Affairs, and for other purposes; to the Committee on Government Operations.

By Mr. PUCINSKI:

H.R. 13316. A bill to amend title II of the Social Security Act to provide a more realistic definition of "disability" for purposes of the disability freeze, and to liberalize the coverage requirements for such freeze and for disability insurance benefits; to the Committee on Ways and Means.

By Mr. WIDNALL:

H.R. 13317. A bill to amend the National Defense Education Act of 1958 in order to extend the provisions of title II relating to cancellation of loans under such title to teachers in private nonprofit elementary and secondary schools and in institutions of higher education; to the Committee on Education and Labor.

By Mr. MULTER:

H.R. 13318. A bill to authorize the establishment of Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. BARRETT:

H.R. 13319. A bill to authorize the establishment of Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. FINO:

H.R. 13320. A bill to authorize the establishment of Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. HALPERN:

H.R. 13321. A bill to authorize the establishment of Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. RAINS (by request):

H.R. 13322. A bill to authorize the establishment of Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. FULTON:

H.R. 13323. A bill to permit an individual to obtain coverage under title II of the Social Security Act on the basis of service which was not covered employment at the time it was performed, if service of that type has since become covered employment and such individual makes payment of the applicable social security taxes; to the Committee on Ways and Means.

By Mr. LINDSAY:

H.R. 13324. A bill to amend title I of the Housing Act of 1949 to provide more equitable procedures for the relocation of persons displaced from their homes or places of business by urban renewal projects, to increase the amount of the relocation payments authorized to be made to such persons, and for other purposes; to the Committee on Banking and Currency.

By Mr. O'HARA of Michigan:

H.R. 13325. A bill to amend section 4063 (a) of the Internal Revenue Code of 1954 to provide an exemption from tax in the case of mobile homes; to the Committee on Ways and Means.

By Mr. DOWDY:

H.J. Res. 900. Joint resolution to amend the act of April 29, 1942, establishing the District of Columbia Recreation Board, to provide superior cultural programs for children and young people by the establishment of a National Children's Theater and Art Center; to the Committee on the District of Columbia.

By Mr. PUCINSKI:

H. Con. Res. 582. Concurrent resolution expressing the sense of the Congress with respect to the situation in Berlin; to the Committee on Foreign Affairs.

By Mr. WALTER:

H. Res. 826. Resolution to provide for the printing of 185,000 copies of the Constitution of the United States and the amendments thereto; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE of Massachusetts:

H.R. 13326. A bill for the relief of Bahman Naghshineh; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 13327. A bill for the relief of Christos Hondronastas; to the Committee on the Judiciary.

By Mr. CURTIS of Missouri:

H.R. 13328. A bill for the relief of Dr. Jae H. Yang and Mrs. Jeong S. Yang; to the Committee on the Judiciary.

By Mr. FORD:

H.R. 13329. A bill for the relief of John William Horling; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 13330. A bill for the relief of Iwen Hsiao; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 13331. A bill for the relief of Mr. George Gabourel and four of his children, Marie Elizabeth, Dorothy Ann, Alice Louise, and Kathleen Florence; to the Committee on the Judiciary.

By Mr. LANKFORD:

H.R. 13332. A bill for the relief of Mrs. Loretta Chiu-Ning Tung and her minor daughter, Hsia May Tung; to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts:

H.R. 13333. A bill for the relief of Luis De Canto Viveiros; to the Committee on the Judiciary.

H.R. 13334. A bill for the relief of Maria Trinidade Lopes and Gabriel da Silva Lopes to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H.R. 13335. A bill for the relief of Stella Marie Kim; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 13336. A bill for the relief of Gaetano Bracco; to the Committee on the Judiciary.

By Mr. RYAN of New York:

H.R. 13337. A bill for the relief of Theresita L. Montalan; to the Committee on the Judiciary.

H.R. 13338. A bill for the relief of Zaida F. Tardicella; to the Committee on the Judiciary.

SENATE

WEDNESDAY, OCTOBER 3, 1962

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

Rev. John Tierney, evangelist, Southern Baptist Convention, Greenville, S.C., offered the following prayer:

Almighty God, we praise Thee that we live in a great land in a day of unusual opportunities. Bless our space flight today.

Give the Members of this distinguished body liberty of speech and freedom of thought, and make them flexible in Thy hands.

Help them to see that the door to success swings on the hinges of opposition, that the test of a man's character is what it takes to stop him, that it is not a sin to fail, but that to do less than our best to keep from failing is unspeakable.

We pray in the name of Jesus Christ, our Saviour. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, October 2, 1962, was dispensed with.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS

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

On September 28, 1962:

S. 273. An act for the relief of Hratch Samuel Arukian;

S. 2511. An act to provide for the production and distribution of educational and training films for use by deaf persons, and for other purposes;

S. 2760. An act for the relief of Yuk-Kan Cheuk;

S. 3475. An act to provide further for cooperation with States in administration and enforcement of certain Federal laws; and

S. 3580. An act to amend the Atomic Energy Community Act of 1955, as amended, to provide for the disposal of federally owned properties at Los Alamos, N. Mex., and for other purposes.

On October 1, 1962:

S. 1023. An act to amend the act of August 20, 1954 (68 Stat. 752), in order to provide for the construction, operation, and maintenance of additional features of the Talent division of the Rogue River Basin reclamation project, Oregon;

S. 1037. An act to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities; and

S. 3529. An act to amend the Manpower Development and Training Act of 1962 with regard to reimbursement of the railroad unemployment insurance account.

On October 2, 1962:

S. 149. An act for the relief of the estate of Gregory J. Kessenich; and

S. 2768. An act to promote the foreign policy of the United States by authorizing a loan to the United Nations and the appropriation of funds therefor.

REPORT OF OFFICE OF MINERALS EXPLORATION—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Interior and Insular Affairs:

To the Congress of the United States:

I transmit herewith the Eighth Semiannual Report of the Office of Minerals Exploration from the Secretary of the Interior as prescribed by section 5 of the act of August 21, 1958, entitled "To provide a program for the discovery of the mineral reserves of the United States,

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its territories and possessions, by encouraging exploration for minerals, and for other purposes."

JOHN F. KENNEDY.

THE WHITE HOUSE, *October 3, 1962.*

EXECUTIVE MESSAGES REFERRED

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

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 3240. An act for the relief of Mrs. Lee Ma Chin-Ying;

S. 3279. An act for the relief of Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai); and

S. 3338. An act to incorporate the American Symphony Orchestra League.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 10696. An act to amend section 4369 of title 39, United States Code, with respect to the filing of information relating to publications having second-class mail privileges, and for other purposes;

H.R. 11903. An act to amend the act of August 1, 1939, chapter 409, as amended, to provide for the registration of professional nurses as staff officers in the U.S. merchant marine;

H.R. 12968. An act to extend certain time limitations of section 901(b) of the Merchant Marine Act, 1936, with respect to the vessel *Spitfire*; and

H.J. Res. 712. Joint resolution to direct the Franklin Delano Roosevelt Memorial Commission to consider possible changes in the winning design for the proposed memorial or the selection of a new design for such memorial.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H.R. 10696. An act to amend section 4369 of title 39, United States Code, with respect to the filing of information relating to publications having second-class mail privileges, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 11903. An act to amend the act of August 1, 1939, chapter 409, as amended, to provide for the registration of professional nurses as staff officers in the U.S. merchant marine; and

H.R. 12968. An act to extend certain time limitations of section 901(b) of the Merchant Marine Act, 1936, with respect to the vessel *Spitfire*; to the Committee on Commerce.

H.J. Res. 712. Joint resolution to direct the Franklin Delano Roosevelt Memorial Commission to consider possible changes in the winning design for the proposed memorial or the selection of a new design for such memorial; to the Committee on Rules and Administration.

LIMITATION OF DEBATE DURING MORNING HOUR

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

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SMITH of Massachusetts, from the Committee on the District of Columbia, without amendment:

H.R. 6836. An act to amend the Policemen and Firemen's Retirement and Disability Act (Rept. No. 2271).

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S. 3459. A bill to authorize the appointment of one additional Assistant Secretary of State (Rept. No. 2272).

By Mr. McCLELLAN, from the Committee on Government Operations, without amendment:

H.R. 7781. An act to authorize the Administrator of General Services to convey by quitclaim deed a parcel of land in Prince Georges County, Md., to the Silver Hill Voluntary Fire Department and Rescue Squad (Rept. No. 2275).

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 10620. An act to amend section 213 of the Internal Revenue Code of 1954 to increase the maximum limitations on the amount allowable as a deduction for medical, dental, etc., expenses (Rept. No. 2274).

By Mr. BYRD of Virginia, from the Committee on Finance, with amendments:

H.R. 12599. An act relating to the income tax treatment of terminal railroad corporations and their shareholders (Rept. No. 2273).

REPORT ENTITLED "SMALL BUSINESS FAILURES"—REPORT OF A COMMITTEE (S. REPT. NO. 2270)

Mr. SPARKMAN, from the Select Committee on Small Business, submitted a report entitled "Small Business Failures," which was ordered to be printed.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL EMPLOYMENT AND PAY

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal employment and pay for the month of August 1962. In accordance with the practice of several years' standing, I ask unanimous consent to have the report printed in the RECORD together with a statement by me.

