such as where an agent is dealing in fungible goods which are traded upon an active market. Here, the price which would be agreed on in an arm's-length transaction can be easily determined. But in complex commercial transaction, this is often impossible. The most which can be done sometimes is to set limits outside which it can be said that one of the parties would not have dealt in an arm's-length bargaining situation. Here the critical test then becomes who has the burden of proof in the particular lawsuit.

Volume 61 of Harvard Law Review contains a discussion of this general subject, which states that "it is the general rule that whenever there is reason to assume that there has been a disinterested exercise of business judgment, a court will decline to reconsider a matter on which directors have acted." The note goes on to suggest that the best way to phrase the proper test is "would reasonable and disinterested directors have conducted themselves as did these particular directors?"

This is obviously a question which must go into the very motives and state of mind of directors who find themselves in a situation of divided loyalty. The best solution for anything as important to the Nation as the satellite corporation is not to risk having decisions made by directors who have a conflict of interest.

CARRIERS AND EQUIPMENT COMPANIES IN DUAL POSITION

The statement of Dr. Puckett, of the Hughes Aircraft Co., in the hearings of the Space Committee was that "our company is extremely interested in the proposed legislation, both as a potential supplier of equipment to the communications satellite company and as a potential investor in the company which we believe could be reasonably profitable." In other words, Mr. President, the supplier of equipment would have two bites at the apple, so to speak. They could profit from selling equipment to it and they could profit from earnings on their investment in the company's stock. Obviously, the two interests are opposed to each other. As their profits go up in selling equipment to the satellite company, the earnings of the satellite company, available for distribution as dividends on its stock, go down accordingly. But this stockholder who is also a supplier of equipment will win one way or the other.

The communications carrier who owns stock will be in much the same position. He will be paying the satellite company for using its facilities, while at the same time he will be investing in the company. It is to the carrier's advantage on the one hand to pay the least it can to use the satellite company's facilities, and on the other hand, as a stockholder, it is to the carrier's advantage to pay higher charges. Like the supplier of equipment, the carrier has two bites at the apple, two chances to profit from the satellite company. Now, let us look at the third type of stockholder. The average investor, the member of the public, who buys this stock at $100 a share, can make money in only one way. That is, from dividends on his investment or growth in the value of his stock because of the success of the satellite company. He has no chance to profit from selling equipment to the company or using the company's facilities. Yet, the board of directors which is running the company is almost certain to be dominated by those who have two bites at the apple, as opposed to his one bite.

Now it is not necessary to accuse any communications carriers or any suppliers of equipment of wanting to take advantage of a position of trusteeship. Human nature being what it is, it will be the natural unavoidable tendency for directors representing special interests to be biased in favor of those interests rather than the public interest or the individual investor.

In *Loft* v. *Guth*, a Delaware case reported at 23 Delaware Chancery Reports, page 138, and 2 Atlantic Reporter, 2d series, page 225, the Court accurately dealt with the conflict between duty and self-interest with the following language:

"When a conflict between duty and self-interest arises in the breast of a person holding a fiduciary relation, the only safe rule to adopt in the interest of the integrity of trust and quasi-trust relations, is the rule that ascribes to self-interest, rather than a sense of duty, the motive power of ensuing action."

It just strains belief to think that directors who owe their position to common communications carriers or to suppliers of equipment are not going to make corporate decisions with a view to the welfare of those interests.

An interesting case which illustrates the problems which arise when directors have divided loyalties is the case of *Chelrob, Inc.* v. *Barrett*, 293 N.Y. 442, 57 Northeast, 2d 825. This was a suit by preferred stockholders of the Queens Borough Gas & Electric Co. against the Long Island Lighting Co. and the Nassau & Suffolk Lighting Co. The Queens Co. was a subsidiary of the Long Island Co. in that Long Island owned all its common stock, which was all the voting stock. The plaintiffs had preferred stock but no voting rights. The Queens Co. in turn owned all the common stock of the Nassau Co. The parent company, the Long Island Co., elected the directors for both subsidiary corporations and many directors were common to all three companies. The Nassau Co. bought its gas from the Queens Co. at a price mutually agreed upon by the

directors of the two corporations. The parent company, Long Island, in turn bought some of its gas from the Nassau Co.

The Queens Co. preferred stock had not paid a dividend for several years. The preferred stockholders filed a minority stockholders' suit claiming that the price being paid to their company, the Queens Co., was unreasonably low and that it had been set by the directors primarily with a view for the benefit of the Long Island and Nassau Co. as buyers of the gas.

The highest court of New York, the Court of Appeals, held that the preferred stockholders were entitled to recover a large money judgment on behalf of the Queens Co. against the other two companies. In reaching this holding, it stated the duty of these common directors in managing the companies, as follows:

"The minority directors or stockholders cannot come into court upon allegations of a want of judgment or lack of efficiency on the part of the majority and change the course of administration. Where directors act with undivided loyalty toward the corporation which they direct, their determination that a course of action will promote the interest of the corporation is ordinarily not subject to review by the court and errors of judgment by directors do not alone suffice to demonstrate lack of fidelity. This is true even though the errors may be so gross that they may demonstrate the unfitness of the directors to manage the corporate affairs. The test in each case is whether corporate action is the result of the exercise by the directors of their unbiased judgment in determining that such action will promote the corporate interests."

This states the sort of judgment to which stockholders are entitled in a private corporation. They are entitled to "corporate action which is the result of the exercise by the directors of their unbiased judgment in determining that such action will promote the corporate interests."

That sort of unbiased judgment is what the stockholders of the satellite corporation will be entitled to. Is it really believed that directors elected by the common carriers will give them an unbiased judgment? Is it believed that the directors whom the equipment suppliers are so anxious to elect will also render an unbiased judgment? Is it expected that the directors appointed by the President will act in the interests of the stockholders of the corporation?

Of course not, the answer is negative in each instance. Otherwise, there would be no purpose in setting up these special procedures for electing different directors.

As I indicated when I first began, this corporation now before the Senate is a polyglot. It is not designed to protect the public interest. At the same time, it is not designed along the lines of a sensible corporation for profit in which an individual stockholder could be sure what the duties of the directors are to him. This corporation does not have the best features of either public or private ownership.

This fragmented, three-sided board of directors was a late compromise in the course of this legislation. I don't believe it has been fully considered. It may be that there is some way by which a privately owned corporation could be set up so that it would adequately represent the public interests, serve the special interests of communications carriers and equipment suppliers, and also offer a sound investment for the individual member of the public. I doubt it, but I am certain that this distorted contraption which would be set up under H.R. 11040 cannot serve all three interests. Perhaps given another 6 months in attempting to combine all these conflicting interests into one unified business entity, a workable method might be found. At least another attempt should be made before we accept this inadequate vehicle which H.R. 11040 offers.

CUMULATIVE VOTING FOR DIRECTORS

I would like now to examine a significant section of H.R. 11040 dealing with the election of directors. As I have previously noted, section 303(a) limits every stockholder who is a comunications common carrier to voting for not more than three candidates. The section then provides "subject to such limitations, the articles of incorporation to be filed by the incorporators designated under section 302 shall provide for cumulative voting under section 27(d) of the District of Columbia Business Corporation Act."

Section 27(d) of the District of Columbia Business Corporation Act is contained in title 29, section 911(d) of the District of Columbia Code. The language of this section is as follows:

"(d) The articles of incorporation may provide that in all elections for directors every shareholder entitled to vote shall have the right to vote, in person or by proxy, the number of shares owned by him, for as many persons as there are directors to be elected, or to cumulate said shares, and give one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or to distribute such votes on the same principle among any number of such candidates."

In order to help us all understand the full implications of this provision, I would like to read the discussion of cumulative voting contained in "Ballantine on Corporations" beginning at page 404. It reads as follows:

"Cumulative voting is the privilege, where several directors are to be voted for at the same time, of casting votes for the whole number of shares held, multiplied by the number of directors to be elected, for one candidate, or distributing the votes among part of the vacancies to be filled, instead of straight voting or casting votes according to the number of shares held for all of the vacancies. The aim is to allow a minority to secure representation on the board of directors. Without cumulative voting a bare majority of the shares may elect the full board and thus control the corporation without any representatives of other interests being present at board meetings.

"All the directors must be voted for at one time, not in turn for each director to be chosen. The more directors there are to be elected, the smaller the minority needed to secure a representative. In case the directors are classified, with only one-half or one-third to be elected annually, the benefits of cumulative voting are greatly cut down. If there are five vacancies to be filled, each share of stock may be voted five times for one individual to fill one vacancy, instead of one vote per share for each of the five vacancies. If there are five directors to be chosen and one-fifth of the shares are voted for one nominee, he is practically assured of getting a place on the board, while if only three directors are to be chosen one-third of the shares would be required for the same assurance.

"As Cook points out each shareholder is entitled to as many votes for directors as equal the number of shares he holds multiplied by the number of directors to be elected. If there are five directors to be chosen, one or more persons holding 100 shares may cast 500 votes in favor of one candidate or may distribute the votes in favor of one or more persons for the five vacancies. There are dangers in this method of voting. An unwary majority may find that a vigilant minority has deprived the majority of control, if they spread their votes over too many offices. If there are 1,000 shares outstanding and 10 directors to be elected, and one person holds 600 shares, he should be able to elect a majority of the directors. If, however, he casts 600 votes straight for each one of 10 candidates, and if the 400 minority shares cumulate their 4,000 votes on six candidates, they can give each of the six, 666.6 votes. The minority will thus elect six of the directors and the majority will elect only four directors.

"In order to be safe under the cumulative system, where there is a substantial block of minority votes, the majority must often abandon the attempt to elect a complete board and must cumulate their votes on such a proportion of the members of the board as the number of their shares bears to the total number of shares which will be voted at the election. The formula for cumulative voting thus is that each group, majority or minority, should ascertain the proportion which the number of shares which it holds bears to the number of shares which it expects to be voted at the election, and then vote its shares cumulatively for that proportion of the number of directors to be elected. If a shareholder after casting his vote, sees he has made a mistake, he may recall his ballot and change his vote before the presiding officer finally announces the result of the voting.

"Suppose that three out of five directors receive a majority of the votes and there is a tie as to the two others, does it follow that the selection of the three directors only is invalid and that an entirely new vote must be taken? Statutory provisions are common that directors in office hold over until their successors are elected and it is impossible to say for which of the three members of the existing board the newly elected directors are 'successors.' It has been held that if a majority of the new board of directors receive a plurality of votes on a ballot, they constitute a new board and supersede all the members of the old board, so that none of the members of the old board will hold over. Two vacancies would thus result which the shareholders could proceed to fill by another ballot to which the right of cumulative voting would apply. If, however, a majority or quorum for a new board is not elected upon a ballot, the old board would hold over as in case of a tie and an entirely new vote would be necessary.

"By some constitutional and statutory provisions the method of cumulative voting is made mandatory, that is, granted to shareholders irrespective of authorization in charter or bylaws. In many jurisdictions, however, cumulative voting is only permissive and does not exist unless it is affirmatively authorized by provision in the charter or sometimes in the bylaws. If the privilege of cumulative voting is to be granted at all for the protection of the minority, it should be made mandatory and not merely permissive at the option of the incorporators or the majority group. Nor should majority shareholders have the power to withdraw the privilege by amendment of the charter or otherwise."

Apparently under section 303(d), it is mandatory that the articles of incorporation shall provide for cumulative voting for the directors of the satellite corporation. However, it is not clear whether this right could not later be changed by an amendment to the articles of incorporation. No provision of H.R. 11040 limits the ordinary power of the stockholders to amend the articles of incorporation.

Section 911(d) of title 29 of the District of Columbia Code is only permissive. It provides that articles of incorporation may provide for permissive voting. Under section 921(f) of title 29, a corporation may amend its articles of incorporation so long as it is amended to contain provisions which might lawfully have been included in the original articles. The procedure for amendment is set forth in section 921(h) of title 29. Apparently, a majority of the board of directors can propose an amendment and it is adopted upon receiving an affirmative vote of the holders of two-thirds of the outstanding shares of each class of stock entitled to vote.

DANGERS IN CUMULATIVE VOTING

Thus, we see that a majority of the board and two-thirds of the stockholders apparently could eliminate this right to cumulative voting under the satellite corporation. I am not sure that this is a bad thing because cumulative voting can be the source of many problems. At volume 33 of the Harvard Business Review, page 108, there is a comprehensive article by C. M. Williams on the subject of cumulative voting. This was published in the May-June issue of 1955. Mr. Williams found that situations where stockholders exercise their right of cumulative voting were generally of six types. I quote his description of these six situations of cumulative voting as follows:

"1. Cases growing out of conspicuous mismanagement or board failures;

"2. Situations grounded in conflicts of important business interests between stockholders, or between stockholders and management;

"3. Where stockholders became convinced on rather general grounds that the board of directors was unrepresentative of, and generally insensitive to, stockholder interests;

"4. Instances involving clashes of strong personalities;

"5. Struggles for control of the corporation in which representation through cumulative voting was an intermediate objective;

"6. Cases of the 'anglers'—opposition leaders who appeared to seek board membership in order to push narrow and selfish interests of their own."

I hope, if the satellite corporation is formed as provided in H.R. 11040, that none of these six situations develop. I suppose the most likely one is No. 2 listed by Mr. Williams. That is, "conflicts of important business interests between stockholders, or between stockholders and management." But I hate to think of the consequences if the satellite corporation's board of directors becomes a battle ground between communications carriers and suppliers of equipment, or some similar conflict.

Cumulative voting can be a mixed blessing. Those who are going to use it must plot their tactics like a general going into a battle. According to the article by C. M. Williams, the most important tactical question in a cumulative voting fight is how to cumulate the votes so as to elect a maximum number of directors. At pages 40 to 42, he discusses a formula which has been devised which can be helpful if the number of shares to be voted is known, in deciding upon the number of shares needed to elect a given number of directors. The formula assumes one vote per share for each director to be elected. In the formula the following notations will be used: X=number of shares needed to elect a given number of directors; Y=total number of shares at meeting; N=number of directors desired to elect; D=total number of directors to be elected.

$$X=\frac{Y\times N}{D+1}+1$$

Let us apply the formula to a hypothetical situation: dissident stockholder Jones wishes to be elected to an eight-man board. There are 1,500 shares outstanding, of which he expects about 900 shares to be represented at the meeting. How many of the 900 shares must Mr. Jones assemble to get elected? By applying the formula, it is seen that Mr. Jones will need 101 of the 900 shares to be elected. If Mr. Jones seeks control of the company and hopes to elect 5 directors, according to the formula he will need 501 shares to elect the 5. It is apparent that the result of the first application of the formula is simply 1/9Y+1 and of the second 5/9Y+1. Thus, the number of shares voting is the critical factor.

It can be seen that it is important to know the number of shares which are going to be voted at the meeting, and also whether other stockholders are going to exercise their right to cumulative voting also. There have been instances where an unwary majority lost control to an aggressive minority because of faulty cumulation of its votes. One example of this is found in the reported case of *Pierce* v. *Commonwealth* at 104 Pennsylvania Reports, page 150. A majority of the stockholders of the Sharpsville Railroad failed to cumulate its votes. There were six directors to be elected and it distributed its votes equally over all six positions. The minority cumulated its votes on four candidates and was thus able to elect four out of six members of the board.

There are other instances in reported legal cases but I see no need to go into them because it is so obvious that this could easily happen. This danger that an unwary majority might lose control has led some States to provide by law that shareholders must give advance notice of an intention to cumulate their votes. Minnesota and Ohio have such laws, but the District of Columbia Code contains no such provision.

Cumulative voting has been an issue in connection with national banks in recent years. In 1955, in the 84th Congress, the distinguished junior Senator from Virginia [Mr. ROBERTSON] introduced S. 256 which would eliminate cumulative voting in electing directors of national banks unless the particular bank's articles of association provided for cumulative voting.

The National Banking Act from 1864 until 1933 had no provision for cumulative voting. In 1933, it was amended to require mandatory cumulative voting in the election of directors of all national banks. The Robertson bill sought only to make cumulative voting permissive and leave it to each bank's articles of association, just as the District of Columbia Code does for corporations in the District. The bill was reported favorably by the Committee on Banking and Currency and it passed the Senate. On July 21, 1956, it was reported favorably from the Committee on Banking and Currency of the House but it received no further action in the House. The House report contains a brief but valuable discussion of cumulative voting which I would like to read into the record:

"Present law provides that in the election of directors of national banks each shareholder shall have the right to vote the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate such shares and give one candidate as many votes as the number of directors multiplied by the number of his shares shall equal, or to distribute them on the same principle among as many candidates as he shall think fit. S. 256 would eliminate mandatory cumulative voting in the election of directors of national banking associations but would permit such associations to retain cumulative voting by so providing in their articles of association.

"To illustrate briefly how cumulative voting works under the existing statute, take the case of a national bank with a board of directors consisting of 10 members and a capital account of $100,000 represented by 1,000 shares. At the election, 1 shareholder owning 91 shares, cumulates his 910 votes (10 directors to be multiplied by 91 shares) so as to cast 910 votes for 1 candidate. The remaining (majority) shareholders, owning 909 shares, cast 909 votes for each of 10 other candidates. In this situation the 1 candidate who received 910 votes would be elected. None of the 10 candidates who received 909 votes each would be elected to the remaining 9 directorships. A second ballot would be held to elect nine directors, and in this second ballot the shares which were voted for the one director elected on the first ballot could not be voted. In other words, on the second ballot (and any subsequent ballots which prove necessary) a stockholder is not entitled to vote shares which he has already fully cumulated and voted in favor of a successful candidate. It is obvious that with a smaller board of directors, 5 for example, an individual would need 167 shares out of 1,000 shares to assure his election as a director. Thus there is a tendency to keep the number of board members at a lower figure when it is considered that an unwanted individual might otherwise be able to elect himself to the board through cumulative voting."

At this point in the report, there appears a table which I will not attempt to read. It shows the number of shares necessary to be voted to elect one director by cumulative voting for various sized boards ranging from 5 members to 25 members. The table shows that in the case of a board of directors with 25 members, it would only require a holding of 39 shares of stock out of a total of 1,000 shares to assure the election of 1 of the 25 board members. In the case of a 5-member board, a stockholder holding 167 shares out of 1,000 could elect 1 of the 5 board members. I continue now reading from the report:

"Instances were cited to the committee of where banks had reduced the number of members of their boards so that a prospective unwanted candidate for a board position would have to hold a larger number of shares of the bank to place himself in a position of forcing his election to the board.

"The successful operation of any bank depends upon confidence—confidence of stockholders in the management, confidence of different members of the management body in each other, and confidence of the depositors and the community in the bank as an organization. Confidence is not engendered by having a minority group force itself on the directorate of a bank by the use of the cumulative voting provision, and in some cases where such an end has been accomplished the party or parties thus added to the boards have pursued a course of creating needless dissension, thereby lessening the mutual confidence of the directorate and the confidence of the staff in the directorate, and even the confidence of the community in the bank.

"Unity of management is also important for banks because of the unfavorable effects which usually accompany any rift in the managing body. Those who are charged with the responsibility of managing a bank need to give full attention to operating it in a sound manner without lowering effectiveness through factional division. They should be able to give their full attention to running their banks in a manner which will give sound and full service to depositors and borrowers, while keeping the bank in a sound condition. This can best be accomplished by having a harmonious board which is selected by a majority of the stockholders.

"Unity of management is also important for banks because of the confidential nature of their functions and the paramount importance of maintaining the bank's affairs on a confidential basis. It has been reported in some cases that directors who have forced themselves on bank directorates through the use of cumulative voting have disclosed information to which they have access in their capacity as directors in ways which are inimical to the best interests of the banks which they serve.

"The Banking Act was enacted June 3, 1864, without any provisions for cumulative voting and this situation prevailed for a period of 70 years until 1933 when in the revision of the law a provision was added making the privilege of cumulative voting mandatory in the election of national bank directors.

"With respect to cumulative voting in State banks in the various States, eight States have laws prohibiting cumulative voting in the election of bank directors, four States make cumulative voting mandatory in the election of bank directors, and in four States cumulative voting is permissive in the election of bank directors. The remaining 32 States have no laws dealing specifically with cumulative voting in the election of bank directors but in some of these States the provisions of State law dealing with the election of directors of corporations may apply also to banks.

"The following sets forth the status in the various States of cumulative voting in the election of directors of banks and directors of corporations:

"States with laws prohibiting cumulative voting by shareholders of State banks: Delaware, Louisiana, Michigan, New Jersey, South Dakota, Texas, Washington, and Wisconsin.

"States with mandatory cumulative voting laws (similar to the existing Federal banking statute): Illinois, Pennsylvania, Wyoming, and Kansas.

"States with permissive cumulative voting laws: New York, Ohio, Oklahoma, and Rhode Island.

"In the remaining 32 States the provisions of State law dealing with the election of directors of corporations may or may not apply also to banks. Of these States 12 make cumulative voting mandatory. Thirteen are on a permissive basis if adopted by the shareholders, and seven have no provisions dealing with cumulative voting. These States are as follows:

"States with no laws—banks unable to exercise cumulative voting: Alabama, Connecticut, Georgia, Iowa, Massachusetts, New Hampshire, and Oregon.

"States with mandatory cumulative voting for corporations: Arizona, Arkansas, California, Idaho, Kentucky, Mississippi, Missouri, Montana, Nebraska, North Dakota, South Carolina, and West Virginia.

"States with permissive cumulative voting for corporations: Colorado, Florida, Indiana, Maine, Minnesota, Nevada, New Mexico, North Carolina, Maryland, Tennessee, Utah, Vermont, and Virginia.

"This bill would eliminate mandatory cumulative voting, but it would permit those national banks which desire to retain cumulative voting to do so by providing in their articles of association for this method of electing directors. The Treasury Department is in favor of the legislation, and representatives of the American Bankers Association testified in support of the bill. The Independent Bankers Association and the Independent Bankers Association (12th Federal Reserve District) also support the legislation. The bill was ordered reported by a majority vote of your committee."

The report of the Senate Committee on Banking and Currency, submitted by the distinguished chairman of that committee, the junior Senator from Virginia on April 28, 1955, contained similar information. It also contained some facts which are as material to cumulative voting now as they were then. I will quote one brief paragraph from that report, which is Senate Report No. 240 of the 84th Congress, first session, as follows:

"It must be remembered that at an average shareholders meeting to elect directors, it is a rarity to have all of a bank's shares voted, either by proxy or in person. Normally, the vote cast in smaller banks is between 70 and 90 percent of the total shares. The vote in larger institutions is usually an even smaller percentage of the total shares. Assuming only 70 percent of the shares were voted, or 700 out of 1,000 shares, to elect a 10-man board, an individual owning only 64 shares would be assured of electing himself to the directorate. On a 25-man board, with only 70 percent of the 1,000 shares represented, a man with only 27 shares would be assured of election."

At the hearings held by the Senate Subcommittee on Banking of the Banking and Currency Committee on S. 256, the chairman of the board of the Riggs National Bank of Washington, Mr. Robert V. Fleming, testified in support of the Robertson bill. I would like to quote just briefly from his testimony, as contained on page 5 of the hearings conducted by that subcommittee on April 7, 1955. Mr. Fleming made the following statement:

"It has been my observation that national banks as well as other banking institutions seek and endeavor wherever possible to obtain as directors men of outstanding character and integrity, who are held in the highest esteem in the community, for their advice and guidance so that the confidence of the public which a bank must have can be maintained.

"It has also been my observation over this long period of time that national bank directors are sincerely working in the interest of the shareholders they represent and are careful in the selection of the officials they elect to run the bank. I have often marveled at the time and effort they expend simply for a small director's fee. It is on account of their interest in the institution and the community in which they live that they make what I consider a very distinct sacrifice in serving as directors.

"Cumulative voting has never been exercised in my own institution, although at each shareholders meeting I thoroughly and carefully explain to the shareholders the provisions of cumulative voting and how they can accumulate their votes for one or two directors if they so desire, but this has never been availed of.

"I believe that in larger institutions cumulative voting rarely has been exercised, although I believe that in smaller institutions from time to time an individual for personal reasons or one who is seeking to gain control of the institution may have exercised the cumulative voting provision, which sounds good in theory but which in practice has not worked out.

"Under existing business pressure and the dynamic economy in which we are living both officers and directors must work in harmony in order that their institution may be run successfully, and it seems to me that if the shareholders vote to eliminate cumulative voting—which would have to be by majority vote—this is the American way of doing business and rule by a majority rather than by a segment which may be disgruntled or have some personal reasons for desiring to impose either themselves or their nominees as directors.

"Cumulative voting could permit the election of a director who could represent and act for the benefit of a special interest and not be in the interest of the majority of the shareholders or the welfare of the institution.

"It is therefore my considered judgment that this bill, S. 256, permitting the shareholders of a national bank to have the option either to eliminate cumulative voting or retain it is a sound piece of legislation and I trust it will be favorably reported by the Banking and Currency Committee and be enacted into law."

CUMULATIVE VOTING NO AID TO PUBLIC STOCKHOLDERS

So we see, that cumulative voting is a mixed blessing and can have undesirable results. I have shown before that it is unlikely that the small investors and members of the general public who buy this stock will have any effective voice in the election of directors. It is most likely that stockholders who have some interest in the management of the corporation, beyond merely investing, will cumulate votes or team together to elect these six directors. Cumulative voting is apparently designed to permit them to do this.

Mr. Ballantine's work on corporations concludes its discussion of cumulative voting with the following:

"The privilege of cumulative voting is likely to be most useful in case of corporations whose shares are concentrated in the hands of a few individuals divided into groups with holdings which represent a good proportion of the shares outstanding. It is not likely to be of practical value in connection with large corporations with scattered shareholdings."

Thus, if the stock of this corporation is to be widely held among the public, cumulative voting is of no value. Apparently, it is contemplated that the stock of this corporation will not really be widely held because a weapon has been put in—in the form of cumulative voting—which is best designed to enable equipment suppliers to cumulate votes and get representation on the board. If so, board membership will be utilized to serve the narrow and selfish interests of particular groups or companies. I have previously shown that this is not the proper function of directors of a corporation.

STOCKHOLDERS' RIGHTS TO INSPECT CORPORATE BOOKS

Let us look closer at the status of the individual member of the public at large who buys a share of stock in this satellite corporation. I have already shown how unlikely it is as a practical matter that he will have any voice in electing the board of directors. I have already shown how the board of directors is going to be constituted so that it probably will not be managed with a viewpoint to his interests, but to those of the communications carriers and equipment suppliers.

Suppose, however, an individual stockholder does take the time and trouble to exert his rights and tries to do something about the management of the corporation?

Suppose he is concerned about some obligation of the corporation or wants to learn about the corporation's financial condition? It is important for a stockholder to be able to inspect the books and records of the corporation and learn how the directors are carrying out their trusteeship of his investment. For just a moment, let us look at the general law on this subject as stated in Ballantine on Corporations beginning at page 376:

"The right of the shareholder to ascertain how the affairs of his company are being conducted by its directors and officers is founded on his beneficial interest through ownership of shares and the necessity of self-protection. Managers of some corporations deliberately keep the shareholders in ignorance or under misapprehension as to the true condition of affairs. Business prudence demands that the investor keep a watchful eye on the management and the condition of the business. Those in charge of the company may be guilty of gross incompetence or dishonesty for years and escape liability if the shareholders cannot inspect the records and obtain information.

"The proper scope of the shareholder's right or privilege to have the corporate books, files, and records opened to his inspection is a subject upon which there has been much litigation. Suspicious and unfriendly shareholders coming with their attorneys, auditors, and accountants, demanding to see all the records and hoping to find some alarming charge they intend to communicate to other shareholders, are usually not welcome guests at a busy corporation's office. Their intrusion is resented and they are apt to meet with obstacles and rebuffs at the hands of the corporate officers and employees. Must the shareholder make a showing of sufficient ground for his demand and is his wrongful motive, if any, a defense to the corporation? Inspection may be abused to

divulge confidential information to competitors or to injure the corporation and other shareholders. The corporation should be protected, if possible, from a vexatious and burdensome interference with its business in bad faith or the disclosure of confidential information to those who intend to abuse it.

"By early English decisions it was formerly held that there must be something more than bare suspicion of mismanagement or fraud. There must be some particular controversy or question in which the party applying was interested, and inspection would be granted only so far as necessary for that particular occasion. By the general rule in the United States, however, shareholders have a right to inspect the books and papers of a corporation without first showing any particular dispute or proving any mismanagement or other occasion rendering an examination proper. The privilege, however, is not absolute and the corporation may show in defense that the applicant is acting from wrongful motives.

"In *Guthrie* v. *Harkness*, there was involved the right of a shareholder in a national bank to inspect its books for the purpose of ascertaining whether the business affairs of the bank had been conducted according to law, and whether, as suspected, the bank was guilty of irregularities. The court said: 'The decisive weight of American authority recognizes the right of the shareholder, for proper purposes and under reasonable regulations as to place and time, to inspect the books of the corporation of which he is a member. * * * In issuing the writ of mandamus the court will exercise a sound discretion and grant the right under proper safeguards to protect the interest of all concerned. The writ should not be granted for speculative purposes or to gratify idle curiosity or to aid a blackmailer, but it may not be denied to the stockholder who seeks the information for legitimate purposes.'

"Among the purposes held to justify a demand for inspection are the following: (1) To ascertain the financial condition of the company or the propriety of dividends; (2) the value of the shares of stock for sale or investment; (3) whether there has been mismanagement; (4) in anticipation of shareholders meetings to obtain a mailing list of shareholders to solicit proxies or influence voting; (5) to obtain information in aid of litigation with the corporation or its officers as to corporate transactions. Among the improper purposes which may justify denial of the right of inspection are: (1) Obtaining of information as to business secrets or to aid a competitor; (2) to secure business 'prospects' or investment or advertising lists; (3) to find technical defects in corporate transactions in order to bring 'strike suits' for purposes of blackmail or extortion.

"In general, however, officers and directors have no legal authority to close the office doors against shareholders for whom they are only agents, and withhold from them the right to inspect the books which furnishes the most effective method of gaining information which the law has provided, on mere doubt or suspicion as to the motives of the shareholder. While there is some conflict of authority, when an inspection by a shareholder is contested, the burden is usually held to be upon the corporation to establish a probability that the applicant is attempting to gain inspection for a purpose not connected with his interests as a shareholder, or that his purpose is otherwise improper. The burden is not upon the petitioner to show the propriety of his examination or that the refusal by the officers or directors was wrongful, except under statutory provisions."

Ballantine then goes on to discuss various statutory regulations of the stockholder's common-law right of inspection of corporate books. Some State statutes limit the right of inspection to certain types of books and records. Others require that the stockholder have owned his stock for a certain period of time or own a certain percentage of its shares in order to exercise the right of inspection. The District of Columbia has such a statutory provision on this subject and it is very important to an understanding of this bill. I will come to it in just a moment. When we look closely at this satellite corporation bill's provisions on this subject, we find another sleeper which shows that the bill has little to offer the individual member of the public.

PUBLIC STOCKHOLDER EXCLUDED FROM FINANCIAL RECORDS

Section 304(e) of H.R. 11040, as amended, now provides as follows:

"The requirement of section 45(b) of the District of Columbia Business Corporation Act (D.C. Code, sec. 29-920(b)) as to the percentage of stock which a stockholder must hold in order to have the rights of inspection and copying set forth in that subsection shall not be applicable in the case of holders of the stock of the corporation, and they may exercise such rights without regard to the percentage of stock they hold."

This sounds just from looking at this bill that a stockholder in the satellite corporation is going to have a full right of inspection and copying without regard to the percentage of stock which he holds. Notice, however, that this clause refers only to section 45(b) of the District of Columbia Business Corporation Act, which is subsection 920(b) of title 29 of the District of Columbia Code. Notice, too, that it refers only to the rights of inspection and copying "set forth in that subsection." Let us then look at this subsection 920(b) from section 29 of the District of Columbia Code, which reads as follows:

"(b) Any person or persons who shall be the holder or holders of record of at least 5 per centum of all the outstanding shares of a corporation shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, its record of shareholders and to make extracts therefrom."

This subsection (b) which I have just read only concerns the right of a stockholder to examine the record of shareholders and to make extracts from it. What does this mean? This only means that a stockholder in the satellite corporation will not have to own 5 percent of the stock in order to learn who the other stockholders are. But this would not give him the right to look into the contracts and financial affairs of the company. This right is governed by subsection (d) of this same section of the District of Columbia Code, section 29-920. It reads as follows:

"(d) If any person or persons holding in the aggregate 5 per centum or more of all of the outstanding shares of a corporation shall present to any officer, director, or registered agent of the corporation a written request stating the purpose therof, for a statement of its affairs, it shall be his duty to make or procure such a statement sworn to by the president or a vice president or by the treasurer or an assistant treasurer, embracing a particular account of its assets and liabilities in detail, and to have the same ready and on file at the registered office of the corporation within thirty days after the presentation of such request. Such statement shall at all times during business hours be open to the inspection of any shareholder and he shall be entitled to copy the same."

What is the net result? The result is this. An individual stockholder in the satellite corporation only has a right to see the corporation's list of stockholders. Only those who own 5 percent of all the outstanding shares of the corporation have a right to look into its financial condition.

I think this should be explained to the American public who are being led to believe that they are going to have a real possibility of sharing in the ownership and management of this corporation through possible ownership of half its stock. At this time I would like the Senator who is in charge of the bill to answer this question: Why does the bill give the individual stockholder the right to examine the corporation's record of shareholders but deny him the right to examine its financial accounts?

VACANCIES ON THE BOARD OF DIRECTORS

This fragmented board of directors for the satellite corporation presents still another unique problem under corporate law. This involves vacancies on the board of directors.

Although the bill is very careful to set up three different means of election or appointment of members to the board, it contains no similar provision for the filling of vacancies. Suppose a vacancy on the board occurs by reason of death, resignation, or removal of a director elected by the communications common carriers? One would think that such a director's constituents would want to be sure that the 6-6-3 division of the board was always preserved. I suppose the only way this could be done would be to convene a special meeting of the stockholders who are communications carriers in order to fill the vacancy. This not only would require time and expense, but it would certainly be a novel and unique procedure for any corporation.

Since the bill is silent on this point and makes the corporation subject to the District of Columbia Corporations Act, we must look to its provisions to find out how vacancies are filled. Section 29-916(c) of the District of Columbia Code governs this possibility. I quote its provisions as follows:

"Any directorship to be filled by reason of an increase in the number of directors may be filled by election at an annual meeting or at a special meeting of shareholders entitled to vote called for that purpose. Any vacancy occurring in the board of directors for any cause other than by reason of an increase in the number of directors may be filled by affirmative vote of a majority of the remaining directors, though less than a quorum of the board of directors, unless the articles of incorporation otherwise provide. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office."

The first sentence of this section would not apply, since it concerns directorships to be filled by reason of an increase in the number of directors. I assume this would never apply to the satellite corporation and that its articles of incorporation could never be amended by vote of the stockholders to increase the number of members on the board.

The second sentence of sentence 916(c) is applicable. It provides that any vacancy on the board occurring for any cause other than increase in the total number of directors may be filled by affirmative vote of a majority of the remaining directors. In other words, if a director appointed by the President dies or resigns or is removed, a majority of the other directors could fill this vacancy with someone of a different viewpoint.

A Presidentially appointed director might leave an unexpired term of almost 3 years. If so, a majority of the remaining directors would elect his successor for the entire unexpired term under the last sentence of section 916(c). If this happened, the purpose of having three directors appointed by the President could be defeated for a long period of time.

REMOVAL OF DIRECTORS

I referred to vacancies which might occur by reason of death, resignation or re-

moval of directors. The satellite corporation bill contains no provision concerning removal of directors. We must then look to the District of Columbia Code or to the general common law pertaining to corporate directors on this particular point. At page 148 of volume 2 of Fletcher on Corporations, there is the following pertinent statement of the law:

"The right to remove a director or an officer for cause inheres in every corporation as a part of its being. In other words, irrespective of any provision in the statute, charter or by-laws, stockholders or members have authority to remove directors from office during their term if substantial grounds can be shown. * * * [Cases are then cited from the Federal courts and from a number of States, including Colorado, Louisiana, Michigan, New Jersey, New York, Pennsylvania, and Wisconsin.] * * * As said by Judge McQuillen in his work on municipal corporations, the power to remove a corporate director from his office for reasonable and just cause is one of the common law incidents of all corporations."

In other words, any director may be removed during his term by the stockholders if the stockholders find him guilty of misconduct or negligence. If this happened, the vacancy which results will be filled under section 916(c) by the majority of the remaining directors. Again, we see a means by which the divided representation on the board of directors could be defeated.

QUORUM FOR DIRECTORS MEETINGS

Like other deliberative bodies, it is not to be expected that all members of a board of directors can be present at every meeting. One or more may be ill or disabled, for instance. Some may have conflicting business engagements which prevent their attendance. This is not at all uncommon in the lives of the busy men who are typically elected to the boards of major companies. Unless the board of the satellite corporation is to be composed primarily from its inside management—which is a real possibility as I have shown—its directors are particularly likely to be busy men who may not always be able to attend meetings.

Also, very often matters of an emergency nature arise which require special meetings of the board of directors on short notice. Corporate interests may suffer seriously sometimes if a critical decision cannot be made quickly. For this reason, it is essential that boards of directors be able to act with the presence of some quorum and not be required to have all directors present.

If it is important to divide the board of the satellite corporation among directors appointed by the President, directors elected by communications common carriers and directors elected by public stockholders, then it should also be important to provide that corporate action cannot be taken unless directors of all three categories are present. H.R. 11040 contains no provisions concerning a quorum of directors and no provisions that any particular types of directors must participate in board actions. Again, we must turn to the District of Columbia Business Corporations Act for the applicable law. Section 29–916(d) is the pertinent provision and it reads as follows:

"A majority of the number of directors fixed by the bylaws or in the absence of a bylaw fixing the number of directors, then of the number stated in the articles of incorporation, shall constitute a quorum for the transaction of business unless a greater number is required by the articles of incorporation or the bylaws. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by the articles of incorporation or the bylaws."

Thus, it will be left for the bylaws or the articles of incorporation to fix the number, of which a majority shall constitute a quorum. Then a majority of that quorum is sufficient to transact business.

In other words, the largest quorum which can be established for the satellite corporation is a majority of its total number of directors, or 15, which means the largest quorum which can be established is 8 members of the board. If this is the quorum, then a majority of eight, or five, could bind the corporation. Consequently, this could be five directors elected by communications carriers, or five directors elected by equipment suppliers. It is possible that no director appointed by the President will be present at a particular meeting.

If it is so important to have a board composed of three separate kinds of directors, should it not also be important to insure that business is not transacted in the absence of any one class of directors? Perhaps the bill should be amended to provide that a quorum must include at least one member of each class of directors, or that a quorum should contain the same proportions of the various classes of directors as does the entire board. I do not know. This is a difficult question caused by the unprecedented composition of this board. The question could not arise under an ordinary privately owned corporation or under a Government-owned corporation. This is another example of the illogical structure of this corporation and its failure to fit sound principles either of corporate management or of administration of the public's business.

EXECUTIVE COMMITTEE

It is generally known that most corporations have executive committees. I would like to read briefly from pages 132 through 135 of Ballantine on Corporations in order to set forth the background and general law concerning executive committees, as follows:

"A corporation must of necessity act through agents and representatives. The board of directors may be designated as the primary agents, whose powers may be as extensive as the objects and purposes of the corporation require. All other agents normally receive their authority by delegation, express or implied, from these primary agents. The doctrine that an agent cannot delegate his powers does not apply where he is authorized to do so, either expressly or impliedly. And even in the absence of express authority, an authority to delegate discretionary authority to committees, officers, and agents must be implied from necessity and usage, for the directors cannot attend to all the current business operations of the corporation, and it is not customary for them to do so. It is not necessary in order to bind a corporation that each particular act done by its officers and agents should be specifically authorized by the board of directors, but general and discretionary authority may be expressly or impliedly conferred upon the officers and agents.

"The power of a board of directors to delegate discretionary authority to agents is sometimes explained on the ground that their powers are in a sense original, as if they were themselves principals. Such a theory is entirely needless to explain the power of delegation. Directors are general managers with plenary powers, and their authority clearly includes power to appoint other agents, such as a general executive who in turn can employ subordinates who become agents of the corporation.

"Corporation acts frequently authorize the appointment of executive, finance, and other committees of the board of directors which may exercise the powers of the board in the management of the corporate business and affairs to the extent provided in a resolution of the board or in the bylaws of the corporation. The appointment of committees by the directors is sometimes provided for in the articles, but more usually in the bylaws of a corporation. The question arises, both under statutory provisions and the common law, and also under provisions of the articles or bylaws, to what extent may the board of directors delegate its powers and authority to an executive committee, a finance committee or some other committee? Does this extend only to the management of ordinary business transactions involving discretion or does it extend to important questions of policy, such as the declaration of dividends, removal and compensation of officers, and the amendment of bylaws?

"In *Haldeman* v. *Haldeman*, however, the court approves what it calls 'the modern rule' as formulated by Cook, that not only 'the transaction of the ordinary and routine business of the corporation' may be delegated, but that even 'in matters involving discretion, the powers of a board of directors may be delegated to an executive committee of the board and the acts and contracts of such a committee may be made binding on the corporation.' In *Dyer Bros. Golden West Iron Works* v. *Central Iron Works* a contract entered into by a number of steel manufacturing corporations to protect themselves against excessive demands of their employees provided for a joint 'executive committee,' to which was delegated full and exclusive power to represent the parties in negotiations with the employees, was held not an undue delegation of the discretionary executive functions of the directors, although it conferred exclusive authority upon the committee as to labor disputes for a period of 3 years with full power to regulate conditions of employment.

"The scope of authority given to an executive or other committee should clearly appear in the duly adopted resolution or bylaw creating it. As a matter of business practice there is no doubt that in many companies the use of an executive committee may reduce the directors to little more than a supervising and ratifying body. The full board of directors of many a company meets only at rare intervals to glance casually over the transactions of an executive committee of three or five members and approve them in a perfunctory manner. There is some limit, however, to the power of the directors or trustees to abdicate authority and responsibility or exclude minority representatives. They cannot delegate entire supervision and control of the corporation to an executive committee for this is inconsistent with the charter or law, which requires that they shall have general supervision and control of the corporation. Directors may doubtless delegate to various committees, officers, and managers the exercise of wide discretionary powers and may permit the general manager or an executive committee to conduct the ordinary business operations generally. But attempts of executive committees to usurp the entire control and management and exclude some of the directors have been condemned."

As the quotation from Ballantine indicated, corporation laws have come to recognize the necessity for committees and to authorize the appointment and use of executive committees by the board of directors. The District of Columbia Business Corporations Act is no exception. It contains in section 916(e) of title 29 of the District of Columbia Code the following provision:

"If the bylaws so provide, the board of directors, by resolution adopted by a majority of the number of directors fixed by the bylaws, or in the absence of a bylaw fixing the number of directors, then of the number stated in the articles of incorporation, may designate two or more directors to constitute an executive committee, which committee, to the extent provided in such resolution or in the bylaws of the corporation shall have and may exercise all of the authority of the board of directors in the management of the

business and affairs of the corporation; but the designation of such committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any member thereof, of any responsibility imposed upon it or him by law."

Since the satellite corporation is governed by the District of Columbia Business Corporations Act, I assume it is authorized by the section I have read to provide in its bylaws for the establishment of an executive committee by majority action of the board of directors. If so, two or more directors could be given "all the authority of the board of directors in the management of the business and affairs of the corporation." This obviously is a great power. It means all the powers given to this three-sided board of directors could be transferred to a committee of two or more of them. This committee might well be composed only of directors elected by communications carriers. There is certainly no requirement under H.R. 11040 that any director appointed by the President be included on any executive committee.

This, again, points up what a corporate monstrosity is proposed for this satellite corporation. The flexibility of an executive committee is something which is needed by a busy, active corporation. Yet the underlying theory of this divided board of directors cannot be made consistent with it. There may not be any easy way to remedy this. The act could be amended to provide that any executive committee shall include at least one or more directors appointed by the President. If so, I would assume that the carriers would want a similar provision for directors elected by them, and perhaps the equipment suppliers would want a similar provision for directors which they might elect as public stockholders. Perhaps it could be provided by amendment that all three categories of directors must be represented on any executive committee which may be established in the same proportion as they are represented on the full board of directors. Then we would run into problems of quorums of the executive committee. Should each of the various categories of directors be present before the executive committee can act? It begins to get ridiculous but this is the logical conclusion of the illogical premises upon which this satellite corporation is to get its board of directors.

CORPORATE STRUCTURE NEEDS FURTHER STUDY

I have not had time to fully study all the conflicts and inconsistencies between the stated purposes of this satellite corporation and the District of Columbia Code or the general common law applicable to corporations. The Business Corporations Act contains 58 different sections in title 29 of the District of Columbia Code. This covers 45 pages in the volume containing these sections.

However, I believe I have shown enough to demonstrate that the peculiar hybrid nature of this divided board of directors will present many troublesome problems. This fragmented board resulted from a compromise late in the committee proceedings on this legislation. I do not believe all the implications of such a unique board of directors have been considered. This alone constitutes adequate grounds for returning this legislation to committee and deferring action on it until next year. No experts on corporation law testified concerning the legal structure of this corporation and there would be ample time for those who are acquainted with this complex field of law to study the intricate problems involved.

PHILIPPINE WAR DAMAGE CLAIMS

Mr. KEATING. Madam President, will the distinguished Senator from Texas yield to me for the purpose of engaging in a short colloquy with the distinguished majority leader?

Mr. YARBOROUGH. Madam President, I ask unanimous consent that I may yield to the distinguished Senator from New York without losing my right to the floor.

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

Mr. KEATING. Madam President, because I was engaged in a hearing with respect to the nomination of Judge Thurgood Marshall—and I am happy to say that the hearings on this nomination were concluded this morning—it was not possible for me to be in the Chamber at the time when the distinguished majority leader referred to amendments which are at the desk and were intended to be offered by the Senator from Louisiana [Mr. LONG], my colleague from New York [Mr. JAVITS], myself, and other Senators, to the Philippine war claims bill.

Yesterday the Senator from Louisiana [Mr. LONG] and other Senators met with the majority leader. It was agreed among us that if we would not press our amendments to the Philippine war claims bill, the majority leader would call up on motion, within a reasonable length of time, an appropriate measure to which our amendments might be offered. He said with the utter frankness, as he always deals with us, that because he desired to have the Philippine war claims bill passed without change and without any amendments, he would feel constrained to move to table any amendments which we might offer dealing with American war claims. I disagree with his analysis, but I entirely appreciate the position in which he found himself.

The Senator from Louisiana [Mr. LONG] and others of my colleagues who who are much interested in this subject felt that if we could accommodate the majority leadership, which is so important to the enactment of legislation, by deferring the offering of these amendments, our cause would be advanced thereby. Therefore, we entered into our agreement.

But I wish to ask the majority leader, since I was not present earlier to hear what he said, whether I have substantially stated the situation and whether we may have his assurance that in the relatively near future a bill will be taken up on motion to which it will be appropriate to offer our amendments.

Mr. MANSFIELD. The Senator from New York has substantially stated what the informal agreement was with him and his colleague from New York [Mr. JAVITS], the Senator from Louisiana [Mr. LONG], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Michigan [Mr. HART], and other Senators. I stated that understanding before the bill was passed.

Later, in a colloquy with the Senator from Louisiana [Mr. LONG], I stated it again; and now I reiterate it.

Mr. KEATING. Madam President, I appreciate the assurance given by the distinguished majority leader.

Madam President, it had been my hope that the Senate would consider and approve legislation necesary to initiate a final settlement of American war damage claims at the same time it was acting to complete the Philippine war claims program.

The major provisions of an American war claims program have been approved overwhelmingly in the other body. Hearings have been held on such bills on many occasions in the 17 years since the end of World War II. Both this administration and the previous administration have given their strong endorsement to measures designed to provide the basis for an American claims program.

Unfortunately, however, American war claims, unlike Philippine claims, have not been placed in a "must" category by the President. As a result we have been advised—as I have indicated—that any attempt to add provisions for an American claims program to the Philippine bill would be opposed by the majority leader. I regret this decision of the leadership, because it appears to me that in any list of priorities our fellow Americans deserve at least equal consideration with even our best friends overseas.

It might be different if these amendments would jeopardize the Philippine program in the House. But this cannot possibly be the case here because the House has already approved an American war claims program by an overwhelming vote. In my judgment, it would have been entirely appropriate to deal with both the Philippine and American claimants in a single bill and it is for that reason I joined with Senator LONG of Louisiana in sponsoring an amendment for an American claims program, and with other Senators, offered other amendments necessary for a final settlement of this problem.

The principal amendment which I sponsored, in which I was joined by Senators JAVITS and CASE, was designed to permit the sale of free enterprise of the General Aniline & Film Co.—a huge industrial enterprise which has been run by the Department of Justice ever since it was vested as enemy owned during the war. A bill identical to this proposed amendment recently passed the House after debate without a dissenting vote. Hearings on such legislation have been held on many occasions over a period of 8 years, in the House and Senate. It has been endorsed by every Attorney General since 1949 including present Attorney General Kennedy. It is endorsed by labor as well as management organizations, both local and national.

My judgment is that this bill would be approved by an overwhelming majority of the Members of this body if it could be brought to a vote on its merits. However, the determined opposition of the chairman of the Trading With the Enemy Subcommittee, has thus far been successful in preventing the Senate from having this opportunity. As a result the Government, against its own desires, continues to be saddled with the responsibility for managing the operations and fortunes of GAF. As long as this condition exists, this plant cannot play its vital role in our free enterprise system and achieve its full potential as a source of employment, competition, and sound investment for the American

economy. The situation is inexcusable and I have been ready at all times to take any step and utilize any parliamentary device available to try to break this virtually one-man Senate impasse.