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

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, AUGUST AND JULY 1962, AND PAY, JULY AND JUNE 1962

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for August 1962 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In August numbered—	In July numbered—	Increase (+) or decrease (−)	In July was—	In June was—	Increase (+) or decrease (−)
Total [1]	2,512,211	2,510,950	+1,261	$1,221,742	$1,191,171	+$30,571
Agencies exclusive of Department of Defense	1,436,489	1,438,711	−2,222	689,353	661,420	+27,933
Department of Defense	1,075,722	1,072,239	+3,483	532,389	529,751	+2,638
Inside the United States	2,347,278	2,350,392	−3,114			
Outside the United States	164,933	160,558	+4,375			
Industrial employment	574,502	573,476	+1,026			
Foreign nationals	170,312	171,143	−831	27,113	27,429	−316

[1] Exclusive of foreign nationals shown in the last line of this summary.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside the United States by agencies.

Table III breaks down the above employment figures to show the number outside the United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during August 1962, and comparison with July 1962, and pay for July 1962, and comparison with June 1962*

Department or agency	Personnel				Pay (in thousands)			
	August	July	Increase	Decrease	July	June	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	110,834	111,996		1,162	$51,266	$46,898	$4,368	
Commerce	31,392	31,627		235	18,323	17,565	758	
Health, Education, and Welfare	78,638	78,794		156	38,589	36,223	2,366	
Interior	64,050	64,457		407	34,169	31,282	2,887	
Justice	32,271	32,342		71	20,001	18,990	1,011	
Labor	8,855	8,875		20	3,934	4,735	199	
Post Office	590,632	591,334		702	256,445	249,288	7,157	
State [1 2]	40,802	[3] 40,697	105		19,349	20,814		$1,465
Treasury	84,334	84,549		215	46,894	44,576	2,318	
Executive Office of the President:								
White House Office	334	444		110	232	259		27
Bureau of the Budget	485	498		13	395	380	15	
Council of Economic Advisers	59	67		8	46	38	8	
Executive Mansion and Grounds	75	75			36	33	3	
National Aeronautics and Space Council	23	23			22	19	3	
National Security Council	46	43	3		31	31		
Office of Emergency Planning	483	505		22	400	370	30	
Office of Science and Technology	27	22	5		22		22	
President's Commission on Campaign Costs	1	1			1	1		
Independent agencies:								
Advisory Commission on Intergovernmental Relations	27	26	1		19	22		3
American Battle Monuments Commission	435	444		9	87	82	5	
Atomic Energy Commission	6,932	6,958		26	4,967	4,652	315	
Board of Governors of the Federal Reserve System	599	609		10	391	378	13	
Civil Aeronautics Board	843	839	4		596	564	32	
Civil Service Commission	4,162	4,176		14	2,373	2,382		9
Civil War Centennial Commission	5	5			4	4		
Commission of Fine Arts	6	6			5	5		
Commission on Civil Rights	88	92		4	52	42	10	
Delaware River Basin Commission	2	2			2	2		
Export-Import Bank of Washington	273	273			187	141	46	
Farm Credit Administration	237	235	2		164	163	1	
Federal Aviation Agency	44,880	44,719	161		29,544	28,110	1,434	
Federal Coal Mine Safety Board of Review	7	7			4	4		
Federal Communications Commission	1,523	1,533		10	977	902	75	
Federal Deposit Insurance Corporation	1,264	1,262	2		790	747	43	
Federal Home Loan Bank Board	1,210	1,203	7		751	719	32	
Federal Maritime Commission	179	186		7	129	121	8	
Federal Mediation and Conciliation Service	379	372	7		321	301	20	
Federal Power Commission	1,011	1,005	6		657	627	30	
Federal Trade Commission	1,129	1,133		4	741	705	36	
Foreign Claims Settlement Commission	67	70		3	49	46	3	
General Accounting Office	4,704	4,702	2		2,900	2,773	127	
General Services Administration	32,214	31,905	309		15,187	14,389	798	
Government Printing Office	7,028	6,959	69		4,017	3,821	196	
Housing and Home Finance Agency	13,528	13,634		106	8,024	7,751	273	
Indian Claims Commission	24	24			27	19	8	
Interstate Commerce Commission	2,418	2,442		24	1,598	1,500	98	
James Madison Memorial Commission					(4)	1		1
National Aeronautics and Space Administration	24,817	24,389	428		16,592	16,532	60	
National Capital Housing Authority	416	427		11	185	179	6	
National Capital Planning Commission	52	56		4	38	37	1	
National Capital Transportation Agency	83	94		11	59	50	9	
National Gallery of Art	319	324		5	135	129	6	
National Labor Relations Board	1,982	1,964	18		1,283	1,217	66	
National Mediation Board	135	133	3		103	80	23	
National Science Foundation	861	896		35	555	528	26	
Outdoor Recreation Resources Review Commission	4	5		1	3	9		6
Panama Canal	14,825	14,703	122		4,676	4,671	5	
President's Committee on Equal Employment Opportunity	50	51		1	33	30	3	
Railroad Retirement Board	2,094	2,141		47	1,117	1,068	49	
Renegotiation Board	194	195		1	153	155		2
St. Lawrence Seaway Development Corporation	165	171		6	$105	$99	$6	
Securities and Exchange Commission	1,368	1,349	19		861	813	48	
Selective Service System	6,812	6,826		14	2,129	2,055	74	
Small Business Administration	3,220	3,214	6		1,938	1,824	114	
Smithsonian Institution	1,338	1,422		84	679	619	60	
Soldiers' Home	1,047	1,048		1	349	317	32	
South Carolina, Georgia, Alabama, and Florida Water Study Commission	59	61		2	43	41	2	
Subversive Activities Control Board	25	28		3	22	23		1
Tariff Commission	280	280			234	184	50	
Tax Court of the United States	151	150	1		112	108	4	
Tennessee Valley Authority	18,553	18,354	199		11,274	11,117	157	
Texas Water Study Commission [5]		15		15	12	6	6	
U.S. Arms Control and Disarmament Agency	99	90	9		70	78		8
U.S. Information Agency	11,277	11,229	48		4,686	4,495	191	
Veterans' Administration	177,024	177,229		205	76,055	72,321	3,734	
Virgin Islands Corporation	724	697	27		134	159		25
Total, excluding Department of Defense	1,436,489	1,438,711	1,562	3,784	689,353	661,420	29,480	1,547
Net change, excluding Department of Defense			2,222				27,933	
Department of Defense:								
Office of the Secretary of Defense	1,971	1,989		18	1,466	1,411	55	
Department of the Army	[6] 395,518	[3] 394,042	1,476		185,152	189,064		3,912
Department of the Navy	[7] 348,446	347,878	568		183,800	[3] 180,771	3,029	
Department of the Air Force	305,073	303,799	1,274		150,374	149,626	748	
Defense Atomic Support Agency	2,084	2,077	7		1,029	972	57	
Defense Communications Agency	210	191	19		107	105	2	
Defense Intelligence Agency	250	231	19		145	131	14	
Defense Supply Agency	20,616	20,442	174		9,257	6,758	2,499	
Office of Civil Defense	1,004	1,050		46	779	809		30
U.S. Court of Military Appeals	40	41		1	32	31	1	

See footnotes at end of table.

TABLE I.—*Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during August 1962, and comparison with July 1962, and pay for July 1962, and comparison with June 1962*—Continued

Department or agency	Personnel				Pay (in thousands)			
	August	July	Increase	Decrease	July	June	Increase	Decrease
Department of Defense—Continued								
Interdepartmental Activities	36	36			$18	$25		$7
International Military Activities	59	57	2		35	[3] 48		13
Armed Forces Information and Education Activities	415	406	9		195		$195	
Total, Department of Defense [4]	1,075,722	1,072,239	3,548	65	532,389	529,751	6,600	3,962
Net increase, Department of Defense			3,483				2,638	
Grand total, include Department of Defense	2,512,211	2,510,950	5,110	3,849	1,221,742	1,191,171	36,080	5,509
Net increase, including Department of Defense			1,261				30,571	

[1] August figure includes 15,810 employees of the Agency for International Development as compared with 15,688 in July and their pay. These AID figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The August figure includes 3,795 of these trust-fund employees and the July figure includes 3,783.
[2] August figure includes 895 employees of the Peace Corps as compared with 851 in July and their pay.
[3] Revised on basis of later information.
[4] Less than $500.
[5] Agency abolished pursuant to Public Law 85-843.
[6] Subject to revision.
[7] Includes 812 foreign nationals transferred to the regular payroll who were previously reported in table V of this report.
[8] Exclusive of personnel and pay of the Central Intelligence Agency and the National Security Agency.

TABLE II.—*Federal personnel inside the United States employed by the executive agencies during August 1962, and comparison with July 1962*

Department or agency	August	July	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	109,714	110,840		1,126
Commerce	30,749	30,990		214
Health, Education, and Welfare	78,102	78,254		152
Interior	63,554	63,963		409
Justice	31,925	31,996		71
Labor	8,747	8,784		37
Post Office	589,186	589,896		710
State [1] [2]	10,551	[3] 10,561		10
Treasury	83,726	83,943		217
Executive Office of the President:				
White House Office	334	444		110
Bureau of the Budget	485	498		13
Council of Economic Advisers	59	67		8
Executive Mansion and Grounds	75	75		
National Aeronautics and Space Council	23	23		
National Security Council	46	43	3	
Office of Emergency Planning	483	505		22
Office of Science and Technology	27	22	5	
President's Commission on Campaign Costs	1	1		
Independent agencies:				
Advisory Commission on Intergovernmental Relations	27	26	1	
American Battle Monuments Commission	8	8		
Atomic Energy Commission	6,901	6,928		27
Board of Governors of the Federal Reserve System	599	609		10
Civil Aeronautics Board	842	838	4	
Civil Service Commission	4,158	4,172		14
Civil War Centennial Commission	5	5		
Commission of Fine Arts	6	6		
Commission on Civil Rights	88	92		4
Delaware River Basin Commission	2	2		
Export-Import Bank of Washington	273	273		
Farm Credit Administration	237	235	2	
Federal Aviation Agency	43,907	43,767	140	
Federal Coal Mine Safety Board of Review	7	7		
Federal Communications Commission	1,521	1,530		9
Federal Deposit Insurance Corporation	1,262	1,260	2	
Federal Home Loan Bank Board	1,210	1,203	7	
Federal Maritime Commission	179	186		7
Federal Mediation and Conciliation Service	379	372	7	
Federal Power Commission	1,011	1,005	6	
Federal Trade Commission	1,129	1,133		4
Foreign Claims Settlement Commission	63	66		3
General Accounting Office	4,616	4,614	2	
General Services Administration	32,204	31,895	309	
Government Printing Office	7,028	6,959	69	
Housing and Home Finance Agency	13,347	13,455		108
Indian Claims Commission	24	24		
Interstate Commerce Commission	2,418	2,442		24
National Aeronautics and Space Administration	24,805	24,377	428	
National Capital Housing Authority	416	427		11
National Capital Planning Commission	52	56		4
National Capital Transportation Agency	83	94		11
Independent agencies—Continued				
National Gallery of Art	319	324		5
National Labor Relations Board	1,949	1,931	18	
National Mediation Board	135	133	2	
National Science Foundation	850	886		36
Outdoor Recreation Resources Review Commission	4	5		1
Panama Canal	172	168	4	
President's Commission on Equal Employment Opportunity	50	51		1
Railroad Retirement Board	2,094	2,141		47
Renegotiation Board	194	195		1
St. Lawrence Seaway Development Corporation	165	171		6
Securities and Exchange Commission	1,368	1,349	19	
Selective Service System	6,658	6,671		13
Small Business Administration	3,173	3,167	6	
Smithsonian Institution	1,327	1,409		82
Soldier's Home	1,047	1,048		1
South Carolina, Georgia, Alabama, and Florida Water Study Commission	59	61		2
Subversive Activities Control Board	25	28		3
Tariff Commission	280	280		
Tax Court of the United States	151	150	1	
Tennessee Valley Authority	18,551	18,352	199	
Texas Water Study Commission [4]		15		15
U.S. Arms Control and Disarmament Agency	99	90	9	
U.S. Information Agency	3,106	3,092	14	
Veterans' Administration	176,010	176,209		199
Total, excluding Department of Defense	1,374,380	1,376,897	1,257	3,774
Net decrease, excluding Department of Defense			2,517	
Department of Defense:				
Office of the Secretary of Defense	1,913	1,933		20
Department of the Army	[5] 343,322	344,323		1,001
Department of the Navy	324,526	324,902		376
Department of the Air Force	278,450	277,831	619	
Defense Atomic Support Agency	2,084	2,077	7	
Defense Communications Agency	203	184	19	
Defense Intelligence Agency	250	231	19	
Defense Supply Agency	20,616	20,442	174	
Office of Civil Defense	1,004	1,050		46
U.S. Court of Military Appeals	40	41		1
Interdepartmental Activities	36	36		
International Military Activities	39	39		
Armed Forces Information and Education Activities	415	406	9	
Total, Department of Defense	972,898	973,495	847	1,444
Net decrease, Department of Defense			597	
Grand total, including Department of Defense	2,347,278	2,350,392	2,104	5,218
Net decrease, including Department of Defense			3,114	

[1] August figure includes 2,891 employees of the Agency for International Development as compared with 2,808 in July.
[2] August figure includes 669 employees of the Peace Corps as compared with 669 in July.
[3] Revised on basis of later information.
[4] Agency abolished pursuant to Public Law 85-843.
[5] Subject to revision.

TABLE III.—*Federal personnel outside the United States employed by the executive agencies during August 1962, and comparison with July 1962*

Department or agency	August	July	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,120	1,156		36
Commerce	643	637	6	
Health, Education, and Welfare	536	540		4
Interior	496	494	2	
Justice	346	346		
Labor	108	91	17	
Post Office	1,446	1,438	8	
State [1] [2]	30,251	[3] 30,136	115	
Treasury	608	606	2	
Independent agencies:				
American Battle Monuments Commission	427	436		9
Atomic Energy Commission	31	30	1	
Civil Aeronautics Board	1	1		
Civil Service Commission	4	4		
Federal Aviation Agency	973	952	21	
Federal Communications Commission	2	3		1
Federal Deposit Insurance Corporation	2	2		
Foreign Claims Settlement Commission	4	4		
General Accounting Office	88	88		
General Services Administration	10	10		
Housing and Home Finance Agency	181	179	2	
National Aeronautics and Space Administration	12	12		
National Labor Relations Board	33	33		
National Science Foundation	11	10	1	
Panama Canal	14,653	14,535	118	
Independent agencies—Continued				
Selective Service System	154	155		1
Small Business Administration	47	47		
Smithsonian Institution	11	13		2
Tennessee Valley Authority	2	2		
U.S. Information Agency	8,171	8,137	34	
Veterans' Administration	1,014	1,020		6
Virgin Islands Corporation	724	697	27	
Total, excluding Department of Defense	62,109	61,814	354	59
Net increase, excluding Department of Defense			295	
Department of Defense:				
Office of the Secretary of Defense	58	56	2	
Department of the Army	[4] 52,196	[5] 49,719	2,477	
Department of the Navy	[5] 23,920	22,976	944	
Department of the Air Force	26,623	25,968	655	
Defense Communications Agency	7	7		
International Military Activities	20	18	2	
Total, Department of Defense	102,824	98,744	4,080	
Net increase, Department of Defense			4,080	
Grand total, including Department of Defense	164,933	160,558	4,434	59
Net increase, including Department of Defense			4,375	

[1] August figure includes 12,919 employees of the Agency for International Development as compared with 12,880 in July. These AID figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The August figure includes 3,795 of these trust fund employees and the July figure includes 3,783.

[2] August figure includes 226 employees of the Peace Corps as compared with 182 in July.

[3] Revised on basis of later information.

[4] Subject to revision.

[5] Includes 812 foreign nationals transferred to the regular payroll who were previously reported in table V of this report.

TABLE IV.—*Industrial employees of the Federal Government inside and outside the United States employed by the executive agencies during August 1962, and comparison with July 1962*

Department or agency	August	July	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	3,730	3,879		140
Commerce	5,727	5,884		157
Interior	8,658	8,723		65
Post Office	252	254		2
Treasury	5,193	5,144	49	
Independent agencies:				
Atomic Energy Commission	269	271		2
Federal Aviation Agency	2,905	2,833	72	
General Services Administration	1,699	1,870		171
Government Printing Office	7,028	6,959	69	
National Aeronautics and Space Administration	24,817	24,389	428	
Panama Canal	7,572	7,310	262	
St. Lawrence Seaway Development Corporation	132	133		1
Tennessee Valley Authority	15,490	15,321	169	
Virgin Islands Corporation	724	697	27	
Total, excluding Department of Defense	84,205	83,667	1,076	538
Net increase, excluding Department of Defense			538	
Department of Defense:				
Department of the Army:				
Inside the United States	[1] 144,350	[2] 144,786		436
Outside the United States	[1] 4,750	[2] 4,551	199	
Department of the Navy:				
Inside the United States	201,353	201,748		395
Outside the United States	[2] 1,264	458	806	
Department of the Air Force:				
Inside the United States	135,460	133,125	335	
Outside the United States	1,052	1,063		11
Defense Supply Agency:				
Inside the United States	2,068	2,078		10
Total, Department of Defense	490,297	489,809	1,340	852
Net increase, Department of Defense			488	
Grand total, including Department of Defense	574,502	573,476	2,416	1,390
Net increase, including Department of Defense			1,026	

[1] Subject to revision.

[2] Revised on basis of later information.

[3] Includes 812 foreign nationals transferred to regular rolls previously reported in table V of this report.

TABLE V.—*Foreign nationals working under U.S. agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of August 1962, and comparison with July 1962*

Country	Total		Army		Navy		Air Force		National Aeronautics and Space Administration	
	August	July	August	July	August	July	August	July	August	July
Australia	1	1							1	1
Canada	36	36					36	36		
Crete	60	60					60	60		
England	3,290	3,150			91	[1] 89	3,199	3,061		
France	22,439	22,728	18,751	18,521	11	11	3,677	4,196		
Germany	80,990	80,947	68,045	67,865	87	84	12,858	12,998		
Greece	261	265					261	265		
Greenland	128	133					128	133		
Japan	53,713	54,452	19,278	19,268	[2] 14,504	[1] 15,265	19,931	19,919		
Korea	6,212	6,164	6,212	6,164						
Morocco	2,568	2,540			763	766	1,805	1,774		
Netherlands	54	53					54	53		
Trinidad	560	614			560	614				
Total	170,312	171,143	112,286	111,818	16,016	16,829	42,009	42,495	1	1

[1] Revised on basis of later information.

[2] Excludes 812 employees transferred to regular rolls and now reported in tables I, III, and IV of this report.

STATEMENT BY SENATOR BYRD OF VIRGINIA

Executive agencies of the Federal Government reported civilian employment in the month of August totaling 2,512,211. This was a net increase of 1,261, as compared with employment reported in the preceding month of July.

Civilian employment reported by the executive agencies of the Federal Government, by month in fiscal year 1963, which began July 1, 1962, follows:

July:	
Employment	2,510,950
Increase	14,455
Decrease	--------
August:	
Employment	2,512,211
Increase	1,261
Decrease	--------

Total Federal employment in civilian agencies for the month of August was 1,436,489, a decrease of 2,222 as compared with the July total of 1,438,711. Total civilian employment in the military agencies in August was 1,075,722, an increase of 3,483 as compared with 1,072,239 in July.