The majority leader has now given us his personal assurance that this subject matter will be given separate consideration in the Senate before this session adjourns. At the same time he advised us that he would move to table the provisions of these bills if offered as amendments to the pending Philippine bill. Under these circumstances, the only reasonable course was to withhold our amendments at this time.

It is my endeavor at all times to cooperate with the majority leader and I know that his assurances of future action have been accepted by all of us without any reservations. Moreover, we could not risk jeopardizing approval of the substance of these amendments by subjecting them to a leadership tabling motion. It is my hope, and I know that of many other Members on both sides of the aisle, that, when these proposals are presented under a procedure satisfactory to the majority leader, that they will have his support. This would virtually guarantee their passage and enactment into law at this session of Congress.

Mr. President, in view of these considerations, I decided not to press my amendments at this time. I shall continue, however, to watch this situation closely and to follow whatever course is necessary to make certain that before this Congress adjourns, we will have taken a long overdue step to accord equal justice to our fellow Americans.

VETERANS' READJUSTMENT ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 349) to provide readjustment assistance to veterans who serve in the Armed Forces between January 31, 1955, and July 1, 1963.

Mr. YARBOROUGH. Madam President, Senate bill 349, cosponsored by 37 Senators, provides for readjustment assistance to veterans who serve in the Armed Forces between January 31, 1955, and July 1, 1963. The first date is the date when the former educational program under the GI bill terminated by Presidential proclamation. The second date, July 1, 1963, is the termination date of the present draft law. This bill covers a period coterminus with the period of the present draft law.

It has often been said that there has never been a GI bill except for the period of a "hot" or "shooting" war. However, such a statement is in error, because from October 1953, the termination of the Korean conflict, until July 1, 1955, there was a cold war period, and the benefits of the GI assistance bill which were applicable to the veterans of the Korean conflict are applicable to the veterans who served during that period.

Madam President, this bill is a very successful culmination of the effort to make such veterans readjustment assistance available to the cold war veterans. Some veterans of shooting wars have felt that the benefits to be made available to such veterans should not be as extensive as those made available to the veterans of the shooting phases of World War II or the Korean war. So, Madam President, the benefits provided under this bill are not as extensive as those which previously have been made available to the veterans of World War II or the veterans of the Korean conflict. For example, under this bill no mustering out pay or GI business loans or farming loans—loans to help a veteran start a farming business—are provided for.

Unlike the veterans readjustment assistance bills applicable to those who served in World War II or in the Korean conflict, the readjustment assistance made available to veterans under this bill can be received only by veterans who have served for a minimum of 6 months, whereas under the other GI bills the veterans are required to have served only 90 days, in order to be entitled to the benefits. But under this bill the requirement is more severe; only those who have served for a minimum of 6 months will be entitled to these benefits.

The bill provides that for each day such a veteran serves, he shall be entitled to 1½ days of training or education, with the proviso that under the bill the maximum length of education or training which he can receive will be 36 months. Accordingly, a veteran who served for only 12 months will be limited to 1½ years of education. However, the principle of the bill is that the amount of education it will provide will serve as a spark which will start these young men back to school; and once they return to school, it is believed they will continue. In short, this is a pump-priming bill. Although the maximum amount of education under the bill will be 3 years to any one veteran, yet it is generally believed that once these young men start their education under this bill, they will be likely to finish it after the entitlement under the bill has ended.

Madam President, this bill has many side effects, in addition to its educational effects. The bill will have an immediate and direct impact on our unemployment situation. The present figures on unemployment show that more than 25 percent of the total male unemployment at this time—which 25 percent amounts to more than 600,000 persons—is attributable to the group of cold war veterans in the age group from 18 to 24. Although the national unemployment figures show that unemployment among all persons has been about 5 or 6 percent, yet among the veterans of the cold war the unemployment rate ranges from 35 percent to, in some cases, 50 percent. That high rate of unemployment is due to the fact that they do not possess the skills and the other capabilities required in order to secure employment.

In addition, Madam President, while these 45 percent of our young men—that is the percentage of our young men who have been serving in the Armed Forces since 1955—have been rendering that service, the other 55 percent of our young men have been forging ahead in the battle of life; and during this period the 45 percent—those who have been out on the firing line, defending freedom for all of us—have been falling behind.

In that connection I point out that the veterans of the cold war period have been experiencing trouble ever since they have returned to civilian life; again and again they have experienced the sharp penalty of having fallen behind in their progress in civilian life. So those who were not called into the service have had that distinct advantage.

Mr. PASTORE. Madam President, will the Senator from Texas yield to me?

Mr. YARBOROUGH. I yield.

Mr. PASTORE. Under the present system, a young man who is called into the service can be deferred if he is in college, can he not?

Mr. YARBOROUGH. Yes.

Mr. PASTORE. What benefits will such a young man get under this bill?

Mr. YARBOROUGH. None.

Mr. PASTORE. This bill applies only to those who have been drawn from civilian life and have been mustered into the armed services, and these benefits will accrue to them in proportion to the length of time they will have served; is that correct?

Mr. YARBOROUGH. Yes; and I thank the Senator from Rhode Island for bringing up this point.

This bill is not a bonus bill; it is a readjustment bill—as the Senator from Rhode Island has so aptly and succinctly stated. It is a readjustment bill—a bill to help get these young men back into the mainstream of our economic life. That is the purpose which was pointed out most clearly years ago by the Senator from Alabama [Mr. SPARKMAN] at the time when he was serving in the House of Representatives. He stated that the purpose was to have a readjustment bill to help these young men readjust to private life, after they have been in the service.

Mr. ROBERTSON. Madam President, will the Senator from Texas yield?

Mr. YARBOROUGH. I yield.

Mr. ROBERTSON. I realize that many of the unemployed lack the scientific knowledge or the mechanical skills which are required in our highly technical age, and that more mechanical training and education would be very beneficial.

In connection with the pending bill we are dealing with the group best equipped physically—young men who not only could qualify when they entered the service, but also have had 2 or 3 years of training in the development of their bodies. Many of them also took technical courses while they were in the military service.

But what are we going to say to the 4-F who could not get into the service because he was physically handicapped? He will be more discriminated against than ever, if the physically fit who got into the service and had training while they were in the service are now to be given 3 years of college training or 3 years of training in mechanical skills. But what are we to offer to the 4-F group?

Mr. YARBOROUGH. A retraining program is available, I say to the distinguished Senator from West Virginia.

Mr. ROBERTSON. Let me point out that I am a Senator from the State of Virginia.

Mr. YARBOROUGH. I beg your pardon; I was thinking of the place of birth of the distinguished Senator from Virginia. He is a most distinguished Virginian, and I am sure that he is also proud of the place of his birth.

Mr. ROBERTSON. I do not want one of the distinguished patrons of the bill to be embarrassed because of my comments on it.

Mr. YARBOROUGH. Of course not. As I stated, there is already available a program to take care of the handicapped, and there is a $100 million appropriation for that purpose.

Mr. ROBERTSON. How are those appropriated funds made available?

Mr. YARBOROUGH. Under the Manpower Retraining Act of this year.

Mr. ROBERTSON. It is under the redevelopment program, is it?

Mr. YARBOROUGH. It is a separate manpower retraining act.

Mr. PASTORE. Madam President, will the Senator from Texas yield to me? I think I can give a little clarification in connection with this point.

Mr. YARBOROUGH. I yield.

Mr. PASTORE. We have never made provision for 4-F's under a GI bill. These GI bills deal with those who have gone into the military service. If, unfortunately, a young man is not called into the service, because of physical disability, he continues in civilian life. Consequently, he does not suffer the displacement that is suffered by those who are called into the military services.

That is an entirely different situation from that of the young man who is called up and does not pass his physical examination. The point raised by the Senator from Virginia with regard to 4-F's has always been so. I do not know why we are getting excited about it now.

Mr. ROBERTSON. I understand this bill will cost over $2 billion. Is that correct?

Mr. YARBOROUGH. It will average about $300 million per year for the first 5 or 6 years.

Mr. ROBERTSON. The Senator thinks it will not cost over $1.8 billion?

Mr. YARBOROUGH. $1.8 billion.

Mr. ROBERTSON. I made a little speech recently about cutting taxes, and I mentioned, as to certain programs and other proposals, they would add to the spending and make a bigger deficit than we anticipated. But what are we going to say to the men who serve after 1962? How can we provide for men who serve in peacetime training and give college educations to a small group, and later on say, "No, we will not do that for you"? What will be our excuse?

Mr. YARBOROUGH. I point out that there is a draft law in effect. These men are going into the service because there is a draft law in operation and breathing down their necks. They do not have an option. The ones being drafted are those who have the best physical constitutions and the best brains. In the last war, as a staff officer, I saw men with one glass eye coming up to the front lines. We were scraping the bottom of the barrel. Now we are taking our prime material and we are causing them to fall behind in their education 2 or 3 years. The Senator mentioned 4-F's——

Mr. ROBERTSON. What is the Senator going to say——

Mr. YARBOROUGH. Let me finish. I do not yield until I finish. Those who are 4-F's and go on to college are far ahead of the ones who went into the service, and the latter comprise as much as 35 percent of all the unemployed in some areas. We would save money with this bill. We are paying $80 million right now in unemployment benefits, and a substantial part of it goes to GI's who go back into civilian life. How much wiser it would be to reduce unemployment benefits and pay for these young Americans' education.

I point out that the money would go not only for college education, but for high school education. Eighty-one percent of the veterans have not had training beyond high school. They must have vocational training. They must have training on the job. They must have technical training. It will help us get needed technicians. It will be the kind of training needed by our economy.

If all the educational recommendations which the President made were carried out they would cost $8½ billion. But only a little over a billion has been authorized for education, so we can have this without unsettling the budget. I am on the Education Subcommittee. I have supported every one of his recommendations.

The President has pointed out how important it was, to get this country moving, that we educate our youth. A report by the National Science Foundation shows that in Russia twice as many engineers and scientists are being turned out each year than in this country. The group affected by the bill comprises the greatest reservoir we have of prospective scientists and engineers.

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

Mr. YARBOROUGH. I yield.

Mr. PASTORE. What the Senator says is not quite the point. I realize that we must go forward and educate the talented, and under our democratic process give an equal opportunity to those who are less talented. But the important thing to remember is that these are young people who are being called up to serve their country. The fact that there is no shooting war is no doing of theirs. They are being called away from their homes. We have had instances where those who stayed home made large profits in nickel, even while they were serving their Government in high posts. All we are trying to do here is to help young people who are called away from their homes to serve their country, so that when they come back into civilian life, and when they can be admitted into college, they will receive some Government assistance. That is all it amounts to.

Mr. YARBOROUGH. The Senator is right.

Mr. ROBERTSON. May I finish my question?

Mr. YARBOROUGH. I yield to the Senator from Virginia.

Mr. ROBERTSON. Two days ago the Secretary of the Treasury told us there was no easing in the tensions being applied to us by those behind the Iron Curtain. Every day we read about instances in West Berlin which could erupt suddently into situations of great difficulty. We do not dare let down our guard. I would very much dislike to have the Senate take a position, when we know we have to continue the draft to maintain our national security, of doing an injustice to those not physically disabled boys by asking them to spend 2 years in training.

I point to the little nation of Switzerland, where everybody, until he is 60 years of age, must take training every year. What has been the result? Switzerland obtained her freedom 100 years before Jamestown was settled. In all the recent wars nobody has attacked the Swiss. Why? They knew it did not pay to attack Switzerland, because every man was a trained soldier and they could go in the snows of the Alps and whip any invading army.

We are the richest nation of the world. We have in the past been the strongest nation politically, but there are forces in this Nation that are undermining our virility, our strength, our courage, and our patriotism. I would deplore any movement in the Senate that would take the position that it is doing an injustice to a man to ask him to serve in the Armed Forces, whether in peacetime or wartime, and we must give him a special reward. If we do that we have set a precedent that we shall not be able to end. We cannot draw a distinction between a man who was drafted between 1956 and 1962 and one who was drafted between 1962 and 1982. We shall have to continue the practice of drafting men.

Mr. PASTORE. Mr. President, if the Senator will yield, because I think a strong implication has been made, the Senator from Rhode Island believes it is a great honor and privilege to serve one's country. That is not the point at issue here. All we are saying here is that we follow the practice of the past, that when our boys have served in the Armed Forces we make provision to help them when they return because of the sacrifice they have made. I realize it is a great honor to serve our country. I do not want any misunderstanding on that. That is not the point here. Of course, every man called into service is proud and honored to serve his country. We all know that. But we have followed the practice, and it has become a tradition, that those who have been called away from their homes, if they have the qualifications and want to go to college, will be given a helping hand by the Government. There is no reason why we should not do it for those who are called into the service in peacetime as well as in wartime. They are being called to serve their country, and must face whatever peril there may be.

Mr. MORSE. Madam President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. MORSE. I wish to say to the Senator from Texas, before I comment upon

the bill, that I have seen great battles in the Senate in my years here, but I have never seen anyone more persistent, more dedicated to a deserving cause than the Senator from Texas in connection with the cold war GI bill. For 2 years the Senator from Texas has waged his battle for justice to secure for our GI's who have been drafted into the service, legislation to meet their educational needs.

Let us look at the volume of the hearings the Senator from Texas has conducted. I respectfully say I do not know of any bill which has come to the Senate in recent times that has had more thoroughgoing hearings than this bill.

The Senator has exhibited magnificent leadership in connection with this bill. I commend him for it.

Now I should like to make a brief statement in support of the position of the Senator from Texas. My own testimony in support of the bill is in the RECORD.

I make my first argument in support of sound economy in the United States. We have heard the argument on the floor of the Senate that this program may cost $2 billion. The fact is that the program will not cost the American taxpayers one single red cent. The bill would provide, in fact, for what could be termed a temporary loan to these veterans.

It is an undeniable fact that the World War II GI education bill which the Congress has already financed, for a program which has already come to fruition, has sent thousands and thousands of ex-GI's through American colleges and through high schools.

The GI bill of World War II has not cost the American taxpayer a cent in reality, for there have been paid into the Treasury of the United States, in the form of taxes, large sums which otherwise never would have been paid. In my judgment, these increased tax revenues are far in excess of the cost of the program.

I am at a loss to understand the shortsightedness on the part of so many of my colleagues in regard to the financing of this proposed legislation. The money we appropriate for this purpose is an investment in the future of the Republic. The record is clear, and the statistics supplied by the Veterans' Administration are undeniable.

The World War II GI's who went to college have repaid more than the cost. Without the increased earning capacity made possible through education many of our World War II servicemen would have earned lower salaries and thus paid fewer dollars in income taxes. Because of the World War II GI bill they have earned higher salaries and paid higher income taxes into the Treasury of the United States. The dollar difference resulting from increased earning capacity wiped out the cost of the former GI bill. It will be true of this GI bill also.

I will tell Senators what the bill is. In my judgment, it is the soundest investment we can make in our country and for our country at this time.

I recall again the great statement made by Thaddeus Stevens, the parent of the public school system of Pennsylvania years ago. He was then attacked on the basis of the same economy ground on which we now are being attacked. The argument was made that public education cost too much. His famous rejoinder was that he hoped the people of the State of Pennsylvania would come to fear ignorance more than taxation.

I say to the American people today, "I pray to Almighty God that you will recognize we must stop the stalking of ignorance across the country, for as we deny to young men and women the opportunity to go to college—and we are denying it to them now by the tens of thousands—we are imbedding ignorance in the body politic of this country, and we cannot afford it."

The bill supported by the Senator from Texas will provide for repayment to the taxpayers of many times its cost in the years to come, as these GI's pour into the Treasury of the United States increased taxes which otherwise they would never have had the ability to pay.

Lastly, let me say to my friend from Texas, as chairman of the Subcommittee on Education, in my judgment this may be, in all probability, one of the last opportunities for the Senate at this session of Congress to pass a higher education bill. S. 349, the cold war GI bill is the most democratic higher education bill that we could possibly pass. The bill will make available these benefits to the GI's on the basis of their ability and their merits. It will give them an opportunity to go to college. We will not only benefit the individual ex-serviceman, but we also will benefit all the American people, by enacting this type of a democratic higher education bill.

I do not know how we could devise a formula which would be more democratic than the formula which simply says to the young men and women who are serving our country as GI's in peacetime, "We are going to give you an opportunity to go to college, if you want to go to college. We are going to give you an opportunity to develop an earning power which otherwise you would not have, with your college degree, which will result from the successful completion of your college course."

What could be more democratic than that? I hope that this body will recognize the economic soundness of this program and will also recognize that it is sound from the standpoint of our many obligations to these veterans.

As the Senator from Rhode Island has pointed out, these young citizens are making a sacrifice from the standpoint of the disruption of their lives. The record is clear. Their lives are disrupted for 2 years and we know many of them feel forced to give up any idea of going on to college, when their service is completed. They come out of the services and are pressed by various personal problems. Let us be frank about it; a great many men proceed to get married. That makes it nearly impossible for many of them to go on to college.

The bill will be a sound investment in our economy. It will be fair to the peacetime veterans themselves. We need it from the standpoint of raising the level of enlightenment of the people of this country, because many of these men and women, if they do not go to college, or do not receive the other training benefits of the bill, could become unemployable, as automation proceeds in the next decade. Automation will create great problems for us.

We shall have a much stronger Republic if these young men and women go to college and come out with their degrees, thus being able to make the greater contribution to their lives and to our Republic than otherwise they would be able to make.

Mr. President, I have stressed the higher education aspects of the bill, but what I have said applies with equal force to the on-the-job training and the vocational and technical school provisions. It is legislation in the public interest which should become law.

Mr. YARBOROUGH. Madam President, I thank the distinguished Senator from Oregon for his kind references to me. The Senator gives me more credit than I am entitled to receive. I am only one of 37 cosponsors of the measure. As chairman of the Veterans' Affairs Subcommittee of the Committee on Labor and Public Welfare I felt I should take an active part in introducing the bill and in attempting to speak, partially, for the 37 cosponsors.

PRIVILEGE OF THE FLOOR

Mr. YARBOROUGH. Madam President, at this time I ask unanimous consent that such staff members of the Committee on Labor and Public Welfare as may be needed be allowed the privilege of the floor during the debate on Senate bill 349.

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

Mr. KEFAUVER. Madam President, will the Senator yield to me?

Mr. YARBOROUGH. First, Madam President, I should like to yield to the distinguished Senator from North Dakota [Mr. BURDICK] who has been on his feet seeking recognition. However, before yielding to the Senator from North Dakota, I wish to say, in response to what the Senator from Virginia said, that I thought of a letter which I have in my private library, written by George H. Thomas after the Civil War. Gen. George H. Thomas, the rock of Chickamauga, had an application made to him after the conclusion of the Civil War by a boy who was a drummer boy at Chickamauga. This boy wanted to go to the Naval Academy. He wrote a letter to his general, to his commander, first through his former colonel. He asked for an appointment. General Thomas merely turned the letter over and wrote a whole page on the back. He said that this young man had discharged his obligations to his country before he reached his majority and that he should have the opportunity to go to one of the country's schools.

That is a good statement in regard to the pending bill. The men who would be benefited have been drafted—and many of them have enlisted ahead of the time of the draft, to choose their branch of service. They have discharged their obligations to their country first. The country ought to give to them an opportunity to take their full places in the

economic life of the Nation. It would be to the benefit of the country that these men be readjusted and become productive citizens of the economy.

I now yield to the distinguished Senator from North Dakota.

Mr. BURDICK. Madam President, I wish to compliment the chairman of the subcommittee for his very tireless and effective work in behalf of the bill.

One of the arguments which has been raised by the opposition to the bill seems to be that there should be some distinction as between a "hot war" veteran and a "cold war" veteran. I think the Senator from Oregon and the Senator from Rhode Island have very effectively answered that argument. The whole theory of the original GI bill was to provide some compensation for a disruption of the lives of the veterans.

During the course of our hearings Stephen S. Jackson, Deputy Assistant Secretary of Defense, testified. On page 216 of the hearings he gave the following answer to the following question, which I asked:

> I understand from previous witnesses, and I believe from the drafters of this original legislation, that the essential reason or the basis for the legislation was based upon disruption, not the type of service he was going to face or the type of enemy he was going to face, it was based upon disruption; I believe witnesses have so testified as to that.
>
> Mr. JACKSON. I believe that is true; yes.

So actually a boy who is compelled to go into the service through the draft is faced with the same disruption, whether his service is in a hot war or a cold war. I think Senators should understand that the whole basis of the proposed legislation is to try to rehabilitate and give the boys who have been taken in the draft an opportunity.

Mr. YARBOROUGH. The Senator is correct. The bill is intended to compensate for the disruption. It is a readjustment measure, designed to enable a boy to readjust himself to the economy and permit him to get back into a productive capacity. He should have opportunity to reacquire the power to earn money in a free economy that has passed him by while he was in the service defending the lives, property, safety, and security of the vast majority of the people. After all, only a small segment of those of draft age—only 45 percent of the young men—serve. All the others in that age group, including the other sex, constitute a majority of those in the prime years of life who do not serve. Only a small segment is called out to make the necessary sacrifice for all of us. They ought to have an opportunity to readjust.

Mr. KEFAUVER. Madam President, will the Senator yield?

Mr. YARBOROUGH. I yield to the distinguished Senator from Tennessee.

Mr. KEFAUVER. I join the distinguished Senator from Oregon [Mr. MORSE] and the distinguished Senator from North Dakota [Mr. BURDICK] in paying tribute to the distinguished Senator from Texas for his hard fight for the measure and the record he has made in support of it, which appears to me to be unanswerable. It is typical of the fight that he has made for GI benefits of other groups throughout his years of public service.

I was impressed with the words of the Senator from Oregon [Mr. MORSE] in pointing out that from an economic viewpoint, the investment that is made in the education of men and women who have had to interrupt their lives in order to serve in the Armed Forces of our country has brought economic benefits to the Nation and to our people many times greater than the investment that has been made in their education.

We know that they apply themselves when they have the opportunity of going to school. We know they have advanced in positions after they have obtained an education, which enables them to make a larger economic contribution to our country.

But I point out to the Senate that, in addition to the economic return, there is another great return. The proposed legislation would give them an opportunity to be more enlightened citizens in our democracy, which must lead the way to freedom. It would enable them to participate more intelligently in public affairs and in the formation of opinion, which is so necessary for a democracy.

In other words, it would build a stronger and greater United States, more capable of world leadership.

While I cannot remember the exact words, I have always though in that connection of a statement by one of our first venerable statesmen, Thomas Jefferson, author of the Declaration of Independence. On one occasion he said that if he were given a choice of having a dictator or a king in a country in which the people were educated, or having a democracy in a country in which the people were not educated, he would choose the country with a king or a dictator and educated people, because in that case sooner or later the people would throw off the yoke of dictatorship and would establish a democracy. They would be capable of doing so.

But on the other hand, if a democracy existed in which the people were not educated, the people being unable to govern and direct their public affairs, sooner or later a dictator would take over.

So the measure would build not only the economic strength but also the political and social strength of our country. I commend the Senator from Texas.

Mr. YARBOROUGH. Madam President, I thank the distinguished Senator from Tennessee for his wise remarks about this bill and for his kind personal statement about me. I commend him. He is a cosponsor of the measure, as are the distinguished senior Senator from Oregon [Mr. MORSE], the distinguished senior Senator from Rhode Island [Mr. PELL], and the distinguished Senator from North Dakota [Mr. BURDICK], all of whom have made statements today. They are coauthors and they have been diligent in their work for the bill.

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

Mr. YARBOROUGH. I yield.

Mr. GOLDWATER. I have a question which I should like to direct to the distinguished Senator from Texas. Can the Senator from Texas tell the Senate if the administration approves the bill?

Mr. YARBOROUGH. Does the Senator mean the President of the United States?

Mr. GOLDWATER. First, the Veterans' Administration.

Mr. YARBOROUGH. I was a member of the Committee on Labor and Public Welfare when the bill came up in the last Congress. I was a member of the subcommittee with the then Senator from Massachusetts, now President of the United States. The vote was split 2 to 2. Senator Kennedy came in and cast the deciding vote that brought the bill out of the Veterans' Affairs Subcommittee by a vote of 3 to 2.

The vote was closer that year than the vote on the present bill is. Then we voted it out of the full Committee on Labor and Public Welfare.

I do not think the President of the United States is opposed to the bill. Otherwise I do not think we could occupy the favorable position that we now occupy, with the majority leader calling up the bill today.

Mr. GOLDWATER. The Senator has not answered the question. Has the Veterans' Administration approved the bill?

Mr. YARBOROUGH. The agency reports are opposed. However, the President of the United States determines the position of the administration.

Mr. GOLDWATER. Does the Department of Defense approve the bill?

Mr. YARBOROUGH. No. The Department of Defense has not approved the bill.

Mr. GOLDWATER. Has the Bureau of the Budget approved the bill?

Mr. YARBOROUGH. No.

Mr. JAVITS. Madam President, will the Senator yield to me?

Mr. YARBOROUGH. I yield.

Mr. JAVITS. Has the President of the United States, since he became President, in any way approved the bill?

Mr. YARBOROUGH. He has not disapproved it. He approved it as a Senator.

Mr. JAVITS. He has not approved it as President.

Mr. YARBOROUGH. It is written into the Democratic platform. He campaigned on that platform. I believe he would approve it.

Mr. JAVITS. Is that the only basis upon which the Senator says that the President has approved it?

Mr. YARBOROUGH. In answer to the Senator's question, I will say that I was out of the city yesterday. I came in on a late plane this morning. The majority leader was desirous of taking up the bill.

Mr. MORSE. Madam President, will the Senator yield?

Mr. YARBOROUGH. Personally, I think the President has approved it, but I am not going to say that he has because I have not discussed it with him recently.

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

Mr. YARBOROUGH. I yield.

Mr. GOLDWATER. The executive branch comes under the President.

Mr. YARBOROUGH. The Senator is correct.

Mr. GOLDWATER. And yet no agency of the executive department of the Government has approved the bill.

Mr. YARBOROUGH. I point out that the reports were written last year. The reports that are in the RECORD were written last year.

Mr. GOLDWATER. Have we no reports this year?

Mr. YARBOROUGH. We have reports of the revised estimates of the VA. We constantly receive reports about what it would cost.

Mr. GOLDWATER. I want to know whether the administration has approved the bill. It is my understanding that the administration has not approved the bill, and not one single bureau concerned with the bill has approved it.

Mr. YARBOROUGH. The bureaus have not approved the bill.

Mr. KEATING. Madam President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. KEATING. Have they disapproved?

Mr. YARBOROUGH. The bureaus are not supporting the bill, or they were not the last time I saw the reports. I do not know what their position is today. The last time I saw the reports those three bureaus were opposed to the bill. I do not believe the President of the United States is opposed. On the contrary, I think he is in favor of it. I point out that those same bureaus were opposed to the bill when the Senate passed the previous bill.

Also, the former GI bills are self-liquidating. This bill is not a giveaway or a boondoggle.

I have before me official figures from the Bureau of the Census on income in our country. These are comparative statistics on veterans and nonveterans. The Bureau has figures on veterans who took GI training and those who did not. Two years ago the Bureau estimated that within 8 years the entire cost of the GI bills would be paid off by reason of the increased earnings of the veterans who took training as compared with veterans who did not and those who are nonveterans. The figures show that at the end of World War II, nonveterans in the same age bracket were earning far more money than the veterans who came out of the war. After the veterans received the training provided, the veterans caught up with the nonveterans. Ten years after World War II veterans who took the training were earning far more money, on the average, than those who had stayed home and had earned relatively high money at the end of World War II. The trained veterans were earning so much more that the figures for all veterans, including even the half that did not take any training, were brought up as a class.

I say to the distinguished Senator that of the 15½ million veterans of World War II, 7,800,000 took educational training, or about 50 percent. Of the 4¼ million veterans of the Korean conflict, again 50 percent took training. Half of them did not want any more schooling, and 50 percent of them did.

The question of the cost has been raised. The Veterans' Administration estimates on cost, based upon figures of World War II and the Korean conflict, show that 50 percent of the veterans will take training. However, we have lost so much time that some of the men are now married and have children, and I do not believe that 50 percent of these cold war veterans will take training. That is a tragedy that more do not, of course.

Mr. GOLDWATER. I have not injected the matter of cost into this discussion. If we can justify the need for the legislation, we can justify the cost of it. The Senator is running down an alley I have not started into yet. I call to the attention of the Senate the fact that there have been no hearings held this year. The bill has been on the calendar since August 10 of last year. The reports we must refer to are reports which were issued by the bureaus last year. Not one bureau has approved the bill.

Mr. YARBOROUGH. I hope the Senator does not mean to take the position that we must have a hearing every month while a bill is on the calendar.

Mr. GOLDWATER. No. These reports are over a year old, and the bill is over a year old. The administration disapproves the bill. That is the only point I was trying to make at this time. I will try to make other points later.

Mr. YARBOROUGH. If these departments want to purge themselves of their error, I would be glad to have them do so.

Mr. GOLDWATER. I have not noticed any of them breaking down the door of the Senate trying to purge themselves of anything.

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

Mr. YARBOROUGH. I yield.

Mr. MORSE. I wonder if the Senator from Texas shares my reaction to the questions put by our good friends, the Senator from Arizona and the two Senators from New York. They seem to stress great solicitude for the position of the President of the United States. I wonder if the Senator has formed the impression I have formed, that perhaps the President of the United States need only recommend a bill on any subject matter and he will get the support of the Senator from Arizona and the Senators from New York.

Mr. YARBOROUGH. It would be very helpful. I have supported the President of the United States about 90 percent of the time on legislation which the Senate has considered. However, I do not believe that those recommendations have had very much persuasive effect with the distinguished Senator from Arizona.

Mr. GOLDWATER. Last week we saw a fine example of certain Senators not following the leadership of the President. So I do not believe that the two Senators who are now speaking are speaking from very good experience so far as supporting the President of the United States is concerned. It is customary, I might observe, to refer to reports as favorable or unfavorable as coming from the executive branch of the Government. In this case the reports are unfavorable. I do not believe that the President should have to phone here and say that this is a bill that should or should not be passed. That is not his prerogative. The executive branch of our Government has seen fit to disapprove the bill.

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

Mr. YARBOROUGH. I yield.

Mr. MORSE. Is it not true that the report of the committee as filed with the Senate, a copy of which is on the desk of each Senator, makes perfectly clear the position of the various departments, and undoubtedly the Senator from Texas will cover the contents of the reports before he finishes his discussion of the bill? The Senator has been speaking for only a relatively short time, but there certainly has been no concealment from the Senate of the position of the administrative agencies on the bill.

Mr. YARBOROUGH. That is correct. The first 50 pages of the hearing, the whole of which runs to 334 pages, show the text of the bill and the reports of the agencies. This is all a matter of record. The agencies were opposed to the bill in past Congresses, as they are now.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. YARBOROUGH. I yield.

Mr. MORSE. Does the Senator from Texas agree with me that if, with regard to a bill, the Department of Defense or any other department of the Government is against the bill, and the President is against the bill, but a Senator feels that the bill is in the public interest, he still has the obligation to press for the enactment of the bill?

Mr. YARBOROUGH. Certainly; 37 Senators are cosponsoring the bill. The Senator from Oregon and the Senator from New Jersey [Mr. WILLIAMS], who is on the floor, know that the President cast the deciding vote to bring the bill out of committee. He did that when he was a Senator. Without his vote, it would not have been brought out. He voted for the bill on the floor of the Senate when he was a Senator.

Mr. MORSE. Mr. President, will the Senator yield further?

Mr. YARBOROUGH. I yield.

Mr. MORSE. The Senator from Arizona and the two Senators from New York have expressed a great interest in the position of the President on this bill. Does the Senator agree with me that the people of our States did not send us here to rubber stamp the wishes of the President, but that as Senators, if we are convinced that the public interest calls for the passage of a great bill such as this, we are bound to vote for the passage of the bill?

Mr. YARBOROUGH. I agree. However, I do not believe that is the issue here, because we do not have any conflict with the President on this matter at all.

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

Mr. YARBOROUGH. I yield.

Mr. MORSE. Does the Senator agree with me that the questions we are asking the Senate to decide in connection with this bill are whether or not the record made on the bill shows that it would do justice to the peacetime veterans who

need to have justice done to them, and whether or not the legislation would be in the interest of the American people?

Mr. YARBOROUGH. The bill would definitely be in the best interest of the American people. The distinguished Senator from Oregon is not a member of the Veterans' Affairs Subcommittee, but he is chairman of the Education Subcommittee of the Committee on Labor and Public Welfare. The Senator will recall that when the college presidents and deans of colleges came to testify on educational bills before his subcommittee, I have always brought up the GI bill. I always asked them about this bill. Almost without exception they said that this bill was the best educational bill of all, and that this bill would really do more to educate people and get people to college than any other educational bill. When an educational bill was before the Senator's subcommittee I interrogated them on every occasion. I doubt that any other bill is more important than this one. The distinguished Senator from Oregon has heard a great deal about the pending bill as chairman of the Education Subcommittee, because I always brought it up, regardless of what bill was being considered by the committee.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. WILLIAMS of New Jersey. I was on the floor when the Senator from Texas was applauded by the senior Senator from Oregon for his persistence in his work on the bill and in finally bringing it to the floor. I certainly join in the plaudits on his persistence. When persistence is applied to a bill that brings educational opportunities to servicemen and servicewomen who have devoted periods of their life to the defense of our country, I believe that persistence has the quality of nobleness. I applaud it.

I wish to say, also, that this Nation is distressed that we are lagging in certain respects in competition with the Soviet Union. Right now we are distressed that we are lagging in space exploration. However, it seems to me that we should be far more profoundly disturbed when we see certain lags in education compared with the Soviet Union. In 1958 the United States graduated only 37,300 students in engineering, while 108,600 engineers were graduated in the Soviet Union.

Mr. YARBOROUGH. In other words, we graduated 37,000 engineers in 1 year and the Soviet Union graduated 108,000 in 1 year?

Mr. WILLIAMS of New Jersey. Those are the figures we have. That was for 1958–59.

Mr. YARBOROUGH. They graduated three times as many?

Mr. WILLIAMS of New Jersey. In the same year the United States graduated only 6,900 physicians, while the Soviet figure was 27,000. So, I believe that this lag is far more disturbing, and far more basic, in our understanding of how we stand with respect to the Soviet Union.

I should like to go back and comment on what our experience was with the GI bill of rights for World War II veterans and veterans of the Korean war. The figures I have show that 7,800,000 World War II veterans and 2,334,000 Korean war veterans were trained under the GI bill. These are Veterans' Administration figures. Also, 441,214 have studied engineering; 156,425 have entered the fields of physics, chemistry, and the other natural sciences; 334,534 are engaged in teaching; 174,614 are in medical work and related jobs.

I should think we would consider those figures and take great hope for this country. If the bill passes, there will be more engineers, more teachers, and more physicians.

I also heard the senior Senator from Tennessee [Mr. KEFAUVER] say that it should be our work to try to find ways to make servicemen more enlightened, so that they can more intelligently participate in public affairs. I think the absentee voting by service personnel is indicative of their eagerness to participate in public affairs.

Madam President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "The Soldiers' Vote," published in the Atlantic City Press of August 20, 1962.

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

THE SOLDIERS' VOTE

More attention is being paid the soldiers' vote in 1962's off-year election.

Absentee ballots, cast for the most part by GI's have decided more than one closely contested election in various municipalities in recent years.

Now the Federal voting assistance program, an activity set up under the Secretary of Defense as a result of the Federal Voting Assistance Act of 1955, is trying to interest GI's in the upcoming election in November.

Postcards requesting absentee ballots were distributed to every eligible service voter by the middle of this month and will be received by those on duty in the United States no later than September 15.

Every State in the Union will accept these cards as valid applications for absentee ballots. But servicemen from Texas or Alabama will have to pay poll taxes before exercising the right to vote. Under voter registration laws of Louisiana and Alabama the serviceman will have to have registered to vote in person—a rule which is often an effective bar to getting an absentee ballot.

Apart from these glaring exceptions, the States have tried to facilitate the voting of members of armed services in general elections.

In Atlantic County, applications for absentee ballots reached a new high in the 1960 presidential election year when nearly three times the average yearly number were processed. The absentee voters were calculated at approximately 5 percent of the total number of registered voters in the county at that time. Included, however, were registered eligible absentee voters such as service wives away from home, pregnant women, physically disabled and persons away at colleges.

The interest shown by GI's has been surprisingly good, considering that many are young, have little political identification, embrace the tradition of aloofness from civilian politics and are removed from the immediacy of local issues and candidates. In the 1960 election, 736,000 servicemen and servicewomen cast absentee ballots out of a total of 1.8 million eligible by age to cast a vote.

Although the services will urge voting as a civic duty, servicemen must find out about candidates and issues on their own. The experience of Maj. Gen. Edwin A. Walker, commander of the 24th Division in Germany in 1960, has made the military cautious of anything that could be construed as an effort to influence votes. The most that can be done is to make available addresses of nonpartisan groups—such as the League of Women Voters—to which the serviceman can write for information.

Mr. WILLIAMS of New Jersey. The editorial states that in the 1960 election, 736,000 servicemen and servicewomen cast absentee ballots. All of us recall that that election was decided by 118,000 votes.

I think that for the rest of my life my vote for the bill will be one of the most important votes I have ever cast in the Senate. I, too, applaud the distinguished senior Senator from Texas.

Mr. YARBOROUGH. I thank the distinguished Senator from New Jersey for the outstanding contribution he has made to this subject, and for the remarks he has made about me, which are overgenerous. I commend him principally for the information he has given the Senate about education.

I have observed that the service of the distinguished Senator from New Jersey in behalf of the cause of education covers the whole spectrum. He is a member of the Committee on Labor and Public Welfare, and has rendered notable service in the field of education as a whole. He has introduced a bill for the education of the children of migratory farm labor, children who are growing up in illiteracy. He has prepared a formula under which the Government will pay the school districts into which the children of migrant workers go, especially in the rural areas which are without the resources to educate such children. Under the leadership of the Senator from New Jersey, we shall see developed a program which will provide that the children of migrant farm labor will not in the future grow up in illiteracy.

So it can be said that the Senator from New Jersey has supported education at all levels, thereby rendering a high grade of public service to the American people. Here, as in other fields, he is helping with an act of justice. It is time that we pay back a debt we owe our service personnel by giving them an opportunity to readjust and return to the mainstream of American life.

Mr. WILLIAMS of New Jersey. I am most grateful to the Senator from Texas for his comments about me. I can only hope that I will have the strength to work with persistence on behalf of the education of the children of migratory workers equal to that of the Senator from Texas in behalf of servicemen and servicewomen.

Mr. JAVITS. Mr. President, will the Senator from Texas yield?

Mr. YARBOROUGH. I yield to the distinguished Senator from New York.

Mr. JAVITS. From page 38 to page 41 of the bill there are various criteria with respect to the bill itself and the qualifications of educational institutions. The Senator is well aware of the prob-

lem of admissions, which may be conditioned in a discriminatory way as respects creed and color, and in some areas, the South, for example, it has been impossible to make any progress on that score. What would the Senator think about including a nondiscrimination criterion among those which are specified in the bill?

Mr. YARBOROUGH. The bill provides aid to the students rather than to the institution. This has never been a problem under GI education. The money would be paid directly to the student, and he can take the money and pick the school of his choice. He may pick the best one in the Nation, if he wishes to do so. So this would not be like paying money directly to the school district itself and then letting the school say whether it will or will not admit the student. In this instance, the student would have the option and could choose the school. The Veterans' Administration has never had any difficulty in the administration of the GI education program.

If the Senator from New York wishes to give the underprivileged of this country a chance, they will get such a chance under this bill. When we consider the number of men drafted annually—and this has been testified to by representatives of the Department of Defense—those who stay in the service the longest are those who do not have money. The man who has enough money to stay in college is not drafted. In World War II, he had to make high grades. However, now if he can hang on by the skin of his teeth, with straight D's, he does not have to stop his education. If he gets past the magic age of 26, he does not have to serve. If he is married and has children, he does not have to serve. It is the people who have the least money who are drafted and serve.

The underprivileged of the country, those who have had very little schooling, get in under the GI bill. Hundreds of thousands of people went to school under the GI bill who came from families no member of which had ever been in college before in any generation of that family's life. The GI bill has opened a whole new era of education. It has opened up a new age of education for more families in America than any educational bill ever before passed.

If the able Senator from New York wishes to help the underprivileged of this country, this is the bill by which to do it. The criterion is whether the young people wear the uniform of their country and serve their time.

To offer a provision such as the Senator suggests would create difficulty. He knows the difficulty which would result, the snafu or snarl which would result, so that the bill would not get past the Committee on Rules of the House, and so go down the drain.

Mr. JAVITS. I do not think any of us needs to stand still for any idea that because he asks a question it means that he is against the bill or expects to offer an amendment. I asked the Senator a question. The Senator need not answer it if he does not wish to do so. The Senator should not tell me that I am offering an amendment to the bill. He does not know whether I will offer one or will not. Neither does he know whether it would be adopted or not.

The Senator mentioned the qualifications under the title "State Approving Agency," so I asked the Senator whether he thought it would be appropriate to include a qualification that the institution which qualified would not engage in a discriminatory policy. I understand the Senator's answer to that question to be "no"; that he does not think any such provision is necessary because he believes that the money will be paid to the individual and that the individual person will spend that money as he pleases; and that this statement is based upon the experience of the Veterans' Administration, which does not think that such a provision as I have suggested is necessary. All right; that is an answer.

Another question: the Senator made a comparison between the GI's who served in the war and those who serve in peacetime. I did, too, so did the Senator from Texas; so did many other Members of the Senate. There is one thing that troubles me about that, and I should like to have the Senator's explanation. It is necessary to his bill.

The Department of Defense or the Legislative Reference Service, as appears in one of the recitals in the report, says that a peacetime serviceman serves very largely in civilian occupations; that he gets paid, in their judgment, civilian rates of pay; that he has the comforts, very largely, of a civilian; and that he serves for a stated period of time, so that he may make his plans for life. Therefore, there are great distinctions as between a World War II GI, who benefited from the GI bill, and a peacetime GI, who the Senator wishes to benefit now.

I think these are legitimate, authentic points, and I think I am just as much as any other Member of this body, a friend of the man who does not have much, economically speaking. But I am also here to consider my State, which pays more than 19 percent of the Federal taxes. This is a very expensive bill. So if the Senator chooses, perhaps he would enlighten us as to this argument and his judgment about it, which I am deeply interested in hearing.

Mr. YARBOROUGH. I appreciate the question asked by the distinguished Senator from New York. He has asked not only my answer, but also my judgment. I consider that a compliment.

Mr. JAVITS. I thank the Senator from Texas. I respect him for his judgment.

Mr. YARBOROUGH. The distinguished Senator from New York serves on the Committee on Labor and Public Welfare. He is a diligent attendant at meetings of the committee and a careful student of all the proposed legislation which comes before it.

In response to the Senator's inquiry, I refer him to page 326 of the hearings. There he will find the pay scale of the military enlisted personnel. Those having less than 2 years' service, under pay grade E–1, get $83.20 a month. I think the Senator would have his own answer as to whether the pay is comparable to civilian pay scales.

Mr. JAVITS. Plus complete maintenance, medication, and everything else. I can see that this man is probably necessary; I merely think the RECORD should be clear as to what we are talking about.

Mr. YARBOROUGH. Madam President, I ask unanimous consent to have the tables on page 326 of the hearings printed at this point in the RECORD.

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

TABLE 8.—*Post-Korean conflict ex-service men*[1] *and women in civil life, Dec. 31, 1960—State of residence*[2]

[In thousands]

Residence	Number
All places, total	1,571
United States	1,549
Alabama	25
Alaska	2
Arizona	11
Arkansas	15
California	119
Colorado	16
Connecticut	24
Delaware	3
District of Columbia	8
Florida	35
Georgia	33
Hawaii	7
Idaho	8
Illinois	85
Indiana	41
Iowa	27
Kansas	17
Kentucky	28
Louisiana	28
Maine	13
Maryland	25
Massachusetts	46
Michigan	72
Minnesota	33
Mississippi	16
Missouri	39
Montana	5
Nebraska	16
Nevada	3
New Hampshire	5
New Jersey	49
New Mexico	8
New York	137
North Carolina	38
North Dakota	7
Ohio	80
Oklahoma	24
Oregon	17
Pennsylvania	110
Rhode Island	6
South Carolina	20
South Dakota	5
Tennessee	31
Texas	79
Utah	8
Vermont	3
Virginia	31
Washington	27
West Virginia	25
Wisconsin	36
Wyoming	3
Outside United States	22

[1] Excludes men whose only service was under the 6-month Reserve training program.

[2] Based on "permanent address after discharge" as recorded at time of separation.

Selected basic pay data, military enlisted personnel

Pay grade	Years of service			
	Under 2 years	Over 2 years	Over 3 years	Over 4 years
E–5	$145.24	$180	$180	$205
E–4	122.30	150	160	170
E–3	99.37	124	124	141
E–2	85.80	108	108	108
E–1	83.20	105	105	105
E–1 (under 4 months)	78.00			

Mr. YARBOROUGH. At this time the average factory worker in the United States earns approximately $90 a week. The military pay scale is set forth in the hearings, which are available to the distinguished Senator from New York, and the military pay scale is in monthly salaries.

Personally, I have never known an enlisted man who had served from 1 to 5 years to return to civilian life with any money saved up. That is why mustering-out pay has been provided in the other bills—to enable them to buy bread for the first several months after they leave the service.

The argument—made either by the Defense Department or by someone else—that those who have served learn trades while they are in the service and therefore do not need further training after they leave the service is entirely erroneous, because the record shows that in certain areas more than 35 percent of the veterans have been unemployed. While they serve in the Armed Forces, they learn how to handle weapons of warfare, but that training does not train them for civilian occupations. As a result, when they leave the armed services, many are not able to obtain civilian employment.

The Bradley Commission made a study of this situation; and in that connection I wish to read from page 277 of the hearings. In the hearings, we find excerpts from that report, commencing on page 269 of the committee hearings. I read the following from page 277:

III. OPPORTUNITIES FOR TRAINING OR OCCUPATIONAL EXPERIENCE WHILE IN SERVICE

Both the Commission's Final Report and the Staff Report on post-Korean veterans considered the question of how the need for readjustment assistance and the extent of the Government's obligation are affected by the servicemen's opportunities for work experience and training while in the Armed Forces. Although the data available to the Commission are subject to various interpretations, they indicate that such opportunities can be useful to a minority of post-Korean veterans, but that in the overwhelming majority of cases they cannot be expected fully to offset the interruption of education or civilian work experience during military service.

After noting that there has been a trend toward having an increased percentage of military personnel in "civilian-type occupations," the Commission's report points out that the value of such experience in later civilian life has several limitations (Final Report, pp. 326–327).

"2. In some of the occupational specialties closely comparable to civilian jobs (electronics, aircraft mechanics, and so forth) there is a high civilian demand. For many of the occupational specialties, however, the civilian labor demand is relatively low, including the large administrative and clerical group and the seamen who constitute most of the Navy's lower enlisted grades.

"3. About half of the enlisted men in 1954 were in occupations closely comparable to civilian jobs where there was a moderate to high civilian labor demand. The other half were in occupational specialties with no civilian counterpart or where there was no significant civilian labor demand.

"4. It is likely that many ex-servicemen simply will not want to follow the occupation to which they were assigned while in the service. Moreover, inductees and first-term enlistees will undoubtedly be in the lower skill levels of the various occupational groups and hence will be less 'salable' in the job market. They are probaby more highly concentrated in the military-type and low civilian demand groups in the Army, and they are unquestionably concentrated in the military-type groups, for which there is little civilian labor demand, in the Navy."

Mr. JAVITS. Does the Senator from Texas also realize that the Bradley Commission report did not recommend these peacetime GI benefits?

Mr. YARBOROUGH. That is true. But since the Senator from New York has asked this question, I point out that on an employment and retraining basis, such training is most important. Of course, the distinguished Senator from New York has great knowledge of this subject, for he is on the committee which has been dealing with the manpower bill and with various bills in regard to types of dislocation of labor; and he knows that the need for new skills is one of the great needs in connection with the development of full employment for manpower in our country.

Mr. JAVITS. When these veterans leave the service they are not nearly as employable as they were before they entered it, are they?

Mr. YARBOROUGH. That is very true; and it is shown by the fact that, despite their youth and their physical vigor and their good minds, they have the highest unemployment rate of all groups in the country.

I should like to point out that only approximately 50 percent of the veterans have taken training under GI bills each time it has been made available to them. We do not know whether the 50 percent who did not take it lacked ambition or just what was their reason for not taking the training. However, we do know that only 50 percent of the veterans have actually gone ahead with such training.

This training is no bed of roses. The figures show that 80 percent of those who go to college under the GI bills work at the same time—for these benefits do not pay their way through college—or else their wives work, or else they borrow money from funds that the colleges know about. Only 20 percent of the GI's who go to college subsist on the GI bill payments alone, or perhaps receive help from their parents. Most colleges do not have records in regard to those who receive help from their parents, but the colleges do have records on these other types.

Mr. JAVITS. Madam President, will the Senator from Texas yield briefly at this point?

Mr. YARBOROUGH. I yield.

Mr. JAVITS. I am sorry to have taken this much of the Senator's time.