Civilian agencies reporting larger decreases were Agriculture Department with 1,162, Post Office Department with 702, and Interior Department with 407. The largest increase was reported by National Aeronautics and Space Administration with 428.

In the Department of Defense, increases in civilian employment were reported by Department of the Army with 1,476, the Department of the Air Force with 1,274, and the Department of the Navy with 568.

Inside the United States, civilian employment decreased 3,114 and outside the United States, civilian employment increased 4,375. Industrial employment by Federal agencies in August totaled 574,502, an increase of 1,026.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,512,211 civilian employees certified to the committee by Federal agencies in their regular monthly personnel reports includes some foreign nationals employed in U.S. Government activities abroad, but in addition to these there were 170,312 foreign nationals working for U.S. agencies overseas during August who were not counted in the usual personnel reports. The number in July was 171,143. A breakdown of this employment for August follows:

Country	Total	Army	Navy	Air Force	NASA
Australia	1	--------	--------	--------	1
Canada	36	--------	--------	36	--------
Crete	60	--------	--------	60	--------
England	3,290	--------	91	3,199	--------
France	22,439	18,751	11	3,677	--------
Germany	80,990	68,045	87	12,858	--------
Greece	261	--------	--------	261	--------
Greenland	128	--------	--------	128	--------
Japan	53,713	19,278	14,504	19,931	--------
Korea	6,212	6,212	--------	--------	--------
Morocco	2,568	--------	763	1,805	--------
Netherlands	54	--------	--------	54	--------
Trinidad	560	--------	560	--------	--------
Total	170,312	112,286	16,016	42,009	1

BILLS INTRODUCED

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

By Mr. KEATING:

S. 3777. A bill for the relief of Biagio Forgione;

S. 3778. A bill for the relief of Mannor Lee; and

S. 3779. A bill for the relief of Jackson Lum; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 3780. A bill to simplify, modernize, and consolidate the laws relating to the employment of civilians in more than one position and the laws concerning the civilian employment of retired members of the uniformed services, and for other purposes; to the Committee on Post Office and Civil Service.

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

By Mr. KUCHEL:

S. 3781. A bill for the relief of Ingrid Davis; to the Committee on the Judiciary.

By Mr. McGEE (for himself and Mr. HICKEY):

S. 3782. A bill to amend the act of September 22, 1961, providing for the Peace Corps; to the Committee on Foreign Relations.

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

By Mr. SMITH of Massachusetts:

S. 3783. A bill for the relief of Orazio Santangelo; to the Committee on the Judiciary.

By Mr. ENGLE:

S. 3784. A bill to extend and strengthen the Federal air pollution control program; to the Committee on Public Works.

CONCURRENT RESOLUTION

UNITED STATES, BRITISH, AND FRENCH RIGHTS IN BERLIN

Mr. JAVITS (for himself and Mr. MORSE) submitted a concurrent resolution (S. Con. Res. 97) concerning United States, British, and French rights in Berlin, which was referred to the Committee on Foreign Relations.

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

CIVILIAN EMPLOYMENT OF RETIRED OFFICERS OF UNIFORMED SERVICES

Mr. JAVITS. Mr. President, I send to the desk, for appropriate reference, a bill to simplify, modernize, and consolidate the laws relating to the employment of retired members of the Armed Forces in civilian positions of the U.S. Government. I have long recognized the need to permit such officers to be employed by the Government since their technical skills are extremely valuable for our national security.

As it stands now, existing law consists of an 1894 act and a maze of ad hoc amendments to that act. The purpose of these amendments was to extend rather than restrict the eligibility of retired officers to accept civilian positions with the Government, but with the great changes in wages and prices since 1894, the monetary limitations in the basic act have become so restrictive that many conflicting exemption provisions have made enforcement arbitrary, cumbersome, and inadequate.

I first introduced in the 86th Congress a bill, S. 2703, calling for a study by the Civil Service Commission of the entire field of laws affecting the employment of retired officers and the submission to the Congress of a draft bill codifying and revising the laws. The bill also provided for temporary permission to employ retired officers in civilian positions with partial retirement pay. Again in the 87th Congress, I introduced substantially the same bill as S. 1103.

However, the Civil Service Commission has now conducted the comprehensive study on this situation which my bill called for, and the study has resulted in a draft proposal which I am introducing today, fulfilling the purpose of my earlier bills. The proposal has been developed with the concurrence of the Department of Defense and the Bureau of the Budget.

This measure, if accepted by the Congress, would, by permitting a combination of retired pay in the amount of $2,000 per year plus one-half of the balance, correct a situation that has become increasingly dangerous. Now more than ever, we need experienced, highly trained men and women working in all phases of the Government. The training and expertise which officers of the Armed Forces have gained during their military service are a great asset to the Government and should be utilized rather than wasted, and I urge strongly that action be taken on this bill as a reasonable solution to the problem.

Mr. President, the bill is the result of the work of a subcommittee of the Committee on Government Operations, which has been presided over by the Senator from Minnesota [Mr. HUMPHREY], the Subcommittee on National Policy Machinery. We have become so impressed with the need for highly trained men that it is almost inconceivable that we should bar ourselves from the use of former military officers because of the complications which we introduce as to their pension rights and pension income. This bill was drafted by the Civil Service Commission; and I hope very much the Senator from Arkansas will support it.

Mr. McCLELLAN. Will it be referred to the Committee on Government Operations?

Mr. JAVITS. I believe it will be referred to our committee, and I hope very much we can consider it.

I thank the Senator from Arkansas.

Mr. McCLELLAN. Of course we cannot take action on it this session.

Mr. JAVITS. I understand.

Mr. McCLELLAN. But we shall have it in mind during the adjournment, and also when we reconvene.

Mr. JAVITS. I thank the Senator from Arkansas.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The bill will be received and appropriately referred.

The bill (S. 3780) to simplify, modernize, and consolidate the laws relating to the employment of civilians in more than one position and the laws concerning the civilian employment of retired members of the uniformed services, and for other purposes, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

AMENDMENT OF PEACE CORPS ACT

Mr. McGEE. Mr. President, today I am introducing for myself and my colleague, the junior Senator from Wyoming [Mr. HICKEY], a bill to amend the Peace Corps Act. Few humanitarian projects have so stirred the imagination of the American people or have demonstrated so graphically the force of the American spirit and the ability of the individual American to use his ingenuity and dedication to freedom to help his fellow man.

As living examples of the value of the democratic way of life, it seems to me only just that the members of the Peace Corps stationed in foreign countries have the right to participate in democracy through the ballot box. This bill would help them obtain that right by bringing Peace Corps members under the Federal Voting Assistance Act.

The Members of this body will remember that a similar proviso was included in the Peace Corps bill as it was passed by the Senate in the first session of the Congress. However, the House of Representatives did not concur and eliminated that section from the bill.

At this time in the adjournment race I am not optimistic over chances for passage of this bill. But I think it is important that the Senate go on record as favoring the strengthening of the voting rights of the Peace Corps members.

These dedicated people serve our Nation and the concept of freedom and human dignity at a considerable personal and financial hardship. It is only just that we permit them to participate fully in the political system they serve so well.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3782) to amend the act of September 22, 1961, providing for the Peace Corps, introduced by Mr. McGEE (for himself and Mr. HICKEY), was received, read twice by its title, and referred to the Committee on Foreign Relations.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO LIMITATION ON RETIREMENT INCOME—AMENDMENT

Mr. MILLER submitted an amendment, intended to be proposed by him, to the bill (H.R. 6371) to amend section 37 of the Internal Revenue Code of 1954 with respect to the limitation on retirement income, which was ordered to lie on the table and to be printed.

TEMPORARY SUSPENSION OF DUTIES ON CORKBOARD INSULATION AND CORK STOPPERS—AMENDMENT

Mr. SMATHERS submitted an amendment, intended to be proposed by him, to the bill (H.R. 12213) to provide for the temporary suspension of the duties on corkboard insulation and on cork stoppers, which was ordered to lie on the table and to be printed.

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. WILEY:

Statements by him, relating to the major problems facing the Nation.

By Mr. HUMPHREY:

Comments of Secretary of State Dean Rusk, made on the television program "News and Comment," on September 30, 1962.

STEEL PRICE DECREASE BY KAISER STEEL CO.

Mr. KEFAUVER. Mr. President, yesterday I was delighted to learn that one American steel company—the Kaiser Steel Co.—still believes in the law of supply and demand, and has made a substantial cut in the price it charges for various steel products. I feel quite sure that at the reduced prices, this company will make a good profit for its stockholders and will increase its business. This is the first time in many years that a steel company has made a reduction in its prices, other than in the prices of some extras or specialties. The general rule has been that prices have been raised by one company, and then all the other companies have raised their prices, to meet the so-called "competition." That is what former Senator O'Mahoney used to call upside down competition.

This action by the Kaiser Steel Co. is a return to the old-style competitive price rivalry which made America preeminent in world trade. It will ease our balance-of-payments problem, will create jobs for American steelworkers, and in the long run will benefit both the Kaiser Steel Co. and the U.S. steel industry generally.

At the present time we are faced with a situation in which we have been losing our foreign markets and also have been losing a good deal of our domestic market in steel; and many of our steel companies have been operating at approximately 50 percent of their capacity. With lower prices, these companies can get more business, can operate their plants nearer capacity, and can better compete with steel companies in the United States and elsewhere.

This price reduction is the first significant reduction in the price of finished steel since the early 1930's. This action supports the position I have taken for a number of years; namely, that the price of steel is too high.