Mr. YARBOROUGH. Oh, no; I appreciate the fact that the distinguished Senator from New York has asked these cogent questions which deal with the very heart of this matter, and I hope he will help us on this bill. He supports much legislation dealing with education and retraining, and he is greatly interested in all matters affecting labor. I regret that my answer to his first question was not exactly germane to part of it, because I know he is very much interested in these matters; and I urge him to support us actively in connection with this measure.

Mr. JAVITS. Let me say that I join my colleagues in registering real alarm because of the fact that the higher education bill has been allowed to die on the vine, after having been passed by both the House and the Senate, and then going to conference, where it now is. I am one of the conferees, and so is the Senator from Texas. I think it is shocking that that bill is still in conference, and that the press confidently predicts it will "go down the drain" and never will become law.

So I can understand the Senator's feeling about the bill now before the Senate, when he contemplates these essential needs, which must be fulfilled in the national interest, and when he realizes that the higher education bill is regarded by some as being dead, although it has been passed by both Houses and although the President says it is one of his "must" bills. Obviously, this situation would drive one to favor alternatives, even if one did not like them so much.

But I point out that under the pending bill there is not to be the selectivity that there will be under the higher education bill. In other words, the pending bill deals with an enormous mass of veterans who serve a relatively short period of time, whereas during World War II most of the periods of service were for from 4 to 5 years. Both the Senator from Texas and I served in that war; and although I was a staff officer, and did not serve as a foxhole private, yet that service was not so easy, either.

But regardless of whether these young men have talents which are adaptable to service in the national interest, Congress would be providing them with training in the educational field, which already is rather crowded, and also would be giving them preference, by providing Government help, over the talented ones and meritorious ones whom we were trying to reach by means of the higher education bill.

My question is whether we are justified in doing this out of our sense of frustration and disgust because of the apparent failure, so far, of the legislative process in connection with the higher education bill.

Mr. YARBOROUGH. No; the pending bill is not offered because of a sense of disgust or frustration. It was passed by the Senate in 1959; and I believe the distinguished Senator from New York voted for it then.

Mr. JAVITS. Yes, I did.

Mr. YARBOROUGH. The Senate passed the bill then, and that was before the higher education bill had made the progress it has now made.

I wish to say that I have not given up my advocacy of the higher education bill; I have not surrendered. I am hopeful that further conferences will be held and that some higher education bill will be enacted into law.

But the distinguished Senator from New York knows that the House did not include in its version of the bill provision for a single scholarship. The House bill, even if it should pass, would not provide for one single scholarship. If the Sen-

ate bill on scholarships passes, it will provide for about 28,000 a year, a mere handful. I think it is important that legislation be enacted for the benefit of brilliant students. With the Russians graduating 108,000 engineers to our 37,000 in only one category, we see that even with the good that would come from the bill relating to 28,000 gifted students, which is now snagged in conference, we still have not met this problem. We have not extended education as broadly as it ought to be extended, even if we pass this bill and the higher education bill.

Experience shows that which number 45 percent of the whole of those drafted only one-half go to school. It means that in that category 22½ percent of adult males who would go to school under the bill. The figures show that two men go to college for every one woman in America. Only one woman gets to college for every two men. That is what the women are protesting so much about. When it comes to higher education, the women get the worst of it because if a family consists of several children and the family can afford to send only one of them to college, the normal thing is to select a boy to go. The women feel that they ought to have an opportunity.

If we could place 22½ percent of the young men in school—and that is all that is provided under the bill—they would not all go only to college; the 22½ percent relates to education. Of the 7,800,000 World War II veterans who took training under the GI bill, 29 percent went to college and 71 percent received on-the-job training, high school education, other types of training or vocational education.

In the Korean conflict there was a more select group. In World War II there were both young and old in all categories, but in the Korean conflict the soldiers were a group in the prime of life. Nearly 50 percent went to school under the GI bill, and of that number 51 percent went to college and 49 percent took vocational, on-the-job training, high school training or education preparatory to college, and other types of training.

After all, the maximum education any veteran could receive under this bill would be 3 years. That would not put him through college. It would give him a start, an initial push, so that if he is good for a year or two, he has an opportunity for scholarships, and other kinds of assistance, to help him get through college.

The Senator from New York raised the question as to whether or not we are really getting the top quality in the country in colleges. Testimony from university deans of admissions and presidents shows that in any large group going to college, the highest grades have been made by the military veteran student. After a year or two of military service, there are not many boondogglers. They knuckle down and get to work. The dean of Penn State testified that monitors are placed in the dormitories to keep order. Veterans were not selected merely because they were veterans. Each man was studied for the most competence and capability, and it was found that 33 of 36 of the monitors were veterans.

The dean of admissions of Penn State, at University Park, Pa., also testified that the disciplinary problems among nonveteran males amounted to 4 or 5 percent of the students, but for veterans I believe it was less than 1 percent, perhaps less than one-half of 1 percent. At any rate, it was less than 1 percent.

Whether or not those veteran students had the most native ability, they show that by diligence, after having military service, they show the greatest ability of any group in college.

The proof of the pudding is in the eating; these veterans are scholastically at the top of their class. We are not only registering them and giving us an opportunity to pay them a debt society owes them, but we are also helping to make some of the best citizens and leaders for the future in this Nation.

The number of GI's who took training under the GI bill has proved how well they have used such training. Also, as shown in the testimony by deans of admissions of colleges, we are also getting the most stable students. Deans and presidents have testified that veterans are now bringing to the college campus a seriousness which did not exist before. The veterans are older, and by reason of the example of their own hard study, other students are studying harder.

Mr. JAVITS. Madam President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. JAVITS. What is the Senator's expectation of getting action on this bill in our distinguished and sister body?

Mr. YARBOROUGH. We were very much disappointed in the other Congress because the Senate passed the bill and it languished and failed in the House. Some statements at least purported to have come from positions of leadership on the other side as in opposition to this veterans' legislation in the past.

However, there is a bill pending in the Veterans' Affairs Committee, introduced by Representative OLIN TEAGUE, on this subject. It does not go as far as this measure in the Senate, but in the past year, since this bill came before us, he has said several times that he does not oppose this type of legislation. That situation did not exist back in 1959.

I do not want to try to state what my fellow Texan's position in the House is. Although he has not said that he was for it, he has said that he is not opposed to legislation of this type.

Mr. COOPER. Madam President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. COOPER. In 1959, the Senator remembers, I was a member of the Committee on Labor and Public Welfare, along with the Senator from New York [Mr. JAVITS] and the Senator from Arizona [Mr. GOLDWATER] both of whom have just spoken. A bill was reported to the Senate that year. In committee, I voted against it. President Kennedy, who was then a member of the committee, voted against it.

When the bill came to the floor, I offered an amendment on behalf of myself, and Senators Kennedy, Javits, Prouty, Case of New Jersey, and Thurmond. The effect of my amendment was to provide that the benefits should be extended through loans rather than grants. I do not know what the position of the President of the United States is now, but I know that in 1959 he voted against the bill in committee. He joined me in offering an amendment to extend benefits on a loan basis. I do not know whether he has changed his view.

My amendment was further amended on the floor by an amendment offered by the Senator from Louisiana [Mr. LONG], in which, as I remember, he provided a measure of forgiveness of the loans, if veterans in their studies met certain requirements.

Because of the inquiries of the Senator from Ohio [Mr. LAUSCHE], I wanted to call attention to the fact that in 1959 the President of the United States opposed the bill in the full committee and joined with me in an amendment to extend educational benefits on a loan rather than a grant basis.

Mr. YARBOROUGH. When it was bogged down in the Veterans' Affairs Subcommittee by a vote of 2 to 2, President Kennedy cast the deciding vote to bring it out.

Mr. LAUSCHE. Madam President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. LAUSCHE. Am I correct in my understanding that veterans who served between World War I and World War II were granted no such benefits as contemplated by the bill?

Mr. YARBOROUGH. No. There was no draft and there was merely a cadre of regular Army dedicated soldiers, most of whom were career men.

Mr. LAUSCHE. That situation prevailed with respect to the men and women who served following World War II up to the Korean conflict?

Mr. YARBOROUGH. In certain respects; yes.

Mr. LAUSCHE. Am I correct in my understanding that never in the history of our country have there been benefits of this type paid to veterans who served in peacetime?

Mr. YARBOROUGH. No. The distinguished Senator is not correct in that statement.

Mr. LAUSCHE. There was one instance when young men and women served in what was called peacetime, but they were actually engaged in a conflict.

Mr. YARBOROUGH. No; I am not referring to the Korean conflict. I am referring to the period of time after the truce was negotiated in October of 1953, from then until January of 1955, when there was a full GI veterans bill, with more benefits than this bill would provide.

President Eisenhower finally ended the benefits by Presidential proclamation January 31, 1955. That is the point at which this bill would pick up. There was a period of about 16 months when full benefits were provided in a nonshooting war period and those were far

broader than the benefits under the pending bill.

Mr. LAUSCHE. Is it not a fact that it has been the tradition and the belief in our country that service to the Government as a military man is an honor and a privilege, and that in peacetime there never have been compensations of this type, except, probably, in the period of a year and a half from 1953 to 1955?

Mr. YARBOROUGH. It has been a tradition, also, that we were not a military people. It has been a tradition that we did not have the draft, like the monarchies in Europe have used. We are a peace-loving people. We have not had a $50 billion military budget before.

I say to the distinguished Senator from Ohio I think that if we can spend $50 billion or $51 billion for military expenditures and the AEC and other things for defense, certainly we can spend as much as $300 million a year in order to adjust these servicemen when they come back to civilian life.

I do not call it peacetime when our fellow Americans are being shot down in helicopters in Vietnam.

Soldiers and sailors and airmen are being shot on boats and in planes all around the perimeter of the free world. This has been going on now for 15 years.

Some of our servicemen have been sitting in the arctic wastes. That was not done before World War II. Our servicemen have been sitting out in the Libyan deserts at listening stations. Many of them who are now serving in the deserts and in the arctic wastes are performing more rugged service than millions of those who served stateside in World War II. There was not then a difference under the GI bill as between oversea service and domestic service. Service in World War II included all military service, and millions of servicemen and women never got out of the United States, but they were entitled to all the benefits provided.

This is not to be a bonus, I say to the Senator from Ohio. This is to provide for readjustment. This is to readjust our servicemen so that they may enter civilian life again and not be a drag on the economy, so as not to cost the $80 million a year which we are now paying out to veterans in unemployment benefits. This GI bill will make it possible for them to earn money and to pay taxes and to add to the economy.

Mr. LAUSCHE. I understand the intent. What is to be the termination date of effectiveness?

Mr. YARBOROUGH. July 1963.

Mr. LAUSCHE. Why has that date been chosen?

Mr. YARBOROUGH. Because that is the date when the draft is to end. This is to have a termination date the same as the draft. It is only to be provided because we do have a draft. If these men were all volunteers, we would not need to pass the bill. The situation is different from the situation the Senator pointed to, in the 1930's. There was no draft then. The men served in the regular forces and were all volunteers, career men.

Mr. LAUSCHE. I should like to direct the Senator's attention to a letter of May 4, 1961, shown on page 26 of the hearings, from the General Counsel of the Department of Defense opposing the passage of the bill. Are we to infer that the Department of Defense, contrary to the wishes of the President, opposed the bill?

Mr. YARBOROUGH. The Department of Defense opposed it in 1959. The Department of Defense opposed it in 1961. So far as I know, the Department of Defense has always opposed it.

Mr. LAUSCHE. The question is whether we are to infer that the Department of Defense, contrary to the wishes of the President, opposed this bill.

Mr. YARBOROUGH. I think the distinguished Senator from Ohio has been a Member of the Senate longer than I have.

Mr. LAUSCHE. Very well.

Mr. YARBOROUGH. The Senator can make such inferences as he pleases. I do not think the President of the United States is opposed to this bill. If he were, I do not think we would be debating it. I do not think the leadership would give it priority over other bills if the President were against it.

Mr. LAUSCHE. There is also a letter shown in the hearings, written by the Bureau of the Budget, which likewise opposes the bill. Are we to infer that that Bureau wrote the letter contrary to the wishes of the President?

Mr. YARBOROUGH. That is a matter of personal inference. The Senator may draw whatever inference he wishes to draw.

Mr. LAUSCHE. Very well.

Mr. YARBOROUGH. I am not drawing that inference.

Mr. LAUSCHE. There was also a letter from the Office of the Administrator of Veterans' Affairs, of the Veterans' Administration. I put the same question: Are we to deduce that the Veterans' Administration, contrary to the wishes of the President, wrote a letter opposing passage of the bill?

Mr. YARBOROUGH. I will take the record as it is.

Mr. LAUSCHE. Very well.

Mr. YARBOROUGH. I am taking the need for this bill as proved by indisputable facts, as shown in the records of the country. I think we ought to go on the records of the country as to what the needs of the country are, rather than on an inference as to what somebody might have thought or might have said.

Mr. LAUSCHE. I think mention was made by the Senator from Texas about what the President's Commission on Veterans' Pensions had to say. I call the Senator's attention to page 26 of the hearings, to an excerpt from the letter written by the Department of Defense:

> The question of providing benefits of the type contemplated by S. 349 to peacetime veterans of the military service was one of the major topics of consideration of the President's Commission on Veterans' Pensions, established in 1955 with Gen. Omar N. Bradley as chairman. That Commission in its final report to the President on April 23, 1956, concluded that, in view of the changed character of our national military responsibilities for the forseeable future, peacetime veterans should not be provided benefits such as were provided to veterans of World War II and the Korean conflict.

The finding by the Commission on Veterans' Pensions, headed by Gen. Omar Bradley, is used by the Kennedy administration to say, "We do not favor this bill." I wish the Senator from Texas would explain this rather paradoxical position.

Mr. YARBOROUGH. The Senator from Ohio may not have been in the Chamber at the time, but we have already put what the Commission said into the RECORD, from page 277 of the hearings. The facts the Commission found as facts did not support its opinion, given at the end.

I hear the word "peacetime" used only when we are asked to deal with veterans' education. I do not hear anyone talking about peacetime with respect to the fact that we have a $49 billion budget for defense. I do not hear anybody talking about peacetime with respect to the fact that we have provided large sums of money, billions of dollars, for space exploration. I do not hear anybody talking about peacetime with respect to the fact that we are providing nearly $2 billion for the atomic energy program—or at least a billion and more.

If we should add all of those figures together, we would have a figure of nearly $60 billion, and I do not hear anybody talking about peacetime in respect to that Defense budget.

Why should we say that this is peacetime with respect to $300 million for education and readjustment and training for veterans, yet call it a cold war for everything else?

It is either a cold war for all, or it is not a cold war for anyone. It is either peacetime for all, or not peacetime for one class only. Let us put them all on the same plane.

I do not agree with the Senator that we are now in peacetime. If we were, I do not think our helicopters would be shot down in South Vietnam. If this were ordinary peacetime, I do not think our forces would be deployed along the perimeter of the free world. It certainly is not the normal peacetime such as we had in 1930's, about which the Senator asked, when there was a small force of regular Army personnel and when the world was at peace.

This is a cold war in which we are engaged. It has erupted into a hot war in lots of spots.

There have been other hot wars engaged in by our country, but the boys who are presently serving are the ones who are in the hot phases of this cold war in which we are now engaged.

I do not think this is comparable to peacetime at all.

Mr. LAUSCHE. I should like to ask the Senator whether the American Legion has approved the bill.

Mr. YARBOROUGH. The American Legion took no position on it one way or the other.

Mr. LAUSCHE. Is that not rather significant?

Mr. YARBOROUGH. No; I do not think it is. I have talked to their representatives. The membership of the American Legion is an older group of men, who are interested in other things.

There were other bills in which they were more interested.

So far as I know, every other veterans' organization has approved the bill, though not at every convention each year.

I think the rank-and-file members of the Legion are in favor of the bill. I am a member of the American Legion. I get letters from the rank-and-file members. I think the rank-and-file members of the American Legion are for the bill overwhelmingly. I say that as my opinion, as a member of the American Legion.

Mr. LAUSCHE. The Senator knows that I am a veteran of World War I. I believe I can frankly say that we want to do everything reasonable to help veterans. However, over and above help to veterans, I wish to make sure that in what I do I am serving my country. Frankly, I begin to doubt the wisdom of what we are asked to do when the seed is sown by our statement, "Young man, you need not serve your country unless you are to be rewarded fully in peacetime on the same basis as you are in wartime."

At a meeting on Wednesday, attended by the Senator from Wisconsin [Mr. WILEY] and the Senator from Texas [Mr. YARBOROUGH], I read excerpts from a book concerning the war between the Romans and the Germans. The Germans were barbarians north of the Rhine and Danube. The Romans were the cultured people. When the war began it was assumed that the barbarians would not have a chance, but that the Romans, with their military strength and wealth, would conquer.

However, there was a difference in the life of the people across the Danube. They were vigorous. They served their group. They were willing to sacrifice. When the war was fought, to the great consternation and surprise of the Romans, the barbarians won and the Romans went down to defeat.

In the description of that battle the historian Creasy pointed out that Rome could not get its youth to serve its country in the military. Only by compulsion of the cruelest type could they get a modicum of youth into the military service.

I call upon my fellow Americans to begin to ponder whether, through what is sought to be done in the Congress, we are not abandoning a policy of more than 150 years in our country. I wonder if we are not going to sow the seed by which we would give the attitude to the youth that they should forget their inherent obligations to their country.

I recognize that we have men who are called and men who are not called up. But the men who are not called frequently are physically disabled. They are not to be benefited at all. The others are to be benefited.

I recognize that the Senator from Texas is very sincere. I admire him. I know of the candidness of his approach. On this item I am willing to go along with a provision to make loans to veterans, as we did in 1959, as pointed out by the Senator from Kentucky [Mr. COOPER].

I ask the Senator from Kentucky whether President Kennedy at that time supported us in the amendment.

Mr. COOPER. Madam President, will the Senator yield?

Mr. YARBOROUGH. Madam President, if the Senator has concluded, I should like to answer his question.

Mr. LAUSCHE. Madam President, I merely wished that part of my question answered by the Senator from Kentucky.

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. YARBOROUGH. Madam President, I yield the floor.

Mr. COOPER. At the time, I was a member of the Committee on Labor and Public Welfare. The bill was considered by the committee, and President Kennedy, then a member of the committee, opposed the measure in the committee and voted for my motion to change the grants to loans. Then when the bill came to the floor of the Senate, I offered an amendment providing a system of loans rather than a system of grants. President Kennedy joined me in the amendment.

In the Senate the Senator from Louisiana [Mr. LONG] offered an amendment to my substitute amendment. It was a combination grant-loan proposal, and the RECORD shows that the then Senator Kennedy voted for it. I know that he voted for my amendment in committee, and in the Senate he joined in the amendment, which I intend to offer again today, to make the program a loan program.

Mr. LAUSCHE. Madam President, I supported the Senator from Kentucky in his proposal to change the provisions of the bill so that a grant program would be established instead of a loan program. My recollection is that we did not succeed. Am I correct?

Mr. COOPER. The Senator from Louisiana [Mr. LONG] offered an amendment which modified my amendment. His amendment modifying my amendment was agreed to—it is correct that we did not succeed in securing adoption of my original amendment.

Mr. LAUSCHE. Madam President, I shall concude. It is a simple thing to vote for a bill. It is easy to speak in behalf of it. Sentiments and emotions will be in the direction of supporting the measure. But, as far as I am concerned, in the rendition of service to my country, on the basis of the oath that I took as a Senator and on the basis of what I believe as a citizen is my obligation, I will be rendering the best service possible for the youth of my country and for its security by making certain that we do not wash ourselves down the drain by abandoning our traditional approach in treating our wartime veterans on a more liberal basis than we do those who serve in a time of peace.

Mr. GOLDWATER. Madam President, I wish to make a few remarks at this point in order to keep the record straight. We hear the argument by the proponents of the bill that Russia has been graduating more scientists and engineers than we have. Therefore it is necessary for us to provide peacetime GI benefits.

I have heard that argument used on every education bill that has come through this body since I have been here. I think it is time that we look the facts in the face. I do not care how many education bills we pass here. We will still not induce young men to go into engineering and science. The problem is some place outside this body. It is some place outside the GI or the young man.

A number of years ago we passed the National Defense Education Act. At that time the whole argument was based upon the fact that we were lagging behind Russia and had to give fellowships so that we could get more teachers of science.

The first report that was submitted on the National Defense Education Act shows some rather surprising figures that I wish to put into the record at this time.

Of the first 3,840 fellowships given under the National Defense Education Act—an act passed to provide us with better and more trained scientists—we find slightly more than 700 out of that 3,800 taking fellowships in science and engineering. In fact, at that time there were only 3 students in nuclear engineering, only 12 in aeronautical engineering, including missiles and aircraft, 72 in mechanical engineering, 78 in electrical engineering, 65 in civil engineering, and 70 in chemical engineering.

In the other sciences—the physical sciences, mathematics, and astronomy—a most important subject, for without the knowledge of astronomy we could go no place in space or in missilry—there were only 24 fellowships. There were 186 in chemistry.

I point that out to try to debunk the idea that the bill would flood the market with trained scientists and engineers. The plain truth of the matter is that our young people, through their own choice, are not going into those fields.

I had two sons graduate from college this year. I attended both graduation exercises. I was appalled by the small number of the graduating class representing the engineering schools. This was the most graphic demonstration that I ever sat through. Of 1,400 graduates last year, I would say that only 5 percent came up for degrees in engineering.

Now let us look on the other side of the coin. The National Defense Education Act would never have been passed without the words "national defense" in it. Here we are listening to the same arguments. We are told that we must pass this bill because we are behind the Russians.

We have had some amusing fellowships awarded to help in the scientific field, 2,794 fellowships were in the humanities. I have nothing against the humanities. I believe that a study of the liberal arts is very essential in an educated person. However, when I hear the argument made by people that this money is going to be used by the GI's of the peacetime variety to go into science, that is just so much bunk.

Mr. ALLOTT. Madam President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. ALLOTT. The distinguished Senator from Arizona was present in those hearings, as I recall. Is there any question in his mind that if the bill had been brought to the floor or to the committee on the basis that fellowships were to be granted in the humanities rather than in the sciences and in mathematics, it would have been approved or passed?

Mr. GOLDWATER. No; I say to the Senator from Colorado that it would not have been passed. In fact, one reason it did pass was that it had "national defense" in it. I recall that in the debate I pointed out that, of 21 bills introduced with the "national defense" label on them, 19 passed. I doubt that any one of them would have passed if it had not had attached to it the national defense description.

Mr. ALLOTT. Madam President, will the Senator yield further?

Mr. GOLDWATER. I yield.

Mr. ALLOTT. I was one of those who supported the National Defense Education Act. I am sure the Senator is aware of that fact. I made several speeches in support of it on the floor. I did so because I thought we were doing something to develop the interest of our people in science and mathematics. Now the figures that the Senator has given prove that there has been a perversion of this act. Less than one-fifth of the fellowships granted, or about 700 out of 3,800, have actually been used for purposes which the sponsors of the bill, the Senator from Alabama and I and other Senators, represented to the Senate at that time. Is that not true?

Mr. GOLDWATER. The Senator is absolutely correct. I tried to convince my good friend from Colorado that he was in error at that time, but I was unable to do so. I did my best to convince the Senator that this would happen. Perhaps the Senator would be interested in some of the places to which these fellowships have gone under the guise of national defense. For example, there is folklore. We must have that to get ahead in this world. Thirteen fellowships were awarded in folklore. We are always talking about the separation of church and state. These are theological fellowships. Religion accounts for 39. I do not know how we have existed for 186 years without Buddhist studies being taught by our schools. Four fellowships were awarded in Buddhist studies.

Another field is sociological studies of foreign areas. Now we are really getting somewhere in science. There were 108 scholarships in that subject.

I could go on for a long time reading this list. However, I point out that the argument that the GI peacetime bill will be used to produce engineers or scientists does not hold water. We must in some way encourage our young people to go into engineering and science. I do not know how to do it. I have two sons. One of them wants to be a lawyer. I do not know what is wrong with him. The other, I believe, wants to be a merchant. I wish both of them would become engineers. It is not so much a question of what we do about producing engineers as what we do to encourage young people to get into that field.

To get along with this subject, because I know other Senators wish to speak on this subject, the service of these young men in peacetime, or cold war, or whatever we want to call it, is entirely different from the wartime draft. The same considerations do not exist for affording benefits to this group comparable to the benefits afforded to wartime GI's.

Why do I say that? In the report from the Bureau of the Budget it is pointed out that young men under the age of 22 have not been drafted for some time. In fact, the average draft age today is about 23. A young man 23 years of age is about to finish college. That is not true in every case, but 23 is the average age. That young man is either in his junior year or is finishing his senior year. Without exception these young men are deferred. This is not the case of a boy being taken into the service at the age of 19 or 20, his whole life being disrupted and he actually being torn away from his home, to go into combat or into training for combat, with the service extending over 3 or 4 or 5 or even 6 years. In this case the young man, if he is in college, can obtain deferment, and therefore this young man's life will not be disrupted. We are discussing a bill which would not give much benefit to anyone. The average boy, if he wants to go through college, either by virtue of his parent's ability to send him to college or his own ability to work his way through college, will have already taken care of that need.

The draft is decreasing. In 1960 only 90,000 men were drafted. I do not know what the figure is for 1961, but it is much smaller than that.

As I pointed out earlier, not one bureau of the Government has approved this bill. We have had no word from anyone near the White House or in the executive branch who favors this bill. I do not argue that we should always legislate according to the wishes of the bureaus, but Senators depend very heavily upon what the bureaus think about proposed legislation on which we are working. In view of that fact alone I believe we should vote "no" on this particular piece of legislation.

There is another argument that I should like to use against the bill. One of the biggest problems of the military—and it has been with them for a long time, although the situation has improved somewhat, but not enough—is what I call the fallout in personnel. Young people are attracted by better salaries on the outside, and leave the service. The passage of the pending bill would only increase this problem. If we say to a young man who goes into the service, "When you get through with your 2 or 3 years, you will get a college education if you have not been to college, or you will be trained in a vocational field, and you will be able to buy a house without a downpayment and have 40 years to pay for it," he will get out. In that way we make this problem worse for the military.

I wish to point out one other thing in conjunction with this point, and that is that the young men who go into the military today receive a fine vocational training. The proof of that is the difficulty of the Air Force and the Navy and the Army in retaining young men. About $20,000 a year is spent on each trainee in electronics, in communications, rocketry, and all the other scientific fields.

The young men come out of the service and get jobs. Some are unemployed, but some young men who do not go in the service are also unemployed. I point this out merely to further the argument that I believe the bill, if it is passed, will work a hardship on the military, rather than help them.

Madam President, I shall probably have more to say about the bill later in the day, but I sincerely hope that if the bill is to be passed, it will be amended in such a way that it can be made palatable to the administration and to the Senate and House. In my opinion, as it stands now it has no merit, and the arguments for it do not hold water. If we pass it, we shall abandon almost every standard that we have used in the past in this field of legislation.

I close by recalling what President Franklin Roosevelt said in vetoing a similar measure in 1944:

> This measure would grant special benefits to a particular group and exclude other members of the Regular Military and Naval Establishments who similarly have been called upon, on numerous occasions, to engage in similar military operations in times of peace. I believe that it is sound in principle to abide by the official beginning and ending dates of wars in providing benefits, heretofore described, and feel that extension of the period to the Philippine Insurrection, beyond that established in conformity with recognized legal precedents, would constitute sufficient deviation from that principle to invite further exceptions for additional groups with service in military occupations, expeditions, or campaigns other than during a period of war.

I point out that in the Philippine Insurrection our boys were being shot at. They were certainly entitled to consideration. Today we are asked to consider young men who are serving their country under the privilege and honor that is theirs to do so, who do not ask special recognition for this service.

I hope the bill will be defeated.

Mr. PROUTY. Mr. President, few, if any, of us knew that this bill would be called up today. That has made it very difficult for us to prepare amendments which we might wish to offer when the opportunity presents itself.

It is significant to note that while the proposed legislation has been approved by the Senate on a previous occasion, it has been before the House Committee on Veterans' Affairs for years and has never been reported by that committee. In this connection it should be observed that the House Committee on Veterans' Affairs devotes its entire time to matters affecting veterans, and that great committee, on which I had the honor to serve when I was a Member of the House, has failed to take any action.

We all know that the President of United States has been opposed to the proposed legislation in the past, and we

must assume he has not changed his mind in that respect. If the situation were otherwise, there would have been some word from the White House to indicate his change of heart. There has been no such word.

Madam President, no one can deny that higher education in this country is facing serious problems. More construction of facilities must get underway and more assistance must be made available to college students. I want to tackle these problems now and I shall propose a substitute for the pending legislation which I believe will be a blow for progress in the field of higher education. It is common knowledge that at the present time the conference committee of the House and Senate is deadlocked over certain provisions of the Senate and House college aid bills. The House is adamant in its position that grants and loans for construction should be made available to both public and private institutions of higher learning. The House conferees also are vigorously opposed to the scholarship provisions which were in the Senate-passed bill.

Madam President, I hope I shall have an opportunity to present a higher education proposal, in which benefits will be provided for peacetime veterans. I contemplate a provision which would afford veterans all the money required for the first year of their college education in the form of grants. In subsequent academic years, veterans will be eligible for loans which can be canceled in part when they maintain a respectable standing in their class. I have not had an opportunity to work out all the details of this proposal yet.

I would like to say, however, that in facing up to the problems of higher education, I believe we must not overlook the peacetime veterans. We also have an obligation to other young men and women who have not yet had service in the Armed Forces. We can get some idea of the scope of the challenge before us by examining the college enrollments expected in the years ahead.

The able Representative QUIE gave some interesting figures in a speech in the House on August 8, 1962. He said that college enrollments which now stand at 3,610,000, will increase by 30 percent in the next 5 years, and by 1970 they will total an estimated 6,006,000—an increase of 66 percent.

Madam President, if we expect to meet this challenge, we cannot do it piecemeal. We must take an overall approach which makes provision for all the boys and girls of the Nation who deserve but cannot afford a higher education. I hope I shall have the opportunity to present a detailed remedy for some of the difficulties of the day. It will be extensive in scope and will make available grants to private and public colleges and universities to relieve the classroom and library shortages. My substitute bill will also provide scholarships, to peacetime veterans during their first academic year. Additional help will be given them in their second, third, and fourth college years.

I take this course only because we are getting nowhere in the conference on the higher education bills. We might as well get off the treadmill and try a sound approach which will get our colleges out of their financial quagmire. The President has said that a bill to stimulate higher education is one of the most needed measures. Let the Senate face up to facts now. Let it accomplish what the conferees have failed to do and that is work out a measure which the House will accept.

Mr. JAVITS. Mr. President, will the Senator from Vermont yield?

Mr. PROUTY. I yield.

Mr. JAVITS. The Senator from Vermont and I are members of the committee of conference. I am delighted to hear what he has said. I stated almost the same thing, though not quite so eloquently, earlier today.

I have prepared an amendment upon which I should like to have the Senator's views. I realize that they will be "off the top of his head." But what he has just stated concerning his proposed amendment differs from my proposal. There is no reason why there should be two amendments. I should like to have an amendment which the Senator from Vermont and I could cosponsor.

My amendment provides 125,000 scholarships for veterans, in order to get the cream of the crop, as it were, and it would cost about $700 million for such a program, as an estimate, in comparison with the, roughly, $2 to $4 billion cost of the pending bill. My proposal would be a straight scholarship program, the recipient of the scholarship to receive $1,500 a year, with no payment moving to the institution, because I have added the amount to what would be given the individual who has served as a peacetime veteran. Could the Senator from Vermont help me?

We have had no time to prepare our amendments; it is necessary for us to confer about them on the floor. Will the Senator give me his idea? It might be better, perhaps, than what I have in mind.

Mr. PROUTY. Frankly, the details have not been completed. The consideration of the bill today has taken us all completely by surprise.

Mr. JAVITS. Would the Senator permit me to emphasize his last point? The bill has been on the calendar for a year. We are members of committee. In the committee, the bill was discussed thoroughly. Amendments were offered. So far as I know, the bill was not listed for consideration now, although I am subject to correction. It is a bill which was not considered likely to be taken up today. It is only a happenstance that I myself am here, because the Committee on Appropriations had scheduled a witness whose appearance required me to be present. But we are confronted with a major piece of proposed legislation which, really, none of us is prepared to debate now. We are all dashing around to find our files and old amendments which we have had in our files for the purpose of dealing with this measure.

May I ask the distinguished Senator from Texas why there is so much pressure that the bill had to be called up today under these circumstances?

Mr. YARBOROUGH. I am not the majority leader, who runs the Senate; but I am very happy that he brought up the bill. I regret that I was not here yesterday when he was seeking me. I am happy that he brought up the bill, because it is getting late in the session. If the House is to have an opportunity to act, the bill should be passed by the Senate. I have thought that the lag that there has been, unfortunately, in the consideration of the higher education bill, because of the absolute refusal of the House to agree to any type of scholarship provision, makes this GI bill even more urgent. I think it is urgent anyway. I think it is even more urgent now.

The need for the bill is shown by the fact, notwithstanding the statement of the Senator from Arizona [Mr. GOLDWATER]—and I regret that he is not here now—that otherwise we would never be able to train a sufficient number of engineers and scientists. It is the group of students who would be benefited by the bill which would produce those engineers and scientists. The statement issued by the Administrator of Veterans Affairs on Tuesday, August 14, 1962, simply negatives any position which they have taken against us in the past.

As show by this Veterans' Administration statement of August 14, under the previous GI bill, the reservoir of trained men was increased by 460,000 engineers, 360,000 schoolteachers, 130,000 doctors, dentists, and nurses, and 150,000 scientists. It is in these categories which our country is most deficient, as the distinguished Senator from New York knows. Based on the experience of the armed services with respect to these subjects, dealing with engineering and science, the highest percentage of men and women who take these subjects in our country is among the veterans. That is where we will have to look for engineers and scientists. In 2 years the Russians graduated 108,000 engineers compared to only 37,000 in this country.

We are still benefiting by the trained manpower pool developed under the GI bills of World War II and the Korean conflict. If 460,000 engineers and 150,000 scientists are not proof that this bill now pending will provide the kind of training we sought under the National Defense Education Act, I do not know what proof would be regarded as sufficient. That is the strongest kind of proof. We are not speculating about this matter; we have the strongest kind of proof. Some of those veterans—although only a small number—are still in school. Certainly these GI bills have helped produce the scientists we need.

Mr. JAVITS. Madam President, the floor is in the possession of the Senator from Vermont [Mr. PROUTY], who very graciously yielded to me. If the Senator from Vermont will permit me to make a further comment, I shall state that I judge that the Senator from Texas is not making any apology for his bill or for the precipitate way it was brought up. It is my position that it was brought up just before the election because it is a

very attractive bill. However, I appreciate the complete good faith of the Senator from Texas. He has been fighting for this bill on every possible occasion in the committee, and I am not challenging his action. I merely wondered whether he had any explanation for the precipitate way the bill was brought up. I gather that he does not, but that he is happy it has been brought up.

Mr. YARBOROUGH. After the bill was reported from the committee last August, it was not then passed upon by the Democratic Policy Committee; but in February of this year the Democratic Policy Committee unanimously approved the bill.

The 1959 bill was approved by the Democratic Policy Committee, but not unanimously. The Senate Committee on Labor and Public Welfare approved this bill by a stronger vote than the one by which it approved the 1959 bill.

We have been trying to get the bill taken up. We had a discussion with the majority leader, during the debate on the space satellite bill, because we thought this bill should have been brought up first.

So there is always a question of priority with many bills seeking recognition. I wish the bill had been brought up sooner, but I am very happy that the bill has been taken up now. But it has not been languishing here, unattended; we have been trying to have the bill taken up before.

Mr. KEATING. Madam President, will the Senator from Vermont yield to me?

Mr. PROUTY. I yield.

Mr. KEATING. As the distinguished Senator has said, this bill was approved in February by the Democratic Policy Committee; and in the early months of this session we were more or less twiddling our thumbs, doing virtually nothing. So it is difficult for me to understand why the bill is brought up now, instead of having been brought up then, for at this time we are faced with the necessity of passing a number of "must" bills which will require considerable debate. This bill also will require considerable debate.

I favor the adoption of certain amendments to this bill. I certainly favor the amendment of the Senator from Kentucky [Mr. COOPER], and I think I shall support the amendment of the Senator from Vermont [Mr. PROUTY]. But I am amazed that the bill has been brought up so late in the session.

Mr. PROUTY. Madam President, I should like to emphasize, as Senators know full well, that if the peacetime G.I. bill is passed by the Senate in its present form it will go to the House of Representatives, and will be referred to the Committee on Veterans Affairs. If history were to repeat itself—and I think there is no reason to believe it would not—we then would find that the bill would not be reported by the Committee on Veterans Affairs of the other body. It will be buried in a snug pigeonhole. Let us not indulge in an exercise in futility. Let us instead do something meaningful for higher education in a broader sense. We know this is possible because both the House and Senate have entertained college-aid bills with enthusiasm. We can get the show on the road if we but have the will to do so. Progress is within reach. Why not move the legislative arm? While the two bodies do not seem to be able to get together on the two versions of the higher education bills, a new device—a new prod from the Senate—may get matters moving again. We can take care of higher education and the peacetime veteran in one measure.

The combination may have an appeal that cannot be resisted. In any event, the possibility is well worth our consideration; so let us not rush through the reported bill, without giving Senators time to prepare amendments.

Furthermore, in view of the lack of notice, many Senators have not had an opportunity to study the bill or to read the committee's report on it. I think this is a very dangerous way to legislate, particularly on a measure of such vital importance as this one.

I hope the Senator from Texas will exercise his influence in some manner, so that we shall be able to debate this bill at length, and so that Members of the Senate will at least have an opportunity to know what the bill provides.

Mr. YARBOROUGH. Madam President, in answer, let me say that such influence as I have, if any, I have been trying to exert for all these educational bills, both last year and this year. I hope we can rescue the higher education bill from the conference committee; and I hope the Senator from Vermont will support this GI bill. I know he has favored it in the past; and I hope the bill will not be burdened by the adoption of crippling amendments, because the purpose is readjustment assistance to enable the veterans to be retrained, so they can earn a living, instead of being drags on the economy.

Many people in this country are deprived of an education because of physical impediments or because they are slow to learn or because their families have experienced terrible tragedies—perhaps a malignancy has struck down the wage earner of the family while in the prime of life. All kinds of tragedies have prevented many Americans from obtaining an education.

Here, not personal family tragedy, the Government of the United States has deprived these cold war veterans the chance for an education. The Government sent them to the perimeter of the free world, to defend us and our homes and our possessions. We, as a people, are robbing them of their chance for an education. It was not providence that caused these veterans to be penalized in this way; we owe them a chance to readjust. The Government of the United States dragged them off by the nape of the neck and required them to serve in the Armed Forces, to protect our lives, our homes and our possessions, at great personal sacrifice. When they return from service, they are several years behind the others of their age, and they are at a great disadvantage.

Mr. PROUTY. Madam President, I should like to ask the Senator from Texas a question. He is a conferee—as I am—on the higher education bill. Is it not a fact that if two or, at most, three Members on his side will agree with those on the minority side, we can report a higher education bill? Thus far we have not been able to do that. That is why I think we must bring the matter to the floor of the Senate.

The Senator knows my bill will contain a provision which will be favorable to the peacetime veterans. The Senator knows also that we canont neglect the other young people of the country. We need a higher education bill for the benefit of both the veteran and the nonveteran who by obtaining enlightenment will further the national interest.

Mr. YARBOROUGH. But it would be a great mistake to clutter up this bill with other provisions. The importance of the GI bills has been widely recognized. To have a part of this bill administered by the Veterans' Administration and a part of it administered by the Department of Health, Education, and Welfare would, I believe, result in so much confusion that the bill would be killed.

Mr. PROUTY. My amendment would provide that the administration would be by the Department of Health, Education, and Welfare. The Veterans' Administration would only have to certify that a veteran is eligible to receive the grants or other aid to be provided.

Mr. YARBOROUGH. We have heard a good deal, recently, about the possibility of a real outbreak, the possibility of real fighting. For instance, the following headline appears in the Washington Daily News of today: "Convoys of GI's Defy Red Threat; Allies Urge Russians To Join Talks on Crisis in Berlin."

On page 3 is another headline which reads: "Reds Kill Refugee After He Goes Over Wall," to get on our side. They are closer to a shooting war every day at the Berlin wall. They are shooting water cannons, they are lobbing grenades, over the wall, the East Germans and the West Germans have been shooting. One bazooka shot over the wall and war will explode.

I read a headline on page 3 of today's Washington Daily News, "U.S. GI's Defy Threat."

The article reads:

> The U.S. Army sent convoys in both directions along the East German autobahn today in defiance of a Soviet threat to force Red army escorts on autobahn traffic.
>
> Reports from the convoys as they were en route through Communist territory did not indicate the Russians were carrying out the threat, an Army spokesman said.

I ask unanimous consent that the whole story be printed in the RECORD, in the interest of time.

The PRESIDING OFFICER. (Mr. METCALF in the chair). Is there objection?

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

[From the Washington Daily News, Aug. 24, 1962]

REDS KILL REFUGEE AFTER HE GOES OVER WALL—U.S. GI'S DEFY THREAT

BERLIN, August 24.—The U.S. Army sent convoys in both directions along the East German autobahn today in defiance of a Soviet threat to force Red army escorts on autobahn traffic.

Reports from the convoys as they were en route through Communist territory did not indicate the Russians were carrying out the threat, an Army spokesman said.

The threat was made yesterday by a Russian colonel in a 3-hour hassle over whether Soviet armored cars in West Berlin should have Western escorts.

The eastward convoys were from the 2d Battle Group, 6th Infantry, which have been in West Germany for the past 2 weeks on annual live-firing practice. They entered the autobahn at the Marienfeld checkpoint.

The westward convoys carried troops from the 3d Battle Group going for live-firing training on West German ranges.

ANOTHER SLAYING

The U.S. Army sent the convoys through East Germany to West Berlin, located 110 miles inside Communist territory, at a time when tensions were high in the city because of the Communist slaying of another young refugee trying to reach the West from East Berlin.

Meanwhile, the Western Big Three Powers called on Russia today to meet with the Allies in Berlin to discuss measures for prevention of further incidents in the divided city.

In notes handed to the Kremlin in Moscow, the United States, Britain, and France suggested "a quadripartite meeting preferably in Berlin, which could provide for the establishment of the necessary contacts in accordance with existing agreements".

WILL PERSIST

The notes said the Allies are prepared "to persist in their attempts to bring about joint consultation with the Soviet authorities with a view to preventing further deterioration of the situation in Berlin."

West Berlin police feared the slaying last night of 19-year-old Hans Dieter Wesa might trigger new riots by West Berliners in protest against the Communist-built antirefugee wall.

West Berlin police said they were "absolutely certain" that young Wesa, a transport policeman, was in Western territory when he was cut down by Communist border guards.

Herr Wesa was the second border victim of Communist bullets during the past week in which tensions have been high because of the shootings and the Soviet squeeze on the Western Allied rights in the divided city.

The shooting of an 18-year-old East German construction worker last Friday triggered 3 days of riots in West Berlin. West Berliners stoned Soviet vehicles, clashed with their own police, and jeered U.S. soldiers because they did not go to the aid of the victim.

COMMAND CHANGE

Herr Wesa's death followed closely the appointment of an East German commandant in East Berlin and the flaunting of arms by Soviet soldiers riding armored cars in West Berlin.

East German Deputy Foreign Minister Otto Winzer said the appointment of the East German commandant meant that in East Berlin the East Germans, rather than the Russians, now will determine who has what rights.

West Berlin police called the shooting of Herr Wesa the "most brazen" to date. He was the 50th refugee known killed trying to flee East Germany since the antirefugee wall was erected a year ago.

In stating that Herr Wesa was shot after he had dashed across the border, West Berlin authorities said cartridge cases from East Berlin machine pistols were found in West Berlin near where Herr Wesa fell. The body was 15 feet inside the French sector.

Western police said that whoever did the shooting must have been standing right at the border or even inside West Berlin.

As a measure to ease the tension caused by the riots earlier this week, a Western ambulance and three medics have been standing by the Friedrichstrasse crossing point to help refugees shot down on the eastern side of the border.

According to police, Herr Wesa apparently left his post in the Communist-controlled elevated system and darted across about 25 yards of rail. The elevated actually is below ground level at that point.

Western police said Herr Wesa apparently was scrambling over a 5-foot-high metal fence topped with a strand or two of barbed wire when the Red guards discovered his flight.

They fired about 30 shots in three salvos from their machine pistols and Herr Wesa dropped, fatally hit in the head and back.

West Berlin firemen picked him up and rushed him to a hospital, but he was dead on arrival.

Mr. YARBOROUGH. We have our convoys going around, in defiance of their threats. Who knows if it may not be a hot war tomorrow? These men are not like the men who volunteered and were a small cadre of veteran soldiers in the 1930's. It is a hot war. It is already hot in South Vietnam.

I think we have a good pattern. We have a fine administration of the GI bills in the Veterans' Administration. The fly-by-night schools that sprang up in 1946 after World War II have been eliminated. The Government is getting every dollar's worth out of the expenditures. We are actually making money on the GI bills. The GI's are paying money back in as taxes. It is velvet. That is one thing about this education—it pays back additional money to the Government in taxes.

Mr. PROUTY. I agree with the Senator. I have no argument about that.

Mr. YARBOROUGH. I think the suggestion the Senator has made that both proposals be wrapped up in one bill would cause confusion and defeat the object we have in mind. I know the Senator is on the Veterans' Affairs Subcommittee. I know of his diligent work on that committee, but I plead with him not to try to bring the Health, Education, and Welfare Department over into the Veterans' Administration, because the Senator, with his long experience and great capacity, knows that if we try to unite the two units to administer two sections of the education bill, it will be torn apart.

Mr. PROUTY. I did not have that in mind. The VA would simply certify that one had served in the Armed Forces and is entitled to benefits that might accrue to him under the legislation. That is what I am proposing. If we are going to be realistic, we must recognize that the bill as it now stands has not a ghost of a chance of being acted on in the House of Representatives this year. So we can all vote for it and say it is good politics, but nothing will happen.

Mr. YARBOROUGH. I do not concede that.

Mr. PROUTY. If we pass my measure, it will help veterans and the rank and file of our young people as well.

Mr. YARBOROUGH. I do not concede that it has not a ghost of a chance. I do not know what chance it has. I have been talking with Speaker McCORMACK since the time when he was majority whip. He has been for it. I am not willing to concede that it has not a ghost of a chance. I hope it can be passed.

Mr. PROUTY. You say the Speaker is for it, yet it has not been reported by the Veterans' Affairs Committee.

Mr. YARBOROUGH. I have never served in the House, and I am not an expert on the procedures in that body.

Mr. PROUTY. Particularly at this late date, the bill is not going to come out.

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

Mr. PROUTY. I yield.

Mr. KEATING. I agree with much of what the Senator has said with respect to those who are serving in the cold war and are undergoing hazards. I hope the Senator's remarks on the banner headlines will not start a war. I am sure that was not the intention of the Senator from Texas, and I hope the cold war situation will not be accentuated by his remarks. However, we have an obligation to veterans who are undergoing risks during their service, but it seems to me there is much merit in the position taken by the Senator from Vermont. The important higher education bill, as I understand, is now in a complete stalemate in conference.

Mr. PROUTY. That is correct.

Mr. KEATING. The last word I have heard on anything in the way of scholarships for veterans is that the Senate conferees will not yield to the House in limiting such benefits to loans and grants for buildings and educational facilities. In the debate on the measure, the Senator from Vermont and I offered an amendment to provide for loans in place of scholarships. That amendment had rather cursory treatment. At least, it had minimal consideration in this body.

Mr. PROUTY. May I interrupt the Senator to say that because of the time element and other factors we were deficient in a sense, because I was told afterward by quite a number of Senators that they did not realize what was in our proposed amendment.

Mr. KEATING. That is correct. It was a little like this measure. This measure was brought up unexpectedly and hurriedly. Unless it is clear what is in it, many Senators will vote for it or against it without full knowledge.

At the time I had a strong feeling that loans instead of grants for these young people were in their interest, to strengthen their moral fiber, and were in the interest of the taxpayers, because obviously the money would be paid back. We had a forgiveness provision in it for

those who stayed in the top quarter of their class. Fifty percent of the loan would be forgiven; and for those who went into teaching, in either public or private schools, where there is a great need, up to 50 percent would be forgiven.

Am I to understand that the amendments which the Senator from Vermont is now endeavoring to fashion as a substitute, I take it, for this measure, would first have a provision for scholarships for the veteran population?

Mr. PROUTY. At least for the first year it would be a 100-percent grant. For the next 3 years, if a veteran were in the top 50 percent of his class, he would receive a 50-percent forgiveness for the loan.

Mr. KEATING. In addition, as I understand, the Senator is endeavoring to salvage the higher education bill from the conference where it is now reposing?

Mr. PROUTY. And completely stalemated at the present time.

Mr. KEATING. And if I correctly understand, he is seeking to do that by incorporating the terms of the Prouty-Keating amendments as they were offered here on the floor, in effect?

Mr. PROUTY. That is true.

Mr. KEATING. It seems to me the Senator is performing a real service in that regard, and is not encumbering this bill. He is presenting to this body a bill which has a very much better hope of passage in the other body than this bill, which has no hope, based upon my knowledge of what is going on in the other body.