If the other steel companies in the United States follow the lead of the Kaiser Steel Co., they can begin to recapture some of the markets, both at home and abroad, that they have lost to foreign competitors. As is amply demonstrated by evidence introduced into hearings 2 weeks ago, there appears to be little difference between the unit costs of U.S. producers of steel and the costs of their European competitors. Yet the export prices of the foreign firms have averaged 30 percent below those of the American companies.

The PRESIDING OFFICER. Under the 3-minute limitation, the time available to the Senator from Tennessee has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Tennessee may proceed for 3 additional minutes.

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

Mr. KEFAUVER. I thank the Senator from Montana.

Mr. President, although wage rates in the U.S. steel industry are much higher than those in Europe, so also is productivity. According to the most reliable statistics, productivity in the U.S. steel mills is twice as great as that in European steel mills. Fringe benefits are considerably higher than in the United States. Moreover, the U.S. steel industry enjoys a distinct advantage over its European competitors in the cost of coking coal and in the cost of iron ore. The price which the U.S. steel industry has to pay for coking coal—one of the chief ingredients in making steel—is a little less than half the price for the European companies.

Our investigation of the steel industry was thwarted by the unfortunate decision of the full Judiciary Committee not to allow the Antitrust and Monopoly Subcommittee to obtain certain information which it badly needed, and which it was willing to get under conditions of secrecy which would not have identified the returns made by particular companies. But we were able to get into the record, upon the questioning of Mr. Patton, of the Republic Steel Co., ample information to prove the point I have just made; namely, that the U.S. steel industry's costs of production are no higher, and probably are less, than those of its European competitors. So the action of the Kaiser Steel Co. in reducing the prices it charges for the steel it produces is very important. I congratulate the Kaiser Steel Co.; and I think the action it has taken will mean more work for American steelworkers, more foreign trade, less loss of our exports, and a regaining of some of our foreign markets. This is the first time there has been any real competition in the steel industry since the time of Mr. Gary, in the early 1930's; and if this action is followed by other companies, it bodes well for the future commerce and welfare of the United States.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article giving the details of the price cut made by the Kaiser Steel Co. The article was published this morning in the Wall Street Journal.

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

KAISER STEEL CUTS PRICES $12 A TON, PARING WEST'S HISTORIC DIFFERENTIAL—U.S. STEEL TO MATCH BIDS IN AREA, AS MAY BETHLEHEM; OTHERS MAY VACATE REGION

Kaiser Steel Corp. slashed its prices an average of $12 a ton in a move that wiped

out most of the historic difference between steel prices on the west coast and the rest of the Nation.

Edgar F. Kaiser, chairman of the California producer, said the main purpose of the reductions was to eliminate the regional differential. He also said the move will enable Kaiser to reach further east for business, "make the West more competitive domestically" and "materially assist in combating foreign steel imports to the west coast."

Leslie B. Worthington, United States Steel Corp. president, said in Pittsburgh that the Nation's largest steel producer's "schedule of prices will be revised so that we will remain competitive." A Bethlehem Steel Corp. spokesman said the "effect of this action on our pricing structure is being given careful study." And a Republic Steel Corp. spokesman in Cleveland said it would be "impossible" to meet the new prices and that the company would lose its small western markets.

A steel source in Pittsburgh said other producers probably won't trim published mill prices. But, he added, these producers may increase concessions to the western market or face loss of west coast sales.

Steel sources made clear the price cut was a blow to major competitors of Kaiser Steel. Major steelmakers have long been complaining about a cost-price squeeze and they were unable to win a price increase in April because of heavy opposition from the Kennedy administration and refusal by Kaiser and two other producers to go along with the boost.

COMPETITORS MAY MATCH CUTS

Western steel mills traditionally have been able to charge a higher base price for their products because of costly freight charges on steel sent from the East and Midwest to Far Western markets.

The new Kaiser prices will wipe out most, but not all, of the traditional differential. The price on carbon plate, for example, was cut $14 a ton to $108, while other eastern mills are selling this product at $106 a ton. Hot-rolled sheet prices were reduced $12.50 a ton to $104 against $102 a ton charged by eastern mills. Canmaking tinplate prices were reduced by 55 cents a base box to $9.20, against $9.10 charged in the East. Continuous weld pipe prices were cut $20. These prices are f.o.b. the company's mill in Fontana, Calif.

A Kaiser spokesman says that the company has been considering this move for about 2 years. He said the company knew "something had to be done to make west coast steel prices more equitable with the rest of the country. Meanwhile, we've had financial borrowings and expansion programs which had to be worked out before we made the move." Kaiser finished a $214 million expansion program about 2 years ago.

Steel sources in Pittsburgh said the Kaiser cuts will have the heaviest impact on United States Steel and Bethlehem, not only because they have plants on the west coast but also because they ship more steel to that market than most other companies. Steel executives emphasized, however, that the cuts will hurt any company selling in the western market, and might even cut some companies out of the market altogether.

Some eastern steel men indicated their companies will absorb the Kaiser cuts and try to hold onto the markets. One leading pipe producer that has been absorbing $15 a ton in freight charges to get its steel to the west coast at Kaiser's old price figures it will have to absorb $35 a ton in freight charges to remain competitive. Another mill that is absorbing $22 a ton of a total freight charge of $38 a ton on plates figures it will have to pay $36 of the freight bill to meet Kaiser's price.

Some mills, however, said they doubt if they can make any money shipping to the West if they have to absorb the Kaiser cuts, which means they would have to give up the business. The Republic spokesman, for instance, said it may be impossible for eastern mills to absorb the cuts on some products, adding: "It costs $40 a ton just to ship some steel products from Chicago to the west coast. And eastern mills are only operating on a 3½ percent margin on the sales dollar now anyway."

A few steel men also raised the question of whether it will be necessary for eastern producers to meet the Kaiser prices to retain the western market on all products. An official of one tinplate maker, for instance, figures tinplate capacity on the west coast is less than half that required by canning companies in the region, which means some eastern mills might still be able to hold onto the market at a higher price. And some mills that don't participate heavily in the west coast market agreed with one steel executive who said it "doesn't look as though the price cuts will have much significance in our operation."

Some steel men believe heavy foreign competition was the big factor in some of the Kaiser price cuts. A west coast steel user said the new prices will "just about" bring Kaiser's prices in line with foreign steels. An eastern pipe producer said that between 35 and 50 percent of the western pipe market has been taken by imports. And while foreign competition has yet to gain a big foothold in the sheet and tinplate market, many American steel men fear the Japanese soon will be launching an attack in that area.

IMPORT VOLUME RISES

Volume of imported steel has risen sharply in southern California, according to the West Coast Metal Importers Association. The trade group said 61,580 tons of steel were processed through the Los Angeles and Long Beach, Calif., harbors during the month ended August 1, up from 33,357 tons in the 1961 period.

But increases in volume also were reported by Galveston, Tex., and New York, the second and third ranking steel importing harbors, the association said. Galveston handled 44,054 tons of imported steel during the month to August 1, up from 42,909 tons a year earlier. New York processed 42,395 tons, up from 33,500 tons.

Steel demand generally has been slack lately as customers have reduced inventories built up as a strike hedge prior to the industry's labor accord with the United Steel Workers of America in late March. As a result, steel operations haven't run as high as 60 percent of capacity since early May, and some price weakness cropped up in the market during the summer months.

While base prices on steel products weren't altered, the general price structure was weakened at the mill and warehouse level by a variety of concessions. They included elimination of some extra charges, increased absorption of freight charges and other kinds of allowances. Steel men say this decline in the price of some steel products slowed this summer, but that there has been no general improvement in prices.

Efforts by mills to drum up business during this slack period have brought more competitive pressure on Kaiser Steel in its selling area. Steel officials say, for example, that mills have been reaching farther to distant points on the west coast by absorbing additional freight charges, and that Kaiser also has been seeking new business by shipping to more distant consumers than previously.

ESTABLISHMENT OF FEDERAL MUTUAL SAVINGS BANKS

Mr. SPARKMAN. Mr. President, on July 1, 1960, for the senior Senator from Connecticut [Mr. BUSH] and myself, I introduced a bill to authorize Federal charters for mutual savings banks—S. 3796, 86th Congress—that would result in a dual system for the mutual savings bank industry. That bill was subjected to careful study from several interested Federal agencies and private financial groups. On September 11, 1961, I introduced for the senior Senator from Connecticut and myself an improved version of the Federal Mutual Savings Bank bill—S. 2528, 87th Congress. That bill in turn has been studied intensively in several quarters, leading to several additional changes incorporated in the bill. I introduced on October 2, S. 3776, on behalf of the senior Senator from Connecticut and myself.

Support for this proposed legislation has continued to increase year by year. In 1960 it received support from the Veterans' Administration and the Housing and Home Finance Agency. In that year the Federal Reserve Board stated that the bill merited careful study. The National Association of Home Builders has endorsed the proposal. The findings of a study by an academic team at the University of Chicago strongly support the economic advantages of extending mutual savings banking beyond their present confines. The Federal Home Loan Bank Board has been reviewing the objection it expressed in 1960 to S. 3796. Chairman Joseph P. McMurray, of the Federal Home Loan Bank Board, has stated that the task force he appointed to advise him on a wide scope of issues has given its support to the idea of Federal charters for mutual savings banks. In 1961 the Commission on Money and Credit, established to review the Nation's monetary and credit structure, unequivocally recommended that Federal charters be made available for mutual savings banks. In his 1962 Economic Report to the Congress, the President characterized the findings and recommendations of the Commission on Money and Credit as deserving of careful consideration by the Congress, the Executive, and the public. Later he established a Committee on Financial Institutions, composed of nine key members of the administration, to consider changes in Federal policy that will promote stability, growth, and efficiency of private financial institutions. Federal chartering of mutual savings banks is included in the agenda of this committee. It is expected to submit its recommendations to the President in November 1962.

In addition to the changes resulting from studies of Federal agencies and other groups, several changes recommended by leaders of the mutual savings bank and savings and loan industries have been incorporated into the bill introduced on October 2. Savings and loan associations have a direct interest in the bill because it establishes procedures whereby they may convert to Federal mutual savings banks. The proposed legislation is receiving consideration from several Federal agencies in addition to those mentioned above.

It seems fitting, therefore, that all these interested groups have before them for analysis and study that version of

the bill which represents the latest considered thought of those who have worked to perfect this proposed legislation over the years.

The principal changes that have been incorporated in this proposal since S. 2528 was introduced are as follows:

The new version of the bill contains a new title II dealing with insurance of deposits. Under it all Federal mutual savings banks will be required to carry deposit insurance with the Federal Savings Insurance Corporation, a successor to the Federal Savings and Loan Insurance Corporation. S. 2528 would have required Federal mutual savings banks to carry deposit insurance with the Federal Deposit Insurance Corporation. Under the present law, all Federal savings and loan associations must insure savings with FSLIC. This function will be carried on by the new FSIC under this bill. State-chartered savings and loan associations under present law may, but need not, apply to FSLIC for insurance of savings. FSIC will step into the shoes of FSLIC for this function. State-chartered mutual savings banks will be given the privilege under this bill of applying for deposit insurance either from FSIC or FDIC, if these savings institutions wish to have deposits insured by a Federal agency.

The bill also provides that when a State-chartered mutual savings bank having deposits insured by FDIC converts to a Federal mutual savings bank and therefore must have deposits insured by FSIC, it will carry along with it into FSIC insurance reserves its pro rata share of FDIC insurance reserves. A formula is prescribed in the bill for computing this pro rata share. It combines elements of assessments paid over the years to FDIC and the amount of deposits in the converting institution.

The result of these changes in the bill would be to have the great bulk of savings that serve as a source for home finance insured with FSIC, a Federal agency of which the Federal Home Loan Bank Board would serve as the board of trustees. It seems particularly fitting with respect to federally chartered mutual savings banks, because the Federal Home Loan Bank Board will also serve as the chartering and supervisory agent for such institutions.

Another change in this bill will make possible the formation of Federal mutual savings banks with directors as the policymaking officials without necessarily having a body of corporators or trustees—referred to in this bill as members—superimposed over the board of directors. Such a form of organization is more familiar to savings and loan associations than the corporator-trustee system found in the mutual savings bank industry, where trustees—corresponding to directors—act as policymaking officials but are in turn elected by and responsible to a larger body of corporators. This bill would permit Federal mutual savings banks to follow either type of organization within the discretion of those who organize it.

To give added emphasis to the duty of directors to savers, this bill states that they are subject to a general fiduciary duty as well as to the specific fiduciary duties expressly stated in the bill.

This bill also will broaden in several respects the investment powers of Federal mutual savings banks, particularly in the housing field. Mortgage participations are made more feasible. The Federal Home Loan Bank Board is given discretion to increase the statutory limits prescribed for home mortgages in certain circumstances. The loan-to-value ratio limit is increased to 90 percent from 80 percent for any one- to four-family home serving as security for a conventional mortgage. Federal mutual savings banks are given authority to invest in shares, accounts, and obligations of other thrift institutions that are subject to Federal or State supervision.

General regulatory and supervisory authority over Federal mutual savings banks is expressly vested in the Federal Home Bank Board. The provisions dealing with appointment of conservators and receivers for Federal mutual savings banks are specifically spelled out in order to offer a practical method of operation with adequate safeguards to savers, borrowers, and management. These provisions may well have to be viewed in the light of developments resulting from studies now being conducted affecting other statutes dealing with conservators and receivers for savings and loan associations.

My interest in the field of home finance is well known. I have been impressed by surveys demonstrating that where savings banks exist, the per capita rate of savings is higher than in non-savings-bank areas. Because these institutions are specialists in thrift, their ability to produce savings helps to build up an added source of funds for financing homes.

It is understandable that mutual savings banks first seek investments in the communities where they are established, since the cost of servicing such investments is lower than in the case of investments of equivalent quality situated in other States at considerable distance from the location of the mutual savings bank. Therefore, the creation of mutual savings banks in areas where none now exist should add to the supply of funds for financing local homebuilding, as well as providing a source of money available for investment in other local enterprises through the purchase of private and government securities.

In my opinion the need for additional home mortgage funds will increase in the near future. Mutual savings banks could contribute their share toward producing additional mortgage funds, if they are enabled to extend their locations beyond the confines of the 18 States in which they are now established. For this reason I favor legislation such as the bill I introduced on October 2 which will make possible the establishment of mutual savings banks under Federal charters in any of the States. I urge my colleagues to give careful and sympathetic consideration to this legislation.

Mr. President, we realize it is too late to get action on the bill at the present session of Congress, but we did wish to have it on record in order that it might provoke study and consideration during the adjournment of Congress.

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

Mr. BUSH. Mr. President, I am pleased to cosponsor the bill (S. 3776), introduced on yesterday by the junior Senator from Alabama [Mr. SPARKMAN], to authorize the establishment of Federal mutual savings banks. In 1960 and 1961, I cosponsored similar bills introduced by the Senator from Alabama. The present bill represents the product of long efforts to improve the legislation. It embodies changes suggested by mutual savings bank leaders, savings and loan association representatives, and Federal officials. All these changes should help to make the Federal mutual savings bank system more operable in the public interest.

I take particular interest in this proposed legislation, because mutual savings banking has developed and come to full flower in New England. It has long provided facilities that encourage the practice of saving money. Distributed widely throughout the New England countryside and towns, mutual savings banks have attracted favorable attention from inhabitants of the communities they serve, especially from many of those not endowed too heavily with the wealth of this world. Savings banking has a fine heritage steeped in the philosophy of self-help and private enterprise. The system owes its beginnings to a clergyman in Scotland who saw in the facilities it could offer a method of encouraging people of moderate means to set aside some portion of their income as a protection against indigence in bad times or old age. Transplanted to the United States in the early 1800's, the system found a warm response from thrifty Bostonians and Philadelphians in whose cities the first savings banks were founded.

Mutual savings banking has thrived from those early beginnings. It has built a deserved reputation for safety and dependability, by weathering the storms of all panics and depressions.

But while the trustee system employed in operating mutual savings banks has encouraged caution in the handling of funds entrusted to the institutions, the system has adapted its modes of operation in order to meet the changing needs of the times.

This combination of safety and adaptability comprises a formula that enabled mutual savings banking to rise from small beginnings to the $45 billion industry it has become today—512 individual mutual savings banks are located in 18 States and possessions.

The savings they attract help to supply a pool of capital for investment in business enterprises, first, in the communities where mutual savings banks operate, and, second, in parts of the Nation in which no mutual savings bank is presently located. Many a home in areas lacking mutual savings banks owes its financing to the savings invested by

an out-of-State mutual savings bank in the joint interest of the saver and the borrower.

Mr. President, I feel certain that mutual savings banks can benefit other areas of this country even better if they are offered an opportunity to establish themselves there. It is for this reason that I am appreciative of the opportunity to join in cosponsoring the Federal mutual savings bank bill introduced on yesterday.

Although I shall not be among them, I commend it to the Members of the 88th Congress for careful study and early hearings.

COMMENDATION OF CAR SERVICE SECTION OF INTERSTATE COMMERCE COMMISSION AND RAILROAD EMPLOYEES FOR SUCCESSFUL TRANSPORTATION OF NORTH DAKOTA GRAIN CROP

Mr. BURDICK. Mr. President, this year the North Dakota bumper grain crop—amounting to over 365 million bushels—was the greatest in the history of the State. The bumper crop created a major transportation problem, because the movement of no other commodity exerts such a demand on the boxcar supply.

The Car Service Section of the Interstate Commerce Commission was in frequent contact with me and my staff, because that section has the direct Government responsibility for the successful annual transportation of the grain crop to the flour mills and lake ports.

The field representatives of the section conduct surveys and alert granger roads and elevators as to the freight-car requirements, based upon the estimated harvest. They contact farmers, grain elevators, and others, to determine available grain storage space and the number of boxcars needed. They also supervise the prompt placing of cars for loading and for unloading at destination points.

It is not often that we read or hear of thanks for some particular job or task done with efficiency and know-how by some Government department or agency. The seemingly newsworthy items usually pertain to charges of delays, red-tape, and bureaucracy.

On behalf of the farmers of North Dakota I salute and commend the personnel of the Car Service Section of the ICC for the splendid and efficient coordination job they did as to the 1962 grain movement. I also thank the trainmen, enginemen, switchmen, yard clerks, and all other railroad employees who contributed so much to the successful transportation of the North Dakota grain crop.

USE OF FEDERAL TROOPS AT OXFORD, MISS.

Mr. BYRD of Virginia. Mr. President, when President Eisenhower sent Armed Forces of the Federal Government into Little Rock, Ark., on September 27, 1957, I said:

The action of the President in sending Federal troops into Arkansas to enforce school integration with guns and bayonets will have far-reaching and terrible consequences. For the first time since Reconstruction days Federal troops will, by naked force, take charge of local law-enforcement against the will of State authorities.