Mr. PROUTY. The Senator is absolutely correct. Anyone of us who served in the House knows how it operates. At this late time in the session no legislation of a major character has any possible chance of getting through the House.

Mr. KEATING. If the Senator will yield further, it is my information, and I believe it is reliable, that the House conferees would be ready to accept as a higher education formula the proposal contained in the Prouty-Keating amendment offered on the floor of the Senate for loans in lieu of scholarships.

Mr. PROUTY. I believe that is correct. Certainly the House conferees are adamant in their position that we should have both loans and grants for institutions of higher learning, while the House conferees, and I believe the House, are very much opposed to the scholarship provisions in the Senate bill. I believe they would adopt a provision for loans. I think they would also be in favor of scholarships at least on a first-year basis for peacetime veterans. That, of course, was not brought up at the conference, but I feel a majority on both sides would favor that approach.

Mr. KEATING. I certainly hope the debate here will serve a useful purpose.

First, as to informing Members of this body what the bill is all about, since we have been taken so unawares by it; and, second, to give the Senator an opportunity to fashion the proposed amendment he has in mind.

I should be very much interested to see what he comes forth with, because I have been concerned about the fact that the higher education bill has been stymied on dead center and could not get anywhere. The Senator may have a formula to blast that bill out, and also to take care of the situation with which we are confronted with regard to cold war veterans.

I agree with the Senator from Texas in many respects, although I wish to make it clear that I shall support the substitute amendment to be offered by the Senator from Kentucky, to substitute loans in the bill. I agree that we face a situation in which veterans are defending us all over the world, as the Senator has said. They are entitled to consideration at our hands, as I know the Senator from Vermont agrees.

Mr. PROUTY. I appreciate the comments of my distinguished friend from New York, although he is not a member of the Labor and Public Welfare. No Senator has done more to fight for a workable higher education program than has the junior Senator from New York. I appreciate his cooperation and his comments.

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

Mr. McNAMARA. Mr. President, will the Senator withhold his suggestion?

The PRESIDING OFFICER. Does the Senator withhold his suggestion?

Mr. PROUTY. Briefly?

Mr. McNAMARA. Will the Senator withhold for a few minutes?

Mr. PROUTY. I withhold my suggestion, Mr. President.

Mr. McNAMARA. Mr. President, I congratulate the Senator from Texas [Mr. YARBOROUGH] for his persistence in pursuing this proposed legislation through the committee and before the Senate. There is much speculation as to what the House will do or will not do. This is always in season, no matter what the time of the year. I have no idea what the House will do.

Even the opponents of the bill—those who want to add amendments to it which obviously would kill it—agree that the Senator from Texas is correct, that this is a good bill and should be passed now.

There has been much talk about the situation dealing with the higher education bill in the conference committee. I am one of the conferees. I say to Senators that the higher education bill is not properly before the conference. It came from the House Rules Committee with a string on it. Were it not for that string we could do something. It is unfair to blame this situation on the conference committee. The Senators on that side of the aisle know that.

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

Mr. McNAMARA. I do not yield at this point.

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

Mr. McNAMARA. Not at this point.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. PROUTY. I wanted the Senator to yield for a correction.

Mr. McNAMARA. The Senator can correct the RECORD as he pleases.

Mr. PROUTY. On second thought I think the RECORD as a whole will speak for itself.

Mr. McNAMARA. Of course it does. So be it.

Mr. President, the fact remains that this is a good bill. It is timely. It should be passed and it should be passed now, today.

The opponents say that draftees at this time are 23 years of age, or something like that. The bill also would cover the youngsters who left high school as a result of the draft, before they even had an opportunity to finish their high school education. I think we owe to these youngsters just as much as we owe to our people who heretofore were involved in a shooting war. Everybody agrees that this would be a good thing for the country. It would pay for itself. I do not know why we are waiting.

I hope that this attempt to amend the bill will be vigorously opposed by the Senator from Texas and by other Senators. Again I wish to congratulate the Senator from Texas for standing so firm in carrying on this fight. I shall do everything I can to support him.

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

Mr. McNAMARA. I yield.

Mr. YARBOROUGH. I thank the Senator from Michigan for his generous statement. I think he has hit the nail right on the head. These amendments, which would try to drag the Department of Health, Education, and Welfare over into the Veterans' Administration, would so cripple the bill as to practically kill it.

Mr. HUMPHREY. Mr. President, I support the bill, S. 349, now before the Senate to provide readjustment assistance to veterans who have served on active duty in the Armed Forces since January 31, 1955.

The merit of such a program was proven by the results of the GI bills for veterans of World War II and the Korean conflict.

I have maintained that readjustment assistance be extended to cover post-Korean veterans. As matter of fact, I introduced bills to this effect in both the 84th Congress and the 85th Congress, and it was my privilege to join as a cosponsor of the legislation introduced by the Senator from Texas [Mr. YARBOROUGH] in the past and present Congress.

Before discussing this measure, I first wish to pay special tribute to the senior Senator from Texas [Mr. YARBOROUGH] the chief sponsor of S. 349 and chairman of the Subcommittee on Veterans Affairs of the Committee on Labor and Public Welfare, which conducted full and exhaustive hearings on this proposal. The Senator from Texas has, as usual, done a conscientious and competent job for which he deserves to be commended.

Under the terms of this bill, veterans would be eligible for (a) education and vocational training assistance, (b) vocational rehabilitation training for veterans with service-connected disabilities, and (c) loan guarantees for the purchase of homes, farmlands, and farm equipment.

I need not spell out in detail to Senators how much the GI bills have meant to the young veterans in preparing them for their life's work.

As is shown in tables 5 and 6 of the excellent committee report, in my own State of Minnesota 143,000 World War II veterans and 50,000 Korean veterans received training of various types under the GI bills. It is estimated that some 95,000 young Minnesotans will have served in the Armed Forces between January 31, 1955, and July 1, 1963, when the present draft law expires. Of these 95,000 young people, an estimated 34,000 of them will take advantage of the training provisions contained in S. 349 should it become law.

The training which the young men and women who served in World War II and the Korean conflict have received has benefited not only them as individuals, but the society as a whole. The training which these veterans received at our universities and colleges, and in vocational schools and through on-the-farm training has made it possible for them to contribute more to the Commonwealth.

They have made their contributions in the fields of medicine, science, law, engineering, education, business, farming, and as skilled craftsmen sorely needed by our industrial enterprises in this scientific age.

Needless to say many of these veterans would not have had the opportunity to receive the training to develop their talents if it were not for the GI programs. The loss would not only have been their own, but that borne also by society.

In reading the minority views of the three members of the committee who opposed S. 349, it is interesting to note that no objection is made as to the program itself or as to the benefits which it will bring to the veterans and the country as well. The opponents' argument is that readjustment assistance should not be extended to veterans who served in the Armed Forces during peacetime rather than wartime.

While it is true that since the end of the hostilities in the Korean conflict, American servicemen have not engaged in combat, we are engaged in a very real cold war. No one can say that this cold war could not turn into a very hot shooting war overnight.

It should also be recalled that the Presidential proclamation of December 19, 1950, which proclaimed the existence of a national emergency, has never been withdrawn.

There can be today no sharp delineation between wartime and peacetime service. These are very vague terms in an age of swift and deadly weapons of mass destruction which can strike virtually without notice.

Our Armed Forces today are required to be prepared to move into action on a moment's notice should an enemy strike. So I say respectfully to the opponents of this measure that I cannot quite accept their argument that members of the Armed Forces are serving on peacetime duty.

It should also be remembered that the GI bills for World War II and Korean veterans provided assistance whether a veteran was subject to hazardous duty or not. Literally millions of veterans who received GI benefits never left the shores of the United States; yet they were not declared ineligible.

Readjustment assistance to veterans is not on the basis of a reward for time spent in actual combat or being subjected to threat of loss of limb or death itself. Rather the purpose of such legislation is to aid in the readjustment to civilian life of young people who served in the Armed Forces due to the exigencies of the war—be it a cold war or a hot war—young people who would normally not go into military service.

If the Nation requires young people to serve in the Armed Forces under a compulsory draft law, thereby taking them away from their normal civilian pursuits, it is only reasonable to suggest that it assist them to make up for the lost time, so to speak, through constructive training programs.

The opponents argue that this program is too expensive. It is estimated by the Veterans Administration that it will cost over $400 million a year. I do not deny that this is a lot of money; it surely is. But it is literally a drop in the bucket compared to the $48 billion a year we are spending on defense. If we can afford such a vast sum for armaments, I maintain that we can certainly afford $400 million a year for this positive and constructive program to train our young veterans.

I hope the bill will be approved by an overwhelming vote. It is a good bill. It will be money well spent to assist our young people who have been called upon to protect the Nation. It will make these veterans better and more able citizens, and the Nation will receive the benefits of their learning and skills.

NATIONAL SECURITY AND SPACE POWER

Mr. DODD. Mr. President, as a member of the Aeronautical and Space Sciences Committee, I regret that I was unable to be here on Monday when my colleague, the very able Senator from Nevada [Mr. CANNON], presented his remarkable analysis of our space effort.

I agree with him and with the several distinguished Senators who joined in the discussion on Monday that the time has now come when we must reappraise our entire space effort in the light of the recent Soviet accomplishments. We must do so in the almost certain knowledge that both our survival as a nation and our ability to preserve the peace may ultimately depend on our control of the space environment or at the very least on our possession of an adequate military deterrent power in space.

The Senator from Nevada, as was apparent from his speech, has made an intense study of this entire subject. He is uniquely prepared to make such a study by virtue of his considerable military experience and his experience as a general in the Air Force Reserve, and by virtue, as well, of his membership on the Aeronautical and Space Sciences Committee. While I cannot pretend to his expertness in the field of military and space science, I nevertheless wish to speak in support of his position because I believe that the reservations he has expressed about our space program are shared by many in the U.S. Senate. For that matter, I am convinced that the views he so ably expressed enjoy the support of the overwhelming majority of the American people.

The primary goals of our foreign policy, as I see it, are first, the protection of our Nation; second, the maintenance and extension of freedom; and third, the preservation of peace. These three objectives are organically interrelated.

Peace cannot be protected by weakness. In the face of an implacable aggressor, it cannot be protected by unilateral disarmament or by unilateral pacifism. And, above all, it cannot be protected by burying our heads in the sand or by indulging in wishful thinking about the humanization of Soviet communism.

Peace cannot be protected, and will not be protected, if, in our passionate desire for peace, we ignore the harsh realities of the world in which we live.

In the fantastic technological world of today, our ability to protect our freedoms and preserve the peace depends not only on our statesmanship, but on our military power in-being—on land, on sea, in the air and, tomorrow, in space. For this tomorrow we must start preparing today.

Six weeks ago the United States launched the Telstar satellite, which for the first time made possible the exchange of live television programs between countries on both sides of the Atlantic Ocean. The feat was justly hailed as the opening of an entire new era in the sphere of intercontinental communications.

Once again the U.S. space program had demonstrated its primacy in the field of science.

On Friday and Saturday, August 10 and 11, 1962, 4 weeks after the launching of the Telstar, the Soviet Union astounded the world by hurling into the skies, with amazing precision, two enormous spaceships, weighing 5½ tons each, which flew in close formation, orbit after orbit, until they were brought down to earth landings, at preselected points, on Wednesday of last week.

The Soviet feat reopened the recurrent debate on who is ahead in space. Spokesmen for NASA stated that despite the impressive Soviet accomplishment the United States still enjoyed a very substantial lead in the scientific exploration of space; and they also held that our moon program would give us the capability to place men on the moon before the Reds.

But there were other estimates that were not as optimistic as NASA's. The authoriative magazine, Missiles and Rockets, in an editorial in its August 20 issue, made the statement that the United States is now 5 years behind the Soviet Union in space technology. It said that the Soviet lead involved not

merely booster power, but operational launch and tracking capabilities and other factors.

The Russian accomplishment has demonstrated, in a most vivid manner—

Stated the editorial—

that the United States, rather than closing the gap, is falling behind in the advanced technology of space.

Speaking in Washington on August 21, Dr. Arthur Kantrowitz, director of the Avco-Everett Research Laboratory, and one of this country's top space technologists, made a similar estimate of our status.

It has become painfully clear with each successive year—

Dr. Kantrowitz said—

that we are falling farther and farther behind. Thus, we were 4 months behind the launch of Sputnik I, 10 months behind the first man in orbit, and we are now reported to be years behind their most recent achievement. I find it difficult to believe that we are, in fact, catching up.

I believe that partly instinctively, partly in consequence of the impressive performances of *Vostoks III* and *IV*, the American people, in their preponderant majority, hold an apprehensive view concerning our position in the space race, a view that comes much closer to that of the "Missiles and Rockets" editorial and of Dr. Kantrowitz than to the rosy prognosis put out by NASA.

The arguments advanced by official spokesmen for NASA, it seems to me, completely missed the point of the Soviet accomplishment. It may be true that we enjoy a very great lead over the Soviets in the scientific exploration of space. It may even turn out to be true that Americans will be the first human beings to set foot on the moon. But the flights of *Vostoks I* and *II*, and the twin flights of *Vostoks III* and *IV*, demonstrate how different the Soviet approach to space is from our own.

The U.S. effort in space stems from the concept, enunciated in the National Aeronautics and Space Act of 1958, that activities in space should be devoted to peaceful purposes for the benefit of mankind. In line with this concept, by far the major portion of our space effort has been placed in the hands of the National Aeronautics and Space Administration, the civilian agency set up under the act. Our military space program has been assigned a position of altogether secondary importance.

The Soviets in contradistinction, have placed relatively little emphasis on space science—for science's sake. They have concentrated the bulk of their effort on the development of manned, maneuverable spacecraft. In doing so, they are obviously aiming at the military control of the space environment surrounding the earth. I hope there is no one who has any illusion on this score.

For many years now Gen. Bernard A. Schriever, the top man in the U.S. missile program and, I believe, the most knowledgeable of our military men in all matters relating to space, has publicly warned that the Soviets might beat us to the development of true military vehicles for space use, and he has urged that we place more emphasis on manned spacecraft and space platforms, that we develop a capability to rendezvous with, inspect, and, if necessary, destroy unidentified satellites.

Gen. Curtis LeMay, the Air Force Chief of Staff, has issued a similar warning:

The first nation to develop a manned space vehicle with complete mission flexibility—

Said the general—

could possibly dominate the space above the atmosphere.

I referred to these warnings by two of our most distinguished military leaders in a speech which I made before the Foreign Relations Commission of the American Legion in Washington some 6 months ago.

Other and more knowledgeable voices, in the intervening period—and I refer in particular to the distinguished Senator from Nevada—have also urged that our space program be reorganized in a manner that would place more emphasis on its national security aspects.

But despite the publicly expressed concern of military leaders and of Members of Congress, nothing has yet been done to improve the situation of which they complained. Indeed, I have reason to believe that in several respects the situation is worse today than it was at the time of *Vostok I*.

To the extent that they were quoted after the flight of the Vostoks—and I must point out that they were quoted very little because of the rigid restrictions on discussion of the military aspects of space—our military men did not exude any of the optimism expressed by spokesmen for NASA. The Washington Post and Times Herald on August 14, for example, said that—

To many in the Air Force, the prolonged orbital flight of Cosmonauts Nikolayev and Popovich is further proof that the real Russian aim in space is military—to develop an aerospace force capable of dominating the earth. In the Air Force view, the placing of *Vostok III*, and *Vostok IV* in similar orbits at the same time has far greater military than scientific implications and should serve as a warning to the United States to get on with an accelerated military space program of its own.

There were at least some people in the world of science who were not so engrossed in the miracles of space science that they overlooked the potential military implications of the Soviet accomplishment. The Senator from Nevada, in his speech this Monday, quoted Sir Bernard Lovell, director of Britain's radioastronomy station at Jordrell Bank in Cheshire. I think Sir Bernard's statement so significant that it merits quoting again:

I think one must say that this Soviet exploit has added a new and agonizing dimension to the world's troubles. * * * It would be a very reasonable assumption that we are not far from the situation where the Soviet could knock down American orbiting spacecraft. * * * They have a clear space superiority in the military, if not in the scientific sense.

Everything now points to the conclusion that we must allocate a higher priority to our defense requirements in space. There are, as I understand it, two major requirements that call for priority attention.

First, there is the requirement, for the creation at the earliest possible date, of a manned space laboratory which would give us the ability to test space weapons systems and their components under actual environmental conditions.

Second, there is the requirement for the development of the manned, maneuverable spacecraft which, in the opinion of our military experts, hold the key to ultimate supremacy in space.

Accepting this conclusion, there are two problems we must immediately confront: first, what concrete measures can we take today to accelerate our military space program; and, second, will we have to cut back on NASA's scientific program in space, or perhaps cut back on our moon program, in order to find the manpower and resources for an accelerated military program in space?

The Senator from Nevada and the junior Senator from Wisconsin, in the course of their discussion, both made the point that we were confronted with the growing problem of available scientific manpower and, as I read the discussion, they implied that, to find the funds and personnel for an expanded military effort in space, we would probably have to cut back on NASA, which, of course, means cutting back on the moon program.

This is an exceedingly complex question, and I am looking forward to the statement which the Senator from Nevada has promised us. It is my earnest hope that, despite the very great costs of maintaining both, we will not have to cut back on our moon program in order to accelerate our military space effort. Recognizing how complex this question is, I do not pretend to a final opinion. But I will point out that I have spoken to military men and scientists of outstanding competence who believe that this country is rich enough in human and material resources to be able to afford a major military program in space as well as a major scientific program.

The moon program has been criticized in some editorials and articles as a prestige gimmick, that may turn out to have very little real military or scientific significance. For my own part, I am inclined to accept the evaluation of the exceedingly competent NASA experts that the project will vastly contribute to our scientific knowledge of space, that it is an essential stepping stone to the exploration of outer space, and that it may ultimately prove to have some very serious military significance.

But even if the criticisms were correct, even if the moon shot, on consummation, proved to have relatively little scientific or military significance, even if it were essentially a prestige operation, I would still be in favor of pushing ahead toward the moon with all possible speed.

The factor of prestige must not be underestimated. Someone once made the statement that "prestige is to power as cash is to credit." There is a lot to this statement in the sense that prestige is both a condition of power and an essential ingredient of the power complex.

Indeed, under the strange rules of the cold war, there have been many situations in which momentary prestige has counted for more than economic and military power in being.

In terms of our economic resources and military strength, the free world is incontestably superior to the Communist world. But the Communist world has been able to use the prestige accruing from its space accomplishments to persuade the noncommitted peoples of Asia, Latin America, and Africa that the Communist system is technically superior to the free enterprise system. They have been able to use this prestige to win votes for themselves in the councils of the United Nations. And they have used this prestige, too, at conference table after conference table, in their negotiations with the West. How effectively they have used it may be gleaned from the tragic record of consecutive concessions we have made to them in the diplomatic conferences of recent years.

For these reasons, I earnestly hope that it will prove possible to maintain our scientific space program and our moon program intact while instituting an immediate program to bolster our flagging military effort in space.

As matters now stand, NASA has complete control over the development of manned space vehicles, and over the launching program that has been scheduled for the years to come. The Armed Forces provide the missiles and the astronauts and the machinery for recovery. But the elaborate mechanism of control is operated by civilians under the direction of NASA. The one and a quarter billion dollars, approximately, which has been allocated to our defense effort in space this year, has to be divided between many programs. Without a major increase in funds for space purposes, the Air Force will simply not be able to undertake the development of a stable of manned space vehicles of varying capabilities.

Under a free enterprise system, human talent tends to gravitate to those organizations that have the most ambitious programs, that offer the greatest scope for imagination and initiative, and that dispose of the greatest funds.

Lacking funds, lacking a clear-cut directive, lacking an assigned mission in space, our military space effort is already suffering from a serious attrition of morale. In consequence of this, some of the ablest men in our military establishments, I am told, are leaving the service for private industry.

Their motivation in seeking a change, I think it should be emphasized, is not monetary gain; it is the natural desire of talented and ambitious men to want to be part of a program that appears to be going places.

If this process of demoralization is permitted to continue, and if our defense establishment continues to lose qualified scientific and technical personnel, the time is not too far distant when our Armed Forces, if they were given the green light for a stepped-up space program, would lack the personnel to man it.

The reorganization of our space effort will require a number of changes.

First, and preceding everything else, there must be a change in policy, which clearly and publicly assigns a greater emphasis to the military potentialities of space.

We must cease to be apologetic for our efforts to develop a defensive capability, particularly in space. We must accept the harsh fact that our very survival as a nation may very well depend on our ability to control our space environment.

Second, there must be a specific directive to the Defense Department to proceed as a matter of the utmost urgency with the development of military space systems, in particular of manned space vehicles.

We are rapidly approaching the point where our scientific and our military efforts in space must begin to diverge.

Through the early stages of space flight—through Project Mercury and perhaps through Project Gemini—the same programs could adequately serve both our scientific and our military requirements.

But, beginning with Gemini, our Military Establishment will be confronted with the practical need to develop technologies and spacecraft and hardware specifically adapted to military purposes.

Even in anticipation of Gemini, I would like to suggest that the Air Force be authorized to set up an urgent program for the development of a true military spacecraft, and provided with the necessary funds for such a program.

I take it for granted that the Air Force would place this program under the direction of the most competent and dynamic officer available to it.

Our military personnel have time and again demonstrated a unique talent for getting things done with the utmost expedition, for knocking months and years off estimated schedules. I remind my colleagues of the fantastic tempos achieved by our military experts in the development of the A-bomb, of the nuclear submarine, of the Polaris missile, and, most recently, of the Minuteman missile system.

Third, I believe that while proceeding with the development of specialized military spacecraft, our Military Establishment should be authorized to embark immediately on a launching program of its own for manned space vehicles, perhaps employing modified versions of the equipment now under development by NASA. This measure, in itself, would greatly accelerate the tempo of development because our military, presumably, would not carry out all launch operations before the kleig lights of the world press, and because military risk calculations are considerably different from the risk calculations under which our civilian agencies are, quite properly, obliged to operate.

There are experts who believe that if our Defense Establishment were given authority to immediately set up a launching program of its own, it would be possible among other things, to greatly expedite the programs that have been scheduled for the development of rendezvous and docking techniques. Dr. Kantrowitz of the Avco-Everett Research Laboratory has, in fact, expressed the opinion that these problems could be solved employing the Mercury capsule with suitable modifications.

Fourth, to support the establishment of military launching and vehicle development programs, our astronaut training program will have to be stepped up, and military personnel will have to be trained in the use of the complex monitoring and control systems that constitute the brain of our entire space vehicle effort.

Fifth, our defense program in space will have to be provided with whatever money may be necessary to achieve its objectives, and to overtake the Soviet lead in manned space vehicles.

Sixth, the machinery of cooperation between NASA and Defense will have to be overhauled in a manner which gives due consideration to the requirements of defense as well as to the requirements of science.

Specifically, I would like to suggest that representatives of the armed services sit in as advisers at the meetings of the National Aeronautics and Space Council, which has been set up for the purpose of guiding the President on the assignment of responsibilities between NASA and Defense.

I have heard that even in our Department of Defense there are some people whose attitude toward the space program is conservative or even skeptical. Before they commit any of the Defense Department's limited funds to further space projects, they would like to have a precise statement of the military objectives to be achieved by these disbursements. In general, this is an attitude of which I approve. But when it comes to something as new and as fantastic as space technology, I think it is possible to err on the side of too much caution.

No one can predict with certainty what forms the spacecraft of the future will take, what their military capabilities will be, how heavily they will count in the mortal struggle between the free world and international communism. But this much can be said with certainty: That all of the military men associated with our space program are convinced that space has tremendous military potentialities, and they fear that if we ever permit the Soviets to establish military control over our space environment, the outcome of the world struggle will have been decided at that point.

Speaking in Detroit last October, Gen. Curtis LeMay suggested a number of possibilities in the realm of space weaponry:

> Perhaps they will be weapons that strike with the speed of light.
>
> If a new generation of armaments operated in space can neutralize an aggressor's ICBM's, the world will enter a new era in warfare. Furthermore, war in the future may be waged and decided without a weapon being applied against an earth target. Space capabilities may bring about the technological disarmament of nuclear weapons. It may also remove major wars from the surface of the earth.

General LeMay's prophetic words may be difficult to credit, even in this age of technological miracles. But when the general spoke of weapons that strike

with the speed of light, he was not speaking about things that are vague theoretical concepts.

Within the past fortnight, Gen. Bernard Schriever has made public significant information on the potentialities of the laser, an instrument that has the ability to focus a beam of light so sharply that it might ultimately be able to destroy objects at distances of hundreds of miles. As General Schriever pointed out, primitive lasers are already in existence both in this country and in the Soviet Union. If the laser becomes an operational weapon, and if this weapon is then mated to manned space vehicles, the possibility of such a weapons system is obviously unlimited.

These are only several of the things that have been mentioned as possibilities in the realm of space weaponry. The establishment of an accelerated space vehicle program must not be permitted to wait until specific weapon systems, adaptable for use in space, have been designed. The very first purpose of a military manned vehicle program, in fact, would be to explore the military potentialities of space and to provide us with the capabilities for testing weapon systems in the environment of space.

Mr. President, I again want to congratulate the junior Senator fom Nevada for initiating a most significant discussion. If I have spoken up today, it is not so much for the purpose of amplifying his remarks as for the purpose of helping to demonstrate that there is a very considerable body of opinion in the Congress of the United States which is gravely concerned over the status of our military space program, and which is prepared to support whatever measures and whatever sacrifices may be necessary to overtake the Soviet lead in space, and to make the United States of America supreme in space as it is supreme on sea and in the air.

Let us continue to hope that space will be used for peaceful purposes only. Let us always stand ready to enter into a properly safeguarded pact to this end with the Soviets.

But let us take guidance from our traditional stand that there must be no disarmament in any field that is not accompanied by an adequate system of inspection.

Let us remember that while the great majority of our space launchings have been publicly staged, the Soviets have staged all of their launchings in secret.

Let us remember that while we have been throwing up Telstars and weather satellites and navigational satellites, the Soviets have been throwing up manned space vehicles in progressively more sophisticated operations.

Let us remember the unbroken Soviet record of perfidy and aggression in the years that have intervened since the close of World War II.

Let us remember, in particular, how the Soviets induced us to enter into an honor moratorium on nuclear testing; how we negotiated in good faith for a test-ban treaty while our nuclear technology remained inactivated; and how the Soviets finally violated the moratorium last September with a mammoth series of more than 50 tests.

Remembering these things, we cannot afford to neglect our military effort in space while the Soviets push theirs with all the energy at their command. For this would be tantamount to disarming ourselves unilaterally, and leaving ourselves at the mercy of a foe who has sworn to bury us.

I again congratulate the junior Senator from Nevada [Mr. CANNON] for initiating a most significant discussion. I believe that only good can come out of the discussion and that our program will grow better.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the following items:

First. An editorial from the magazine Missiles and Rockets, August 20, 1962, entitled "The Big Knife."

Second. A speech by Dr. Arthur Kantrowitz, director of Avco-Everett Research Laboratory, entitled "Some Thoughts on Our Space Policies."

Third. A speech by Gen. Bernard A. Schriever, head of the Air Force Systems Command, entitled "A New Spectrum in Technology."

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

[From Missiles and Rockets, Aug. 20, 1962]

THE BIG KNIFE

The United States is 5 years behind the Soviet Union in space technology. But the real question is not how far behind we are but what we are going to do about it.

A front-page story in the New York Times of August 14 reports:

"Leaders of this country's space program are still optimistic about chances of being the first to land astronauts on the moon. The Soviet Union's success in putting two manned spacecraft into orbit close together has neither surprised them nor caused great concern."

We don't mind telling you we are considerably less optimistic and a great deal more concerned.

The Russian accomplishment has demonstrated in the most vivid manner that the United States, rather than closing the gap, is falling further behind in the advanced technology of space. This Nation's prestige and security both are threatened.

Krafft Ehricke, director of advanced studies at General Dynamics/Astronautics, always has been one of the industry's most outspoken and farsighted scientists. His comment when asked about possible military application of the Soviet flights was right to the point:

"If you have a big knife, you can use it to carve a steak or you can plunge it into your neighbor's back."

Most comment on the new Russian achievement has centered on the accomplishment, or near accomplishment, of what is planned more than 2 years from now in the U.S. Gemini program. This overlooks a number of significant points, particularly in potential military applications:

We have a highly classified U.S. military program, officially labeled "621A" and more informally known as Saint I. This is Satellite Inspector, designed for unmanned rendezvous and inspection of unidentified satellites. It is behind schedule and has not yet gotten off the launch pad in an initial feasibility demonstration. The twin Soviet capsules, orbiting within sight of one another, already have accomplished more than program 621A will prove. Space-to-earth television, one of the requirements of 621A, has been demonstrated by the Soviets.

The follow-on program, Saint II or 621B, calls for a manned satellite interceptor with the capability of destroying or neutralizing hostile satellites. This one is not even off the drawing boards. Three-month study contracts for Saint II were abruptly canceled in June, although industry is continuing its work in this area. The Soviet flights have fully demonstrated the feasibility of such intercept and destruction.

The demonstrated Soviet capability of orbiting two or more manned capsules for long periods of time provides the Russians with a reconnaissance potential which puts the complex and expensive U.S. Samos and Midas programs in a shadow. Midas, indeed, is known to be in serious development trouble due to inability of its sensors to discriminate. Manned reconnaissance is far more effective than spy satellites which depend on cameras or sensors. One of the two Soviet astronauts described, in fact, the major road system he could see in Latin America.

The U.S. Air Force is carrying out a determined study effort on orbital weapons systems. The Soviets now have demonstrated this capability. A high Department of Defense official told us orbital weapons are impractical because, traveling on predictable paths, they are too easy to knock down. May we ask: With what?

The Russians have demonstrated operational launch and tracking capabilities beyond those of the United States. They have made Gemini obsolescent and are well along the Apollo curve.

We're tired of hearing from addle-pated scientists and politicians who insist that the Russians are ahead of the United States only in booster performance. This is flatulent balderdash. So is the prophecy that we will pass the Russians in this field as soon as Saturn becomes operational. Are we naive enough to believe that the Soviets are standing docile in booster technology while we overtake them en route to the moon?

Now is the time for the administration to act and with vigor. The argument that money won't buy time is patently false. It will, up to a point, and we are far from that point. Starting with a decision to take the wraps off the U.S. Air Force and an all-out manned military space effort, there are many things which can be done immediately:

1. Put more money into the X-20 (Dyna-Soar) program.

2. Step up financing of Aerospace plane.

3. Fund Saint II development, drawing on Gemini technology where available and required but going as far beyond it as necessary and as rapidly as possible.

4. Fund development of the manned military space station.

5. Fund an extensive big solid booster program.

6. Forget vague predevelopment definition studies intended to conclusively prove before something is built that it will work: If a feasibility study proves feasibility, get on with the job and build it. Be prepared to accept occasional failures.

7. Tear down the vast consulting and in-house empires for research and development and systems engineering. The military services should have sufficient technical capability, either in-house or from nonprofit organizations, to competently evaluate proposals and bids and to provide technical surveillance of funded programs. The actual work, including systems engineering, should be left to private industry—which will do a far better job.

Only in this manner can we be assured that the big knife will cut into steak—and not into our back.

SOME THOUGHTS ON OUR SPACE POLICIES

(Speech by Dr. Arthur Kantrowitz, director, Avco-Everett Research Laboratory, at a luncheon meeting of the National Rocket Club, Washington, D.C., Tuesday, August 21, 1962.)

We live in an age dominated by science and technology. It is also a time of competing forms of social organization. The competition in space exhibits both of these phenomena of our times in a striking way. The Soviet Union is endeavoring to exhibit the superiority of their social system by exhibiting in the most spectacular way possible that they better understand how to develop and apply science and technology. The Russian space spectaculars are in a limited sense frauds. They are not simple deceptions in that I am willing to accept their claims of specific achievement at face value. However, they are designed to conceal the fact that the Soviet Union cannot match America's tremendous successes in applying science and technology to the great problems of combating want and disease and ignorance. In this respect they are frauds.

Consider, however, the military significance of space. At the present time there are certain clear applications of space for reconnaissance and communications which are important but perhaps not decisive in a military sense. However, it is my conviction that the elaboration of space technology will lead to new decisive weapons, that the most likely way in which the ICBM stalemate will finally be broken is by space-based weapons.

Their recent advance toward the achievement of rendezvous in space has brought them close to the capability of multiplying the weight that they can place in orbit in a single launch by the number of vehicles they can rendezvous. This achievement would make it possible for them to surpass the orbital capabilities of the biggest boosters we are even talking about. The Russians will first have the opportunity to explore the capabilities of a permanent manned laboratory in space. We must hope that we will also have such a laboratory before this capability leads them to a new weapon of decisive strategic importance. In this grim sense the Russian achievement is not a fraud.

In the past few years we have been seriously attempting to match Russian achievements in space. It has, however, become painfully clear with each successive year that we are falling farther and farther behind. Thus, we were 4 months behind the launching of Sputnik I, 10 months behind the first man in orbit, and we are now reported to be years behind their most recent achievement. I find it difficult to believe that we are, in fact, catching up. I find it still more difficult to believe that America cannot excel in this area. Why is it that we can lead the world in so many areas of technology and not in the large-scale technology of space?

One of the important roots of America's excellence in technology has been our deep belief in what Jefferson once called "the free marketplace of ideas." In technology this means the provision of a climate suitable for the growth of many competing ideas. This includes not only those immediately credible but the striking and imaginative ideas which require some nurturing to achieve credibility. How can we as a nation apply this basic element of our philosophy to the space effort?

The space effort differs from previous technological adventures in that in many cases demonstration of the power of an idea requires the expenditure of large amounts of money. Ideas which can be explored and proven on a small scale are still moving ahead more vigorously in this country than anywhere else. Thus, for example, in the space science area where because of the relatively modest requirements for funds many ideas can be pushed at the same time, we are still exhibiting America's traditional excellence. However, in the man-in-space area the cost is so high that there has been an important tendency to adopt the technique of our opponent, who claims that planning by an oligarchy is superior to the free marketplace of ideas. There is some tendency on our part to adopt the facile statement—let's pick one idea now and run with it. Thus, you see our Government recently wrestling to find the one best idea for the moon trip. It is my conviction that this policy represents a departure from the competitive free marketplace of ideas which has been responsible for America's technological excellence. This departure has led to our inability to compete with the Russians.

It is a simple thing to say that since a project is going to be very expensive let us not multiply the cost by trying to do it several ways. I am convinced, however, that this is a fallacy. Putting the problem so restrictively compels the adoption of the most cautious of available approaches. In attempting anything new the ability to start an imaginative approach before every step has been demonstrated can save much time and money. We did this in the ICBM program when we started to build boosters before we knew that the precision guidance and the reentry problems had practical solutions. This adventurous decision was reasonable because we simultaneously agreed to pursue several approaches to each difficult problem, allowing these approaches to compete in the early and relatively inexpensive phases. It is a truism that a policy which compels adoption of the most cautious approach to an adventurous problem will be very costly in time and in money.

The present plan in space concentrates an awesome responsibility on a small group of Government employees who must invent, advocate, judge, and execute systems to meet national goals. The free marketplace of ideas would cast a group of Government scientific officials in the role of judge. They would sit in judgment over the ideas of others, over the many advocates of varying approaches to meet a new challenge. They would listen to the evidence and to the cross-examination of that evidence by advocates of alternate approaches. They would find in some cases that no scientific decision could be reached on the basis of the available evidence. In these cases it would be necessary to continue multiple approaches until new evidence could accumulate. They would direct attention to the specific questions which must be answered to enable scientific decisions to be made. It, of course, would be necessary for the judge himself to carefully refrain from taking a position on matters before him. Thus, the enormous responsibility of our space program could be spread over a much larger segment of our scientific and engineering community. The essential function which must remain a purely governmental one is that of judgment, whereas the function of invention and execution can be delegated. The delegation of these responsibilities to the scientific community as a whole will create the free marketplace.

The role of judge has not been well developed in the history of science. In small-scale scientific work this role has been less important than that of the brilliant far-seeing advocate. This tradition has been reflected in the education of our scientists and engineers who have had the achievements of great pioneers held up as examples. To implement a free marketplace of ideas we will need to develop a corps of scientific judges. We will need to endow these people with the prestige that judgeship has achieved in the legal profession. We will need to endow their position with authority so that technical judgments will not be overridden by political authority. We will need, also, to be certain that these technical judges do not extend their authority beyond their area of competence; i.e., beyond the answering of scientific questions.

Encouragement of the free marketplace of ideas would attract many of the most creative of our engineers and scientists to the space program. It would call forth the enthusiasm without which, as Emerson once said, nothing great can ever be achieved. It would exhibit the power of a free society.

A NEW SPECTRUM IN TECHNOLOGY

(Keynote address by Gen. B. A. Schriever, before the Society of Photographic Instrumentation Engineers, New York, N.Y., August 6, 1962)

It is a real pleasure to be with you this evening. The members of the Society of Photographic Instrumentation Engineers have played an indispensable role in building our modern Air Force. We welcome the opportunity to cooperate with you in this symposium.

The importance of your effort in photographic instrumentation is not always properly appreciated. Like many of the other essential elements in systems acquisition, it tends to be taken for granted. In the complete process of developing, testing, producing, and installing a new aerospace system, public recognition is given to only the visible portion of the effort. Most of the general public is unaware of the efforts that provide that visibility.

As far as we in the Air Force are concerned, this is not the case. As one of the largest users of photographic instrumentation in the world, we know the vital importance of your efforts. We simply could not do the job in research and development without your creative work in support of our many development and test centers—the sled track at Holloman, the wind tunnels at Arnold Center, the launch pads at Cape Canaveral, and our other facilities across the country. More than a thousand people within the Air Force Systems Command are directly concerned with photographic instrumentation.

In recent years you have pioneered many advances in your field, such as the development of new lenses, high speed cameras and film, and high speed film processing methods. These advances have contributed to the rapid progress of our research and development efforts. They have helped provide more complete and accurate information on test results. As a consequence, far fewer tests are required. For example, more than 2,500 test firings were required to develop the German V-2. Less than 50 tests were needed to develop the Thor. Better instrumentation is a major factor in this dramatic reduction.

Instrumentation today is a big business—a billion dollar business. You could consider that the Atlantic missile range is an instrumented shooting gallery. On any major development test, dozens of cameras and thousands of people are involved. Advances in photographic techniques allow us to optically view and record separation of missile stages at slant ranges in excess of 80 miles. Photographic instrumentation is used to observe and record events such as the separation of the reentry vehicle from the booster on ballistic missile flights, or the expansion of an Echo-type balloon.

The procurement of major instrumentation items, such as the new ships for the extended Atlantic missile range, may involve hundreds of millions of dollars. We are applying the same management techniques and procedures to these procurements that we use for the acquisition of major weapon systems. The Air Force has established and is operating system program offices to support these new developments and acquisitions.

The rapid advances in the state of the art show clearly that the future holds even more promise. This symposium is an indication of your interest in new techniques. Your capability for rapid and accurate measurement will improve. It is obvious that the Air Force is also vitally interested in every area of advanced technology that may contribute to national security.

One new area to which you are devoting increased attention is the development of Laser techniques. A recent issue of the Spie magazine was devoted to this rapidly growing new technology, and later this week some of the papers will be concerned specifically with Laser applications. Most of you are well acquainted with the technical aspects of the Laser. I want to outline some of the possibilities that we see for application of this advanced technique—not only in this particular field, but in many other fields as well.

This revolutionary discovery may prove to be even more important to the world than the development of the ballistic missile, the discovery of the transistor, or the reality of Telstar. Ballistic missiles revolutionized the military art. Transistors outmoded previous developments in electronics. Telstar, an instantaneous and automatic communications link between Europe and America, is the precursor of global communications networks through space. The Laser will have a profound impact on every scientific and technical discipline represented here this evening—and more besides.

As a new method for transmission of energy, the Laser has almost infinite potential. The Laser can direct a concentrated beam of light across great distances with extreme precision. It is therefore ideally suited for application in space. In addition, it appears to have many practical applications in research, industry, medicine, and communications.

The Laser can be used to create temperatures millions of times hotter than the surface of the sun. This makes it a powerful research tool. In effect, it offers the possibility of placing a private sun in every laboratory. The ability to focus heat on an extremely small area makes it possible to achieve better chemical analysis by vaporizing the material under study without adding impurities. As a light source in the spectroscope, the Laser will enable scientists to achieve results much more quickly than in the past.

Lasers also have a number of potential industrial applications. In the chemical industry they can be used in the selective heating of a single ingredient in a chemical mixture. This will permit the achievement of certain chemical reactions that can be achieved in no other way. Even embroidery work on the individual chemical bonds of molecules can be accomplished through the use of the Laser.

Lasers will also open up a completely new area of microtechnology, by giving us the ability to drill or cut to tolerance measured in hundreds of molecules. All materials—including diamonds—can now be drilled or cut with extreme precision. High temperature materials can also be welded easily.

Lasers also offer a completely new approach to the design of large computers, which—in spite of their tremendous speeds—are still too slow to do all the scientific and business jobs we would like. Lasers may make it possible to greatly increase computation speeds by substituting "pipelines of light" for wires and components.

Great potential also exists in the field of medicine. Lasers, with their output focused to a very small spot, can be used to perform many kinds of knifeless surgery. A surgeon has already used this technique to operate on a human eye and correct a detached retina. The Laser beam, which is focused on the retina by the lens of the eye, is used to burn small sections around the detached area. Scar tissue forms at the points of burn, reattaches the optical elements, and sight is restored. In effect, elements of the inner eye have been "spot welded" without cutting any portion of the organ itself. In the near future similar techniques may be used for nerve surgery, brain surgery, and the removal of undesired tissue.

One of the most promising uses for the Laser will be found in the field of communications. For years radio and TV stations, as well as military users of the frequency spectrum, have been trying for clear channels without interference from other users. This has become a matter of worldwide concern.

The Laser opens up entirely new frequency ranges. From the earliest experiments in radio to the present time we have explored about 100 billion cycles. On most frequencies we have multiple, interfering users in competition and conflict. But in the next few years Lasers will open more than a million times the present communications spectrum. This presents the opportunity for a vast expansion—including TV relay and lunar and interplanetary communications.

As I have suggested earlier, the Laser is ideally suited for application in space. One of its uses will be as part of various sensing devices. Surveillance, data readout, mapping, surveying, and navigation and control may be revolutionized by the full application of the Laser principle. The first step toward a space Laser radar was recently demonstrated. Scientists bounced Laser beams off the moon and detected the returning signal.

The Laser offers a method for communications and energy transfer in space. If a high-energy Laser beam were directed at a satellite, most of its energy could be transferred to an appropriate receiver. Thus it would be entirely possible to recharge batteries or activate a chemical power source in a space vehicle. If a Laser system were developed as a backup to the space vehicle's normal power supply, it could correct for a power failure.

This same capability could also be used for defensive purposes in space. Within an increase in the energy level of a Laser beam, or with more precise aiming techniques, it might have increasingly destructive and lethal effects and perhaps could be used to degrade or destroy the sensors and structure of the space vehicle at which it was directed.

As you know, these are only a few of the potential applications of the Laser. Its many possibilities have intrigued the scientist and the engineer, and it is time for industry and the Government to make sure that this new technology is developed fully and rapidly.

To a very large extent, the rate of development depends on the amount of research and development effort expended. This costs money; it all has to be organized and directed; and it will result from industrial progress. But if the Laser is to achieve maximum utility in research and for industrial and national security purposes, a clear appreciation of its scientific import must also come from the Government.

As you know, the Government is already actively supporting Laser research and development. Although much of this is directed toward possible military application, it is clear that many civilian applications will be derived from these defense-oriented early efforts.

The Army Ordnance Missile Command, the Signal Corps, and the Corps of Engineers have all backed Laser developments and evaluations which provide promise for Army missions. The Office of Naval Research has sponsored numerous contracts related to materials. The National Aeronautics and Space Administration has industry studies underway which may well open new doors to precision tracking of U.S. space launches. Other agencies will become involved in the application of Lasers.

In the Air Force, our current funding for Laser technology is about $6 million. Our efforts range from instrumentation development to the search for means of using Laser beams in support of our military space objectives. Our budget for fiscal year 1964 should include an increase for Laser research and development.

The Laser is a striking example of the potential to be found in today's advanced technology. We must make full use of its possibilities for national security purposes.

There is ample evidence of the Soviet Union's interest in Lasers. The Soviets claim to have discovered the Laser in 1951, and in 1959 they awarded the Lenin Prize to the authors of important Russian papers on Lasers. The level of Soviet Laser research, as reflected in numerous reports since the mid-1950's, suggests that considerable planning and organization have gone into their efforts.

It appears that Soviet efforts to date have roughly paralleled those of the United States. But the Soviet may secretly have specific Laser applications under strenuous development. They have always been quick to make military application of their scientific advances.

The Laser is only one of the many areas of advanced technology that must receive increased support if our Nation is to maintain technical superiority.

In order to strengthen the direction and support of advanced technology within the Air Force, the Research and Technology Division has recently been created as part of the Air Force Systems Command. This division is now operational under Maj. Gen. Marvin Demler and is directed to insure maximum exploitation of the Laser and other significant scientific innovations. This new division will provide us with the management tool that will enable us to be more responsive in vital areas of applied research and advanced technology. Increased effort in this area is vital in today's technological contest.

The Laser is a primary example of the new scientific challenges and opportunities facing the United States today. Through this technique, light has become a significant tool of almost infinite potential—for either good or evil. Other areas of advanced technology may have similar implications for our national security. We must recognize this fact and insure that the advance of technology will continue to add to the strength and security of the free world.

Mr. CANNON. Mr. President, I was delighted to hear the very apt and timely remarks of my colleague, the Senator from Connecticut, on national security and military space power. I am honored and flattered by his kind remarks concerning the speech I made on Monday on this subject.

I know that the Senator from Connecticut has long been concerned with our lagging military space accomplishments, and his remarks today added immeasurably to the case which is rapidly being developed, both here and throughout the Nation, to bring a sense of urgency to the space challenge. He has given a valuable address on the need to reorient our space efforts in order to insure the peace. For, as Senator DODD has fittingly expressed it, "Peace cannot be protected by weakness." He has wisely sensed that a majority of the American people have reservations about our position in the space race and that they are not satisfied with mere scientific "gadgetry" alone.

The Senator from Connecticut states, as I have been saying, that "we must allocate a higher priority to our defensive requirements in space." And he urges a higher priority for the military potentialities of space.

I am encouraged by the progress that has been made this week in the form of statements by the Secretary of Defense that much more will be done in this important area very soon. I hope that much more will be done, and I commend the Senator from Connecticut for his eloquent and persuasive statement that we must start preparing today so that we establish our military power not only on land, sea, and air but in space.

VETERANS READJUSTMENT ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 349) to provide readjustment assistance to veterans who serve in the Armed Forces between January 31, 1955, and July 1, 1963.

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

The amendments were agreed to.

Mr. COOPER. Mr. President, I propose an amendment, which I send to the desk and ask that it be printed, ordered to lie on the table, and printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 1, beginning with line 5, strike out all through line 2 on page 52, and insert in lieu thereof the following:

"STATEMENT OF POLICY

"SEC. 102. The Congress of the United States hereby declares that the veterans' education and training loan program created by this Act is for the purpose of providing vocational readjustment and restoring lost educational opportunities to those service men and women whose educational or vocational ambitions have been interrupted or impeded by reason of active service in the Armed Forces during a period when compulsory military service under the laws of the United States was in effect, and for the purpose of aiding such persons in attaining the educational and training status which they might normally have aspired to and obtained had they not served their country.

"TITLE II—EDUCATIONAL AND VOCATIONAL TRAINING LOANS

"Part I—Definitions

"SEC. 201. For the purpose of this title—

"(1) the term 'basic service period' means the period beginning on February 1, 1955, and ending on the day before the date of termination of compulsory military service under the laws of the United States, except that with respect to a person in the active service of the Armed Forces on such day, such term means the period beginning on February 1, 1955, and ending on the date of the person's first discharge or release from service after such day;

"(2) the term 'eligible veteran' means any person who is not in the active service in the Armed Forces and who—

"(A) has served in the active service of the Armed Forces at any time during the period beginning on February 1, 1955, and ending on the day before the date of termination of compulsory military service under the laws of the United States,

"(B) has been discharged or released from such active service under conditions other than dishonorable, and was not given a bad-conduct discharge, or if an officer, did not resign for the good of the service, and

"(C) has served in the active service of the Armed Forces continuously prior to such discharge or release for six months or more subsequent to January 31, 1955 (exclusive of any period he was assigned by the Armed Forces to a civilian institution for a course of education and training which was substantially the same as established courses offered to civilians, or a cadet or midshipman at one of the service academies), or has been discharged or released by reason of an actual service-incurred injury or disability;

"(3) the term 'date of termination of compulsory military service under the laws of the United States' means the day following the last day on which involuntary induction of civilians (other than individuals liable for induction by reason of a prior deferment) into the Armed Forces of the United States is authorized under (A) the Universal Military Training and Service Act, as now in effect or hereafter amended, or (B) any law enacted after the date of the enactment of this Act, if such law is enacted within six months after the Universal Military Training and Service Act ceases to be effective.

"(4) the term 'program of education or training' means any single unit course or subject, any curriculum, or any combination of unit courses or subjects, which is generally accepted as necessary to fulfill requirements for the attainment of a predetermined and identified educational, professional, or vocational objective;

"(5) the term 'course' means an organized unit of subject matter in which instruction is offered within a given period of time or which covers a specific amount of related subject matter for which credit toward graduation or certification is usually given;

"(6) the term 'dependent' means—

"(A) a child (as defined in section 101 of the Veteran's Benefit Act of 1957) of an eligible veteran,

"(B) a parent (as defined in section 101 of the Veteran's Benefit Act of 1957) of an eligible veteran, if the parent is in fact dependent upon the veteran, and

"(C) the wife of an eligible veteran, or, in the case of an eligible veteran who is a woman, her husband if he is in fact dependent upon the veteran;

"(7) the term 'educational institution' means any public or private elementary school, secondary school, vocational school, correspondence school, business school, junior college, teachers college, college, normal school, professional school, university, scientific or technical institution, or other institution furnishing education for adults;

"(8) the term 'training establishment' means any business or other establishment providing apprentice or other training on the job, including those under the supervision of a college or university or any State department of education, or any State apprenticeship agency, or any State board of vocational education, or any joint apprentice committee, or the Bureau of Apprenticeship established in accordance with Public Law 308, Seventy-fifth Congress, or any agency of the Federal Government authorized to supervise such training;

"(9) the term 'Armed Forces' means the Army, the Navy, the Air Force, the Marine Corps, and the Coast Guard of the United States;

"(10) the term 'State' means each of the several States, the Territories and possessions of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Panama Canal Zone;

"(11) the term 'Administrator' means the Administrator of Veterans' Affairs; and

"(12) the term 'Commissioner' means the United States Commissioner of Education.

"Part II—Eligibility

"Entitlement to education or training loans generally

"SEC. 202. Each eligible veteran shall, subject to the provisions of this title, be entitled to education and training loans for the purpose of assisting him in pursuing a program of education or training. Such loan shall be repayable by such veteran to the Government as hereinafter provided.

"Commencement; time limitations

"SEC. 203. (a) No eligible veteran shall be entitled to initiate a program of education or training under this title more than three years from the date of the enactment of this Act, or after three years after his discharge or release from active service, whichever is later.

"(b) The program of education and training of an eligible veteran under this title shall, on and after the delimiting date for the veteran to initiate his program, be pursued continuously until completion except that an eligible veteran may suspend the pursuit of his program for periods of not more than twelve consecutive months, and may suspend the pursuit of such program for longer periods if the Administrator finds that the suspension for each such period was due to conditions beyond the control of the eligible veteran.

"(c) In the event an eligible veteran returns to active service in the Armed Forces prior to the date on which compulsory service under the laws of the United States terminates, his date of discharge or release shall, for the purposes of this section and section 204, be the date of discharge or release from his last period of active service which began prior to the date on which compulsory service under the laws of the United States terminates.

"Expiration of All Education and Training

"SEC. 204. No education or training loan shall be provided an eligible veteran under this title beyond eight years after his discharge or release from active service, and in no event shall an education or training loan be provided under this title more than ten years after the date on which compulsory service under the laws of the United States terminates.

"Computation of Veteran's Loan Entitlement

"SEC. 205. (a) Each eligible veteran shall be entitled to receive education and training loans under this title to assist him in obtaining education or training over a period equal to one and a half times the duration of his active service in the Armed Forces during his basic service period (or to the equivalent thereof in part-time training), except that—

"(1) in computing the duration of his active service in the Armed Forces, there shall be excluded a period equal to any period he was assigned by the Armed Forces to a civilian institution for a course of education or training which was substantially the same as established courses offered to civilians or as a cadet or midshipman at one of the service academies;

"(2) the period for which an eligible veteran shall be entitled to receive education and training loans under this title shall not, except as provided in subsection (b), exceed thirty-six months; and

"(3) the period for which an eligible veteran shall be entitled to receive education and training loans under this title, together with education or training received under part VIII of Veterans Regulation Numbered 1(a), title II of the Veterans' Readjustment

Assistance Act of 1952, of the War Orphans' Educational Assistance Act of 1956, or of vocational rehabilitation training under part VII, Veterans Regulation Numbered 1(a), or Public Law 894, Eighty-first Congress, shall not, except as provided in subsection (b), exceed thirty-six months in the aggregate.

"(b) Whenever the period of entitlement to education and training under this title of an eligible veteran who is enrolled in an educational institution regularly operated on the quarter or semester system ends during a quarter or semester and after a major part of such semester or quarter has expired, such period shall be extended to the termination of such unexpired quarter or semester. In all other courses offered by educational institutions, whenever the period of eligibility ends after a major portion of the course is completed such period may be extended to the end of the course or for nine weeks, whichever is the lesser period.

"(c) In the case of any eligible veteran who is pursuing any program of education or training exclusively by correspondence, one-fourth of the elapsed time in following such program of education or training shall be charged against the veteran's period of entitlement.

"Part III—Enrollment

"Selection of Program

"SEC. 206. Subject to the provisions of this title, each eligible veteran may select a program of education or training to assist him in attaining an educational, professional, or vocational objective at any educational institution or training establishment selected by him, whether or not located in the State in which he resides, which will accept and retain him as a student or trainee in any field or branch of knowledge which such institution or establishment finds him qualified to undertake or pursue. Nowithstanding the foregoing provisions of this section, an eligible veteran may not pursue a program of education or training at an educational institution or training establishment which is not located in a State, unless such program is pursued at an approved educational institution of higher learning. The Administrator in his discretion may deny or discontinue the enrollment under this title of any veteran in a foreign educational institution if he finds that such enrollment is not for the best interest of the veteran or the Government.

"Applications; Approval

"SEC. 207. Any eligible veteran who desires to initiate a program of education or training under this title shall submit an application to the Administrator which shall be in such form, and contain such information, as the Administrator shall prescribe. The Administrator shall approve such application unless he finds that such veteran is not eligible for or entitled to the education or training applied for or that his program of education or training fails to meet any of the requirements of this title, or that the eligible veteran is already qualified, by reason of previous education and training, for the educational, professional, or vocational objective for which the courses of the program of education or training are offered. The Administrator shall notify the eligible veteran of the approval or disapproval of his application.

"Change of Program

"SEC. 208. (a) Subject to the provisions of section 207, each eligible veteran (except an eligible veterans whose program has been interrupted or discontinued due to his own misconduct, his own neglect, or his own lack of application) may, at any time prior to the end of the period during which he is entitled to initiate a program of education or training under this title, make not more than one change of program of education or training.

"(b) Each eligible veteran, who has not made a change of program of education or training before the expiration of the period during which he is entitled to initiate a program of education or training under this title, may make not more than one change of program of education or training with the approval of the Administrator. The Administrator shall approve such a change if he finds that—

"(1) the eligible veteran is not making satisfactory progress in his present program and that the failure is not due to his own misconduct, his own neglect, or his own lack of application, and if the program to which the eligible veteran desires to change is more in keeping with his aptitude or previous education and training; or

"(2) the program to which the eligible veteran desires to change, while not a part of the program currently pursued by him, is a normal progression from such program.

"(c) As used in this section the term 'change of program of education or training' shall not be deemed to include a change from the pursuit of one objective or level of education or training to the pursuit of a higher objective or level of education or training in the same field of study or training.

"Avocational and Recreational Courses

"SEC. 209. (a) The Administrator shall not approve the enrollment of an eligible veteran in any bartending course, dancing course, or personality development course.

"(b) The Administrator shall not approve the enrollment of an eligible veteran—

"(1) in any photography course or entertainment course, or

"(2) in any music course—instrumental or vocal—public speaking course, or course in sports or athletics such as horseback riding, swimming, fishing, skiing, golf, baseball, tennis, bowling, sports officiating, or other sport or athletic courses, except courses of applied music, physical education, or public speaking which are offered by institutions of higher learning for credit as an integral part of a program leading to an educational objective, or

"(3) in any other type of course which the Administrator finds to be avocational or recreational in character;

unless the eligible veteran submits justification showing that the course will be of bona fide use in the pursuit of his present or contemplated business or occupation.

"Discontinuance of Education and Training Loans for Unsatisfactory Progress

"SEC. 210. The Administrator shall discontinue education and training loans to an eligible veteran if, at any time, he finds that, according to the regularly prescribed standards and practices of the educational institution or training establishment, the conduct or progress of such veteran is unsatisfactory.

"Minimum Number of Nonveteran Students Required

"SEC. 211. The Administrator shall not approve the enrollment of any eligible veteran, not already enrolled, in any nonaccredited course below the college level offered by a proprietary profit or proprietary nonprofit educational institution for any period during which the Administrator finds that more than 85 per centum of the students enrolled in the course are paying all or any part of their tuition, fees, or other charges with the assistance of loans obtained under this Act, or are having all or any part of their tuition, fees, or other charges paid to or for them by the educational institutional or the Veterans' Administration under Part VII of Veterans Regulation Numbered 1 (a), title II of the Veterans Readjustment Assistance Act of 1952, the War Orphans' Educational Assistance Act of 1956.

"Period of Operation for Approval

"SEC. 212. (a) The Administrator shall not approve the enrollment of an eligible veteran in any course offered by an educational institution when such course has been in operation for less than two years.

"(b) Subsection (a) shall not apply to—

"(1) any course to be pursued in a public or other tax-supported educational institution;

"(2) any course which is offered by an educational institution which has been in operation for more than two years, if such course is similar in character to the instruction previously given by such institution;

"(3) any course which has been offered by an institution for a period of more than two years, notwithstanding the institution has moved to another location within the same general locality; or

"(4) any course which is offered by a nonprofit educational institution of college level and which is recognized for credit toward a standard college degree.

"Institutions Listed by Attorney General

"SEC. 213. The Administrator shall not approve the enrollment of, or disbursement of an education and training loan to, any eligible veteran in any course in an educational institution or training establishment while it is listed by the Attorney General under section 3 of part III of Executive Order 9835, as amended.

"Part IV—Loans to veterans

"Education and Training Loans

"SEC. 214. (a) The Administrator shall provide to each eligible veteran who is pursuing a program of education or training under this title, and who applies therefor, an education and training loan to meet in part the expenses of his subsistence, tuition, fees, supplies, books, and equipment.

"(b) The education and training loan for an eligible veteran shall be provided, as provided in section 215, only for the period of the veteran's enrollment as approved by the Administrator, but no loan shall be provided—

"(1) to any veteran enrolled in an institutional course which leads to a standard college degree or a course of institutional on-farm training for any period when the veteran is not pursuing his course in accordance with the regularly established policies and regulations of the institution and the requirements of this title,

"(2) to any veteran enrolled in an institutional course which does not lead to a standard college degree or in a course of apprentice or other training on the job for any day of absence in excess of thirty days in a twelve-month period, not counting as absences weekends or legal holidays established by Federal or State law during which the institution or establishment is not regularly in session or operation, or

"(3) to any veteran pursuing his program of education exclusively by correspondence for any period during which no lessons were serviced by the institution.

"(c) No education and training loan shall be provided to an eligible veteran for any period until the Administrator shall have received—

"(1) from the eligible veteran (A) in the case of an eligible veteran enrolled in an institutional course which leads to a standard college degree or a course of institutional on-farm training, a certification that he was actually enrolled in and pursuing the course as approved by the Administrator, or (B) in the case of an eligible veteran enrolled in an institutional course which does not lead to a standard college degree or a course of apprentice or other training on the job, a certification as to actual attendance during such period, or (C) in the case of an eligible veteran enrolled in a program of education or training by correspondence, a certification

as to the number of lessons actually completed by the veteran and serviced by the institution, and

"(2) from the educational institution or training establishment, a certification, or an endorsement on the veteran's certificate, that such veteran was enrolled in and pursuing a course of education or training during such period, and, in the case of an institution furnishing education or training to a veteran exclusively by correspondence, a certification, or an endorsement on the veteran's certificate, as to the number of lessons completed by the veteran and serviced by the institution.

Education and training loans shall, insofar as practicable, be disbursed within twenty days after receipt by the Administrator of the certifications required by this subsection.

"Computation of Education and Training Loans

"SEC. 215. (a) The education and training loan of an eligible veteran who is pursuing a program of education or training in an educational institution and is not entitled to receive an education and training loan under subsection (b), (c), (d), (e), or (f) shall be computed as follows:

"(1) If such program is pursued on a full-time basis, such loan shall be computed at the rate of $110 per month, if the veteran has no dependent, or at the rate of $135 per month, if he has one dependent, or at the rate of $160 per month, if he has more than one dependent.

"(2) If such program is pursued on a three-quarters time basis, such loan shall be computed at the rate of $80 per month, if the veteran has no dependent, or at the rate of $100 per month, if he has one dependent, or at the rate of $120 per month, if he has more than one dependent.

"(3) If such program is pursued on a half-time basis, such loan shall be computed at the rate of $50 per month, if the veteran has no dependent, or at the rate of $60 per month, if he has one dependent, or at the rate of $80 per month, if he has more than one dependent.

"(b) The education and training loan of an elegible veteran who is pursuing a full-time program of education and training which consists of institutional courses and on-the-job training, with the on-the-job training portion of the program being strictly supplemental to the institutional portion, shall be computed at the rate of (1) $90 per month, if he has no dependent, or (2) $110 per month, if he has one dependent, or (3) $130 per month, if he has more than one dependent.

"(c) The education and training loan of an eligible veteran pursuing apprentice or other training on the job shall be computed at the rate of (1) $70 per month, if he has no dependent, or (2) $85 per month, if he has one dependent, or (3) $105 per month, if he has more than one dependent; except that his education and training loan shall be reduced at the end of each four-month period as his program progresses by an amount which bears the same ratio to the basic education and training loan as four months bears to the total duration of his apprentice or other training on the job; but in no case shall the Administrator provide an education and training loan under this subsection in an amount which, when added to the compensation to be paid to the veteran, in accordance with his approved training program, for productive labor performed as a part of his course, would exceed the rate of $310 per month. For the purpose of computing loans under this subsection, the duration of the training of an eligible veteran shall be the period specified in the approved application as the period during which he may receive an education and training loan for such training, plus such additional period, if any, as is necessary to make the number of months of such training a multiple of four.

"(d) The education and training loan of an eligible veteran pursuing institutional on-farm training shall be computed at the rate of (1) $95 per month, if he has no dependent, or (2) $110 per month, if he has one dependent, or (3) $130 per month, if he has more than one dependent; except that his education and training loan shall be reduced at the end of the third, and each subsequent, four-month period as his program progresses by an amount which bears the same ratio to $65 per month, if the veteran has no dependent, or $80 per month, if he has one dependent, or $100 per month, if he has more than one dependent, as four months bears to the total duration of such veteran's institutional on-farm training reduced by eight months. For the purpose of computing loans under this subsection, the duration of the training of an eligible veteran shall be the period specified in the approved application as the period during which he may receive an education and training loan for such training, plus such additional period, if any, as is necessary to make the number of such months of such training a multiple of four.

"(e) The education and training loan of an eligible veteran pursuing a program of education or training exclusively by correspondence shall be computed on the basis of the established charge which the institution requires nonveterans to pay for the course or courses pursued by the eligible veteran. Such loan shall be disbursed quarterly on a pro rata basis for the lessons completed by the veteran and serviced by the institution, as certified by the institution.

"(f) The education and training loan of an eligible veteran who is pursuing a program of education or training under this title in an educational institution on a less-than-half-time basis shall be computed at the rate of (1) the established charges for tuition and fees which the institution requires similarly circumstanced nonveterans enrolled in the same course to pay, or (2) $110 per month for a full-time course, whichever is the lesser.

"(g) Each eligible veteran who is pursuing an approved course of flight training shall be paid an education and training loan to be computed at the rate of 75 per centum of the established charge which similarly circumstanced nonveterans enrolled in the same flight course are required to pay for tuition for the course. If such veteran's program of education or training consists exclusively of flight training, he shall not be provided an education and training loan under one of the preceding subsections of this section; if his program of education or training consists of flight training and other education or training, the loan provided under this subsection shall be in addition to any education and training loan provided to him under one of the preceding subsections of this section for education or training other than flight training. Such loan shall be disbursed monthly upon receipt of certification from the eligible veteran and the institution as to the actual flight training received by the veteran. In each such case the eligible veteran's period of entitlement shall be charged (in addition to any charge made against his entitlement by reason of education or training other than flight training) with one day for each $1.25 which is provided to the veteran as an education and training loan for such course.

"(h) No eligible veteran shall be provided an education and training loan under this title for any period during which (1) he is enrolled in and pursuing a course of education or training paid for by the United States under any provision of law, where the payment of such loan would constitute a duplication of benefits provided to the veteran from the Federal Treasury, or (2) he is pursuing a course of apprentice or other training on the job, a course of institutional on-farm training, or a course of education and training described in subsection (b), on a less than full-time basis.

"Loan Requirements

"SEC. 216. Education and training loans made under the provisions of this title—

"(1) shall be made without security, except that the veteran shall execute a promissory note, or notes, payable to the United States;

"(2) shall be repaid in equal or graduated periodic installments, in accordance with such schedules as may be approved by the Administrator over such period of time as the Administrator shall prescribe, not exceeding twelve years, beginning one year after the date on which the veteran ceases to pursue his program of education or training, except that——

"(A) periodic installments may be readjusted in the case of any veteran if the Administrator finds that a readjustment would be in the best interest of the veteran and the Government, and

"(B) periodic installments need not be paid during any period (i) in which the veteran is pursuing a full-time program of education or training, or (ii) during which the veteran is a member of the Armed Forces, if such veteran is recalled to active duty and is in a pay grade which makes repayment an undue burden, as determined by the Administrator; and

"(3) shall be interest free, except that if such loan is not repaid within the period prescribed by the Administrator interest shall accrue on the unpaid principal, beginning on the day following the date on which the last payment is due, at a rate of 2 per centum per annum. If a veteran fails to make payments in accordance with the schedule of repayment prescribed for him by the Administrator, and the Administrator determines that adherence to the prescribed schedule would not constitute an undue hardship on the veteran, the Administrator shall declare the entire remaining amount of such loan due, and interest shall accrue on the unpaid principal of such loan at the rate of 2 per centum per annum from the date of such declaration.

"(4) shall be canceled upon the death of the veteran, or if he becomes permanently and totally disabled as determined in accordance with regulations of the Administrator;

"(5) shall be subject to such additional terms, conditions, and requirements as the Administrator may determine to be necessary to protect the financial interests of the United States and to carry out the purpose of this title.

"Actions to enforce repayment of loan

"SEC. 217. (a) In addition to any legal action brought to recover a loan made under this Act, the Administrator is authorized to utilize all other resources to effect recovery of such loans, including setoffs of such loans against veteran benefits, national service life insurance dividends, or any other Federal funds otherwise payable to the veteran.

"(b) If an education and training loan provided under this title is not repaid, it shall be lawful for the Administrator or his delegate to collect such indebtedness in the same manner, and to the same extent, insofar as applicable, as the Secretary of the Treasury may collect a tax under the provisions of section 6331 of the Internal Revenue Code of 1954.

"(c) In addition to any State court of competent jurisdiction, any United States district court for any district wherein the veteran resides or was resident at any time shall have jurisdiction of any action brought by or on behalf of the Federal Government to recover any amount payable under any promissory note executed to evidence a loan made under this title. No legal service of any kind shall be required to be made upon the veteran other than notice of the institution of such action stating the date of entry

and name of court; such notice shall be sent by registered mail to the last-known address of such veteran as indicated in the records of the Veterans' Administration.

"(d) In any action by or on behalf of the Federal Government to recover any amount payable under any promissory note executed to evidence a loan made under this title, the fact that the veteran was an infant at the time of signing such promissory note shall not be a defense.

"Measurement of Courses

"SEC. 218. (a) For the purposes of this title, (1) an institutional trade or technical course offered on a clock-hour basis below the college level involving shop practice as an integral part thereof, shall be considered a full-time course when a minimum of thirty hours per week of attendance is required with not more than two and one-half hours of rest periods per week allowed, (2) an institutional course offered on a clock-hour basis below the college level in which theoretical or classroom instruction predominates shall be considered a full-time course when a minimum of twenty-five hours per week net of instruction is required, and (3) an institutional undergraduate course offered by a college or university on a quarter or semester-hour basis for which credit is granted toward a standard college degree shall be considered a full-time course when a minimum of fourteen semester hours or its equivalent is required.

"(b) The Administrator shall define full-time training in the case of all types of courses of education or training other than institutional on-farm training and the types of courses referred to in subsection (a): *Provided*, That the Administrator shall not define full-time apprentice training for a particular establishment other than that established as the standard workweek through bona fide collective bargaining between employers and employees.

"Overcharges by Educational Institutions

"SEC. 219. The Administrator may, if he finds that an institution has charged or received from any eligible veteran any amount in excess of the established charges for tuition and fees which the institution requires similarly circumstanced nonveterans enrolled in the same course to pay, disapprove such educational institution for the enrollment of any veteran not already enrolled therein, except that, in the case of a tax-supported public educational institution which does not have established charges for tuition and fees which it requires nonveteran residents to pay, such institution may charge and receive from each eligible veteran who is a resident an amount equal to the estimated cost of teaching personnel and supplies for instruction attributable to such veteran, but in no event to exceed the rate of $10 per month for a full-time course.

"Part V—State approving agencies

"Designation

"SEC. 220. (a) Unless otherwise established by the law of the State concerned, the chief executive of each State is requested to create or designate a State department or agency as the 'State approving agency' for his State for the purposes of this title.

"(b) (1) In the event any State fails or declines to create or designate a State approving agency, the provisions of this title which refer to the State approving agency shall, with respect to such State, be deemed to refer to the Administrator.

"(2) In the case of courses subject to approval by the Administrator under section 221, the provisions of this title which refer to a State approving agency shall be deemed to refer to the Administrator.

"Approval of Courses

"SEC. 221. (a) An eligible veteran shall receive the loans provided by this title while enrolled in a course of education or training offered by an educational institution or training establishment only if such course is approved by the State approving agency for the State where such educational institution or training establishment is situated or by the Administrator. Approval of courses by State approving agencies shall be in accordance with the provisions of this title and such other regulations and policies as the State approving agency may adopt. Each State approving agency shall furnish the Administrator with a current list of educational institutions and training establishments, specifying courses which it has approved, and, in addition to such list, it shall furnish such other information to the Administrator as it and the Administrator may determine to be necessary to carry out the purposes of this title. Each State approving agency shall notify the Administrator of the disapproval of any course previously approved and shall set forth the reasons for such disapproval.

"(b) The Administrator shall be responsible for the approval of courses of education or training offered by any agency of the Federal Government authorized under other laws to supervise such education or training. The Administrator may approve any course in any other educational institution or training establishment in accordance with the provisions of this title.

"(c) Any course offered by educational institutions or training establishment shall be considered approved for the purposes of this Act if it is approved for education or training under title II of the Veterans Readjustment Assistance Act of 1952.

"Cooperation

"SEC. 222. (a) The Administrator and each State approving agency shall take cognizance of the fact that definite duties, functions, and responsibilities are conferred upon the Administrator and each State approving agency under the veterans' educational programs. To assure that such programs are effectively and efficiently administered, the cooperation of the Administrator and the State approving agencies is essential. It is necessary to establish an exchange of information pertaining to activities of educational institutions and training establishments, and particular attention should be given to the enforcement of approval standards, enforcement of wage and income limitations, enforcement of enrollment restrictions, and fraudulent and other criminal activities on the part of persons connected with educational institutions and training establishments in which veterans are enrolled under this title.

"(b) The Administrator will furnish the State approving agencies with copies of such Veterans' Administration informational material as may aid them in carrying out this title.

"Use of Office of Education and Other Federal Agencies

"SEC. 223. (a) In carrying out his functions under this title, the Administrator may utilize the facilities and services of any other Federal department or agency. The Administrator shall utilize the services of the Office of Education in developing cooperative agreements between the Administrator and State and local agencies relating to the approval of courses of education or training as provided for in section 224, in reviewing the plan of operations of State approving agencies under such agreements, and in rendering technical assistance to such State and local agencies in developing and improving policies, standards, and legislation in connection with their duties under this title.

"(b) Any such utilization shall be pursuant to proper agreement with the Federal department or agency concerned; and payment to cover the cost thereof shall (except in the case of the Office of Education) be made either in advance or by way of reimbursement, as may be provided in such agreement. Funds necesary to enable the Office of Education to carry out its functions under this title are authorized to be appropriated directly to such Office.

"Reimbursement of Expenses

"SEC. 224. The Administrator is authorized to enter into contracts or agreements with State and local agencies to pay such State and local agencies for reasonable and necessary expenses of salary and travel incurred by employees of such agencies in (1) rendering necessary services in ascertaining the qualifications of educational institutions and training establishments for furnishing courses of education or training to eligible veterans under this title, and in the supervision of such educational institutions and training establishments, and (2) furnishing, at the request of the Administrator, any other services in connection with this title. Each such contract or agreement shall be conditioned upon compliance with the standards and provisions of this title.

"Part VI—Approval of courses of education and training

"Apprentice or Other Training on the Job

"SEC. 225. (a) Apprentice or other training on the job shall consist of courses offered by training establishments whenever such courses of training are furnished in accordance with the provisions of this section. Any training establishment desiring to furnish a course of apprentice or other training on the job shall submit to the appropriate State approving agency a written application setting forth the course of training for each job for which an eligible veteran is to be trained. The written application covering the course of training shall include the following:

"(1) Title and description of the specific job objective for which the eligible veteran is to be trained;

"(2) The length of the training period;

"(3) A schedule listing various operations for major kinds of work or tasks to be learned and showing for each, job operations or work, tasks to be performed, and the approximate length of time to be spent on each operation or task;

"(4) The wage or salary to be paid at the beginning of the course of training, at each successive step in the course, and at the completion of training;

"(5) The entrance wage or salary paid by the establishment to employees already trained in the kind of work for which the veteran is to be trained; and

"(6) The number of hours of supplemental related instruction required.

"(b) The appropriate State approving agency may approve a course of apprentice or other training on the job specified in an application submitted by training establishment in accordance with subsection (a) if such training establishment is found upon investigation to have met the following criteria:

"(1) The training content of the course is adequate to qualify the eligible veteran for appointment to the job for which he is to be trained.

"(2) There is reasonable certainty that the job for which the eligible veteran is to be trained will be available to him at the end of the training period.

"(3) The job is one in which progression and appointment to the next higher classification are based upon skills learned through organized training on the job and not on such factors as length of service and normal turnover.

"(4) The wages to be paid the eligible veteran for each successive period of training are not less than those customarily paid in the training establishment and in the community to a learner in the same job who is not a veteran.

"(5) The job customarily requires a period of training of not less than three months

and not more than two years of full-time training, except that this provision shall not apply to apprentice training.

"(6) The length of the training period is no longer than that customarily required by the training establishment and other training establishments in the community to provide an eligible veteran with the required skills, arrange for the acquiring of job knowledge, technical information, and other facts which the eligible veteran will need to learn in order to become competent on the job for which he is being trained.

"(7) Provision is made for related instruction for the individual eligible veteran who may need it.

"(8) There is in the training establishment adequate space, equipment, instructional material, and instructor personnel to provide satisfactory training on the job.

"(9) Adequate records are kept to show the progress made by each eligible veteran toward his job objective.

"(10) Appropriate credit is given the eligible veteran for previous training and job experience, whether in the military service or elsewhere, his beginning wage adjusted to the level to which such credit advances him and his training period shortened accordingly and provision is made for certification by the training establishment that such credit has been granted and the beginning wage adjusted accordingly. No course of training will be considered bona fide if given to an eligible veteran who is already qualified by training and experience for the job objective.

"(11) A signed copy of the training agreement for each eligible veteran, including the training program and wage scale as approved by the State approving agency, is provided to the veteran and to the Administrator and the State approving agency by the employer.

"(12) Upon completion of the course of training furnished by the training establishment the eligible veteran is given a certificate by the employer indicating the length and type of training provided and that the eligible veteran has completed the course of training on the job satisfactorily.

"(13) That the course meets such other criteria as may be established by the State approving agency.

"Institutional On-Farm Training

"SEC. 226. (a) An eligible veteran shall be entitled to the loans provided by this title while enrolled in a course of full-time institutional on-farm training which has been approved by the appropriate State approving agency in accordance with the provisions of this section.

"(b) The State approving agency may approve a course of institutional on-farm training when it satisfies the following requirements:

"(1) The course combines organized group instruction in agricultural and related subjects of at least two hundred hours per year (and of at least eight hours each month) at an educational institution, with supervised work experience on a farm, or other agricultural establishment.

"(2) The eligible veteran will perform a part of such course on a farm or other agricultural establishment under his control.

"(3) The course is developed with due consideration to the size and character of the farm or other agricultural establishment on which the eligible veteran will receive his supervised work experience and to the need of such eligible veteran, in the type of farming for which he is training, for proficiency in planning, producing, marketing, farm mechanics, conservation of resources, food conservation, farm financing, farming management, and the keeping of farm and home accounts.

"(4) The eligible veteran will receive not less than one hundred hours of individual instruction per year, not less than fifty hours of which shall be on such farm or other agricultural establishment (with at least two visits by the instructor to such farm each month). Such individual instruction shall be given by the instructor responsible for the veteran's institutional instruction and shall include instruction and home-study assignments in the preparation of budgets, inventories, and statements showing the production, use on the farm, and sale of crops, livestock, and livestock products.

"(5) The eligible veterans will be assured of control of such farm or other agricultural establishment (whether by ownership, lease, management agreement, or other tenure arrangement) until the completion of his course.

"(6) Such farm or other agricultural establishment shall be of a size and character which (A) will, together with the group-instruction part of the course, occupy the full time of the eligible veteran, (B) will permit instruction in all aspects of the management of the farm or other agricultural establishment of the type for which the eligible veteran is being trained, and will provide the eligible veteran an opportunity to apply to the operation of his farm or other agricultural establishment the major portion of the farm practices taught in the group-instruction part of the course, and (C) will assure him a satisfactory income for a reasonable living under normal conditions at least by the end of his course.

"(7) Provision shall be made for certification by the institution and the veteran that the training offered does not repeat or duplicate training previously received by the veteran.

"(8) The institutional on-farm training meets such other fair and reasonable standards as may be established by the State approving agency.

"Approval of Accredited Courses

"SEC. 227. (a) A State approving agency may approve the courses offered by an educational institution when—

"(1) such courses have been accredited and approved by a nationally recognized accrediting agency or association;

"(2) credit for such course is approved by the State department of education for credit toward a high school diploma;

"(3) such courses are conducted under the Act of February 23, 1917, as amended (39 Stat. 927), or the Vocational Education Act of 1946; or

"(4) such courses are accepted by the State department of education for credit for a teacher's certificate or a teacher's degree.

For the purposes of this title the Commissioner shall publish a list of nationally recognized accrediting agencies and associations which he determines to be reliable authority as to the quality of training offered by an educational institution and the State approving agencies may, upon concurrence, utilize the accreditation of such accrediting associations or agencies for approval of the courses specifically accredited and approved by such accrediting association or agency. In making application for approval, the institution shall transmit to the State approving agency copies of its catalog or bulletin.

"(b) As a condition to approval under this section, the State approving agency must find that adequate records are kept by the educational institution to show the progress of each eligible veteran. The State approving agency must also find that the educational institution maintains a written record of the previous education and training of the veteran and clearly indicates that appropriate credit has been given by the institution for previous education and training, with the training period shortened proportionately and the veteran and the Administrator so notified.

"Approval of Nonaccredited Courses

"SEC. 228. (a) No course of education or training (other than a course of institutional on-farm training) which has not been approved by a State approving agency pursuant to section 227, which is offered by a public or private, profit or nonprofit, educational institution shall be approved for the purposes of this title unless the educational institution offering such course submits to the appropriate State approving agency a written application for approval of such course in accordance with the provisions of this title.

"(b) Such application shall be accompanied by not less than two copies of the current catalog or bulletin which is certified as true and correct in content and policy by an authorized owner or official and includes the following:

"(1) Identifying data, such as volume number and date of publication;

"(2) Names of the institution and its governing body, officials and faculty;

"(3) A calendar of the institution showing legal holidays, beginning and ending date of each quarter, term, or semester, and other important dates;

"(4) Institution policy and regulations on enrollment with respect to enrollment dates and specific entrance requirements for each course;

"(5) Institution policy and regulations relative to leave, absences, class cuts, makeup work, tardiness and interruptions for unsatisfactory attendance;

"(6) Institution policy and regulations relative to standards of progress required of the student by the institution (this policy will define the grading system of the institution, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress and a description of the probationary period, if any, allowed by the institution, and conditions of reentrance for those students dismissed for unsatisfactory progress. A statement will be made regarding progress records kept by the institution and furnished the student);

"(7) Institution policy and regulations relating to student conduct and conditions for dismissal for unsatisfactory conduct;

"(8) Detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

"(9) Policy and regulations of the institution relative to the refund of the unused portion of tuition, fees, and other charges in the event the student does not enter the course or withdraws or is discontinued therefrom;

"(10) A description of the available space, facilities, and equipment;

"(11) A course outline for each course for which approval is requested, showing subjects or units in the course, type of work or skill to be learned, and approximate time and clock hours to be spent on each subject or unit; and

"(12) Policy and regulations of the institution relative to granting credit for previous educational training.

"(c) The appropriate State approving agency may approve the application of such institution when the institution and its nonaccredited courses are found upon investigation to have met the following criteria:

"(1) The courses, curriculum, and instruction are consistent in quality, content, and length with similar courses in public schools and other private schools in the State, with recognized accepted standards.

"(2) There is in the institution adequate space, equipment, instructional material, and instructor personnel to provide training of good quality.

"(3) Educational and experience qualifications of directors, administrators, and instructors are adequate.

"(4) The institution maintains a written record of the previous education and training of the veteran and clearly indicates that appropriate credit has been given by the institution for previous education and training, with the training period shortened proportionately and the veteran and the Administrator so notified.

"(5) A copy of the course outline, schedule of tuition, fees, and other charges, regulations pertaining to absence, grading policy, and rules of operation and conduct will be furnished the veteran upon enrollment.

"(6) Upon completion of training, the veteran is given a certificate by the institution indicating the approved course and indicatin that training was satisfactorily completed.

"(7) Adequate records as prescribed by the State approving agency are kept to show attendance and progress or grades, and satisfactory standards relating to attendance, progress, and conduct are enforced.

"(8) The institution complies with all local, city, county, municipal, State, and Federal regulations, such as fire codes, building and sanitation codes. The State approving agency may require such evidence of compliance as is deemed necessary.

"(9) The institution is financially sound and capable of fulfilling its commitments for training.

"(10) The institution does not utilize advertising of any type which is erroneous or misleading either by actual statement, omission, or intimation. The institution shall not be deemed to have met this requirement until the State approving agency (1) has ascertained from the Federal Trade Commission whether the Commission has issued an order to the institution to cease and desist from any act or practice, and (2) has, if such an order has been issued, given due weight to that fact.

"(11) The institution does not exceed its enrollment limitations as established by the State approving agency.

"(12) The institution's administrators, directors, owners, and instructors are of good reputation and character.

"(13) The institution has and maintains a policy for the refund of the unused portion of tuition, fees, and other charges in the event the veteran fails to enter the course or withdraws or is discontinued therefrom at any time prior to completion and such policy must provide that the amount charged to the veteran for tuition, fees, and other charges for a portion of the course shall not exceed the approximate pro rata portion of the total charges for tuition, fees, and other charges that the length of the completed portion of the course bears to its total length.

"(14) Such additional criteria as may be deemed necessary by the State approving agency.

"Notice of Approval of Courses

"SEC. 229. The State approving agency, upon determining that an educational institution has complied with all the requirements of this title, will issue a letter to such institution setting forth the courses which have been approved for the purposes of this title, and will furnish an official copy of such letter and any subsequent amendments to the Administrator. The letter of approval shall be accompanied by a copy of the catalog or bulletin of the institution, as approved by the State approving agency, and shall contain the following information:

"(1) date of letter and effective date of approval of courses;

"(2) proper address and name of each educational institution or training establishment;

"(3) authority for approval and conditions of approval, referring specifically to the approved catalog or bulletin published by the educational institution;

"(4) name of each course approved;

"(5) where applicable, enrollment limitations such as maximum numbers authorized and student-teacher ratio;

"(6) signature of responsible official of State approving agency; and

"(7) such other fair and reasonable provisions as are considered necessary by the appropriate State approving agency.

"Disapproval of Courses; Cancellation and Discontinuance of Loans

"SEC. 230. (a) Any course approved for the purposes of this title which fails to meet any of the requirements of this title shall be immediately disapproved by the appropriate State approving agency. An educational institution or training establishment which has it courses disapproved by a State approving agency will be notified of such disapproval by a registered letter of notification and a return receipt secured.

"(b) The Administrator may cancel and discontinue the education and training loan of any eligible veteran if he finds that the course of education or training in which such veteran is enrolled fails to meet any of the requirements of this title or if he finds that the educational institution or training establishment offering such course has violated any provisions of this title or fails to meet any of its requirements.

"(c) Each State approving agency shall notify the Administrator of each course which it has disapproved under this section. The Administrator shall notify the State approving agency of his disapproval of any educational institution or training establishment under part VII of Veterans Regulation Numbered 1 (a), as amended.

"Part VII—Miscellaneous provisions

"Authority and Duties of Administrator

"SEC. 231. (a) Education and training loans made under this title shall be subject to audit and review by the General Accounting Office as provided by the Budget and Accounting Act of 1921, as amended, and the Budget and Accounting Procedures Act of 1950.

"(b) The Administrator is authorized to accept uncompensated services and to enter into contracts or agreements with private or public agencies, or persons, for necessary services, incident to the administration of this title, including personal services, as he may deem practicable.

"(c) The Administrator may arrange for educational and vocational guidance to persons eligible for education and training loans under this title and, if the Administrator requires such educational and vocational guidance, he is authorized, in his discretion, to defray, or reimburse the veteran for his traveling expenses to and from the place of advisement. At such intervals as he deems necessary, he shall make available information respecting the need for general education, and for trained personnel in the various crafts, trades, and professions: *Provided,* That facilities of other Federal agencies collecting such information shall be utilized to the extent he deems practicable.

"Advisory Committee

"SEC. 232. The Administrator shall form an advisory committee which shall be composed of persons who are eminent in their respective fields of education, labor, and management, and of representatives of the various types of institutions and establishments furnishing education and training to veterans enrolled under this title. The Commissioner and the Director, Bureau of Apprenticeship, Department of Labor, shall be ex-officio members of the advisory committee. The Administrator shall advise and consult with the committee from time to time with respect to the administration of this title and the committee may make such reports and recommendations as it deems desirable to the Administrator and to the Congress.

"Control by Agencies by the United States

"SEC. 233. No department, agency, or officer of the United States, in carrying out this title, shall exercise any supervision or control, whatsoever, over any State approving agency, State educational agency, or State apprenticeship agency, or any educational institution or training establishment: *Provided,* That nothing in this section shall be deemed to prevent any department, agency, or officer of the United States from exercising any supervision or control which such department, agency, or officer is authorized, by existing provisions of law, to exercise over any Federal educational institution or training establishment, or to prevent the furnishing of education or training under this title in any institution or establishment over which supervision or control is exercised by such other department, agency, or officer under authority of existing provisions of law.

"Conflicting Interests

"SEC. 234. (a) Every officer or employee of the Veterans' Administration, or of the Office of Education, who has, while such an officer or employee, owned any interest in, or received any wages, salary, dividends, profits, gratuities, or services from, any educational institution operated for profit in which an eligible veteran was pursuing a course of education or training under this title shall be immediately dismissed from his office or employment.

"(b) If the Administrator finds that any person who is an officer or employee of a State approving agency has, while he was such an officer or employee, owned any interest in, or received any wages, salary, dividends, profits, gratuities, or services from, an educational institution operated for profit in which an eligible veteran was pursuing a course of education or training under this title, he shall discontinue making payments under section 245 to such State approving agency unless such agency shall, without delay, take such steps as may be necessary to terminate the employment of such person and such payments shall not be resumed while such person is an officer or employee of the State approving agency, or State Department of Veterans Affairs or State Department of Education.

"(c) A State approving agency shall not approve any course offered by an educational institution operated for profit and, if any such course has been approved, shall disapprove each such course, if it finds that any officer or employee of the Veterans' Administration, the Office of Education, or the State approving agency owns an interest in, or receives any wages, salary, dividends, profits, gratuities, or services from, such institution.

"(d) The Administrator may, after reasonable notice and public hearings, waive in writing the application of this section in the case of any officer or employee of the Veterans' Administration, of the Office of Education, or of a State approving agency, if he finds that no detriment will result to the United States or to eligible veterans by reason of such interest or connection of such officer or employee.

"Reports by Institutions

"SEC. 235. (a) Educational institutions and training establishments shall, without delay, report to the Administrator in the form prescribed by him, the enrollment, interruption, and termination of the education or training of each eligible veteran enrolled therein under this title.

"(b) The Administrator shall pay to each educational institution which is required to submit reports and certifications to the Administrator under this title, an allowance at the rate of $1.00 per month for each eligible veteran enrolled in and attending such

institution under the provisions of this title to assist the educational institution in defraying the expense of preparing and submitting such reports and certifications. Such allowances shall be paid in such manner and at such times as may be prescribed by the Administrator, except that in the event any institution fails to submit reports or certificates to the Administrator as required by this title, no allowance shall be paid to such institution for the month or months during which such reports or certifications were not submitted as required by the Administrator.

"Overpayments to Veterans

"SEC. 236. In any case where it is found by the Administrator that a loan or an excessive amount of an otherwise proper loan has been made to a veteran as the result of (1) the willful or negligent failure of the educational institution or training establishment to report, as required by this title and applicable regulations, to the Veterans' Administration excessive absences from a course, or discontinuance or interruption of a course by the veteran or (2) false certification by the educational institution or training establishment, the amount of such overpayment shall constitute a liability of such institution or establishment, and may be recovered in the same manner as any other debt due the United States: *Provided*, That any amount so collected shall be reimbursed if the overpayment is recovered from the veteran. This provision shall not preclude the imposition of any civil or criminal action under this or any other statute.

"Examination of Records

"SEC. 237. The records and accounts of educational institutions and training establishments pertaining to eligible veterans who received education or training under this title shall be available for examination by duly authorized representatives of the Government.

"False or Misleading Statements

"SEC. 238. The Administrator shall not provide loans or make any payments under this title to any person found by him to have willfully submitted any false or misleading claims. In each case where the Administrator finds that an educational institution or training establishment has willfully submitted a false or misleading claim, or where a veteran, with the complicity of an educational institution or training establishment, has submitted such a claim, he shall make a complete report of the facts of the case to the appropriate State approving agency and where deemed advisable to the Attorney General of the United States for appropriate action.

"Criminal Penalties

"SEC. 239. Whoever knowingly and willfully—

"(1) makes or presents any false, fictitious, or fraudulent affidavit, declaration, certificate, voucher, endorsement, or paper or writing purporting to be such, concerning any claim for a loan or for payment of money under this title, or pertaining to any matter arising under this title,

"(2) makes or presents any paper required under this title on which paper a date other than the date upon which it was actually signed or acknowledged by the claimant has been willfully inserted,

"(3) certifies falsely that the declarant, affiant, or witness named in such affidavit, declaration, voucher, endorsement, or other paper or writing personally appeared before him and was sworn thereto, or acknowledged the execution thereof, or

"(4) accepts and converts to his own use loan moneys for any period during which he was not actually pursuing a course of education or training under this title for which period the loan moneys were provided shall be fined not more that $5,000 or imprisoned not more than three years, or both.

"Waiver of Loans

"SEC. 240. The Administrator is authorized to waive the unpaid balance, including interest, of any loan made under this title—

"(1) if such loan has been outstanding for a period not less than ten years from the date of the beginning of the repayment period prescribed for such loan; and

"(2) if the Administrator determines that further efforts to recover such loan would be impracticable or against equity and good conscience.

"Information Furnished by Federal Trade Commission

"SEC. 241. The Federal Trade Commission shall keep all State approving agencies advised of any information coming to its attention which would be of assistance to such agencies in carrying out their duties under this title.

"Amendment to War Orphans' Educational Act of 1956 and the Veteran's Benefits Act of 1957

"SEC. 242. (a) Section 202(b) of the War Orphans' Educational Act of 1956 is amended by inserting after 'of 1952' the following: ', the Peacetime Veterans' Educational Loan Act of 1962,'.

(b) Section 211(a) of the Veteran's Benefits Act of 1957 is amended by striking 'and' immediately preceding section 501(a)' and inserting immediately before 'the decisions' the following: 'and section 231 of the Peacetime Veterans' Educational Loan Act of 1962,'.

"Authorization for Appropriations

"SEC. 243. There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act.

"Effective Date

"SEC. 244. This Act shall take effect on the date of its enactment, but no education and training loan shall be made for any period prior to the first day of the first month which begins more than thirty days after the date of enactment of this Act."

Renumber sections 102 through 244 as section 2, and in order, section 3, 4, and so forth.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky.

Mr. MANSFIELD. Mr. President, will the Senator yield, without losing his right to the floor?

Mr. COOPER. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the Senator losing his right to the floor.

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

The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 218 Leg.]

Boggs	Hart	Neuberger
Burdick	Hill	Pastore
Bush	Humphrey	Proxmire
Case	Javits	Talmadge
Chavez	Keating	Thurmond
Church	Lausche	Williams, Del.
Cooper	Mansfield	Yarborough
Dodd	McCarthy	Young, Ohio
Douglas	McNamara	
Goldwater	Metcalf	

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. AIKEN, Mr. ALLOTT, Mr. BEALL, Mr. BYRD of Virginia, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. COTTON, Mr. CURTIS, Mr. EASTLAND, Mr. ELLENDER, Mr. ERVIN, Mr. FONG, Mr. FULBRIGHT, Mr. HAYDEN, Mr. HICKENLOOPER, Mr. HOLLAND, Mr. JACKSON, Mr. JOHNSTON, Mr. JORDAN of North Carolina, Mr. JORDAN of Idaho, Mr. KEFAUVER, Mr. KERR, Mr. KUCHEL, Mr. LONG of Hawaii, Mr. LONG of Louisiana, Mr. MAGNUSON, Mr. MCCLELLAN, Mr. MCGEE, Mr. MILLER, Mr. MONRONEY, Mr. MORSE, Mr. MOSS, Mr. MUNDT, Mr. MUSKIE, Mr. PEARSON, Mr. PELL, Mr. PROUTY, Mr. RANDOLPH, Mr. ROBERTSON, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SCOTT, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. SPARKMAN, Mr. STENNIS, Mr. WILEY, Mr. WILLIAMS of New Jersey, and Mr. YOUNG of North Dakota entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). A quorum is present.

Mr. COOPER obtained the floor.

Mr. YARBOROUGH. Mr. President, will the Senator from Kentucky yield to me to submit a clarifying amendment, without losing his right to the floor?

Mr. COOPER. Mr. President, I yield for that purpose.

Mr. YARBOROUGH. Mr. President, I send to the desk amendments which I ask to have read.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. On page 1, line 4, it is proposed to strike out "1961" and insert in lieu thereof "1962".

On page 49, line 21, strike out "1961" and insert in lieu thereof "1962".

On page 50, line 2, strike out "1961" and insert in lieu thereof "1962".

On page 53, line 5, strike out "1961" and insert in lieu thereof "1962".

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that the amendments be agreed to en bloc. They merely update the bill to this year.

Mr. KUCHEL. Mr. President, is it the intent of the unanimous-consent request, if it is granted, that the new amendments will still be susceptible to an amendment to delete? Are these committee amendments?

Mr. YARBOROUGH. This is not an effort to cut off any amendments. These amendments merely update the bill to 1962.

The PRESIDING OFFICER. If the amendments are adopted, the right to offer further amendments to the substitute or to the language proposed to be stricken, will not be precluded.

Mr. KUCHEL. Very well.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

Mr. COOPER. Mr. President——

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The Senator from Kentucky is recognized.

Mr. COOPER. Mr. President, I offer an amendment on behalf of myself, the senior Senator from New York [Mr. JAVITS], the senior Senator from Ohio [Mr. LAUSCHE], the junior Senator from New York [Mr. KEATING], and the senior Senator from Delaware [Mr. WILLIAMS]. It is identical with an amendment which I offered in 1959, when this bill was last before the Senate.

I can explain the amendment in a few words. It is in the nature of a substitute for section 2 of the bill, which provides education and vocational training assistance for peacetime veterans. My amendment is practically identical with the bill introduced by the senior Senator from Texas [Mr. YARBOROUGH], but there is this marked difference: The amendment I offer would substitute a system of loans for the system of grants provided by the bill introduced by the Senator from Texas.

Mr. President, the system of loans to be established by the amendment which I have offered, on behalf of myself and the other Senators I have named, has the following provisions: The amounts loaned would be the same as the amounts of the grants called for by the bill of the Senator from Texas. The loans would be for 12 years, on repayment schedules arranged by the Veterans' Administration, and the schedules could be rearranged to accommodate the veterans' financial circumstance. They would bear no interest until default, and then at 2 percent. No payment would be required until 1 year after the veterans' education or training ends. There is also a provision that the Administrator can waive payment, upon findings of equity, justice, and conscience.

The terms of the loans are very generous, and I emphasize that this system of loans, generous in its special provisions, takes into special account the military service rendered by those who are called into military service in peacetime. Men and women, called into the service in peacetime, and who serve for more than 6 months would have an opportunity to obtain loans needed to attend high school, training schools, vocational school, and college, with reasonable terms for their repayment.

The report on the bill points out, on page 28, that if the bill as introduced by the Senator from Texas were to be enacted, the cost during the first 5 years would be almost $2 billion, and the cost over the complete term of payments would be approximately $3,500 million. Of course, cost is not the sole consideration of a bill of this kind, for the Congress wants to do justice and equity to those who serve.