Now, again, President Kennedy has ordered the U.S. Army to move with military force into Oxford, in Mississippi. The action at Little Rock, as we see, has served as precedent for military occupation of Oxford.

My position relating to use of Federal troops at Little Rock to enforce the Warren Court integration decision has not changed. I repeat my statement of September 27, 1957, along with this question:

Where, and under what circumstances, will the Government of the United States next use military force against our own people to enforce Federal court orders?

The use of military force for such purposes is even more offensive to our form of government when elements of the judicial branch are obviously acting—not independently of, but in collusion with—the executive branch which commands the military force.

This collusion is made clear by the nature of Department of Justice activity before Federal courts and judges involved, which is being reflected in the detail of an increasing number of orders and decrees they issue.

I deplore violence; and needless bloodshed at Oxford might have been spared by adherence to the fundamentals—checks and balances and division of power—on which our system of government rests.

Brig. Gen. Charles P. Roderick, Office of the Secretary of Defense—through the Senate Armed Services Committee—advises me that the concentration of military forces in the area of Oxford, now totals approximately 20,000.

Oxford, of course, is the site of the University of Mississippi where the U.S. Government, through the use of Federal court orders, has violated the laws of the State of Mississippi and employed the military force of the Nation to enforce its act.

In addition to hundreds of Federal marshals, FBI agents, and other enforcement officers under orders from the Central Government at Washington, the U.S. Army now has in and around Oxford eight battle groups, six of them Regular Army and two National Guard; three military police battalions; one armored cavalry regiment, Mississippi National Guard, without its tanks to date; 18th Airborne Corps Headquarters; and one engineer battalion, a part of a division headquarters.

This military phalanx of some 20,000 has been sent into the vicinity of Oxford, a town of 5,000 including student residents, to impose the will of Federal courts on the people of Mississippi as to how they should administer their own State institutions.

This obviously is a demonstration of massive military strength to intimidate the people of States into submission to Federal domination.

I ask unanimous consent to insert in the RECORD, as a part of my remarks, a thoughtful editorial by David Lawrence, as published in the U.S. News & World Report, of October 8, 1962. The editorial is entitled "Illegality Breeds Illegality."

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

ILLEGALITY BREEDS ILLEGALITY

(By David Lawrence)

The above headline introduced an editorial on this page on October 4, 1957, commenting on the illegal use of Federal troops at Little Rock, Ark. The Governor of a sovereign State thought he was empowered to use the State militia to prevent violence and disorder—a State function as he saw it. This was at a time when a Federal court had ordered the admission of Negroes to a public high school, previously all-white, and feelings were inflamed.

But the Governor's theory was overruled, not by any court but by military force ordered by the Federal Government. Yet there's nothing in the Constitution which authorizes the Federal Government to send troops to any State under such circumstances. If the Federal court's order to open the school to Negroes did supersede the right of the Governor to take legal steps to prevent domestic violence, no opportunity was given to settle the point by legal procedures.

Today, the Governor of another sovereign State—Mississippi—feels he has the legal right to block a Federal court order requiring the State university to admit a Negro student. Any citizen has a right—at the risk of punishment—to refuse to abide by a court ruling and to have his day in court, even to the point of carrying the case to the Supreme Court of the United States for a determination of the issues involved.

The processes of the law were open in October 1957, as they are now in October 1962, to resolve the conflict of State and Federal functions. We should not be impatient, even though there is a congressional campaign in progress at present that adds political implications. We should let legal processes take their natural course.

For we pride ourselves on being a nation that abides by the law. Our difficulty, however, is in ascertaining just what is the law of the land in the various legal maneuvers that currently surround the integration controversy.

It is easy enough to call Gov. Ross Barnett of Mississippi and Attorney General Robert Kennedy political exhibitionists, but each has a duty to perform.

It is easy enough to call anyone a "Negro hater" who disagrees with the theory of forced integration.

It is easy enough to call the people of the South enemies of the Negro, though the facts of their relationship in the last 100 years do not bear out the accusation.

This writer was a student at an integrated high school in the North more than a half-century ago and wrote often for the press about the feats of a Negro who was star quarterback on the football team and a most popular individual. But the problem that faces all of us is not just to consider our own personal feelings. Nor is it a matter simply of obedience to rulings of the courts. It goes deeper. We should not close our minds to the other side of the argument—generated as it is by the pain of an injustice that gnaws at the hearts of the people of the South.

For they have not forgotten the injustice and, indeed, the complete disregard of the Constitution of the United States by a radical Republican majority in Congress which despotically tore that document to

shreds and imposed a series of illegal acts on the people of a defeated South.

History does not lie. The almost unanimous writings of historians and the testimony in official records tell us that the 14th amendment was never legally adopted as a part of the Constitution. Yet the whole integration-segregation controversy of today is rooted in that illegality. The Supreme Court of the United States based its decision in 1954 on the unmentioned assumption that the 14th amendment is valid.

It is a shameful truth that, ever since the 14th amendment was allegedly adopted in 1868, the Supreme Court has evaded passing on the legality of that ratifying process.

The people of the South know this. They know also that when their State legislatures—after the War Between the States was over—ratified the 13th amendment abolishing slavery, this was accepted as legal and the amendment was duly adopted. When, however, these same legislatures rejected the proposed 14th amendment. Congress capriciously declared them outside the Union and sent Federal troops to create new legislatures which were then coerced at the point of the bayonet into adopting the amendment.

We cannot gloss over these facts. We cannot ignore the feelings of bitterness and resentment they have created through the last 94 years.

Nor can we ignore the sociological aspects. The Supreme Court said in 1954 that times had changed, and it overruled what the Supreme Court in 1896 had decided to be the law of the land—namely, that it was legal to provide "separate but equal" facilities for the Negro in public transportation. This was subsequently interpreted as including public schools and colleges. No legal reason for overturning that 58-year-old decision was offered in the 1954 ruling. It was an emotional opinion that emphasized sociological considerations. Yet the Court ignored the sociological consequences feared by the people of the South.

For the South sees integration—not only in schools and buses, but in restaurants and swimming pools and recreation centers—as cumulatively hastening the day of intermarriage of the races. The State laws in the South against intermarriage have not been struck down as yet, but probably will be by the Supreme Court.

How can the defenders of the illegal method of adding an amendment to the Constitution in 1868 justify in their consciences the imposition today of a social system which many people in the North as well as the South say is an interference with the freedom of the individual? For it has always been assumed that the people of a sovereign State can by majority vote choose their own way of life and manage their own educational institutions without diminishing in any way the educational opportunities of the minority.

The 10th amendment to the Constitution, on which Governor Barnett has relied, says:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

It can be said positively that no legal authority has ever been granted to the executive branch of the Federal Government to manage or operate the educational institutions of the States.

Denial of admission to the University of Mississippi for the Negro student involved in the present controversy was upheld by the U.S. district court. When the case was appealed, however, the U.S. circuit court of appeals reversed the order and, by a 2-to-1 vote of the judges, said the student should be admitted. Judge Dozier DeVane, who dissented, said in part:

"In my opinion, Judge Mize was correct in finding and holding that appellant bore all the characteristics of becoming a troublemaker if permitted to enter the University of Mississippi, and his entry therein may be nothing short of a catastrophe."

But apparently the university authorities are to be deprived of their right to pass upon the qualifications of applicants.

The argument is made, of course, that the Supreme Court of the United States, in the desegregation decision of 1954, relied on the 14th amendment, which provides that no citizen may be denied "equal protection of the laws." Even if the 14th amendment were a valid part of the Constitution, a case could be brought to court to decide whether "equal protection" means that a university must admit students on the basis of race and not on the basis of scholastic standing or individual fitness.

But the 14th amendment is not valid.

The words of a State in the North are pertinent. In October 1868—3 months after Secretary of State Seward dubiously proclaimed the 14th amendment as ratified—the Oregon Legislature, which had earlier voted to ratify, passed a rescinding resolution and declared that the ratifications by the Southern States were "usurpations, unconstitutional, revolutionary and void," and that "until such ratification is completed, any State has a right to withdraw its assent to any proposed amendment."

Since those days, the Supreme Court has declined to decide whether an assent once given by a State can be withdrawn. It has also refused to rule on the constitutionality of a law passed by Congress declaring the Southern States out of the Union and denying them congressional representation until such time as they ratified the 14th amendment.

Amid acts of coercion and military pressure, the 14th amendment has lived on through the decades, but not until 1954 did the Supreme Court invoke it as a means of forcing the public schools of the States to bow to the Federal Government's dictation as to who must be enrolled as students.

Congress, incidentally, has never passed legislation—as stipulated in the 14th amendment—to enforce the provisions of that amendment if they relate to educational institutions. The 1954 opinion of the Supreme Court has been accepted by the Federal Government as a substitute for an act of Congress. It is still, however, the duty of the courts to pass upon the right of a President to use military force to do what Congress has never authorized him to do.

It is easy enough to grow impatient in a debate over legal questions. The processes of justice are often slow. It was at one time enough for southerners to say that to lynch Negroes accused of raping white women was merely to obey the impulses of natural law, and that there was no need to wait for the courts. It is easy enough also for Negro leaders of demonstrations to cry out today: "We have waited long enough—let's take the law into our own hands."

But these outbursts of passion will not solve anything. Only through the voice of reason can we find a solution, and it is important not to try to abolish overnight what generations of experience and custom—involved in the basic fear of racial intermarriage—have implanted. We must not accept the doctrine that "the end justifies the means." For when illegality breeds illegality, the result is chaos.