But my amendment—and this is its purpose—takes into consideration the obligation owed these men and women for their service in the Armed Forces, and is designed to discharge the obligation in a fair and genorous way.

I know it is difficult to draw a proper distinction between the so-called peacetime veterans and wartime veterans. In referring to this point, I do not in any way derogate the great service the young men and women have rendered or their devotion to our country. It is not necessary for me to draw such a distinction, inasmuch as the report on the bill contains statements by various governmental agencies which point out distinctions between the two groups of veterans, which led them to recommend that the bill as submitted to us—the bill which calls for grants—be not enacted.

There are differences in the circumstances of service—not differences of spirit or patriotism. In recent years, when one enlists or is drafted, he knows that his service will be for a definite term unless an emergency develops. Those who served in World War I, World War II, or the Korean war could not know when their service would end—they joined "for the duration."

Again, differing from service in wartime, educational benefits are available to those who serve in peacetime; it is possible for them to take advantage of these benefits, if they desire, for the insistent demands of wartime do not obtain.

Another element to be considered is separation from family and home. At least some of those who serve in the Armed Forces during peacetime have opportunities to be with their families, which those who serve in time of war cannot enjoy. If they serve abroad, some of those who serve during peacetime can take their wives or families with them.

Finally, Mr. President, there is a difference in the character of risk involved. I know the Senator from Texas has argued—and very persuasively—that those who are in the service today and in areas such as Vietnam or Berlin can be subjected at any time to dangers of war; and it is true that some of our servicemen in Vietnam do come under fire. So far as I am concerned, I should like to see the President and the Department of Defense make rcommendations for special treatment to be accorded those who are actually brought into combat duty or are in danger in a combat area. But, with these exceptions, I must say that the risk which those who serve in peacetime face is far less than that, actual or potential, encountered by those who serve in time of war.

The administration of President Eisenhower opposed this bill as one which represented a new field of payments and compensation to veterans; and, so far as I can determine from the record and from the committee report, the administration of President Kennedy opposes the bill. The Department of Defense and the Veterans' Administration state their opposition to the bill which would provide grants for educational benefits. As the Senator from Ohio [Mr. LAUSCHE], who now occupies the chair, pointed out a few minutes ago, it is not reasonable to believe that the administration would support this bill, and at the same time allow the Department of Defense and the Veterans' Administration—the agency of the administration which is concerned with veterans—to oppose the bill as they do.

That would not be logical. I do not believe, from the records that it can be said that the administration supports the bill.

When the bill was before the Senate in 1959, I was serving on the Committee on Labor and Public Welfare. I served for a time on the subcommittee which heard testimony on the bill over a period of 2 years. If the veterans organizations supported the bill strongly, it was not very evident to members of the subcommittee. There was actually little enthusiasm for it, except by some members of our committee.

Mr. President, I want to correct some comments I made earlier in the debate. A question was raised about the attitude of the President. I said to the Senate that when I proposed his amendment on the floor of the Senate in 1959 President Kennedy, at that time a Member of this body and a member of our Committee on Labor and Public Welfare, joined me in the amendment. It is correct that he joined me in offering the amendment in the Senate. But I was wrong when I said that he had voted against the bill in committee.

Looking at the records of the committee, I find that in the subcommittee President Kennedy voted on June 17 to report the bill to the full committee—and it was reported by a vote of 4 to 1. I am informed that when the bill was reported to the Senate on July 1 by the full committee, he was recorded for the bill. It is also correct that he voted for the Long amendment, which was offered to my amendment on the floor of the Senate, and that he voted for the bill as passed by the Senate, including the Long amendment, which was a modification of the Cooper amendment.

However, it is also true that he voted for my motion in the committee, to substitute loans for grants in section 2 of the bill, which was defeated on a rollcall by a vote of 7 to 8—and that later, when the bill was before the Senate, he joined in sponsoring this amendment to substitute loans for grants.

Because of the statement I made a few minutes ago, I wanted the RECORD correct, because I do not think it proper for me to draw from these facts any inference about the President's position today. I repeat that he voted for the motion in committee, and joined me in cosponsoring the amendment, which is identical with the one I offer today, to substitute a system of loans for a system of grants.

I said earlier that cost is not always compelling. There is a duty on the part of Congress to do justice to its people. But cost is relevant. This section of the bill would cost, at its peak, about $450 million a year.

It is limited to a 5-year period, and upon that basis, it is estimated that its total cost will be about $3½ billion. But who can say here today that this period of emergency, when young men are called into service for their country, will be ended in 5 years? I do not believe, and I do not think any Member of this

body believes, that 5 years from now, our problems with the Soviet Union will be settled, and that it will not be necessary to continue with the draft 5 years from now. I hope, and I would like to believe, this will be true; but it is not probable. So the cost of this bill would continue—year after year.

When the bill was before the committee in 1959, a calculation was made that, if the draft continued for 20 more years, as it was anticipated it very well might continue, the total cost of the bill would be about $15 billion.

I bring up the question of cost for another reason. We may be nearing the close of the session. I do not know. It appears to me that, even though the bill should pass in the Senate today, it will not be passed by the House. So, with the session over, it would be necessary to bring the bill before the Senate again next year.

I regret that in the closing days of the session there should be brought before us a bill which proposes gifts or grants to a large number of young veterans, when it must be known that it has no possible chance of being enacted this year.

What is the reason for bringing the bill before us if it has no possible chance of enactment? I have confidence in the good purposes and good faith of the Senator from Texas in wanting an expression from the Senate on this proposal, but from the standpoint of practicality, the bill could be looked upon—knowing it has no possible chance of passage—as a kind of cynical action on the part of this body, if we should vote for it, holding out to veterans in this country that they will secure its benefits when we know it is extremely doubtful that this is possible.

So I offer my amendment in good faith, saying that we owe some obligation to these men, and that the proposal of loans, with all its generous terms, offers a course which should be followed if the bill is enacted next year.

I close by saying the highest and noblest duty, the greatest honor that can come to anyone, is to give up a part of his life to military service for the security of our country. Most consider it the highest duty one can perform for our country. Much as I am honored, and fortunate as I am to be in the Senate, if I had to make a choice between the opportunity I have had to serve here and the opportunity which I had, limited though it was, and though it was not of great importance, to serve my country, in the wartime military service, I would choose the latter.

I believe that sometime in this Congress and in this country we will have to proclaim that all citizens of our Nation have the duty to serve, to protect, and to guard the liberties of our country. I support every help to our veterans, but the constant efforts to pay everyone for the primary obligation and duty of serving his country is not proper, and it is not best for our country.

For these reasons I offer the amendment, which would recognize our obligation to these veterans to help them in adjustments they had to make. I think it is reasonable, if we vote for the bill, that we should provide a system of loans rather than a system of grants.

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

The PRESIDING OFFICER (Mr. CASE in the chair). Does the Senator yield?

Mr. COOPER. I yield to the Senator from Ohio.

Mr. LAUSCHE. Is it a fact that in 1959 we had before the Senate practically the identical bill that is now being considered, and that at that time the present President, who was then Senator Kennedy, joined with the Senator from Kentucky in an amendment that would change the bill from one of grants to one of loans?

Mr. COOPER. Yes, he did. In all fairness, I have pointed out that he voted finally for the bill which passed the Senate, and he voted for the Long amendment.

Mr. LAUSCHE. But the fact is that in the midst of the consideration of the bill he actually indicated that the aid ought to be by way of loans rather than grants, as they are contemplated in this bill and as they were contemplated in that bill?

Mr. COOPER. I can only discuss the facts. I cannot attempt to say what President Kennedy, who was then a Member of this body, thought at that time. I do not think he entered into the debate on the bill. I can only speak the facts. He joined in my amendment, but I must say that when the Long amendment was offered he supported the Long amendment to my amendment and voted for the bill which was passed. I want that to be clear, because I would not want to attempt to speak for him, and I would not want to do him any injustice in not reporting faithfully and correctly the RECORD.

Mr. LAUSCHE. Probing into that aspect of this discussion, it is a fact, is it not, that three arms of the present administration have sent letters to the committee which considered the bill, expressing their opposition to it?

Mr. COOPER. I have looked at the report and the hearings. I find that the Department of Defense and the Veterans' Administration—those I remember—opposed that part of the bill which would provide for educational benefits.

Mr. LAUSCHE. Did not the Bureau of the Budget oppose it?

Mr. COOPER. Yes.

Mr. LAUSCHE. The Defense Department opposed it, and so did the Veterans' Administration.

Mr. COOPER. That is correct.

Mr. LAUSCHE. The fact is that the American Legion did not support the bill, though admittedly it did not oppose it.

Mr. COOPER. I have not served on the committee since 1959, so I do not know the attitude of the American Legion.

Mr. LAUSCHE. That fact was established in the discussion today.

I point out to the Senator that the President's Commission on Veterans' Pensions, created in 1955 by President Eisenhower, over which Gen. Omar N. Bradley presided, filed a report.

I direct the Senator's attention to page 26 of the hearings, the last full paragraph in the letter at the bottom of the page, the second sentence of which reads:

> That Commission in its final report to the President on April 23, 1956, concluded that, in view of the changed character of our national military responsibilities for the foreseeable future, peacetime veterans should not be provided benefits such as were provided to veterans of World War II and the Korean conflict.

The point I wish to make is that the Commission, which made the study, said that in view of the changed character of our national military responsibilities for the foreseeable future, grants should not be made.

A moment ago the Senator said that there was no assurance that this program would come to an end in 1965. I submit that what the Senator from Kentucky said is in accord with the statement made in the letter. We will for many years be required to maintain a military strength which is compatible to the strength we now maintain, because the Soviet threat will not soon come to an end.

Mr. COOPER. I agree. I think all of us in this body know that if the bill should be adopted, the benefits would not be ended even in 5 years. As we look at the world today, we know that peacetime service will be required for many years to come.

Mr. LAUSCHE. If the Senator will permit, I should like to read further from page 27 of the hearings, because I think this is a very significant part of the statement by the Department of Defense:

> Extensive studies have been made of the reasons why personnel choose to leave the Armed Forces. In the Department of the Air Force, for example, surveys have revealed that one of the primary reasons for the separation of first-term airmen has been the desire and intention to take advantage of veterans' educational benefits. Attitude surveys conducted in the Air Force when the Korean GI bill was in effect, conclusively established that 45 to 50 percent of all separating first-term airmen were leaving the service to pursue courses of formal education.

I point out that I have listened to arguments, from the military and in the Senate, that one of the grave problems confronting the Department of Defense relates to securing for some protracted period the use of the training which is obtained at great expense in the first and second years. The military services have not been able to obtain that use. I do not recall the exact figure, but the cost to train a man is thousands and thousands of dollars. Then the services have the man only 2 years.

According to the study which has been made, these benefits have operated as an inducement for the men to leave the military service.

Mr. COOPER. I remember in our hearings that was the contention made by the military services.

Mr. LAUSCHE. I am glad to join with the Senator from Kentucky.

Mr. COOPER. This fact should be taken into account. Of course, it would not be wholly conclusive. It is a proper question to consider what benefits should be made available to veterans.

It is correct to say that the Department of Defense opposed the bill, and one of the reasons it advanced was that the bill was at a cross purpose with their program to provide incentives for men and women to stay in the service. The Senator is correct.

Mr. LAUSCHE. As I understand the amendment which has been offered by the Senator from Kentucky, and sponsored by me and other Senators, it contemplates making available to these men and women loans to further their education when they leave the service.

Mr. COOPER. Yes. As I have said, the loans would be on a very generous basis. The loans would be made for 12 years, with the first installment not due until the year after the duration of schooling, without interest until default. There would be a provision for forgiveness for reasons of equity. It seems to me this would offer an opportunity for any boy or girl who has been in the service and who is sincerely interested in securing an education to do so. It would offer a great opportunity to go to school and to obtain an education.

Mr. LAUSCHE. I thank the Senator very much.

Mr. THURMOND. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. THURMOND. Mr. President, I understand the Senator from Kentucky is offering as an amendment a loan program in lieu of the grant program.

Mr. COOPER. The Senator is correct.

Mr. THURMOND. I presume this is similar to the program which was offered by the Senator from Kentucky and myself in 1959.

Mr. COOPER. Yes; it is the same with one exception. The proposal we made in 1959 provided for repayment in 10 years. I thought we should be a little more generous and make it 12 years. I have made it 12 years in the amendment instead of 10.

When I offered the amendment I looked for the Senator from South Carolina, because I knew he had joined in the amendment in 1959. At that time the Senator was not in the Chamber, and I did not feel at liberty to place his name on the amendment as a cosponsor. I should be glad to have the Senator join with me.

I wish to tell Senators that the Senator from South Carolina was the chairman of the subcommittee which previously considered the proposed legislation, I believe over a period of 2 years.

There were full hearings. Many witnesses testified. There was thorough consideration of the bill. We did not pass upon it lightly. I am sure we can advise the Senate accurately about the viewpoints of those who testified and the arguments that were made for and against passage of the bill.

Mr. THURMOND. I commend the able and distinguished Senator from Kentucky for offering the amendment. I would be pleased to have my name added as a cosponsor.

Mr. COOPER. Mr. President, I ask unanimous consent that the names of the Senator from South Carolina [Mr. THURMOND] and the Senator from Delaware [Mr. WILLIAMS], may be added as cosponsors of the amendment.

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

Mr. THURMOND. Mr. President, I wish to say a few words in support of the amendment offered by the Senator from Kentucky and against the bill that is now proposed by the Veterans Subcommittee of the Committee on Labor and Public Welfare.

Several years ago, when I was chairman of the Veterans Subcommittee, long hearings were held, and we reached the conclusion that such a bill was inadvisable. We felt that it was not only inadvisable, but also unfair. I do not think it is fair for a peacetime or cold war trainee to receive the same benefits as veterans of World War II or Korea. That is what the bill would do. I do not think it would be fair for a young person who is serving now with less hazards than in hot wars, to receive the same help and assistance from his Government as a man who fought in a hot war, went into combat, jumped from the sky, sailed on the ocean, or piloted an airplane in enemy territory. I do not think it is right. I think it would establish a bad precedent. I think it is unjust to World War II and Korean veterans for peacetime or cold war trainees to be put in the same category.

It seems to me that a letter to the distinguished chairman of the Committee on Labor and Public Welfare from Phillip S. Hughes, Assistant Director for Legislative Reference in the Bureau of the Budget, answers all those questions. I believe it has been brought out that not only is the Budget Bureau opposed to the bill, but also that the Defense Department and the Veterans' Administration are opposed to it. The Veterans' Administration is charged with administering programs which Congress passed to benefit veterans, and it is familiar with problems and needs of veterans. I do not believe the VA would oppose the passage of benefits really needed by veterans.

The VA has said that the bill is objectionable and should not be passed by the Congress. The Defense Department is opposed to it. The Department of Defense, which must administer our defense program, has strong reasons for opposing the bill.

From the standpoint of money, I do not know that I would necessarily oppose such a program if I felt that it was a just bill from all other standpoints.

According to the Budget Bureau, the bill would cost about $4 billion through June 30, 1973, and an additional cost would be incurred beyond that date.

Four billion dollars is a considerable sum of money, particularly as now the budget is not balanced. We are incurring a deficit and have been incurring a deficit of billions of dollars for a number of years. I think the cost factor should be considered.

I should like to read a statement from the Bureau of the Budget on this proposed program. I am informed that the agencies have reaffirmed their position on the question. Their position is the same now as it was when their letters were written. The counsel of the Veterans Subcommittee told me that today.

On page 24 of the hearings appears a letter to the chairman of the Committee on Labor and Public Welfare from the Bureau of the Budget, which I believe should be read into the RECORD, because it so clearly and effectively answers the arguments advanced in support of the bill that I feel Senators should have the benefit of the thoughts contained therein. The letter reads, as follows:

> The extension of wartime readjustment benefits to peacetime ex-servicemen is principally justified on the argument that peacetime service is comparable to that during wartime because of (a) the existence of a compulsory draft which disrupts educational and career plans and (b) the rigors and hazards in a cold war period.
>
> However, compared with wartime, the draft has a lesser impact on disruption of education and career plans and the impact is considerably offset by excellent educational and vocational training opportunities provided in military service. Moreover, the rigors and hazards of peacetime service bear little relationship to wartime service and from the standpoint of hazards do not differ substantially from risks in civil life.

The letter further states:

> (1) In peacetime, flexible selective service procedures plus military reserve programs enable a young man to complete educational and vocational programs before going into service. Young men under age 22 have not been drafted for some time. Further, the period of required service is definitely fixed, enabling the individual to make specific educational and career plans. The draft reaches only a small proportion of the Nation's young men, far fewer than in wartime; in fiscal year 1960 only 90,000 men were drafted, compared to over 3 million in 1943.

Next, the letter makes the following point:

> (2) Under peacetime conditions the Armed Forces provide extensive on- and off-duty schooling. Hundreds of thousands of servicemen are enabled to obtain a high school or college education or to acquire a trade or skill useful in later life. In the peacetime Armed Forces training is a major mission. The great majority of personnel serve in positions which require skills similar to those in civilian occupations. The Armed Forces operate extensive service schools and encourage and facilitate off-duty education and training.

The letter makes a further point:

(3) Exposure to death and disability in peacetime bears no comparison with wartime.

That is a point that we have raised. Today's trainees should not receive the same benefits as wartime veterans.

I shall point out how the hazards at present do not compare with those in World War II and Korea.

The letter goes on to state:

Peacetime service permits close attention to safety and comfort and in the modern Armed Forces many servicemen serve in jobs comparable to civilian occupations and at no greater risks. Service mortality statistics show that currently 1.7 deaths per thousand man-years occur which is to be compared with 5.5 per thousand during the Korean conflict and 11.6 per thousand during World War II.

That statement refutes absolutely the hazards of the present type of service as distinguished from previous wartime service for which benefits exists. The letter makes another point which I believe is important. It states:

Peacetime ex-servicemen are being separated for service in comparatively small numbers and do not encounter the same difficult problems in economic and career readjustment to civil life faced by hundreds of thousands of wartime veterans.

The letter makes another important point about benefits, which I believe Members of the Senate should consider. It states:

While in service peacetime servicemen are now paid at a rate that substantially exceeds previous wartime rates, even allowing for price changes; and the rates are substantially in line with average pay in comparable civilian occupations. In addition, substantial fringe benefits are provided including coverage under the Federal old-age, survivors, and disability insurance program and special disability, survivor, and medical benefits in case of disability or death.

It seems to me that the Bureau of the Budget in its excellent report to the chairman has answered every argument that the proponents of the bill attempt to raise in favor its its passage.

I am quite sure that if there were any merit in the bill the Veterans' Administration, which is familiar with and sympathetic to veterans needs would certainly have endorsed the bill.

On page 26 of the hearings there is a letter from the Department of Defense to the chairman of the Committee on Labor and Public Welfare. In that letter this point is made:

The question of providing benefits of the type contemplated by S. 349 to peacetime veterans of the military service was one of the major topics of consideration of the President's Commission on Veterans' Pensions, established in 1955 with Gen. Omar N. Bradley as chairman. That Commission in its final report to the President on April 23, 1956, concluded that, in view of the changed character of our national military responsibilities for the foreseeable future, peacetime veterans should not be provided benefits such as were provided to veterans of World War II and the Korean conflict.

Further in the letter this statement appears:

Programs of educational and vocational assistance encourage personnel to leave military service immediately after accruing the maximum benefits which can be gained. This results in a serious handicap to the Armed Forces in their efforts to attract and retain qualified personnel on a career basis.

Mr. President, if these opportunities were not available to these young men in service, it would be a different matter. But as is stated in the report of the Bureau of the Budget, these educational opportunities are available to these young men in the service. It seems to me that the time has come, with our budget being in the shape it is, with our spending of billions and billions of dollars far more than we are taking in, we ought to begin to trim expenses wherever we can.

I would be the last one to want to trim any justifiable benefit from a veteran. But to my way of thinking, when a young man serves his country, he is only paying back a small part of some of the benefits that this country, which is providing more freedom and liberty than any other country, and a higher standard of living than any other country, has provided for him.

It seems to me that every young man ought to be willing to serve for a reasonable time in the armed services of his country. In some countries of the world the young men are required to serve for a long period. In this country only a comparatively small number are required to serve in the armed services. They ought to be willing to serve their country, because that is a simple act of patriotism and a responsibility of citizenship. Of course, we cannot buy patriotism. It is our duty to encourage our young people to go into the armed services. Many of these young men get educational opportunities in the service. They get many benefits, such as travel to foreign countries, an opportunity which they might otherwise never be able to enjoy. A great many of the young men have medical defects corrected. They have their teeth treated. They are given a broader horizon from a mental standpoint, and they become healthier from a physical standpoint.

Mr. President, I am quite sure that a young man gets many advantages that he would not get if he did not go into the service. The bill is unsound in principle, aside from the fact that it would cost more than $4 billion, according to the Budget Bureau.

For those reasons the Senate should reject this bill and pass a loan program for these servicemen who want to go to college or receive further education, if they are not able to do so otherwise.

The purpose of the bill is to provide benefits for those who want to go to college and cannot. Under the amendment offered by the Senator from Kentucky and other Senators, these young people can get loans and can get an education. What more can a young man ask? Why should he have a handout? It seems to me that we are living in an age of too many handouts. Opportunity ought to be all that a young person should expect. The amendment of the Senator from Kentucky will provide the opportunity for a young man to borrow money to go to college. The loan does not have to be paid back until after he gets his education. When it is repaid, others could use the money with which to go to college. In that way a revolving fund would be set up which would help many others in the future.

I hope the Senate will think this over well. I realize that the bill was passed before, but it was stopped in the House. My prediction is that the committee bill will be stopped again in the House. The only thing that will have a chance to get through Congress is a loan program. If we pass a loan program the House may accept it, but the House has clearly indicated that it will not go along with the pending bill. Therefore these servicemen would be denied the benefits of any program.

I hope that thorough consideration will be given to this subject. I realize that the Senate passes a great many bills to spend a great deal of money. This may be just another bill for spending money, but it is an unncessary bill, because we can provide for these young people to get an education through a loan fund.

The point has been made here that we must get a great many engineers and scientists, and we ought to pass the pending bill for that reason. If my memory serves me correctly, that was the purpose sought to be accomplished by the so-called National Defense Education Act, passed in 1958. Since many of the young persons who will be drafted or inducted into the service do not have aptitude along scientific and engineering lines, only a reasonable percentage of those who are inducted or drafted would become expert scientists or engineers. If more engineers and scientists are still needed, there the Congress should reconsider the National Defense Education Act which was purported as a solution to the financial needs in this area.

Mr. WILLIAMS of Delaware obtained the floor.

Mr. YARBOROUGH. Mr. President, will the distinguished Senator from Delaware yield to permit me to question the Senator from South Carolina?

Mr. WILLIAMS of Delaware. Mr. President, I yield to the Senator from Texas, provided I do not lose my right to the floor.

Mr. YARBOROUGH. My question to the distinguished Senator from South Carolina is: What is the total numerical strength of the Armed Forces of the United States in all branches today?

Mr. THURMOND. Mr. President, that figure would have to be broken down among the Army, Navy, Air Force, and Marine Corps. I would not want to state a figure unless I were absolutely certain of it.

Mr. YARBOROUGH. Would it be more than 2 million?

Mr. THURMOND. Yes; but I am not quite certain of the exact figure. The number varies from time to time. As the Senator knows—he is a member of the Army Reserve—the strength of the Army has been increased and is now something over 1 million. The strength of the Marine Corps also has been increased to roughly 200,000 men. I would estimate that the total for all services is between 2½ and 3 million men.

Mr. YARBOROUGH. If we assume that the membership in the Armed Forces is more than 2 million—I think that is a safe assumption—does the distinguished Senator from South Carolina consider that to be a normal peacetime situation? He referred to peacetime veterans. Does he regard it a peacetime situation to have more than 2 million persons in the armed services?

Mr. THURMOND. I think we are only doing now what should have been done long ago; that is, to maintain a stronger national defense. We know that the aim of communism is to dominate and enslave the world; therefore, we must maintain a strong national defense. This situation will continue for many years. I think that is another reason why we should not pass a bill to make grants to men who serve now. I think the young men who will be called into service in the years ahead should be willing to sacrifice, as I feel quite certain most of them will be. Of course, there are some who would want to get benefits. Nevertheless, I think we ought to provide them with a loan program, if we pass anything along the line of educational benefits.

Mr. YARBOROUGH. There is in effect at this time, is there not, a draft law, under which young men are drafted into the armed services?

Mr. THURMOND. There is.

Mr. YARBOROUGH. Does the distinguished Senator from South Carolina believe that the peace-loving, antimilitaristic people of the United States favor draft laws in normal, peacetime circumstances?

Mr. THURMOND. In my opinion most of the people of the United States are peace loving, but not antimilitary. Under the Communist system—and communism is the enemy of the United States and the rest of the free world today—all the young people are drafted when they are needed, and they do not receive any such benefits as are provided in this country. Our country provides far more benefits to all its citizens, including veterans.

I believe the record shows that in 1960 only 90,000 men were drafted. In 1943, during World War II, 3 million were drafted.

Mr. YARBOROUGH. The Senator from South Carolina has referred to the present veterans as peacetime veterans. Does the distinguished Senator from South Carolina consider conditions in South Vietnam, where thousands of Americans are serving, to be peacetime conditions?

Mr. THURMOND. In any place where there is danger, and young men are serving in hazardous duty, and are injured or killed, provision is now made for them. Educational benefits will do the dead ones little good.

Mr. YARBOROUGH. I thank the Senator from South Carolina. I thank the Senator from Delaware for yielding.

EXCESSIVE PROFITS OF FORD INSTRUMENT CO.

Mr. WILLIAMS of Delaware. Mr. President, the Comptroller General has called our attention to another negotiated contract wherein the Defense Department allowed the contractor an 82-percent profit.

This contract, which the Department of the Navy negotiated with Ford Instrument Co., a division of Sperry Rand Corp., Long Island City, N.Y., allowed that company a profit of approximately $907,000 against production costs of about $1,102,000. This represents a profit of 82 percent.

On June 30, 1956, cost-plus-a-fixed-fee contract NOrd-17221 was awarded to Ford Instrument for the design, development, and production of one each EX 11 and EX 12 Model O computers and of related repair parts and accessories sufficient to maintain the equipment for 5 years. These computers were prototypes for the Mk 118 and Mk 119 Model O computers. The prototypes EX 11 and EX 12 were delivered in July and December 1958, respectively.

While these prototypes were in process of development, the Bureau of Ordnance requested the contractor to submit its proposal for production of 17 Mk 118 and 30 Mk 119 Model O computers, plus related repair parts. On January 17, 1957, the contractor submitted separate proposals on a fixed-price incentive basis for 17 Mk 118 and 30 Mk 119 Model O computers. The unit prices proposed by the contractor for each type of computer were identical—$214,500. Subsequently, on February 13, 1957, the contractor proposed a maximum price of $984,560 for maintenance and repair parts for the Mk 118 computers and $1,737,450 for maintenance and repair parts for the Mk 119 computers. However, the contractor did not furnish a listing of the individual parts showing unit prices or quantities and types of parts to be delivered. The total prices quoted for repair parts were proposed on a redeterminable basis, with provision for a downward adjustment only based on the costs actually incurred at the specified redetermination date.

During the negotiations held on May 7 through 10, 1957, the unit price for computers was increased to $222,800 to include tooling costs which had been listed separately in the contractor's proposals. At the same time, prices were established on a fixed-price incentive basis for the repair parts applicable to both types of computers. The negotiation records do not show what consideration, if any, was given to the contractor's offer to establish prices for repair parts on a redeterminable downward only basis. The resultant target prices negotiated for repair parts for the Mk 118 and Mk 119 computers amounted to $964,900 and $1,702,700, respectively.

As a result, firm target costs of approximately $2,500,000 were negotiated for repair parts. These target costs were about $1,398,000 in excess of the actual costs subsequently incurred by Ford Instrument. On costs of about $1,102,000, Ford Instrument will receive profits of about $907,000, or a profit rate of 82 percent. Of this profit, $123,000 represents target profit of 11.1 percent of actual costs, and $784,000 represents target profit of 11.1 percent and incentive profit of 45 percent of the difference between the negotiated target costs and the actual costs subsequently incurred for repair parts.

Thus we find that on costs of about $1,102,000, Ford Instrument will receive profits of about $907,000, or a profit rate of 82 percent of costs incurred under the provisions of the incentive contract.

Mr. President, I ask unanimous consent that the Comptroller General's letter of August 20, 1962, in which he summarized this report, be printed at this point in the RECORD.

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

WASHINGTON, *August 20, 1962.*

To the President of the Senate and the Speaker of the House of Representatives:

Enclosed is our report on examination of the pricing of repair parts for Mk 118 and Mk 119 computers under Department of the Navy fixed-price incentive contract NOrd-17812 with Ford Instrument Co., division of Sperry Rand Corp., Long Island City, N.Y.

The Navy and Ford Instrument negotiated firm target costs for computer repair parts as a basis for paying the contractor incentive profits for cost reductions made during performance of the contract, even though the types and quantities of parts to be furnished under the contract were unknown at the time of negotiation. Furthermore, it was impossible to accurately estimate production costs inasmuch as the prototypes of the computers for which the repair parts were needed had not yet been completed and the design data on the parts were not firm. As a result, firm target costs of approximately $2,500,000 were negotiated for computer repair parts. These target costs were about $1,398,000 in excess of the actual costs subsequently incurred by Ford Instrument. On costs of about $1,102,000, Ford Instrument will receive profits of about $907,000, or a profit rate of 82 percent of costs incurred under the provisions of the incentive contract. Of this profit, $123,000 represents target profit of 11.1 percent of actual costs, and $784,000 represents target profit of 11.1 percent and incentive profit of 45 percent of the difference between the negotiated target costs and the actual costs subsequently incurred for repair parts.

It is apparent that the Navy either should have delayed negotiation of firm target prices for computer repair parts until the type and quantity of such parts were known or should have used a form of contract pricing which was more appropriate under the circumstances existing at the time. Since, at the time of price negotiations for contract NOrd-17812, the design data on the repair parts

were not firm and neither the Navy nor the contractor knew the quantities and types of parts to be delivered under the contract or the costs of their production, there was no realistic basis for establishing firm target prices. Under these circumstances, we do not believe there is any basis for concluding that the reduced costs subsequently incurred by the contractor actually resulted from efficiency on the part of the contractor. Therefore, we believe it is unreasonable for the Navy to allow additional profits attributable to inflated target prices. We are recommending that the Navy make every effort to effect an appropriate adjustment in the contract before final prices for the computer repair parts are negotiated.

Copies of this report are being sent to the President of the United States, the Secretary of Defense, and the Secretary of the Navy.

JOSEPH CAMPBELL,
Comptroller General of the United States.

CALL OF THE ROLL

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

Mr. KEATING. Mr. President, I do not see on the floor at the moment the distinguished Senator from Vermont [Mr. PROUTY], who asked me to object——

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Debate is not now in order.

Mr. KEATING. Then, Mr. President, I object.

The PRESIDING OFFICER. Objection is heard; and the clerk will continue the call of the roll.

The legislative clerk resumed and concluded the call of the roll; and the following Senators answered to their names:

[No. 219 Leg.]

Aiken	Hayden	Mundt
Allott	Hickenlooper	Muskie
Beall	Hill	Neuberger
Boggs	Holland	Pastore
Burdick	Humphrey	Pearson
Bush	Jackson	Pell
Byrd, Va.	Javits	Prouty
Byrd, W. Va.	Johnston	Proxmire
Cannon	Jordan, N.C.	Randolph
Capehart	Jordan, Idaho	Robertson
Carlson	Keating	Russell
Carroll	Kefauver	Saltonstall
Case	Kerr	Scott
Chavez	Kuchel	Smathers
Church	Lausche	Smith, Maine
Cooper	Long, Hawaii	Sparkman
Cotton	Long, La.	Stennis
Curtis	Magnuson	Talmadge
Dodd	Mansfield	Thurmond
Douglas	McCarthy	Wiley
Eastland	McClellan	Williams, N.J.
Ellender	McGee	Williams, Del.
Ervin	McNamara	Yarborough
Fong	Metcalf	Young, N. Dak.
Fulbright	Miller	Young, Ohio
Goldwater	Monroney	
Hart	Moss	

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). A quorum is present.

VETERANS' READJUSTMENT ACT OF 1961

The Senate resumed the consideration of the bill (S. 349) to provide readjustment assistance to veterans who served in the Armed Forces between January 31, 1955, and July 31, 1963.

Mr. YARBOROUGH rose.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. YARBOROUGH. Mr. President, certain statements have been made in support of the amendment offered by the distinguished Senator from Kentucky [Mr. COOPER] which I think need clarification. I do not mean that any Senator has intentionally made an erroneous statement. I realize that the amendment was offered 2 years ago. At that time the distinguished Senator from Oklahoma [Mr. KERR] and the distinguished Senator from Louisiana [Mr. LONG] offered a substitute, and the substitute was agreed to. The amendment now offered by the Senator from Kentucky was not agreed to 2 years ago. I think we ought to point out what is contained in that amendment.

In the amendment offered by the distinguished Senator from Kentucky is a provision that would change the entire program into a loan program. That would even include work on farms. If a man receives on-the-job training on a farm, he must borrow money.

This year we passed the Manpower Development and Training Act. Under the Manpower Development and Training Act we pay people to obtain training. Under the amendment offered by the distinguished Senator from Kentucky a veteran would have to borrow money to receive on-the-job training that a nonveteran could get free. The Government would pay for it. It would add to the disadvantage already suffered by a veteran. We would add a double disadvantage to the disadvantage already suffered by the veteran. I do not mean that the veteran could not forget his service. He could forget his service and not claim any veterans' right, and go into the manpower training program as a civilian, as could the 55 percent of youth who stay out and do not serve. If the amendment were agreed to, he would be better off under the law by not admitting that he was a veteran than he would be by admitting that he was.

I refer to Public Law 87-415, 87th Congress, S. 1991, March 15, 1962, the Manpower Development and Training Act. Under that act the unemployed who are unemployable would be trained to attain proper skills. The program is under the direction of the Secretary of Labor. He is directed to provide for a program for testing, counseling, and selecting for occupational training under the act workers in farm families with less than $1,200 annual income. Such people are paid to be trained. If the applicant were a veteran, under the amendment of the distinguished Senator from Kentucky he would have to borrow money. I refer to section 226 of the amendment offered by the Senator from Kentucky. On the top of page 36, lines 1 through 6, the following provision appears:

> An eligible veteran shall be entitled to the loan provided by this title while enrolled in a course of full-time institutional on-farm training which has been approved by the appropriate State approving agency in accordance with the provisions of this section

In other words, the amendment would compel a veteran to borrow money to be trained for competence in farmwork, while the Manpower Act would permit a nonveteran to be paid by the Federal Government for obtaining the same competence.

After a veteran has lost 1, 2, 3 or more years of service, in addition to the detriment he already suffers, and in addition to the fact that that veteran does not have an equal chance in life with the nonveteran, we would add insult to injury by saying that in order to get the training that someone else can get free, he must borrow money.

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

Mr. YARBOROUGH. I yield.

Mr. COOPER. I anticipated that that argument might be made. I hope we will not allow ourselves to be diverted by this argument which, though appealing, is not inclusive of the subject at all, except in the following respect: I think the Senator would agree that if a veteran meets the requirements of the Manpower Development and Training Act, he would be eligible for retraining.

Mr. YARBOROUGH. Certainly.

Mr. COOPER. But the benefits in the bill of the Senator from Texas and my substitute do not go to the few who may come within the terms of the Manpower Development and Training Act. The benefits of the bill and my substitute would go to a class—every peacetime veteran, man or woman, would be covered. The program is broad. It would give a veteran an entire college education if he were eligible for it.

While the argument the Senator has made might be appealing for a moment, on examination it does not hold water.

Mr. YARBOROUGH. Does the distinguished Senator claim that my argument is erroneous?

Mr. COOPER. It is erroneous in the sense that the Senator makes it appear applicable to an entire class of veterans. Any veteran who can meet the requirements of the Manpower Development and Training Act, which is rather limited in its scope—the benefits of the law go to those out of work and who are to be retrained—could qualify. But the program is not a broad program of education. It is for a limited period of retraining.

Mr. YARBOROUGH. Mr. President——

Mr. COOPER. Let us not abandon the purposes of the bill now.

Mr. YARBOROUGH. The Senator need not worry. I would not abandon the bill. I have fought for it for 4 years.

I will continue to fight for it until it is law, because it is the most just measure in the Congress.

Mr. COOPER. Let us not make it narrower than it is, and bring it to the narrow scope of the Manpower Development and Training Act. The purpose of the Senator's bill and my substitute is to provide help to enable hundreds of thousands of young men and women to obtain a broad and a comprehensive college education, or even a high school education.

What the Senator is doing—and it could have a little appeal, but I hope we will not be confused by it—is to compare the broad purposes of the pending bill, and the opportunities under it for veterans, with the more limited purposes and scope of the Training Act. The Senator's bill and my substitute would give large opportunities to hundreds of thousands of boys and girls who serve. The Manpower Training Act has certain limited purposes, and is rather narrow in its scope.

Mr. YARBOROUGH. My bill would give broad opportunity. The amendment offered by the distinguished Senator from Kentucky would absolutely take away the opportunity of an education. Under the amendment, if a soldier coming out of the service had not finished high school—and remember that only 19 percent of the veterans have finished high school—he would have to borrow money to go to high school.

The distinguished Senator stated that the purpose of the bill is to give veterans a broad general college education. I point out that the terms of the bill are so limited now without his amendment that the maximum number of years of training any veteran could receive would be 3 years. That is the maximum, if he had not finished high school. If he had 1 or 2 years of high school, at most he would get 1 or 2 years of college. It is not a complete college education program. There is a great misunderstanding. I hope the Senator will study the bill more closely and perhaps withdraw his proposed amendment.

Under his amendment the only way anyone could get any training would be to borrow money. There are other programs in government that are broader with respect to benefits that is the narrow bill before the Senate. The Senator has spoken of a limited class. I point out that 25 percent of the total unemployed males in our country—over 600,000 people—are in the cold-war veteran age group. That is the age group of veterans and nonveterans. When we consider the veterans themselves in the 18 to 24 age group, in some areas 35 to 50 percent are unemployed.

The bill has been before the Senate for less than a day. That is no fault of the majority leader. I was absent yesterday on an important assignment. I returned today by airplane at 9:45 a.m.

Even in this short time news has gotten around the country. I wish to read some telegrams that have come in:

FRANKFORT, KY., *August 24, 1962.*
SENATOR RALPH YARBOROUGH,
Chairman, Subcommittee on Veterans' Affairs, Senate Office Building, Washington, D.C.:

The National Association of State Approval Agencies is certainly hopeful of favorable Senate action on S. 349. We consider this the greatest mass educational program ever undertaken by any country. We commend you for your courageous leadership in this matter.

ROBERT W. SALLING,
Legislative Director.

WASHINGTON, D.C., *August 24, 1962.*
Hon. RALPH W. YARBOROUGH,
New Senate Office Building, Washington, D.C.:

Pursuant to 1961 convention action, JWV heartily endorses S. 349 and urges enactment by U.S. Senate.

JOSEPH F. BARR,
National Executive Director, Jewish War Veterans of the United States of America.

WASHINGTON, D.C., *August 24, 1962.*
Hon. RALPH YARBOROUGH,
U.S. Senator, New Senate Office Building, Washington, D.C.:

American Veterans Committee thanks you for leadership on behalf of cold war GI bill and trust your efforts will lead to passage.

J. ARNOLD FELDMAN,
Executive Director, American Veterans Committee.

NEW YORK, N.Y., *August 24, 1962.*
SENATOR RALPH YARBOROUGH,
New Senate Office Building, Washington, D.C.:

Amvets in national convention assembled in New York City are watching with interest the Senate deliberations on S. 349 and strongly urge its favorable consideration.

EDWIN P. FIFIELSKI,
National Commander of Amvets.

WASHINGTON, D.C., *August 24, 1962.*
The Honorable RALPH YARBOROUGH,
New Senate Office Building, Washington, D.C.:

The National Education Association supported the original GI bills and supports S. 349 as a fair and just extension of this national policy. We commend you for your untiring efforts on behalf of our deserving veterans.

J. L. MCCASKILL,
Executive Secretary NEA Legislative Commission.

I think this is very unusual and worthy of note, because the NEA has generally concerned itself mostly with primary and secondary education.

JEFFERSON CITY, MO., *August 24, 1962.*
Hon. RALPH W. YARBOROUGH,
U.S. Senator, Senate Office Building, Washington, D.C.:

The National Association of State Approval Agencies composed of members of Governor's councils and State educational agencies from all States that approve and supervise educational institutions and establishments for veterans training heartily endorses and urgently requests enactment of S. 349 into law for benefit of millions of cold war veterans whose educational opportunities have been interrupted or lost because of service in military forces of the United States of America.

PAUL S. SMELSER,
President, National Association of State Approval Agencies, Director, Veterans Education, State Department of Education.

WASHINGTON, D.C., *August 24, 1962.*
Senator RALPH YARBOROUGH,
New Senate Office Building, Washington, D.C.:

The Department of Rural Education of the National Education Association urges the passage of S. 349, the cold war GI bill. This will be particularly helpful to rural youth.

ROBERT M. ISENBERG,
Executive Secretary, Department of Rural Education, NEA.

JEFFERSON CITY, MO., *August 24, 1962.*
Senator RALPH YARBOROUGH,
New Senate Office Building, Washington, D.C.:

Respectfully urge support of S. 349 for benefit of veterans whose educational careers have been hindered by required military service.

H. PAT WARDLAW,
Assistant Commissioner of Education and Director of Vocational Education.

CONCORD, N.H., *August 24, 1962.*
Senator RALPH YARBOROUGH,
New Senate Office Building, Washington, D.C.:

Urge full support of GI bill S. 349 thus extending benefits to many New Hampshire veterans not included in previous legislation.

EARL H. LITTLE,
Chief, Division of Vocational Education, State Department of Education.

MONTGOMERY, ALA., *August 24, 1962.*
Hon. RALPH YARBOROUGH,
New Senate Office Building, Washington, D.C.:

S. 349 one of the most important efforts yet for veterans education and training. Please give it your utmost support.

M. O. HULSEY,
State Supervisor, Trade and Industrial Education.

Mr. President, I believe that the argument made by the distinguished Senator from South Carolina is utterly without logical grounds. This bill would be a great aid in the fight against communism. These people are not demanding something. The country has demanded something of them. It has reached out and pulled them out of their normal life, and, so far as most of them are concerned, has wrecked their economic opportunity unless they get this retraining opportunity. I have not heard one argument made against the bill that is logical or sound.

Mr. President, I ask unanimous consent to have printed in the RECORD a table which appears on pages 28 and 29 of the committee report on S. 349. The table is entitled "Probable Participation and Total Amounts of Educational Allowances by State Under Readjustment Training Program Proposed by the Veterans Readjustment Assistance Act of 1961 (S. 349)."

There being no objection, the table was ordered to be printed in the RECORD.

Probable participation and total amounts of educational allowances by State under readjustment training program proposed by the Veterans' Readjustment Assistance Act of 1961 (S. 349)

State	Veteran population		Experience, World War II and Korean programs		Veteran population, post-Korean induction period [3]		Participation and allowances for post-Korean veterans (1st 5 years only)	
	World War II [1] (A)	Korean conflict, June 30, 1960 [2] (B)	World War II veterans trained (Public Law 346) (C)	Korean veterans trained (Public Law 550) through June 30, 1960 (D)	In civil life June 30, 1960 [4] (E)	Total expected through fiscal year 1973 [5] (F)	Veterans expected to train [6] (G)	Amounts of educational allowances [7] (H)
Total	15,432,000	5,482,000	7,800,000	2,334,000	1,380,000	4,440,000	1,413,000	
Alabama	253,000	113,000	171,000	60,000	22,000	71,000	28,000	49,200,000
Alaska	9,000	4,000	6,000	1,500	2,000	5,000	1,500	2,100,000
Arizona	74,000	37,000	39,000	15,000	10,000	31,000	10,000	13,900,000
Arkansas	156,000	53,000	103,000	23,000	14,000	45,000	15,000	24,600,000
California	1,187,000	465,000	581,000	233,000	105,000	338,000	127,000	168,800,000
Colorado	147,000	51,000	87,000	28,000	14,000	45,000	18,000	29,200,000
Connecticut	224,000	79,000	88,000	29,000	20,000	66,000	18,000	20,900,000
Delaware	34,000	12,000	14,000	4,000	3,000	10,000	2,000	1,900,000
District of Columbia	107,000	28,000	99,000	31,000	7,000	22,000	18,000	29,100,000
Florida	289,000	144,000	171,000	66,000	30,000	98,000	33,000	45,700,000
Georgia	290,000	115,000	191,000	64,000	29,000	92,000	38,000	60,400,000
Hawaii	39,000	22,000	17,000	7,000	6,000	20,000	5,000	7,100,000
Idaho	57,000	21,000	33,000	8,000	6,000	20,000	6,000	9,700,000
Illinois	935,000	273,000	443,000	120,000	75,000	241,000	79,000	97,800,000
Indiana	400,000	139,000	161,000	48,000	36,000	115,000	30,000	41,500,000
Iowa	228,000	89,000	111,000	33,000	23,000	73,000	20,000	36,000,000
Kansas	188,000	67,000	88,000	23,000	14,000	47,000	12,000	16,800,000
Kentucky	245,000	103,000	114,000	34,000	24,000	78,000	19,000	27,600,000
Louisiana	238,000	86,000	155,000	45,000	25,000	79,000	31,000	55,100,000
Maine	82,000	36,000	39,000	8,000	11,000	35,000	6,000	8,500,000
Maryland	242,000	88,000	122,000	29,000	22,000	70,000	17,000	24,000,000
Massachusetts	522,000	168,000	246,000	74,000	39,000	127,000	42,000	50,400,000
Michigan	681,000	229,000	275,000	79,000	63,000	204,000	53,000	70,100,000
Minnesota	299,000	105,000	143,000	50,000	30,000	95,000	34,000	48,800,000
Mississippi	165,000	59,000	119,000	28,000	14,000	45,000	16,000	29,200,000
Missouri	387,000	144,000	228,000	62,000	34,000	110,000	35,000	50,700,000
Montana	57,000	21,000	29,000	8,000	5,000	15,000	4,000	6,100,000
Nebraska	122,000	50,000	60,000	23,000	14,000	44,000	15,000	24,800,000
Nevada	17,000	8,000	8,000	2,000	3,000	9,000	1,700	2,000,000
New Hampshire	57,000	24,000	23,000	6,000	5,000	15,000	3,000	4,300,000
New Jersey	559,000	178,000	210,000	54,000	43,000	138,000	31,000	31,400,000
New Mexico	71,000	24,000	37,000	13,000	7,000	22,000	9,000	12,800,000
New York	1,608,000	464,000	790,000	202,000	120,000	386,000	126,000	135,600,000
North Carolina	344,000	140,000	198,000	61,000	33,000	107,000	35,000	52,100,000
North Dakota	46,000	23,000	23,000	13,000	7,000	22,000	9,000	15,400,000
Ohio	855,000	271,000	383,000	94,000	70,000	226,000	59,000	66,600,000
Oklahoma	221,000	83,000	135,000	40,000	20,000	64,000	24,000	40,100,000
Oregon	168,000	54,000	77,000	21,000	16,000	51,000	15,000	19,700,000
Pennsylvania	1,179,000	373,000	588,000	142,000	96,000	310,000	88,000	112,600,000
Rhode Island	96,000	28,000	33,000	12,000	6,000	20,000	6,000	8,900,000
South Carolina	164,000	72,000	102,000	31,000	18,000	58,000	19,000	33,400,000
South Dakota	59,000	24,000	26,000	12,000	5,000	16,000	6,000	11,400,000
Tennessee	298,000	113,000	203,000	51,000	28,000	91,000	31,000	46,100,000
Texas	782,000	271,000	453,000	136,000	69,000	222,000	83,000	124,000,000
Utah	74,000	30,000	46,000	21,000	7,000	21,000	11,000	17,900,000
Vermont	32,000	15,000	16,000	4,000	3,000	10,000	2,000	2,700,000
Virginia	301,000	127,000	116,000	34,000	28,000	90,000	18,000	25,500,000
Washington	233,000	86,000	111,000	36,000	24,000	78,000	25,000	36,300,000
West Virginia	194,000	79,000	74,000	22,000	22,000	71,000	15,000	20,400,000
Wisconsin	313,000	121,000	132,000	42,000	32,000	103,000	27,000	40,600,000
Wyoming	28,000	10,000	14,000	3,500	2,000	7,000	1,800	2,800,000
Outside United States, total	76,000	63,000	63,000	48,000	19,000	62,000	35,000	79,400,000

[1] As of Dec. 31, 1953, which approximates peak number of World War II veterans in civil life.
[2] Includes approximately 962,000 veterans who also served during World War II.
[3] Veterans of service period Feb. 1, 1955, through June 30, 1963.
[4] Estimate of post-Korean veterans in civil life on June 30, 1960, based on 1 percent sample of separations from Armed Forces; does not provide for migration subsequent to separation. Data rounded to nearest thousand.
[5] Excludes several hundred thousand career military personnel who served during the post-Korean induction period and who are expected to remain continuously in military service until after the end of fiscal year 1973.
[6] State distribution of trainees expected in 1st 5 years is based on State distribution of post-Korean veterans and State participation rates applicable to Korean veterans.
[7] State distribution of estimated education and training allowance is based on State distribution of trainees expected in 1st 5 years and cost factors applicable to trainees under the Korean readjustment training program.

Mr. YARBOROUGH. Mr. President, I yield the floor at this time to the distinguished majority leader.

REVENUE ACT OF 1962

Mr. MANSFIELD. Mr. President, I wish to compliment and commend the distinguished Senator from Texas for the vigorous and courageous leadership he has shown in behalf of the postwar GI bill of rights. He has fought hard for the bill down through the years, and he was successful in getting it through the Senate in a previous Congress.

However, in view of the situation which has developed, I should like at this time to lay the pending bill aside so that I may discuss it once again with the policy committee when it next meets, and also with the distinguished minority leader, the Senator from Illinois, to see if we might possibly arrive at an agreement to limit debate on the bill at a future date.

I therefore move that the Senate proceed to the consideration of Calendar No. 1843, and that it be made the pending business.

Mr. JAVITS and Mr. MILLER addressed the Chair.

Mr. MANSFIELD. I yield to the Senator from New York.

Mr. JAVITS. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. May this be done without a vote?

Mr. MANSFIELD. It can. It can be done by unanimous consent.

The PRESIDING OFFICER. It may be done by unanimous consent.

Mr. MANSFIELD. I ask unanimous consent that the pending bill be laid aside and that the Senate proceed to the consideration of Calendar No. 1843.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes.

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

Mr. JAVITS. Has the pending bill been laid aside?

The PRESIDING OFFICER. A unanimous-consent request is pending that the Senate proceed to the consideration of the tax bill.

Mr. COOPER. Reserving the right to object, may I ask the distinguished majority leader whether he intends to bring up the veterans bill again this afternoon?

Mr. MANSFIELD. Not this afternoon. I intend to discuss it further with the policy committee and also wish to confer with the minority leader to see if it is possible to reach an arrangement under which the bill could be brought up later, under a limitation of debate.

Mr. COOPER. Not this week?

Mr. MANSFIELD. Not this week. There is nothing tricky about the request to lay the bill aside.

Mr. JAVITS. We do not mean to imply that there ever is anything tricky on the part of the majority leader. Does that include Monday as well?

Mr. MANSFIELD. It includes all of next week, as well.

Mr. COOPER. I am sure the majority leader knows that we do not mean to imply that there is anything tricky.

Mr. MANSFIELD. I am certain about that. I thought there might be a question about the request on that point. "Tricky" was the wrong word. No subterfuge is involved.

Mr. JAVITS. I voted for the bill when it was before the Senate previously. It was unfortunate that it was brought up quite suddenly, without an opportunity for study or preparation. I say that even though I was one of those who was in favor of the bill.

Mr. MANSFIELD. I have been waiting for that allegation or charge to be made.

Mr. JAVITS. I make no charge.

Mr. MANSFIELD. The fact that it came on so suddenly—and it did come on suddenly—is due to the fact that when bills are reported out of committees, they are taken up by the policy committee. The policy committee then gives the leader authority at his "discretion" to bring up a bill. What is done in effect, is that the question of scheduling is passed from the appropriate committee to the policy committee to a single individual. He looks at the calendar and wonders what he can bring up. He finds that half the bills are being objected to by Democrats and the other half by Republicans, and sometimes by both.

So he searches for something that he can bring up, first determining whether there is a Senator in the city who is either for or against it. Then the bill is called up. He is then told that the bill has been called up suddenly. Of course it has. However, what can he do under these circumstances?

There was more difficulty attached to this bill than I thought there would be when I called it up. I am glad the Senator from Texas has had an opportunity once again to show his deep interest and initiative in connection with this bill.

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

Mr. MANSFIELD. I yield.

Mr. JAVITS. I wish to compliment the Senator from Montana.

Mr. MANSFIELD. The Senator always does that. I appreciate it.

Mr. JAVITS. I commend him and compliment him for his traditional fairness. The Senator has displayed again what is in his character, and I thank him for it.

Mr. PROUTY. Mr. President, I should like to point out that the substitute I intend to offer for the Cooper amendment is not ready. I am deeply concerned about the lack of progress which has been made with the higher education bill. It was my purpose to incorporate my substitute for peacetime veterans' benefits in the general higher education bill, which we all know is at present stymied in conference. I am very much in favor of this legislation and I hope it will be enacted. I believe also that the peacetime veterans should be given a preference over nonveterans where student assistance is concerned. I regret that I did not have an opportunity to offer my amendment today but I understand the circumstances, and I applaud the majority leader for deferring action in view of those circumstances.

Mr. MANSFIELD. This is one of the consequences of taking bills up suddenly. I am sure the Senator understands my problem, just as I am sure I understand why he has not had an opportunity to propose his amendment.

Mr. YARBOROUGH. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. YARBOROUGH. First, I thank the majority leader for the privilege of having made a start on the consideration of the bill. The majority leader told me he was hopeful that amendments could be disposed of rapidly and that there would be an opportunity to finish the consideration of the bill today, before other pressing measures got in the way.

I ask the majority leader if it is not probable that the Senate will return to the consideration of the bill at this session. I understand that a Senator on our side of the aisle has an amendment, in addition to the one which the distinguished Senator from Vermont [Mr. PROUTY] says he intends to offer. Will it be possible for the Senate to return to the consideration of the bill later, in the hope that there will be time in a busy schedule to complete action on the bill?

Mr. MANSFIELD. That is my hope.

Mr. President has my request been agreed to?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana that the Senate proceed to the consideration of House bill 10650?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. Calendar No. 1843, H.R. 10650.

WHY PICK ON KATANGA—EDITORIAL IN THE DALLAS MORNING NEWS

Mr. THURMOND. Mr. President, the Dallas Morning News of Dallas, Tex., has published in its editorial columns of August 22, 1962, some eloquent editorial comments which present a brief but powerful defense of Katanga against United Nations and United States determination to force Katanga into a coalition government with the Central Congolese Government. The arguments in this editorial are so persuasive, Mr. President, and make so much practical commonsense that I fail to understand how anyone in our Government can support a policy against self-determination for the people of Katanga.

The editorial is entitled "Why Pick on Katanga?" I feel that it is important enough to be read at this time to the membership of the Senate. I also respectfully remind Senators of the able and well documented address presented on the Senate floor on August 3, 1962, by the distinguished Senator from Connecticut [Mr. DODD]. I commend to the Senate, to the House, and to every American, Senator DODD's lengthy and scholarly address on August 3, and also the impressive editorial published in the Dallas Morning News.

The editorial reads as follows:

WHY PICK ON KATANGA?

Acting U.N. Secretary General U Thant's latest demand for a unified Congo is nothing short of an ultimatum which gives Katanga President Moise Tshombe the alternative of accepting the United Nations terms or facing extinction. U Thant in effect has threatened to destroy the economy of Katanga—which he claims is essential for the survival of the Congo—unless Tshombe turns over his armed forces to the Central Congolese Government within 3 months and accepts a new federal constitution proposed by Congolese Premier Cyrille Adoula within 30 days.

The Secretary General's ultimatum apparently will be backed up by the United States, for when he first issued an appeal for sanctions against Katanga on July 31, the State Department was quick to come up with a 21-point plan to force Tshombe to his knees.

This whole fantastic business demands the answering of vital questions:

Why has the economic, political and military might of the West—and of the United States in particular—been marshaled to crush a stable, pro-Western, anti-Communist government which seeks only to run its own affairs?

By what right is the U.N. or the United States imposing its will on the people of Katanga who, from every indication, seem to support Mr. Tshombe's policy of seeking independence or a loose federation within the Congo?

Surely the U.N.'s actions cannot be reconciled with or justified on the basis of its own charter, which prohibits U.N. interference in the internal affairs of any nation.

Nor can these actions be squared with the so-called peacekeeping mission of the U.N.—which has stirred up more trouble in the Congo than it has prevented. Let's not forget that Katanga has made no effort to impose its will on other parts of the Congo.

Since the end of World War II, the United States and the United Nations have devoted themselves to the cause of self-determination for all people (except those billion-plus poor souls behind the Iron Curtain).

We have supported virtually every independence move on this side of the Iron Curtain—presumably because self-determination is a sacred principle—even when we could tell in advance that by doing so we might be creating difficulties for ourselves or working against our own self-interest.

Why, then, has Katanga been singled out as the only free world country which can't be allowed self-determination or independence? It certainly has all of the characteristics required for separate nationhood—and a good many more than some of the nations whose independence we have supported with vigor.

Katanga has a stable domestic order. It is financially self-sufficient. It has a well-trained, orderly army, a sound currency and the support of the native population.

Opposition to Katangan independence surely cannot be justified by maintaining that it has "seceded" from the rest of the Congo. For neither the United Nations nor the United States has offered any opposition to similar "secessions" in other countries.

Recently Jamaica decided to withdraw from the West Indies Federation. Not a sound of protest was heard from U.N. or U.S. officials.

Nor was there any protest when Ruanda-Urundi split into two separate nations.

Nor when Syria pulled out of the United Arab Republic.

Nor when Mali and Guinea parted.

Nor when the separate states of Nigeria decided to be governed by an extremely loose, decentralized federation.

Why only Katanga? The question becomes more pertinent every day. We don't know the answer, though we suspect it may have something to do with the fact that Tshombe has been militantly anti-Communist. But somebody ought to come up with a satisfactory answer to the question—and the answer should certainly be given before we pour another $100 million of the American taxpayers' money into the U.N's Congo war chest.

ESTABLISHMENT OF FREDERICK DOUGLASS HOME AS A PART OF PARK SYSTEM IN NATIONAL CAPITAL

Mr. HART. Mr. President, I ask that the Chair lay before the Senate the amendment of the House to S. 2399.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2399) to provide for the establishment of the Frederick Douglass home as a part of the park system in the National Capital, and for other purposes, which was, on page 3, lines 1 and 2, strike out "such sums as are necessary" and insert "not more than $25,000 for repairing and refurbishing Cedar Hill in order".

Mr. HART. Mr. President, I move that the Senate concur in the amendment of the House. By so doing, we will insure that in the year of the 100th anniversary of the Emancipation Proclamation, the home of a distinguished American, Frederick Douglass, will become a public shrine and be suitably preserved.

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

The motion was agreed to.

CONFUSION ON FALLOUT STANDARDS INDICATES NEED FOR PROXMIRE RADIATION HAZARDS BILL

Mr. PROXMIRE. Mr. President, today's Wall Street Journal carries a detailed summary of recent developments in the area of Federal standards for protection against radiation hazards. It describes a new policy stated in a letter from the Federal Radiation Council to the Joint Atomic Energy Committee. The policy is the reported result of weeks of debate between the Atomic Energy Commission, the Defense Department, and the Public Health Service—in which the Public Health Service, which bears primary responsibility for protection of health against environmental and other hazards, argued for rigorous application of earlier, stricter standards.

The writer of the article, Mr. Jonathan M. Spivak, comments:

While meant to clear up the uncertainties about Federal radiation protection policy, the Council's statement is likely to raise new issues and confusion.

Mr. Spivak notes:

It's likely there will be little help for the local authorities in the Council's admonition to evaluate the "source and magnitude and duration of probable exposure levels" before acting.

He points out that lack of information on this subject prompted Utah public health officials to take protective action concerning milk, last month—probably unnecessarily. He quotes a scientist as saying:

The health service has been measuring I^{131} fallout levels in milk in terms of the radiation guides. For the Government now to say these don't apply directly to fallout makes no sense to me. I would like to see the data they use to back up the assertion that exposure levels many times above the guides pose no major health hazard.

Mr. President, the situation described by this article is compelling justification for immediate consideration and enactment of the Proxmire bill, S. 3472, giving the Public Health Service full authority over protecting the public health and safety from radiation hazards. Hearings on my bill and on the general subject of fallout protection at the present time would provide a useful and necessary public forum. I hope they can be conducted soon.

I ask unanimous consent that Mr. Spivak's 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:

RADIATION COUNCIL MOVES TO RESOLVE FALLOUT DISPUTE—ADMINISTRATION GROUP SAYS THE PRETEST GUIDES DO NOT SPECIFY SAFE, UNSAFE LEVELS—NEW CONFUSION CALLED LIKELY

(By Jonathan M. Spivak)

WASHINGTON.—The Kennedy administration delicately sought to extricate itself from the restrictions of a Federal radiation protection policy adopted before the resumption of nuclear weapons testing by Russia and the United States.

After weeks of debate between the Atomic Energy Commission and the Defense Department, both of which wanted to state clearly that the peacetime radiation guides do not now apply, and the Public Health Service, which wished to apply them rigorously, the Kennedy administration came up with this compromise solution:

While the Federal radiation protection guides, originally established with only industrial atomic activities in mind, have some "relevance for the assessment of fallout conditions," they do not represent any clear line between safe and dangerous conditions. Their primary purpose is to alert local officials to the need for considering protective action. Any decision as to the need and nature of the action to be taken must include an evaluation of many other factors, such as probable length of exposure, source of the fallout, and even the potential effect of the protective measures on national security.

RADIATION COUNCIL REPLY

The policy was enunciated in a reply by the Federal Radiation Council, chief arbiter of Government radiation policy, to the Joint Congressional Committee on Atomic Energy, which wanted to know whether the existing standards applied to fallout, and if not, what standards should apply. The Federal Radiation Council is headed by the Secretary of Health, Education, and Welfare and composed of the Secretaries of Defense, Labor, Commerce, and Agriculture and the Chairman of the Atomic Energy Commission.

While meant to clear up the uncertainties about Federal radiation protection policy, the Council's statement is likely to raise new issues and confusion.

The Federal guides establish a series of three radioactive contamination levels for air, food and water. The lowest level calls for no concern, while the top level, known as range III, requires an immediate determination of the need for protective measures. The guides do not, however, detail clearly what steps local health officials must take, or how rapidly they must act, when contamination levels reach range III. The guides say only that the radiation exposure produced by this level of contamination should not be exceeded "without careful consideration of the reasons for doing so" and that every effort should be made to keep doses as far below the level as possible.

The Council's policy statement further beclouds the meaning of range III contamination levels, without providing local health authorities any new standard to determine at what precise point they should take action against fallout hazards. Under the guides, State and local health authorities have assumed that, as soon as contamination levels gave signs of breaking into the range III levels, action was needed as a precautionary measure, even though the guides were not actually violated.

LITTLE HELP FOR LOCAL OFFICIALS

It's likely there will be little help for the local authorities in the Council's admonition to evaluate the "source and magnitude and duration of probable exposure levels" before acting. For example, Utah State officials took protective action last month, by diverting fallout-contamination milk away from fresh-milk uses, on the theory that another U.S. above-ground blast at the test site in neighboring Nevada would raise contamination to the range III level. Actually, before the Utah action, the decision had been made—but not announced—to wind up the Nevada test series, according to AEC sources. But the Utah officials did not know that. And obviously any attempt by local health authorities to predict the magnitude and duration of Soviet tests would be fruitless.

The range III level set for radioactive iodine I^{131}, the fallout product of greatest current concern, is 100 micromicrocuries per liter of milk. A micromicrocurie is a millionth of a curie (a unit of radioactivity equal to the amount of radiation emitted by a gram of radium in a second); a liter equals 1.05 quarts.

Some non-Government scientists have been hotly critical of the council and the Public Health Service for failing to recommend more aggressive action against the possible dangers of existing I^{131} exposure. Now, the effort to further minimize the risk and indirectly discourage immediate protective measures may bring new complaints of failure to protect the public interest and of deliberate attempts to conceal fallout hazards.

SCIENTIST COMPLAINS

"The Health Service has been measuring I^{131} fallout levels in milk for 2 years in terms of the radiation guides," says one scientist. For the Government now to say these don't directly apply to fallout makes no sense to me. I would like to see the data they use to back up the assertion that exposure levels many times above the guides pose no major health hazard," he complains.

From the side of those urging a liberalization of the guides comes criticism that the Council was far too vague in indicating what new levels should apply or how to assess the various factors involved in determining whether protective measures should be applied. "The statement helps a little, but it establishes no standards to determine when you should take specific action. And without them, the confusion will continue to exist in the area of fallout protection," asserts a congressional source.

The problem faced by the Kennedy administration is that the radiation protection guides were set at levels calculated to permit continued operation of nuclear power reactors, necessary disposal of atomic wastes, and other peacetime nuclear activities, without producing an excessive risk of exposure. But when adopted by the Federal Radiation Council in 1960 and early 1961, no thought was given to the possible effect of fallout from nuclear weapons testing in raising radiation exposure levels.

Administration science advisers feel the Federal radiation protection standards for I^{131} as well as for other radioisotopes—natural or man made elements which give off radiation—are extremely conservative, and, if rigidly applied in a nuclear testing situation, could raise more problems than they would resolve.

While it's easily possible, these advisers argue, to keep the peacetime-activity levels of radiation exposure well within the guides, there will be sudden and transient rises in radioactivity from nuclear testing which can be expected to exceed them. But the added hazard from increased exposure above the guidelines is so negligible that the widespread application of protective measures might produce even greater dangers, the advisers say.

PANIC A KEY CONCERN

These dangers include an unnecessary magnification of fallout hazards and possible public panic, and a boycott on fresh milk which would hurt the dairy industry economically and might disrupt normal milk consumption patterns, thus creating public health problems. There is the further political concern that a rash of fallout protection measures by the States might make it awkward for the United States to resume nuclear testing and would fuel the demands of neutralist nations, concerned with testing hazards, that the United States accept an immediate uninspected test ban with Russia.

AEC and Pentagon authorities contend the peacetime radiation guides should not apply at all to fallout, since the guides are based on the theory that the biological risks of radiation exposure can be assessed only in relation to the benefits produced by atomic activities. "If a testing program so increased national security that it prevented a nuclear war, how would you 'factor' that into the guides?" asks one official.

In contrast, the Public Health Service and its Division of Radiological Health are privately eager to enforce the guides as is. Their attitude in essence is that health concerns must come first, and if protective measures are not taken at the levels suggested in the present guides the tendency will be not to take them at all.

COUNCIL TAKES MIDDLE GROUND

The Federal Radiation Council's policy statement took a middle ground, stressing that while the guides should not be ignored in judging fallout hazards, many other factors must be considered by health authorities. The dangers from I^{131} exposure were deliberately minimized.

"As applied to fallout, the guides can be used as an indication of when there is need for detailed evaluation of possible exposure hazards and a need to consider whether any protective action should be taken under all the relevant circumstances," the Council said.

The Council insisted the guides themselves are on the extremely conservative side and should be applied with caution. "We do not believe there is any risk of a major health hazard until exposure levels are many times above the guide levels," it said, making a special reference to a recent National Academy of Sciences National Research Council assessment of the potential dangers of thyroid cancer from radiation exposure. This report said that, while one form of radiation exposure—high levels of medical X-rays—has been known to lead to thyroid cancer in children, and radiation from I^{131} has been shown to be cancer causing for some animals, "no case of thyroid cancer ascribable to I^{131} has been found in man."

Other evidence, cited by some scientists to allay fears of I^{131} exposure, is the fact that the radioisotope has been safely used for medical diagnosis and treatment at levels many times more concentrated than those prescribed in the guides; conflicting with this.

FEDERAL GOVERNMENT SHOULD BEAR COST OF PROTECTING MILK AGAINST FALLOUT CONTAMINATION

Mr. PROXMIRE. Mr. President, I am disturbed and concerned by reports that the cost of keeping milk pure and free from contamination by radioactive fallout will be borne by individual farmers and consumers in affected areas. To me this simply does not make sense. The present high radiation levels in Minnesota, Iowa, Utah, and parts of Wisconsin are the result of the radioactive idoine 131 produced in considerable measure by our own nuclear tests in Nevada. To charge the quite considerable cost of taking appropriate protective countermeasures to individual families and producers who have the misfortune to be located in the areas where the I^{131} fallout drifts to the ground simply cannot be justified.

Nuclear testing is a part of the cold war struggle in which we are engaged. Our military and defense leaders believe tests by us are necessary in order to be able to match Soviet test accomplishments, so that we may maintain the nuclear capability to maintain peace and security and preserve and extend freedom throughout the world. Nuclear tests are as much a national defense measure as is the callup of reserves or the procurement of missiles.

To make private individuals pay the indirect costs of nuclear testing would be like asking the families of servicemen called to active duty to pay their salaries and expenses. Just as we recognize that this cost is part of a national burden which should be shared nationally and equitably, so we should take appropriate steps to make certain that the cost of maintaining an adequate supply of pure and wholesome milk free of radioactive contamination is fairly shared.

I am extremely glad that the Senate approved my amendment to the farm bill which extends the livestock feed program to provide stored grain from Commodity Credit Corporation stocks to farmers in areas where pastures have become contaminated to such an extent that cows must be fed on stored feed. My amendment broadens an already existing program. It gives the Secretary of Agriculture discretion to specify terms and conditions for releasing the feed. It would not require a new administrative setup, since the already functioning livestock feed program, under which feed has been made available in cases of drought, flood, and other natural disasters, can be extended to cover this new situation.

This morning's Wall Street Journal contains a detailed story on the protective countermeasures which took effect yesterday in Minnesota and northwestern Wisconsin. Farmers shipping fluid milk into Minneapolis and St. Paul have been asked to divert their cows away from pasturage to stored feed. The financial burden of doing this will be large. In addition to the cost of extra feed, transportation, and labor, farmers will face lower income, because cows switched to dry feed at this time of year and at short notice will produce less milk.

I strongly hope my amendment will be retained in the House-Senate conference on the farm bill. It is a simple proposal that extends an already functioning program.

I ask unanimous consent, Mr. President that the article from the Wall Street Journal to which I have referred be printed in the RECORD.

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

MINNESOTA MILK NEARS RADIATION DANGER LEVEL; CHANGE IS ASKED IN FEED FOR COWS

CHICAGO.—Minnesota dairy industry officials asked farmers to switch their herds from "hot" pastures to stored feed to prevent the level of radioactivity in milk from rising above currently accepted safety levels.

The State department of health said the radiation level is close to the hazardous range.

The change is expected to result in higher retail milk prices throughout Minnesota since it will cost farmers more to feed their cattle alfalfa, grains and other aged feed rather than allowing them to graze.

The Minnesota action follows measures taken by Utah health officials earlier this

month. Radioactive iodine levels in milk supplies in the Salt Lake City area rose sharply, causing some milk to be diverted to manufactured products such as cheese. The time delay in manufacturing allows radioactivity levels to drop to safe levels.

The Twin Cities Milk Producers Association, a cooperative marketing organization of 3,600 dairy farmers within a 75-mile radius of Minneapolis-St. Paul, asked members to make the feed change beginning yesterday.

The co-op asked farmers to sign affidavits that they would put their dairy herds on feed at least 21 days old. Radioactive iodine, which collects on grass and is transmitted to milk produced by grazing cows, dissipates half of its radioactivity every 8 days, so the 21-day lag would sharply reduce the level of radiation.

RECOMMENDED BY STATE AGENCY

The co-op's action was part of a statewide program recommended by a special commission appointed by Minnesota's Governor Andersen. "All of the producers' organizations in the State will have made this move within several days," said H. E. Birdsall, controller of the co-op.

The producers' co-op began charging bottlers 45 cents more per hundredweight for milk produced by cows feeding on stored feeds, Mr. Birdsall said. The extra charge will later be redistributed to farmers who comply with the program, to help reimburse them for the added costs.

As a result, Mr. Birdsall said, "most bottlers (in the Twin City area) have announced they will raise the retail price of milk by about 1 cent a quart," effective either immediately or by next Monday.

Mr. Birdsall said the association was not sure how many farmers are complying with the program. "We asked them to do the best they can without making too costly changes," he said. The request was made of only the 2,600 farmers who produce grade A milk for bottling. Another 900 members, who produce grade B milk, which is not bottled, were not included, he said.

"Under present conditions, it really would not matter if none of the farmers changed," Mr. Birdsall said, since the radiation level has not exceeded what is considered the danger point.

Dr. Warren R. Lawson, chief radiologist of the department, said the culmulative count of radioiodine in milk samples is about 33,000 micromicrocuries on an annual intake basis. This figure measures the accumulated radiation absorbed per year, figured on a basis of 1 liter (1.05 quarts) of milk consumed daily over that period.

STATE FOLLOWS FEDERAL GUIDE

The Federal Radiation Council has a guideline that indicates control measures are not neecssary until the cumulative count reaches 36,500 micromicrocuries a year. At that level, Dr. Lawson said, the State health department would warn that infants under 1 year old, pregnant women and women nursing babies should discontinue consumption of fluid milk.

The feed change for dairy herds was recommended at eight regional meetings held since August 1 around the State by the special six-man Governor's committee. The committee, made up of industry officials, Agriculture Department, and university specialists outlined the program at the meetings with producers and bottlers.

D. T. Carlson, chairman of the committee and executive secretary of the Minnesota Milk Council, a bottlers' association, said the program as it affects farmers is "completely voluntary." The council's recommendation was prompted by the State's high radiation count and the uncertainty over whether the current atomic tests by the United States and the Soviet Union would push the count higher, Dr. Carlson said.

The committee also has recommended that any milk produced from grazing cows be diverted to making butter, cheese, and other dairy products, rather than being bottled, he added. The decay of the radioactivity will eventually make such storable products safer to consume. He said the State health department "is going to check" to see that bottlers comply with this recommendation.

The dairy feed recommendation is expected to be in effect at least until October 1, Mr. Birdsall said. It won't last "more than a couple months at most," he added, since farmers usually put their herds on stored feed at the end of the grazing season in late fall anyway.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its session tonight, it adjourn until 11 a.m. tomorrow.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Without objection, it is so ordered.

PROGRAM FOR TOMORROW—CONSIDERATION OF AGRICULTURE APPROPRIATION BILL

Mr. MANSFIELD. Mr. President, for the information of the Senate, let me say that I hope a sizable portion of the membership of the Senate will be on hand tomorrow, notwithstanding the fact that tomorrow is Saturday. We shall have the agriculture appropriation bill before us, and it is a very important bill. It calls for appropriations in the hundreds of millions of dollars, if not the billions of dollars. So I expect and hope that there will be a good attendance of Senators.

IMPORTANCE OF SPACE SUPERIORITY

Mr. YOUNG of Ohio. Mr. President, in this grim period in the history of the world when Communist Russia is seeking to throw us off balance, first in one region of the world, then another, most recently in West Berlin, let us not overlook for one minute the very serious situation with which we would be confronted if the Soviet Union were to attain absolute supremacy in outer space.

World War II proved to the entire world that air superiority was the vital factor in bringing about victory in that war. As a member of the Senate Committee on Aeronautical and Space Sciences, I have listened to testimony by great physicists and great leaders of our Armed Forces—notably, in one instance, testimony by Gen. Bernard Schriever—to the effect that if the Soviet Union were to attain absolute supremacy in outer space, with the power to destroy our satellites and to shower missiles upon our airfields, missile sites, and cities, it then would have the power to compel our Nation to sue for peace.

Mr. President, Napoleon Bonaparte made his conquests and nearly ruled the world with the power of his armies, with his tactic of quick movement of his ground forces and the element of surprise, plus his leadership.

Then Great Britain ruled a vast portion of the world by the strength of her farflung armies and her seapower. Seapower became supreme, and Britannia ruled the waves. In fact, by the power of her ground forces and her seapower, the British Empire maintained her supremacy for more than a century. Admiral Mahan, of the U.S. Navy, wrote an authoritative book entitled "The Influence of Seapower Upon History."

During World War I, it was armed forces, seapower, and heavy artillery that prevailed. World War II proved that air supremacy won battles, and won the war. Many times while I was in Italy with the 5th Army, in talking we would say that in the future America must be sure of two things: first, never fight a war on our own soil; second, never lose control of the air. World War II taught us that.

Airpower as it was known in World War II is doubtless on its way out today as the supreme weapon with which to win wars.

Next it will be missilery and the control of outer space which will be supreme and could change the map of the world. In fact, that is the situation confronting us now in this grim period of international anarchy. If an evil power such as Communist Russia were to obtain absolute supremacy in the domination and control of outer space, our situation would be perilous indeed.

We must, of course, continue expenditures—and they are huge expenditures—for NASA, for the peaceful exploration of outer space. However, in addition to that, we must proceed with the greatest urgency, for the defense of this Nation, to attain, from a military standpoint, if not supremacy, at least equality or superiority in outer space.

It is impossible to conceive the horror that might come to us were we to sit idly by and permit the Soviet Union to control the military use of outer space, and to continue her exploration of outer space, with her satellites orbiting this hemisphere, without our taking notice of them. As we are doing now, we must continue to step up our exploration of outer space and do all that is necessary, with a viewpoint to having superiority, if not supremacy, in outer space over any nation or group of nations in the world.

Until such time as there are definitely enforcible arms control and finally disarmament agreements and a ban on further nuclear testing between the nations of the world, plus adequate safeguards, the United States must have and maintain military control of outer space—if not supremacy, certainly superiority.

Mr. President, in connection with this threat against us from space poised by the Soviet Union, the Washington Evening Star on August 22, 1962, published a very important lead editorial on this subject, and paid proper respect to our colleague, the junior Senator from Nevada [Mr. CANNON] for the magnificent and effective address he recently made on this subject in the Senate Chamber.

The distinguished Senator from Nevada is one of the outstanding authorities in the Congress on the vital subject of our defense preparedness. He had a brilliant combat record in World War II. He is a brigadier general in the Air Force Reserve and an accomplished jet pilot. As a hard working member of the Armed Services Committee and the Aeronautical and Space Sciences Committee, he is extremely well qualified on this topic and is making an outstanding contribution to the defense of our Nation and the entire free world.

I ask unanimous consent to include in the RECORD that editorial as a part of my remarks.

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

THE THREAT FROM SPACE

A reassuring note was sounded at the Pentagon after last week's tandem space flight by two Soviet cosmonauts. A spokesman said the feat appeared to have no immediate military significance. At a press conference yesterday, Secretary McNamara spoke in a somewhat different key. Russia, he said, is "substantially ahead" of the United States in some phases of military space development, but we are striving to overcome their lead.

This followed a speech on Monday by Senator CANNON of Nevada. Senator CANNON is a Democrat, and there were no partisan aspects to his remarks. As a general in the Air Force Reserve, it may be supposed that he reflects the point of view of that service. But he is also a member of the Senate Armed Services Committee and the Aeronautical and Space Sciences Committee. Thus, as far as information available to the Senate is concerned, he is in a position to know what he is talking about.

We think this was a very significant speech and that it dealt with a very real threat to the future security of the United States.

Recalling President Kennedy's campaign remark that "if the Russians control space, they can control the earth," Senator CANNON made clear his belief that they are well on their way toward achieving space control. The essence of his argument, as we understand it, comes down to this: In terms of military, as distinguished from purely scientific, application of space technology, the Russians are way out in front. And at our respective rates of advance it will be very difficult to overtake them.

The *Vostok III* and *IV* performance indicates that a nuclear attack on the United States from space is within the present capability of the Soviet Union. We have no known defense at this time against such an attack.

But, it is asked, why worry about an attack from space when nuclear weapons can be fired with perhaps greater accuracy from earth? Why worry when we are supposed to have such a preponderance of power that we can absorb a surprise attack and hit back with ruinous force? The answer is that our strike-back capability is designed to hit Soviet missile launching sites, whose locations presumably are known, and similar land targets. But we have no means now of knocking down an orbiting space vehicle from which our country could be attacked. The Russians, however, are believed to have the capabality of making such an attack on us, and, quite probably, can or soon will be able to intercept and destroy our reconnaissance satellites.

Even so, our strike-back capability remains. But the real question is whether we will continue to have the superiority in power which is essential to a successful deterrent. If we lose that superiority the day of anguished decision could come—the day when we might have to choose between capitulation and annihilation.

This is the substance of the view expressed by Senator CANNON and other respected Senators. They do not want to see the military threat from space downgraded and neglected while we race to beat the Russians to the moon. Hopefully, we take Mr. McNamara's latest comment to mean that their voices are being heard in the Pentagon.

AMENDMENT OF PUBLIC LAW 86–506, 86TH CONGRESS

Mr. MANSFIELD. Mr. President, I move that the amendment of the House of Representatives to S. 1208 be laid before the Senate and concurred in.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1208) to amend Public Law 86–506, 86th Congress (74 Stat. 199), approved June 11, 1960, which was, on page 2, line 2, strike out all after "by" down through and including "347)" in line 4, and insert "the Act of May 11, 1938 (52 Stat. 347; 25 U.S.C. 396a et seq.), and the Act of August 9, 1955 (69 Stat. 539), as amended (25 U.S.C. 415 et seq.), including the same uses and terms as are permitted thereby on the Agua Caliente (Palm Springs), Dania, and Navajo Reservations".

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

The motion was agreed to.

Mr. HUMPHREY subsequently said: Mr. President, I wish to comment briefly before we conclude our business on the measures that were laid down by the Chair when the Senate was asked to agree to certain amendments by the House. I do so because I believe the majority leader was very correct when he called for prompt consideration of those bills and for following procedure as he did.

I ask unanimous consent to have printed in the RECORD a statement by the Senators handling the bill for the Senate on S. 1208, which passed the Senate on May 11, 1961.

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

S. 1208 is a bill to amend Public Law 86–506, 86th Congress, approved June 11, 1960.

S. 1208 as it passed the Senate on May 11, 1961, amended a 1960 statute to authorize leasing of additional Indian lands in California that are a part of the Colorado River Indian Reservation. The House has amended the bill to include authorization to make longer term leases on the reservation, up to a maximum of 99 years, in order to bring about greater economic development of tribal resources. At the time S. 1208 was under consideration by the Senate Interior Committee, it was decided that longer term leasing, although desirable, would not be included in the bill because a general bill, S. 108, making 99-year leasing applicable to all tribes had passed the Senate in March 1961. However, the House has not acted on S. 108, and, therefore, if longer term leasing is to be applicable on the Colorado River Reservation, it must be authorized in S. 1208. The House amendment is satisfactory to the sponsors of the bill and is recommended by the Department of the Interior.

Mr. HUMPHREY. The House amended the bill to include an authorization to make longer term leases on the reservation up to a maximum of 99 years. S. 1208 was a bill to amend Public Law 86–506, the 86th Congress, relating to the Colorado River Reservation in Arizona and California. The statement relating to the bill indicates that the Senate committee and the Senate conferees found that the House amendment was satisfactory to the sponsors of the bill and it is recommended by the Department of Commerce.

Mr. President, on each of the bills, without delaying the Senate any further, a statement will be placed in the RECORD so that there can be no doubt as to what the bills provide.

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

Mr. HUMPHREY. I yield.

Mr. KUCHEL. I merely wish the RECORD to show that every time a conference report has come back here, the majority leadership has cleared that conference report with the appropriate leadership on the minority side of the aisle before it has been taken up.

Mr. HUMPHREY. And often when it is not a conference report. There are times when the House amends a bill and sends it back to us with an amendment, and the majority and the minority leadership of the respective committees, the ranking Members, the interested Members, Members who handled the bill on the floor of the Senate as well as the majority and the minority, and those of us who have the responsibility here for the conduct of the business of the Senate, clear those bills.

Mr. KUCHEL. My able friend is precisely correct.

Mr. HUMPHREY. I wish to make clear that if we do not follow that procedure we will be here when the snow is flying, trying to conclude the business of the Congress.

Mr. KUCHEL. If my friend will permit me to say so, to one who is a candidate for public office, that statement involves a good deal of chagrin and woe around his heart.

Mr. HUMPHREY. Is it not interesting that, with my term not ending until 1966, I do not seem to feel the same sense of emotion as does the Senator from California.

Mr. KUCHEL. Two years from now there will be a precise reflection of the same type of apprehension on the part of the Senator from Minnesota.

Mr. HUMPHREY. A sort of delayed action, perhaps? I thank my very helpful and genial colleague.

CHANGE OF NAMES OF EDISON HOME NATIONAL HISTORIC SITE AND EDISON LABORATORY NATIONAL MONUMENT

Mr. MANSFIELD. Mr. President, I make the same motion with respect to the amendment of the House to S. 2916. Incidentally, these matters have been cleared, so they are noncontroversial.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2916) to change the names of the Edison Home National Historic Site and the Edison Laboratory National Monument, to authorize the acceptance of donations, and for other purposes, which was, on page 2, strike out lines 10 through 12, inclusive.

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

The motion was agreed to.

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent to have printed an explanation of the amendment of the House.

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

S. 2916 is a bill to change the names of the Edison Home National Historic Site and the Edison Laboratory National Monument to the Edison National Historic Site, and to authorize the acceptance of donations and permit the addition of donated lands to the combined unit. This bill passed the Senate on July 18, 1962. This bill authorizes the combining of the two areas into a single unit to be known as the Edison National Historic Site, addition of the three-quarters of an acre now owned by the Government, and acceptance of further donated lands to become part of the site.

The House amended the bill to strike section 4 as unnecessary. This section authorized the appropriation of funds. No funds are necessary to accomplish the purposes of the bill.

The House amendment is satisfactory to the sponsor of the bill.

Mr. HUMPHREY. Mr. President, to indicate what we are dealing with, here is Senate bill 2916 which would change the name of the Edison Home and National Historic site. The amendment of the House merely strikes out lines 10 through 12 on page 2 of the bill as passed by the Senate. It would strike out lines 10 through 12 which read:

There are hereby authorized to be appropriated such sums as are necessary to accomplish the purposes of this act.

In other words, the authorization was stricken, because it was not needed for that purpose.

I wish to say in all respect to my colleagues that whenever a bill is passed there is an explanation in the RECORD. I hope we can establish as a standard practice that when any bill to which there is no objection, is passed, the pertinent portions of the committee report which explain the purpose of the bill will be included in the CONGRESSIONAL RECORD as a part of the legislative history of the bill.

It should be understood that when House amendments are agreed to, a statement relating to such House amendments, showing how they change the Senate bill, will also be included in the RECORD.

If we can establish that standard of procedure—and I hope by my remarks tonight we can indicate that as standard procedure—we shall have no difficulty.

I can understand the desire of every Senator to know what is in each bill that is passed. It is a legitimate request, and it is to be commended, and not frowned upon. Senators who have responsibilities for various pieces of legislation have at all times prepared the necessary explanation.

REVISION OF BOUNDARIES OF CAPULIN MOUNTAIN NATIONAL MONUMENT, N. MEX.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2973) to revise the boundaries of Capulin Mountain National Monument, N. Mex., to authorize acquisition of lands therein, and for other purposes, which were, on page 2, line 10, after "Act" insert ": *Provided*, That the Secretary of the Interior is not authorized hereby to pay any amount in excess of the fair market value of the lands acquired pursuant to the provisions of this Act", and on page 2, line 17, strike out "and", and insert "to be".

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendments of the House of Representatives to S. 2973.

The motion was agreed to.

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent to have printed an explanation of the amendments of the House.

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

S. 2973, a bill to revise the boundaries of the Capulin Mountain National Monument, N. Mex., to authorize acquisition of lands therein and for other purposes passed the Senate on June 26, 1962. The bill revised the boundaries of the Capulin Mountain National Monument in New Mexico authorizing the addition of 95 acres of land at a cost of not more than $2,500. The House has amended the bill to prohibit the Secretary of the Interior from paying more than the fair market value of the land to be acquired. This was the purpose of the original Senate limitation of $2,500. The House amendment is satisfactory to the sponsor of the bill.

ADDITION OF CERTAIN LANDS TO PIKE NATIONAL FOREST, COLO., AND CARSON NATIONAL FOREST AND SANTA FE NATIONAL FOREST IN NEW MEXICO

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3112) to add certain lands to the Pike National Forest in Colorado and the Carson National Forest and the Santa Fe National Forest in New Mexico, and for other purposes, which was, on page 2, line 13, strike out "half" and insert "half,".

Mr. HUMPHREY. Mr. President, I move that the Senate concur in the amendment of the House of Representatives to S. 3112.

The motion was agreed to.

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent to have printed an explanation of the amendment of the House.

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

S. 3112, a bill to add certain lands to the Pike National Forest in Colorado and the Carson National Forest and the Santa Fe National Forest in New Mexico, and for other purposes, passed the Senate on June 26, 1962. It incorporates into the Pike National Forest in Colorado and the Carson and Santa Fe National Forests in New Mexico some 268,000 acres of land which are now owned by the Federal Government and are being administered by the Forest Service under title 3 of the Bankhead-Jones Farm Tenant Act.

The bill does not involve the acquisition of any new lands but changes the status of federally owned lands for administrative purposes. The House amended the bill in order to clarify a land description. The House amendment is acceptable to the sponsor of the bill.

DIVISION OF TRIBAL ASSETS OF PONCA TRIBE OF NATIVE AMERICANS OF NEBRASKA

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3174) to provide for the division of the tribal assets of the Ponca Tribe of Native Americans of Nebraska among the members of the tribe, and for other purposes, which were, on page 1, strike out all after line 2 over through and including line 17, page 2, and insert:

That the Secretary of the Interior shall, with the advice and assistance of the Ponca Tribe of Native Americans of Nebraska and pursuant to such regulations as he may prescribe, prepare a roll of the members of the tribe and record thereon persons whose names appeared on the census roll of April 1, 1934, and the supplement thereto of January 1, 1935, and their descendants of not less than one-quarter degree Indian blood of the Ponca Tribe, regardless of place of residence, who are living on the date of this Act. He shall provide a reasonable opportunity for any person to protest against the inclusion or omission of any name on or from the roll and his decision on such protests shall be final and conclusive. After all protests are disposed of, the roll shall be published in the Federal Register. The Secretary shall thereupon give the adult members of the tribe whose names appear on the roll an opportunity to indicate their agreement or disagreement with a division of tribal assets in accordance with the provisions of this Act. If a majority of those indicating agreement or disagreement are favorable to such division, the Secretary shall publish in the Federal Register a notice of the fact and the roll prepared by him shall thereupon become final and the following sections of this Act shall become effective.

And on page 3, lines 15 and 16, after "member" strike out ", or that is not used and selected by some other member".

Mr. HUMPHREY. Mr. President, I move that the Senate concur in the amendments of the House of Representatives to S. 3174.

The motion was agreed to.

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent to have printed an explanation of the amendments of the House.

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

S. 3174, a bill to provide for the division of the tribal assets of the Ponca Tribe of Native Americans of Nebraska among the members of the tribe was introduced by the senior Senator from Idaho [Mr. CHURCH], by request, as a result of an executive communication from the Department of the Interior. The Senate passed S. 3174 on June 26, 1962, without amendment. The House has amended the bill by rearranging the sequence of events in section 1. The practical result of the House amendment is to provide that the remaining sections of the bill will not become effective until a final roll of the tribe has been completed and a majority of the adult members whose names appear on the roll have indicated their agreement with a division of the tribal assets in accordance with the provisions of the act.

While the members of the tribe have indicated on several occasions that they wish to terminate their relationship with the Federal Government, the language adopted by the House would insure that the tribal members would have full opportunity again to accept or reject the proposed division of tribal assets.

The House language is similar to that contained in several termination bills enacted by Congress and that it is satisfactory to the Department of the Interior and to the chairman of the Subcommittee on Indian Affairs, Mr. CHURCH.

CONSTRUCTION, OPERATION, AND MAINTENANCE OF SPOKANE VALLEY PROJECT

The PRESIDING OFFICER laid befoe the Senate the amendments of the House of Representatives to the bill (S. 2008) to amend the act of September 16, 1959 (73 Stat. 561, 43 U.S.C. 615a), relating to the construction, operation, and maintenance of the Spokane Valley project, which were, to strike out all after the enacting clause and insert:

That the Act of September 16, 1959 (73 Stat. 561, 43 U.S.C. 615s), be amended as follows:

"(a) By substituting in section 1 thereof the words 'seven thousand two hundred and fifty' for the words 'ten thousand three hundred' and by inserting the words 'and for domestic, municipal, and industrial uses' after the words 'the State of Idaho' in this same section.

"(b) By amending section 2 to read as follows: 'In constructing, operating, and maintaining the Spokane Valley project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), except that (1) interest on the unpaid balance of the allocation to domestic, municipal, and industrial water supply shall be at a rate determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from date of issue; and (2) the remaining cost of the project beyond the amount to be reimbursed or returned by the water users shall be accounted for in the same manner as provided in item (c) of section 2 of the Act of July 27, 1954 (68 Stat. 568), and power and energy required for irrigation pumping for the Spokane Valley project shall be made available in the same manner as provided for therein. The amount to be repaid by the irrigators shall be collected by the contracting entity through annual assessments based upon combination turnout and acreage charges and through the use of such other methods as it and the Secretary may agree upon.'

"(c) By deleting from section 3 thereof the figure '$5,100,000' and inserting in lieu thereof the figure '$7,232,000'."

And to amend the title so as to read: "An Act to amend the Act of September 16, 1959 (73 Stat. 561; 43 U.S.C. 615s), relating to the construction, operation, and maintenance of the Spokane Valley project."

Mr. HUMPHREY. Mr. President, I move that the Senate concur in the amendments of the House of Representatives to S. 2008.

The motion was agreed to.

Mr. HUMPHREY subsequently said: Mr. President, S. 2008 is a bill to amend the Spokane Valley project authorization.

The bill as it passed the Senate amended the authorization act of September 16, 1959, to:

First. Provide for domestic water service.

Second. Set the payout period at 50 years.

Third. Reduced the acreage from 10,290 acres to about 7,250 acres.

Fourth. Increases the authorization from $5,100,000 to $7,232,000.

This proposed development would replace an existing water supply obtained by gravity diversion from the Spokane River. The gravity system is badly deteriorated and there is a danger of failure at any time. The estimated cost of the project facilities is $7,178,000. Of this amount $6,141,000 is allocated to irrigation and $1,037,000 is allocated to municipal water supply. The cost allocated to irrigation would be repayable without interest and the cost allocated to municipal water supply would be repayable with interest in accordance with reclamation law. The House struck out that portion of the Senate bill which permitted 50-year contracts under section 9 of the Reclamation Project Act. The result is to limit the maximum contract period to 40 years. The amendment is acceptable to the sponsors of the bill.

EXTENSION OF CERTAIN AUTHORITY OF SECRETARY OF THE INTERIOR

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 981) to extend certain authority of the Secretary of the Interior exercised through the Geological Survey of the Department of the Interior, to areas outside the national domain, which was, after line 9, insert:

SEC. 2. The Secretary of the Interior shall report to the Speaker of the House of Representatives and the President of the Senate on January 31 and July 31 of each year on all actions taken pursuant to this Act during the six months ending on the December 31 and June 30 immediately preceding the reporting date and on the results of such actions.

Mr. HUMPHREY. Mr. President, I move that the Senate concur in the amendment of the House of Representatives to S. 981.

The motion was agreed to.

Mr. HUMPHREY subsequently said: Mr. President, S. 981 is a bill to extend the authority of the Secretary of the Interior exercised through the Geological Survey of the Department of the Interior to areas outside the national domain where it is determined by him to be in the national interest. The bill passed the Senate on August 2, 1961. The House amended the bill to require reports on the activities of the Geological Survey outside of the United States on a biennial basis. The House amendment is acceptable to the Department of the Interior and to the sponsor of the bill.

Mr. HUMPHREY. Mr. President, does that complete the list of bills we had agreed to consider and which were at the desk?

Mr. DOUGLAS. Mr. President, I am sure these bills are worthy, but they are going through with greater speed than the movement of light, and the reading of the title of the bills by the reading clerk is so incomprehensible as to make it impossible for Senators to know what is happening.

I suppose it is very impudent for a Member of the Senate to try to find out what is going on, but these bills are not on the calendar. They are being read so rapidly that they are completely unintelligible to the membership.

I wondered if we could have an explanation of some of the bills.

Mr. MANSFIELD. Mr. President, we shall be delighted to give the Senator from Illinois an explanation. This is something which the Senator from Washington [Mr. JACKSON] has been trying to do for a long time. It happened that there were differences between the Senate and the House versions of the bills, and on the basis of mutual accommodation and agreement, this is being done. These matters have been cleared in order to send them to and have them considered on the floor. They were cleared so far as the ranking members of the committees were concerned, and it was all done in the open.

I assure the Senator from Illinois that the fact the they have been read rapidly was as much the fault of the majority leader as anyone else, but no Senator opposed what was being done, and I thought everybody was satisfied.

Mr. DOUGLAS. Mr. President, with that explanation, I shall have no objection, but if we are to be a deliberative body, then the statement of bills should be a bit more intelligible, for the benefit of the garden-variety Member who tries to keep up with what is happening.

Mr. MANSFIELD. I wish, after this, that the chairman or the appropriate members of the committee concerned would come to the floor of the Senate to handle the bills for themselves, and would not ask the leadership to assume that responsibility.

TRIBUTE TO THE LATE WILL M. WHITTINGTON

Mr. STENNIS. Mr. President, death this week took from amidst Mississip-

pians one of its most effective public servants, former Representative Will M. Whittington at the age of 84.

For more than a quarter of a century, Mr. Whittington served in the Congress, and his record of achievement and distinguished service to his fellowman is one of the bright chapters in American political history.

This noted Greenwood lawyer was the author and the father of America's first major flood control program.

After the terrible flood along the banks of the Mighty Mississippi River in 1927, Will Whittington, who later became chairman of the House Public Works Committee, rolled up his sleeves and went to work. He became "Mr. Flood Control," and a grateful Nation will not forget his good works.

I had the distinguished honor and high privilege of serving with Mr. Whittington as a member of the Mississippi congressional delegation for 3 years. He retired voluntarily in 1950.

Mr. President, I am sure that Senators will agree with me and recall that his mind was ever alert and vigorous, that he had a great capacity for work, and that he was sincerely devoted to the true American ideals and principles of our great form of government. The good work he did will live long.

I ask unanimous consent that the account of Mr. Whittington's death, published in the Jackson (Miss.) Clarion-Ledger on August 21, 1962, be printed in the RECORD.

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

STATESMAN WHITTINGTON DIES AT 84

GREENWOOD.—William Madison Whittington, Sr., 84, an outstanding statesman, philanthropist, and churchman, suffered a heart attack and died at his home in Greenwood.

The former U.S. Congressman was first elected to Congress as a Democrat in 1925, and served until his retirement in 1950. He returned to Greenwood in January of 1951, to make his home and resume his practice of law with his son W. M. Whittington, Jr.

Born in Franklin County, the distinguished Mississippian was the son of Alexander Madison and Margaret Isaphene McGehee Whittington. He was a graduate of Mississippi College and of the University of Mississippi School of Law.

He was admitted to the bar in 1899, and returned to Roxie, to be principal of the school there and to begin his practice of law. He also served on the board of aldermen in Roxie.

ORGANIZED LAW FIRM

Congressman Whittington came to Greenwood in 1904, and in 1914 organized his own law firm. Here continuing his public service he served on the Greenwood City Council and was a member of the State senate from Leflore County for two terms.

In the U.S. Congress the title of "Mr. Flood Control" was bestowed on Mr. Whittington by his colleagues for his untiring efforts as chairman of the Public Works Committee to bring relief to the low-lying areas of the country.

Whittington was author of practically all flood control legislation passed by Congress after flood control became a national policy in 1928. He was also one of the most economy minded men ever to serve in the National Congress and several times returned funds given to him for investigations and studies, and once declined to take additional funds appropriated by Congress to operate his office, saying that he did not need the money because he had a capable staff.

HEADED FLOOD WORK

He was chairman of the Flood Control Committee for 12 years, and was a member of the Committees on Reclamation, Roads, and on Expenditures in the Executive Department. He was responsible for the establishment of the experiment station at Stoneville.

Several years ago Mr. and Mrs. Whittington donated the money to build the Aven Fine Arts Building at Mississippi College in Clinton, and Whittington Hall was named for the Congressman. Both were named alumni of the year at Mississippi College a few years ago and both were given honorary doctor of laws degrees.

Mrs. Whittington is the former Anna Ward Aven of Clinton, who was the first woman to graduate at Mississippi College. The couple celebrated their golden wedding anniversary in 1960.

GAVE PARK

Here in Greenwood, Mr. Whittington gave the city 40 acres of land for Whittington Park, and he built a large pavilion on the site.

Long active in the Baptist Church, Whittington is a former Sunday school superintendent, and was a deacon in the First Baptist Church for 40 years. He was president of the Mississippi Baptist convention when he was 32 years old, and when he was 33 he was elected vice president of the Southern Baptist convention. He has often held offices since in the conventions.

The Congressman was a member of the Kiwanis Club, the Leflore County, Mississippi State, and American Bar Associations. He was a 33d degree Mason and a Shriner.

In addition to his wife, he leaves two sons, W. M. Whittington, Jr., and Aven Whittington, both of Greenwood; a daughter, Mrs. Kenneth Davenport, Stone Ridge, N.Y.; two brothers, Charles S. and Curtis C. Whittington, both of Greenwood; two sisters, Mrs. Thomas Perkins, Brookhaven, and Mrs. H. H. Webb, Jackson; and nine grandchildren.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. STENNIS. Mr. President, since I cannot be present on the Senate floor tomorrow, and since I understand the appropriation bill for the Department of Agriculture and related agencies for 1963 will be under consideration, I wish to anticipate its consideration and make a few remarks, particularly with reference to one or two Senate committee amendments which will be presented by the Senator from Georgia [Mr. RUSSELL].

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Mr. President, one amendment to be presented by the Senator from Georgia [Mr. RUSSELL] proposes a $3 million increase in that part of the appropriation which is for the extension service, which provides funds for distribution among the States under a well-established legal formula.

Senators will recall that this program is operated by the Federal Government and the States on a cooperative basis. For many years the funds for this program, which reaches into every single county of the 3,000 counties in the United States, were supplied largely on a 50–50 basis. That has varied from time to time. In 1936 the Federal Government paid 59 percent of the cost of this marvelous program. For 1962 the Federal Government is paying only 37 percent of the cost of the program. For the past 12 years the States have, on the average, appropriated $2 for every $1 the Federal Government has appropriated for this program.

There is a particular need in many of these States now for additional funds, particularly with reference to the salaries of the Extension Service workers.

When the Congress passes a salary-increase bill for Federal employees, that bill does not apply automatically to those who are in the Extension Service. The State legislatures appropriate a part of the moneys for such salaries. The Federal Government provides a part. The program is not systematized. It is not regular, but is highly irregular.

The situation has reached the point where workers in corresponding brackets in the regular Federal service, in the Department of Agriculture, have received pay raise after pay raise, and the disparity has become more apparent. The recruiting of men of talent, dedication, and training in this field is becoming more and more difficult.

Since 1950, for example, the Federal funds provided an increase in salary of only 8.1 percent for the Extension Service workers. If all the Federal funds which have been appropriated for the entire program had gone for salaries, they would have been increased only 12.8 percent. Since 1950, the regular Federal employees have had their salaries increased 51.8 percent, as contrasted with the 12.8 percent I have enumerated. Our own salaries as Members of Congress have increased 50 percent, compared to what they were in 1950.

In view of these facts, I really cannot understand why the Bureau of the Budget did not make a more liberal allowance for this year. It allowed an increase of only $1 million. The Senator from Mississippi is of the opinion, and believes the Senate will agree, that several million dollars more than that should have been put in the budget for this purpose.

The House adopted the $1 million increase, and the Senate committee, on motion of the Senator from Georgia, has added the $3 million additional. It is to this amendment I am addressing myself now. I believe it will be acceptable to the membership of this body.

Even with that amendment added, it would be possible to increase the salaries of these underpaid Extension Service workers only $200 per year.

I believe that this will have an appeal to the Members of the other body, in the conference. I do not speak for them, of course, but I know of their interest. I believe it is a matter which will commend itself to the membership of the other body.

Next year, frankly, I think we should give this item our special attention again, because it will require further attention than the bill now would provide, merely to meet the current problem.

If the Congress should pass a salary increase bill for Federal employees this year, of course the Extension Service workers would not be included under the terms of that bill. We could consider that fact, if it happens, next year.

I think this is particularly appropriate for another reason. The present Administrator of the Federal Extension Service, Mr. E. T. York, Jr., of Alabama, is doing excellent work. He and his staff are devoted and dedicated to their mission.

I respectfully call this amendment to the attention of the Senate now.

UTILIZATION RESEARCH AND DEVELOPMENT PROGRAM

Mr. President, also in anticipation I wish to speak of another item which appears in the Department of Agriculture appropriation bill, to be considered tomorrow. I make these remarks in support of, and not intending at all to be ahead of, the Senator from Georgia [Mr. RUSSELL], who will handle the consideration of the bill.

The Senator from Georgia proposed in the committee—and that proposal was adopted—that a fund of $25 million be set up as a special research fund to add to our present program of research throughout the Nation with reference to the utilization of farm products. This includes grains, feeds, fibers, fruit, and all the other products of the soil. The subject has not been exhausted, and needs particular attention.

Mr. President, I agree wholeheartedly with the distinguished Senator from Georgia that utilization research by the Department of Agriculture has demonstrated its ability to do great things and should be more adequately supported.

The $25 million increase proposed for this work in the current fiscal year would approximately double the present effort we are making to find new uses and wider markets for farm products and would also provide laboratory and pilot-plant facilities needed for the accelerated program.

The record of the past 20 years by Federal scientists engaged in this work gives convincing evidence that funds devoted to utilization research can yield benefits worth many times their cost to taxpayers.

In talking with Department officials about utilization research, I have been particularly impressed by the tremendous opportunities that exist to use farm products as raw materials for the production of industrial chemicals.

The chemical industry is one of the largest and most rapidly expanding industries we have. It turns out its products in multitudinous variety and vast quantity, aggregating currently some 15 billion pounds a year, worth $25 billion.

This industry has itself indicated its confidence in the possibilities of becoming a larger consumer of farm products.

In one of the chief technical journals of the industry, Industrial and Engineering Chemistry, published by the American Chemical Society, the following statement was recently made—May 1962:

Chemical-processing-industry opinion is that much greater amounts of agricultural raw materials can be used as chemical intermediates.

The industry journal goes on to emphasize the need for research to open up this new market for farm products:

Increased use of agricultural products in industry depends on the accumulation of new and precise knowledge of the chemical and physical makeup of agricultural commodities and application of that knowledge to more efficient use in old forms and development through chemical modification of new and better products. It also depends on the commercial acceptability of products and processes developed, for industry will adopt only those products and processes it can make or use profitably.

The versatility of agricultural raw materials for making chemical products is great. * * * Many agricultural materials are uniquely suited for a specific application. In some cases they are the lowest cost materials available to do a given job. Many times they are the best materials for the application or the only ones that will work at all.

In spite of this versatility and the great potential for using farm products in the chemical industry, actual usage of these materials has only scratched the surface. About 12 percent of total agricultural sales goes for nonfood uses, and that includes cotton, wool, tobacco, and leather, which account for over three-fourths of the nonfood market. The chemical industry uses between 11 and 12 percent of the nonfood agricultural products, or about 1.5 percent of total farm production. One reason is lack of research attention. While industry spends about 3 percent of gross sales on research, about 1 percent of gross farm product sales is devoted to agricultural research, and only a small fraction of this is aimed at finding new uses for farm products.

The proposed increase of $25 million for utilization research will do much to rectify the lagging emphasis we have given to research aimed at expanding industrial markets for farm products.

What are the end products of the chemical industry for which farm products can serve as raw materials? They number in the hundreds. Among them are plastics, resins, surface coatings, drying agents, wetting agents, synthetic rubber, pigments, solvents, adhesives, printing inks, dyes, antifreezes, lubricants, gums, catalysts, and other processing chemicals of all kinds.

To make these products, the chemical industry needs organic materials such as those found in great variety in farm products. I refer, of course, to such basic elements as starches from grain, proteins from seed crops, fats from animal products, oils from cottonseed, soybeans, and other plant sources, fibers from cotton, wool, and wood, plus a multitude of even more elemental substances—alcohols and aldehydes, esters and acids, sugars, salts, steroids, flavonoids—all available from crops the farmer grows.

This is the world of utilization research.

Today, the chemical industry is buying about $500 million worth of farm products. But this is less than 2 percent of the industry's total needs for raw materials—and those needs are fast increasing.

The opportunity for farm products to move ahead in this vast market are obviously great. And to realize that opportunity, we must do more utilization research.

My emphasis here has been on the vast possibilities offered by utilization research in converting farm products into needed raw materials for industry. But I do not wish to minimize the important advances this research is also making in the development of wider food outlets for farm products. This research, too, offers great promise and should be expanded.

I repeat that I make my remarks now before the Senate proceeds to consider the bill for the sole reason that it will be impossible for me to be present when the bill is considered. I respectfully commend to Senators the subject as presented by the Senator from Georgia as well as the points of view I have expressed. I yield the floor.

THE TRUTH SHALL MAKE YOU FREE

Mr. FONG. Mr. President, I commend to each and every one of my colleagues in the Senate and to each and every reader of the CONGRESSIONAL RECORD a penetrating editorial on the need for truth in our space policy which appeared in the Saturday Honolulu Star-Bulletin.

The Honolulu Star-Bulletin is an outstanding metropolitan newspaper with a daily circulation exceeding 100,000 throughout the State of Hawaii. Under its editor, William H. Ewing, the Star-Bulletin is exercising increasing leadership on local, national, and international affairs.

I should like to read several paragraphs from the editorial which summarize its import:

We have not lost the race to the moon or the race for space and we will not if we will summon the strength that we have through the only means that we have; that is, from the spirit of our people.

But we are dangerously handicapping ourselves when we pretend that the race is less vital than it is, or that our position is less critical than it seems.

In time of stress the truth is always better, not only as a matter of simple honesty but because it clears the air, it makes for understanding, it often inspires the listener to give the best that is in him.

But this editorial is not an argument for virtue. It is advanced in the interest of strength, because democracy is strongest only when allowed to work in all its parts.

We decry the subversion of truth in Washington as shameful, not only for being shameful but because it is not in the national interest.

Mr. President, this editorial might well be titled, "The Truth Shall Make You Free." I ask unanimous consent that the entire text of the editorial be printed in the RECORD at this point.

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

THE SOURCE OF OUR STRENGTH

The United States, and the world, are at a pivotal point in history. We are about to move into the Cosmos, to bridge the gap between earth and the moon and the other planets. It may take 5 years, or 10, or longer. The time required is not the point, for years, or centuries, are specks in time too small to be counted. The point is that it will be done.

If men had reached a little higher stage of intelligence, as some scientists suspect that beings on other planets may have done, we almost certainly would combine our international efforts to make this herculean leap into space, the unknown. Intellectually, it is fantastic that men should quarrel and even, perhaps, fight over the conquest of space. The idea that puny man should dispute the infinite would be incredible to anyone but man. Only man, being intellectually a dwarf, can understand it.

Someday, perhaps centuries from now, maybe sooner, man will become a rational creature. But today he is inhibited in his development by shibboleths and superstitions, by jealousy and suspicion, by emotional considerations that color and guide and dictate his thinking. His technological advances have outstripped his intellectual development by a million miles. In short, he is not ready for space. But he will go.

At this critical point in our history it is imperative that the poeple of the United States and their Government should deal in utter frankness with each other. Indeed, it is at our own peril that we do otherwise, because forthrightness is basic to the theme of our democracy. Our guarantees of free speech and free press were not placed in the Constitution to be subverted. They were recognized as being essential to the strength of free government. Freedom in this context means frankness and forthrightness as well as the absence of restraint.

Yet repeatedly we find, in the utterances of our spokesmen in Washington, statements which may be, as far as they go, correct; but which are not the whole truth and which are often spoken for the effect they may have on the rest of the world rather than for the accurate information of the American public.

Information is issued or withheld, in many cases, not primarily to inform the American people so that they can make up their minds who their government should be and what it should do (this is a government of the people, by the people, for the people) but for the presumable effect such information may have on those we regard as our enemies.

This is wrong not only in principle. In practice the decision on what to say and what not to say is often made by individuals who have no part in high policymaking or a clear understanding of what high policy is. Or the decision is dictated by people whose background is wholly military. It is no criticism of the military trained mind to say that it lacks understanding of the democratic concept. There is nothing democratic about military organization.

These are not idle observations. Everyone who has dealings with the Government in Washington knows that manipulation of information which belongs to the public is practiced every day. Last month the Star-Bulletin published two editorials critical of the Defense Department's handling of news of the Johnston Island nuclear tests. The editorials had a response from the Defense Department. The response, produced by the Associated Press, said that Defense Department officials had been guided not only by concern for military secrecy but also by considerations "of the impact on international relations." In a word, propaganda.

Last week the Russians put two men into orbit in separate capsules. One of them stayed aloft through 64 orbits. The other orbited the earth 48 times. Thursday James E. Webb, head of the National Aeronautics and Space Administration, and other Space Administration officials pooh-poohed the Russian achievement. They referred to it as a "baby step" which indicated nothing so far as the race to the moon is concerned.

Now, this is obviously a statement concerned with "the impact on international relations." All we need to do is to imagine that it had been we, not the Russians, who had put up two astronauts simultaneously and kept them there and brought them down safely after 4 days and 3 days, approximately, in space, and that until this time the Russians had been able to maintain a man in orbit only through three circuits of the earth.

Had this happened, we are unable to imagine Mr. Webb and his fellow spokesmen saying it was hardly anything at all, that it was a "baby step," that at all, that it offered no evidence one way or the other as to who was ahead in the race to the moon.

The fact is that our space leaders were propagandizing the world and they were propagandizing us. They were trying to make the rest of the world believe that, despite this new Russian achievement, the United States has not been outdistanced in space when as a matter of fact we have been. At the same time they were trying to gloss over what the Russians had done as a means of bracing the spirit of the American people.

They were subverting the American press, which in turn is the people, for purposes of propaganda. This in itself is bad enough but they are completely mistaken in their thinking, that we cannot bear to hear bad news. The American people will provide the spirit and the demand to reach the Moon first if they know how important it is to get there first and what effort is required. They are not going to become excited if they think we are winning when we are not.

The total of what the Russians learned from the long-distance twin flight may not be surmised by even the best of scientists and technicians in other countries. But two aspects of the knowledge they gained are obvious. One, the reaction of the man himself to long periods of exposure to space. The other, the technique of the space rendezvous.

The Russians, according to their own statement and the best information of foreign observers who tracked their craft, did not achieve a space rendezvous. That is, they did not lock their capsules together in orbit. But they came very close, so close that on Monday Sir Bernard Lovell, director of Britain's Jodrell Bank Radio Telescope Observatory, said it appeared one astronaut might have transferred to the other's capsule.

Dr. Willie Ley, the German rocket expert, said he believed the Russians had planned a rendezvous but failed for lack of fuel after coming within 25 miles of each other. Dr. Ley added that the failure may have been due at least in part to human miscalculation, which is another way of saying that technically the Russians knew what they were about.

How important is it to be able to rendezvous in space, to maneuver a body in orbit? It is at least this important: it would make possible a landing on the moon by a small auxiliary rocket which would later rejoin the mother rocket for the return to earth, the method which we have settled on as the most practicable; and it would permit interception in space for military purposes.

Russian scientists and Government leaders have repeatedly professed their yearning for peaceful and even cooperative exploration of space. But the Soviet defense minister, Marshal Malinovsky, used the latest exploit to emphasize its military significance. We can choose to accept whichever statement we like. But we would be burying our head in the sand to ignore Malinovsky.

It may be that the nation which first achieves maneuverability in space can control space if it so desires. A body in orbit which cannot maneuver is like a train on a track. And if it should simply disappear in space it would be hard to sustain a charge as to who was responsible.

And if the Russians should reach the moon ahead of us; if they should set up a colony there, and establish regular rocket communication back and forth; could we, and would we, use force to land there also if they should say, "No, this is Soviet territory, by right of claim (they landed the first rocket there, bearing a Soviet flag in 1959) and by right of conquest?"

Our position in history today is, indeed, pivotal. Ours, a nation which has never known defeat, is not keeping pace with our rivals in a race the outcome of which may determine the future of man on our planet.

Our Republic was designed and has developed as one which would be strongest in adversity, because it drew its strength from its people, who in turn derived their strength from a pattern of life denoted by the one word, "free." Yet today under stress we find our Government copying the methods of the unfree, of shortcircuiting the lifeline of truth on which our strength of spirit depends.

We have not lost the race to the moon or the race for space and we will not if we will summon the strength that we have through the only means that we have, that is, from the spirit of our people. But we are dangerously handicapping ourselves when we pretend that the race is less vital than it is, or that our position is less critical then it seems.

In all logic, then, which is more important today: to tell the American people the truth, the whole truth, and nothing but the truth about space; or to speak primarily for effect on the rest of the world, misguiding our own people as a result?

In time of stress the truth is always better, not only as a matter of simple honesty but because it clears the air, it makes for understanding, it often inspires the listener to give the best that is in him. But this editorial is not an argument for virtue. It is advanced in the interest of strength, because democracy is strongest only when allowed to work in all its parts. We decry the subversion of truth in Washington as shameful, not only for being shameful but because it is not in the national interest.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. HUMPHREY. Mr. President, if there is no further business to come before the Senate, I move that the Senate stand in adjournment until 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 42 minutes p.m.) the Senate adjourned, under the previous order, until tomorrow, Saturday, August 25, 1962, at 11 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 24, 1962:

ATOMIC ENERGY COMMISSION

James T. Ramey, of Illinois, to be a member of the Atomic Energy Commission for the remainder of the term expiring June 30, 1964.

John Gorham Palfrey, of New York, to be a member of the Atomic Energy Commission for a term of 5 years expiring June 30, 1967.

IN THE NAVY

The following-named officers of the staff corps of the Navy, as indicated, for temporary promotion to the grade indicated, subject to qualification therefor as provided by law:

MEDICAL CORPS

To be rear admirals

Martin T. Macklin
William N. New

SUPPLY CORPS

To be rear admirals

Elton W. Sutherling
William A. Evans
Bernhard H. Bieri, Jr.

CHAPLAIN CORPS

To be rear admiral

James W. Kelly

CIVIL ENGINEER CORPS

To be rear admiral

Alexander C. Husband

DENTAL CORPS

To be rear admiral

Frank M. Kyes

IN THE AIR FORCE

To be generals

Gen. Lauris Norstad 25A (major general, Regular Air Force), U.S. Air Force, to be placed on the retired list in the grade indicated, under the provisions of section 8962, title 10, of the United States Code.

Lt. Gen. John P. McConnell 611A (major general, Regular Air Force), U.S. Air Force, to be assigned to positions of importance and responsibility designated by the President in the rank indicated, under the provisions of section 8066, title 10, of the United States Code.

To be lieutenant general

Maj. Gen. Joseph J. Nazzaro 1241A (major general, Regular Air Force), U.S. Air Force, to be assigned to positions of importance and responsibility designated by the President in the rank indicated, under the provisions of section 8066, title 10, of the United States Code.

The following-named officers for temporary appointment in the U.S. Air Force, under the provisions of chapter 839, title 10, of the United States Code:

To be major generals

Brig. Gen. Jack N. Donohew 1319A, Regular Air Force.

Brig. Gen. Paul T. Preuss 1407A, Regular Air Force.

Brig. Gen. Maurice C. Harlan 18858A (colonel, Regular Air Force, Dental), U.S. Air Force.

Brig. Gen. Robert P. Taylor 18737A (colonel, Regular Air Force, Chaplain), U.S. Air Force.

To be brigadier generals

Col. Michael J. Ingelido 4295A, Regular Air Force.

Col. Edwin R. Chess 55101A (lieutenant colonel, Regular Air Force, Chaplain), U.S. Air Force.

IN THE ARMY

The nominations beginning Willard F. Angen to be colonel, and ending Lawrence J. Youngblood, Jr., to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on August 3, 1962.

IN THE AIR FORCE

The nominations beginning Lawrence A. Adams, Jr., to be colonel, and ending Norma D. Halley to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on August 14, 1962.

IN THE MARINE CORPS

The nominations beginning Howard F. Stevenson to be colonel, and ending Joseph F. Donahoe to be colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on August 14, 1962.

EXTENSIONS OF REMARKS

Basic Ideas of Government

EXTENSION OF REMARKS

OF

HON. HOMER E. CAPEHART

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Friday, August 24, 1962

Mr. CAPEHART. Mr. President, it was my good fortune to have been a guest Wednesday, August 22, in Chicago at a dinner given by the Order of Ahepa, at which our colleague, the distinguished Senator from Arizona [Mr. GOLDWATER] was the principal speaker. His remarks were so fundamentally American, and his address so replete with basic ideas of government, that, in my opinion, it should be made available for all to read.

Therefore, Mr. President, I ask unanimous consent that the text of Senator GOLDWATER's address be printed in the RECORD.

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

BASIC IDEAS OF GOVERNMENT

(Text of a speech by U.S. Senator BARRY GOLDWATER, Republican, of Arizona, before the Order of AHEPA banquet, Wednesday, August 22, 1962, Chicago, Ill.)

It is a great honor and a great privilege to be here today—to have the opportunity to address you Americans of Greek ancestry. There is no other group in all this country which stands in a closer or more vital relationship with the basic traditions of Western civilization. For it was the ancient Greeks who described for the first time the conditions necessary for political freedom. It was your ancestors—you—sitting here in this room today—who created the idea of a mixed constitution, the concept of checks and balances which lies at the very heart of our American system of government.

A conservative is a man who believes we have something worth conserving. A conservative knows that we were not born yesterday. A conservative knows that the wisdom of the ages is not something to throw overboard because some young college graduate has just had another bright idea.

You, here in this room, are true conservatives. You whose ancestors developed a level of civilization which even now many of us are scarcely able to understand and appreciate. You know the meaning of the word conservative, because the great part of our civilization, and the best of it, exists today only because you and others have conserved the magnificent cultural heritage of Greece. As one who is primarily interested in the political life of our Nation, I feel very strongly the debt we owe you, especially for the basic political ideas that come to us from the Greek tradition.

Very properly we pay homage to the Americans who have been called the Founding Fathers of our country. But they could not have thought as they did, they could not have drawn this blueprint for American Government had it not been for your great ancestor Plato, or even more for another incomparable thinker of ancient Greece—Aristotle.

These men—Plato and Aristotle—are truly Founding Fathers of America, in a very real sense. Theirs were the ideas, handed down from ancient Greece, which lie at the heart of the American concept of freedom.

It was your forefathers who pioneered the idea of freedom. It was your forefathers who, 2,500 years ago, built the new frontier against barbarism, and against despotism.

It was your forefathers who literally created the very idea of freedom today as we know it. And the creation of this idea was a kind of miracle.

We have to remember that the ancient Greeks lived in a world which never had known, in all its history, a concept of freedom like the idea they brought into the world. It was an entirely new idea, a new way of life. There was no tradition of freedom for them to look back to. They had to create the idea, as it were, out of nothing.

And they created there a new frontier—a frontier between free men, on one side, and, on the other side, men who live in constant fear of their government, whose whole lives are subject to the whim of despots. In all history since then there has continued to be only one real frontier, the frontier of freedom beyond which lies man, helpless before the overwhelming power of government.

How did those astonishing ancestors of yours create this great liberating concept of man? Not only was there no tradition of freedom to teach them this way of life, this concept of man, but they stood near rich and immensely powerful nations whose whole outlook was hostile to the idea of freedom. Egypt at that time had several thousands of years of history as a rich and powerful nation, and the tyranny of the Pharaohs was cruel and absolute. Even the terrible slave labor camps of Soviet Russia are hardly worse than were the enormous gangs of slaves—tens of thousands in number—who were driven to death building the enormous pyramids to satisfy the whims of the Egyptian Pharaohs. These were the neighbors of the Greeks, a hundred times as wealthy and a hundred times more powerful than the Greeks.

And there were the Persians of that day—a powerful and rich empire ruled by cruel and arbitrary despots. As you know so well, the Persian kings sent a huge army to conquer the Greeks. Most of the army was composed of well-equipped slaves, who were sometimes driven into battle by whips in the hands of the Persian officers.

All this array of slave power failed. Poor as they were, few in number as they were, the Greeks had one precious weapon the Persians lacked. They were freemen with a fierce sense of independence, a characteristic which Greeks have never lost. This is the greatest gift of Greece to Western civilization: The concept of a man as a free citizen.

The whole idea of politics as a subject which could be studied is a Greek invention. No one ever heard of political science before Plato and Aristotle, and no man since has spoken more profoundly on the problems of politics.

It is to the concept of the free citizen that we owe the possibility of all the other achievements of the Greeks. Now politics I know something about. Now I am not a scholar in the field of Greek ideas, yet who is there who does not have some grasp of the breadth and significance of our debt to Greece?

Every schoolboy knows something of this debt. Yet, sometimes reformers with ideas they believe are new, or scientists in love with some new scientific development are tempted to forget the source of almost all the ideas.

We are often tempted to think of our civilization as having hit peaks of development unheard of in the past. The atom seems like something new. How many remember that the very word "atom" is a Greek word and that the idea of the world as being constructed basically of atoms was originated by a Greek—Democritus, by name—several thousand years ago.

It was this concept of the atom combined with modern mathematics which created this new atomic age we live in. But the very word "mathematics" is also a Greek word, and most of the basic mathematics we now have was originated and thought through 2,000 years ago by Greeks.

"Geometry" is another Greek word. Who can think of basic mathematics without following in the footsteps of Euclid?

In a word, the really hard basic thinking which created the possibility of the modern world of atomic physics was done by the Greeks long ago. We moderns have only taken a few steps beyond the giant strides of those men. Our whole world of technology is unthinkable, is clearly impossible without the astonishing creative thinking of the Greeks. These powerful rockets that soar into space, all the complicated machinery of modern living are only rather ingenious developments flowing from the astounding intellectual creations of Greece. Without Greece, they would not exist.

What about philosophy—except for religion, the only serious and profound attempt to penetrate and explain the meaning of human existence? Again, the word "philosophy" is a Greek word. As you know, the word means love of wisdom. Some time ago I was reading on an airplane—that's where I get most of my reading done—and I was reading some comments by Professor Whitehead, whom many have called the most distinguished modern philosopher. Whitehead's comment that stayed in my mind was this: "All modern philosophy is only a series of footnotes to Plato."

Now some of our modern thinkers would have us believe their ideas are very original, very novel. These people are, to put it very simply, ignorant of history. They don't know that many of their notions are nothing more than pale and distorted reflections of past ideas, many of which were discussed as trivial or unsound by the giants of the past.

The very writing of history itself—as we know it today—was an invention of the Greeks. Herodotus and Thucydides were as you all know so well the first great historians. Even today Thucydides stands as a giant among modern writers of history.

Now what are we to say about a nation like the Greeks who create a great cultural innovation like the writing of history, and who, almost simultaneous with the first efforts in the field, produce histories of such astounding excellence that we are still stumbling behind them 2,000 years later. What histories are being written today that we dare compare with Thucydides for sheer dramatic power, such a devotion to truth, such a determined objectivity. Thucydides wrote history on a broad canvas with a generosity of spirit and a grandeur of vision which is almost inconceivable in our own age.

Anyone suffering from the illusion that ours is a great age and that our modern ideas constitute the last step in progress could regain some objectivity and a proper sense of humility by studying Thucydides, one of the great Greeks.

It would be possible to go on far more time than I have today, reviewing the magnitude, the astonishing creations of the Greeks. Who is not acquainted with the greatness of Greek architecture, of Greek art? Has ever a more distinguished, a more beautiful or a more appropriate building been conceived than the Parthenon?

Almost all the important buildings in Washington are built in the Greek style. What beauty there is in the Capitol building in Washington, and the White House—the dignity and serenity, the essential seriousness, the sense of order—these characteristics are Greek, and Greek alone. They represent the great tradition of Western civilization, the heart and core of the ideals that motivate us, the atmosphere of rationality which remains even in the midst of temporary disorder. These ideals, this tradition, this rationality remain so powerful that they can survive even the constant barrage of reforms, the small revolutions proposed by small minds, the disorder promoted by modern day reformers who keep proposing as "bold" new concepts many of the same notions which were long ago consigned to the trash barrel of history.

When I stand and gaze at the great Parthenon up there against the sky, on the escarpment overlooking Athens I know what the word "bold" means. To understand what has happened to us, you need to do no more than study the use of the term "bold" in the hands of mediocre modern reformers. No notion is now so trivial that a modern reformer will not describe it as a "bold new idea" or a "bold new plan." Among pygmies even the smallest things look big. Among those who think history began yesterday, everything is new.

To get a perspective on the prevailing style of today nothing is more salutary than to study the art of the Greeks. It is only necessary to place a great sculpture from the high period of Greek achievement against almost any modern sculpture. The humanity of the Greek is almost inevitably in sharp contrast with the inhuman modern concept. The Greek serenity, the Greek balance and repose, the Greek rationality, the inherent sense of human dignity stands sharply against the confusion and distortion, the tangled emotions, the cult of the ugly and commonplace which is so often characteristic of modern art.

And the theater. We could never leave a discussion of the Greek tradition without a view of the grandeur and magnificence of the Greek theater. Here, again, we are in the presence of a great invention of the Greek imagination.

In the Greek theater the whole community gathered to view a spectacle of the highest significance. In the great tragedies, the Greeks beheld a spectacle in which the most profound human emotions were plumbed and all against a cosmic background that strangely did not dwarf the actors but caused them instead to rise to heroic levels which would be inconceivable on the modern stage. There was an air of greatness about the Greek theater which not only represented in truth the Greek view of man and the universe but reflected back upon the audience and taught them that greatness was possible even in the face of inevitable evil, even in the face of a monstrous and absolutely terrifying fate. The Greek theater was made by men who drew the breath of greatness; the Greek theater was created by men who knew greatness and who taught men how it was to be great. Even their comedies shared in this sense of greatness. In the midst of even the wildest and most whimsical comedy there remained that breath of greatness and of freedom.

It is no surprise that the greatest writer of Greek comedy—Aristophanes—was also profoundly conservative.

I wonder what he would have said about the humorless and self-righteous professional reformers of today? I wonder what he would have said about their cult of the common or mediocre man?

Unless there is a belief in the potential greatness of man, there can no longer be tragedy; there can be only melodrama. When man becomes trivial, tragedy becomes ludicrous. What is more, comedy also becomes a trifling thing—at best witty and clever, never carrying with it hints of the grandeur and depth of the tragic vision which must serve as the necessary vital contrast for truly great comedy.

I do not believe, in our present social state, dominated as it is by a trivial conception of man—dominated as it is by superficial reformers who expect to save and to protect and to remake man through government action—I do not believe that either great tragedy or great comedy is possible in such an environment.

Your ancestors once showed us what man could be. Your ancestors in their concept of the theater gave us a model of greatness against which to measure the theater, for all time.

And what of the modern theater?

Have you looked at your TV set lately?

What wallowing in self-pity. What vast and contorted expressions of emotion over trifling problems. What meaningless violence and meaningless sex.

Comedy has become "wisecracks." Very clever, sometimes even very witty. But the background of greatness is not there, so the savor, the depth of contrast, is gone. The surprise, the fast switch, the shock have taken its place.

Your ancestors would look upon us with pity. To them, we would be truly barbarians.

We who call ourselves conservatives have only the most profound respect for this great Greek tradition, whether it be in the art of government, or in science or mathematics, whether in architecture or sculpture, or in philosophy, or in history, or in the art of the theater. I have no time to talk of the magnificence of Greek poetry, or the handicrafts, or of the creation of the great sciences of botany and zoology. All these you know so well.

We conservatives do not believe that history began yesterday. We do not believe that anything over 20 years old is necessarily "horse and buggy," and ought therefore to be discarded. We conservatives do not believe that something is good just because some think it is new, or that it is obsolete just because some say it is old.

We believe that what wisdom we may have is the product of the thought and work of many, many generations. If we stand high at all, we gain this height, we believe, because we stand on the shoulders of past generations.

We ask only that the wisdom of the past be brought to bear also on today's problems. We ask only that reformers read some history, and that they have a decent respect for our forefathers and our great traditions.

We conservatives ask for an end to the cynical, cocksure attitudes of reformers who describe any ideas inherited from the past as "horse and buggy."

In a word, we conservatives believe there is something great and something valuable to be conserved from the past. We do not believe we were born yesterday.

We conservatives believe that Americans of Greek ancestry have a special character. They are bearers of a special trust.

All of us who live in the Western World owe a profound, immeasurable debt to your forefathers. But you, the direct descendants of the men who created so much of the basis of our whole civilization—you have in your very blood, in the very fiber of your

brains and nervous systems, the germ of that greatness.

The heroic stand of modern Greeks against the Nazis and then against the Communists showed the world that the spirit of ancient Greece still lives today in the Greeks of modern times.

You are conservatives. You have conserved from your ancestors that tradition of fierce independence—that concept of the greatness of man—which we conservatives of the modern world treasure as a priceless possession.

I am a conservative, and I feel at home here.

It has been a great honor for me to be here with you, the sons and daughters of the magnificent Greek tradition: The tradition which is now an essential and central element in the America which is also yours and mine.

Senator Thomas J. Dodd Delivers Inspiring Address at Congressional Breakfast Meeting of Religious Heritage of America, Inc., Pilgrimage

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, August 24, 1962

Mr. RANDOLPH. Mr. President, the 12th annual Washington pilgrimage sponsored by Religious Heritage of America, Inc., is being held in this city from August 22 to 25, 1962.

Religious Heritage of America is a nationwide, nonsectarian association of citizens who believe that faith in God is the foundation on which this Nation was built, and that our future depends on maintaining our position as a "nation under God."

Each year this organization holds a pilgrimage to Washington, D.C., encouraging personal meetings between members and governmental leaders. Through such close contact, Religious Heritage of America, Inc., promotes the practice of religious principles in Government.

It was my privilege this morning to attend the congressional breakfast portion of the pilgrimage. Presiding at this gathering of legislators, churchmen, and interested citizens was Senator JACK MILLER, of Iowa. The invocation was offered by the Reverend Frederick Brown Harris, Chaplain of the Senate, and "the Lord's Prayer" was sung by Miss Lee Meredith soprano soloist at the Foundry Methodist Church, Washington, D.C.

Dan Fenn, staff assistant to President John F. Kennedy, conveyed the greetings of the Chief Executive and then presented awards of appreciation to T. Sutton Jett, Regional Director of the National Capital Parks, and to Ronald F. Lee, Director, Fifth District, National Park Service.

In directing the program, Senator MILLER made reference that these meetings had in the past been chaired by the late Senator Francis Case of South Dakota, and that prior to his death Senator Case had hoped to introduce a joint resolution setting aside one day during the year to be known as Religious Heritage Day. Senator MILLER stated that the Sunday immediately before Thanksgiving has been proposed, and that the matter was now being studied by Senator ALEXANDER WILEY of Wisconsin.

Principal speakers at the congressional breakfast were Representative FRED SCHWENGEL of Iowa, whose subject was "U.S. Capitol, Symbol of This Nation Under God"; and Senator THOMAS J. DODD of Connecticut.

Senator DODD commented meaningfully on "The Spiritual Basis of our American Democracy", and stressed the need to remain cognizant of our traditions of freedom, equality, and democracy, all evolved through deep adherence to spiritual ideals.

Mr. President, I am pleased to announce that Ella F. Harllee has been selected as Churchwoman of the Year by Religious Heritage of America, Inc. Miss Harllee, president and director of the Educational and Religious Radio and Television Association, has been responsible for more than 12,000 religious radio and television broadcasts in the Washington area during the past 10 years, and has contributed much to the spiritual betterment of our Nation's Capital.

I ask unanimous consent that Senator DODD's remarks, and the Washington Post and Times Herald article concerning the selection of Ella F. Harllee as Churchwoman of the Year be reprinted in the RECORD.

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

REMARKS OF SENATOR THOMAS J. DODD, AT THE RELIGIOUS HERITAGE OF AMERICA CONGRESSIONAL BREAKFAST, NEW SENATE OFFICE BUILDING, WASHINGTON, D.C., FRIDAY, AUGUST 24, 1962

It is a pleasure and an honor for me to participate in this congressional breakfast sponsored by the Religious Heritage of America.

The subject assigned to me this morning is "The Spiritual Basis of Our American Democracy." This is a very large order for me, and one which I doubt I can properly fill.

In trying to prepare for it, I thought back to the origins of our democracy and to that remarkable group of men who brought into being upon this continent a free society.

On the beautiful grounds of Monticello, near Charlottesville, Va., is the tomb of one of those men, Thomas Jefferson. On that tomb is an inscription which Jefferson himself prepared, according to a custom of the time.

As he reflected, during his last years, on the achievements of his life and tried to summarize in a single sentence the things for which he wished to be remembered, many thoughts must have come into his mind.

He had played an important part in the decision of the Thirteen Colonies to fight for their independence. He was our first American Secretary of State, our second Vice President and our third President.

At a single stroke, and without a drop of blood, he achieved through the Louisiana Purchase a doubling of the size of our country. He was the founder of one of our political parties and the father of policies which have shaped American history down through the decades.

And, yet, he cited none of these things for the remembrance of his countrymen. The inscription that he wrote was this:

"Author of the Declaration of Independence; of the statute of Virginia for religious freedom; and the father of the University of Virginia."

In that simple inscription, I think, can be found the elements which form the spiritual basis of our democracy: that in the eyes of the law, all men should be equal and should enjoy the inalienable rights with which they have been endowed by their Creator; that men should be free and that their freedom to accept or reject should extend even to the most sacred and fundamental of man's beliefs; and that the purpose of society is not only to guarantee these freedoms and to protect these rights but also to educate, to elevate each citizen to the fullest realization of his capacities and talents in order that he might make the wisest use of freedom, for himself and for society.

These were the basic fundamentals of the ideal society to which Jefferson devoted his life. But these ideals did not appear full blown in the 18th century in the writings of the founders of our country and their contemporaries around the world.

Whence comes the dignity of man, a phrase so glibly used these days by writers and speakers?

Why ought man to be free, to be educated, to be loved, to be treated justly?

Our spiritual heritage gives the answer: Because he is a child of God, with a noble destiny. And as such he has inalienable rights, he has infinite possibilities. The ideal society is that society best formed to enable individual men to achieve those infinite possibilities. And the only form of government which, in the long run, has proved itself to be in harmony with these goals is that which we loosely call democracy.

We cannot appreciate the extent to which these ideas have transformed the Western World unless we look back for a moment at the kind of society that existed, at the philosophy that prevailed, in the mighty civilizations of antiquity.

Historians tell us that in the predominate thought of archaic times, human life was a melancholy and futile thing, without meaning and without purpose. The earth itself was considered hostile to man, and life upon it, whether it be the life of vegetables, animals, human beings or civilizations, consisted merely of endless cycles of birth, growth, decay, and death.

In the despair-ridden thought of that day, everything eventually returned to its original state and its journey signified nothing.

The gods were merely manifestations of various aspects of nature. Man was thought to be in complete bondage to an unchangeable fate. Every aspect of his life was predetermined by fate and beyond his power to change.

We know that society and its institutions reflect our ideas about God and man, and the governments of that time were therefore reflections of these ancient concepts.

Since man had no significance, since his life consisted only of a preordained role, his part in life was only to conform. His only conceivable duty was to fill his little slot in the social order, to perform his inevitable tasks, and to suffer his inexorable fate.

There was in this order of things no room for freedom, no room for individual choice, no room for individual responsibility, no room even for the quest for individual goodness.

Therefore, political order in the ancient world was an order of ruthless despotism, of rigid and permanent class structure, of complete domination by the state of every aspect of human life, of the unspeakable

cruelty and contempt for human life that characterize all government, ancient or modern, which is not elevated by moral law.

And worst of all, this cruel, purposeless world would never change.

The Roman Emperor, Marcus Aurelius, one of the most enlightened of pagan rulers, illustrated this changeless fatalism when he said that every man of normal intelligence who had attained the age of 40 had seen everything that had ever happened in the world and everything that would ever happen.

It is in this contrast between the philosophy of the ancient world and the philosophy of our free world that we can find the spiritual basis of democracy.

Democracy could not gain a foothold under the prevailing thought of antiquity.

Democracy cannot exist without recognition of individual worth; without a concept of personal responsibility; without respect for the rights of others; without hope for the future; without the confidence that man by his own deeds can alter the course of events and reshape the world around him.

Before democracy could have meaning, there had to be a complete transformation in man's concept of his own nature and of his purpose and role in life. It was the evolution of Judaic-Christian thought which brought about this transformation.

To the Jews and Christians there were no nature gods that were mere reflections of the phenomena of nature, such as the seas and the sun, the stars, and the moon.

There was one God, the Creator and sustainer of the entire universe. The earth was inherently good because it was created by that God, and man was significant because he was created for a divine purpose. Life on earth therefore had meaning.

The God of the Jews and Christians was a personal God, profoundly concerned with the individual fate of men. Man was His coworker in building a new order on earth. The spark of divinity was in him. He had a vocation as a son of God. As such, he had an inherent dignity.

There was a moral law governing the operations of men. They were not helpless victims of fate. They were free agents. They were free either to accept the divine law and build a good and humane society or to reject it and build an evil and inhumane society.

The new philosophy flatly rejected the archaic thinking that the essence of life was blind and meaningless repetition. History had significance. Purposeful progress in carrying out the divine plan was the law of life. And so, in place of the ancient belief that the earth was changeless and static, the great Hebrew and Christian prophets and scholars offered visions of an order of justice and righteousness which have made a profound impact on the thinking of mankind ever since.

We need not be surprised that political democracy came very late in the development of our Judaic-Christian civilization, for democracy is but a political means to achieving an end, and first the end had to be established and accepted.

Slowly, under the impact of Judaic-Christian teachings, man's ideas about himself changed.

Slowly, the new concepts of the nature of man gained victory over the old.

Slowly, as the centuries passed, the individual human being, his personal destiny, his intrinsic worth, his infinite possibilities moved toward the center of the stage. And as this concept of intrinsic individual worth grew, there grew with it inevitably the concept of individual freedom.

Men began to ask—if God endowed man with a free will, why should the princes of this world deny him free choice?

If all men are equal in the sight of God, why should they not be held equal before the law?

If all men are to be judged upon their personal merit in the next world, why should they not be judged upon their personal merit in this world?

We regret that the answers to these questions were so late in coming. We regret that religious leaders themselves so often failed to understand the social and political implications of the revolution which their basic doctrines had set off. We regret that temporal leaders all too often misused these doctrines as pretexts for establishing a ruthless authoritarianism. We regret that princes and prelates alike so misunderstood the implications of free will that they repeatedly launched unspeakable persecutions and wars against one another.

But we may glory in the fact that it was our own Founding Fathers who saw individual freedom and political democracy as the logical outgrowth of our spiritual heritage.

We rejoice that the founders of American democracy saw in Christianity not a justification for authoritarianism, or religious wars, or persecutions, or enslavements, but rather they saw in it a foundation for the rights of man, a justification for freedom of thought and religious tolerance, and a mandate to educate and to elevate and to liberate the individual.

We are indebted to the men who founded this Nation for many gifts, but none more priceless than this: Three great revolutions have swept across the world in the modern age; the American, the French, and the Communist revolutions. The French Revolution and the Communist Revolution were antireligious in character and the evil which they let loose far outweighed any reforms they achieved. The American Revolution was rooted in a deeply religious foundation and the good that has flowed from that revolution has transformed the world.

For almost two centuries we in America have pursued the goal of broadening and extending our kind of democracy.

Perhaps the greatest danger facing our Nation is that as we pursue this goal, and as the tide and turmoil of recurring crises loom up on all sides, we will forget the spiritual origins of the freedom, the equality, the democracy, which we espouse.

This meeting today and the many that have been held and will be held are efforts to remind ourselves of these values and to ask ourselves what, in the light of these values, our country should stand for and, if need be, fight for.

I am pleased and honored to have been permitted to take part in so significant an occasion.

[From the Washington Post, Aug. 24, 1962]

ELLA F. HARLLEE, CITED; SHE'S THE CHURCH WOMAN OF THE YEAR

(By Marie Smith)

Ella F. Harllee, president and director of the new Educational and Religious Radio and Television Association which opened offices here August 1, will have a citation of honor to hang on her office wall after tonight.

She has been named Church Woman of the Year by the Religious Heritage of America and will receive the award at a banquet tonight at the Washington Hotel.

Miss Harllee, a native Washingtonian who still lives in the house in which she was born on Lamont Street has carved out a career for herself in religious education and broadcasting.

She has been responsible for more than 12,000 religious radio and television broadcasts in the Washington area in the past 10 years and more recently her horizon has broadened to include the world.

The Religious Radio and Television Association, founded on a grant from the Lilly Foundation, will distribute to an international audience the televison Bible courses that Miss Harllee and her associates have directed to local audiences in the past.

"The urgency is so great we've got to cut corners to educate large masses," Miss Harllee said in telling about the enlarged program.

For the past 2 years she has been director of the religious film and television project jointly administered by the American University and the National Capital Area Council of Churches.

She developed and completed the video recording of two college credit television courses, "The Life and Teachings of Jesus" and "An Introduction to the New Testament" which have been viewed by more than a million people and are to be distributed by the association throughout the English speaking world.

Next month, her third course in the trilogy, "An Introduction to the Old Testament" will be introduced locally on WMAL-TV with the Reverend Edward W. Bauman, teacher of the two earlier courses, as the instructor.

Mr. Bauman will be assisted by Rabbi Balfour Brickner, director of Interfaith Activities of the Union of American Hebrew Congregations in New York and formerly at Temple Sinai here.

Miss Harllee said the courses are "interfaith" and those enrolled, both on campus and at home, have included Jews, Protestants, and Catholics.

Of the foreign distribution courses, Miss Harllee said: "The only answer to mass education is mass media. We haven't got time to teach the illiterate to read to educate them. They can learn through pictorial images."

She added that the religious telecourses will supplement the work of missionaries and help them tell their stories.

Students who take the course for credit go to American University to classes, take field trips and examinations. Those who study at home take only the field trip. This year's field trip for the Washington area home students was a visit to the National Gallery to view religious art. "We had 750 people turn out for that trip," Miss Harllee said.

Miss Harllee, who began her religious work at Central Presbyterian Church, where she is a member, is the daughter of the late Brig. Gen. William Curry Harllee, of the Marine Corps, and Mrs. Harllee, who is a past historian general of the United Daughters of the Confederacy. Her brother is Rear Adm. John Harllee, Vice Chairman of the Federal Maritime Commission.

She comes by her interest in religion naturally. She is a direct descendant of the Reverend Richard Buck, second rector of the Jamestown (Va.) Church, and chaplain of the general assembly which convened in the church at Jamestown on July 30, 1619. Miss Harllee, who has traveled 30,000 miles in the past year in behalf of the Bible courses and has visited 30 art galleries in Europe in a search for religious art to illustrate them, said more than 6,000 persons have enrolled already for this season's courses currently scheduled in 6 cities.

"This is more than a national network college course got over the entire United States last year," she said.

The Bible course is sponsored in each city by a local college or civic group and is offered on a credit and noncredit basis.

"We've found more nonchurch people than regular churchgoers are enrolled," Miss Harllee said, "and the response ranges from people who haven't even finished high school to people with Ph. D. degrees."

"The largest segment is people between 30 and 40 years of age," she added.