THE PEACE CORPS

Mr. McGEE. Mr. President, among my journalist friends, the columnist and author Robert Ruark is regarded as a man who looks with a jaundiced eye upon most of mankind's attempts at self-betterment. They tell me that he regards most of the human race as rather well established in the ways of ignorance, superstition, and corruption and holds that those who travel to the world's underdeveloped areas to help the people there improve themselves are impractical dreamers who have both feet planted firmly in midair.

Therefore, when a group dedicated to bringing the benefits of Western civilization to the less fortunate parts of the world warrants Mr. Ruark's praise it can assumed that they have done a remarkable and realistic job. The group is the Peace Corps and its director, R. Sargent Shriver.

An editorial on his statement appeared in the September 29 issue of the Washington Daily News and I ask unanimous consent that it be printed in the RECORD.

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

SOMETHING WE ARE DOING RIGHT

In the midst of election-year controversy over everything from Cuba to inflation, it is a real pelasure to note the steady progress of an inspired American experiment in foreign affairs.

"Wherever I've been in the world over the last 6 months," reports our columnist, Robert Ruark, "all I've heard is praise for the Peace Corps' solid, helpful work and generally fine projection of the best American image with the downtrods."

This is comment from an expert. Mr. Ruark's travels cover many thousands of annual miles, largely into the back country of Africa and Asia. He is, moreover, inclined toward the cynical view of do-gooding, whether at home or abroad.

"The Peace Corps kids," he says, "have worked well at what it was announced they would accomplish—a better knowledge of foreign lands and the natives themselves. I'd say that Sargent Shriver, who labors under the handicap of being the President's brother-in-law, has done a stout job and should be commended."

That is praise well deserved in our opinion. The Peace Corps members, living and working with the natives of various lands, are giving America a good name. Even more important, they are amassing a knowledge of foreign languages, folkways, and traditions which should prove invaluable. From the ranks of these dedicated young men and women should come our real experts of the next generation, in the field of foreign affairs.

PESTICIDES

Mr. MORSE. Mr. President, I invite the attention of Senators to an article published in a recent issue of Time magazine under the heading "Biology. Pesticides: The Price for Progress." The news item deals with a discussion of the book entitled "Silent Spring," by Rachel Carson, a recognized biochemist. Dr. Carson has written a book that seeks to warn the American consumers and the public generally about the great danger of food poisoning from the overuse of pesticides, and alleges that there is a great loss of animal life, particularly wildlife, as a result of what she asserts is an overdosage of pesticides being used for spraying purposes and for the treatment of soil and vegetation.

I am not a biochemist. However, I try to be a competent and intelligent juror for, it seems to me, to no small degree those of us in the Senate find

ourselves in the position of having to function really as jurors, weighing the evidence that is presented to us with regard to controversial issues that come before us.

I ask unanimous consent to have printed at this point in the RECORD as part of my remarks the article published in Time magazine which discusses the allegations of Dr. Carson in her book "The Silent Spring."

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

PESTICIDES: THE PRICE FOR PROGRESS

"There was once a town in the heart of America where all life seemed to be in harmony with its surroundings." It had fertile farms, prosperous farmers, birds in the trees, fish in the streams, and flowers blooming gaily along the roadsides. Then a white powder fell from the sky like snow, and a fearful blight crept over the land. Cattle and sheep sickened; hens could not hatch their eggs. Strange illnesses appeared among the people, children were stricken at play and died within a few hours. The birds sang no more, the fish in the streams died, and the roadsides were lined with browned vegetation as if swept by fire.

Such is the picture drawn of the future in "Silent Spring," a new book by Rachel Carson, whose "The Sea Around Us" earned her a reputation not only as a competent marine biologist but as a graceful writer. Miss Carson's deadly white powder is not radioactive fallout, as many readers will at first assume. The villains in "Silent Spring" are chemical pesticides, against which Miss Carson has taken up her pen in alarm and anger, putting literary skill second to the task of frightening and arousing her readers. Published this week, the book has already raised a spirit of controversy about the danger to birds and wildlife of those modern chemical compounds that have vastly increased agricultural production, banished some diseases, and kept at bay the most bothersome and harmful of insects and rodents.

As Miss Carson sees it, the accomplishments are not worth the price. She explains that no single town has suffered all the misfortunes from spraying and dusting that she describes: "Yet, every one of these disasters has actually happened somewhere, and many real communities have already suffered a substantial number of them. A grim specter has crept upon us, and this imagined tragedy may easily become a stark reality."

AS BAD AS THE BORGIAS

The bulk of Miss Carson's book is support for this nightmare curtain raiser. In a chapter titled "Elixirs of Death," she lists the synthetic insecticides, beginning with DDT, that came into use at the end of World War II. All of them are dangerous, she says without reservation. Already they are everywhere: in soil, rivers, ground water, even in the bodies of living animals and humans. "They occur in mothers' milk," she says, using emotion-fanning words, "and probably in the tissues of the unborn child." And worse is to come. "This birth-to-death contact," she warns, "contributes to the progressive buildup of chemicals in our bodies and so to cumulative poisoning. We are in little better position than the guests of the Borgias."

There is no doubt about the impact of "Silent Spring," it is a real shocker. Many unwary readers will be firmly convinced that most of the United States—with its animals, plants, soil, water, and people—is already laced with poison that will soon start taking a dreadful toll, and that the only hope is to stop using chemical pesticides and let the age-old "balance of nature" take care of obnoxious insects.

Scientists, physicians, and other technically informed people will also be shocked by "Silent Spring"—but for a different reason. They recognize Miss Carson's skill in building her frightening case; but they consider that case unfair, one-sided, and hysterically overemphatic. Many of the scary generalizations—and there are lots of them—are patently unsound. "It is not possible," says Miss Carson, "to add pesticides to water anywhere without threatening the purity of water everywhere." It takes only a moment of reflection to show that this is nonsense. Again she says: "Each insecticide is used for the simple reason that it is a deadly poison. It therefore poisons all life with which it comes in contact." Any housewife who has sprayed flies with a bug bomb and managed to survive without poisoning, should spot at least part of the error in that statement.

But Author Carson's oversimplifications and downright errors only serve to highlight a question that has bothered many Americans: Just how dangerous are insecticides? Experts of the Department of Agriculture and the U.S. Public Health Service readily admit that some of them are extremely poisonous to humans as well as to insects and other pests. Parathion, an organic phosphate used against mites and other highly resistant insects, is so deadly that men who spray it must wear respirators and protective clothing.

A few related chemicals are almost as dangerous, but luckily they break down quickly into harmless substances and so leave no poisonous residue on fruits and vegetables or in the soil. Their disadvantage is that they can poison farmworkers who handle them carelessly. Miss Carson describes these very rare accidents and gets shock effect out of them, but they are comparable to accidents caused by careless handling of such violent industrial chemicals as sulfuric acid. The highly toxic phosphates are no menace to the general public, which seldom comes in contact with them.

DDT IN EVERY MEAL

The chlorinated hydrocarbons, on the other hand (including the familiar DDT), are used in enormous quantities by almost everyone. Much of Miss Carson's case against spraying depends on her contention that DDT and its near chemical relatives are poisonous to humans, especially since they tend to accumulate in fatty tissues. Experts do not agree. A mere trace of DDT kills insects, but humans and other mammals can obsorb large doses without damage. Dr. Wayland J. Hayes, chief of the toxicology section of the U.S. Public Health Service in Atlanta, says that every meal served in the United States probably contains a trace of DDT, but that this is nothing to worry about. He and his coworkers fed 200 times the normal amount to 51 convict volunteers. The insecticide accumulated in their bodies for about 1 year and then was excreted as fast as it arrived. The human guinea pigs felt no ill effects, and doctors pronounced them as healthy as a control group that got the same diet without extra DDT.

EXAGGERATED IMPORTANCE

While many insecticides are roughly as harmless as DDT, others are considerably more poisonous to humans. But, in the opinion of respected experts of the U.S. Public Health Service, none have done appreciable damage to the U.S. public or are likely to do so. In heavily sprayed cotton-growing areas of the Mississippi Delta, says Assistant Surgeon General Dr. D. E. Price, health is as good as in sparingly sprayed neighboring areas. The same report comes from California, where insecticides are heavily sprayed on orchards and fields. Says Robert Z. Rollins, chief of the division of chemistry of the California department of agriculture: "Pesticides used properly present no threat to people, no matter how widespread their use becomes."

Humans generally protect their domestic animals from any ill effects; wildlife does not fare as well. Wild animals, birds, fish, and friendly insects are among the valued inhabitants of the United States, and a good part of Miss Carson's book tells about the deadly effect of wholesale spraying on these pleasant and harmless creatures. In vivid language, she tells how DDT spraying to protect elm trees from Dutch elm disease nearly wiped out the bird populations of many Midwestern cities, how fruitless attempts to exterminate the imported fire ant of the South by airplane dusting with dieldrin had dire effects on many kinds of wildlife.

Even scientist defenders of pesticides admit that these things have happened, but they maintain that their importance is exaggerated. According to the Entomological Society of America, only 0.28 percent of the 640 million acres of U.S. forest land is treated annually, and 613 million acres have never been treated. Insecticides are used mostly on crop lands, which have little wildlife, and on human residential areas to protect shade trees—the use that causes the most conspicuous damage to wildlife.

One result is the wholesale death of robins, which form a large part of suburban bird populations. The robins live on earthworms (that is why they are plentiful in the suburbs, where worm-bearing lawns abound), which concentrate insecticides without being damaged themselves. When the robins eat these insecticide-full worms, they die. The slaughter may continue for several years, until the DDT in the soil has disintegrated.

ELMS VERSUS ROBINS

Death chains of this sort are fortunately not common. A report published by the Wilson Ornithological Society says that most spraying does little damage to most birds, and still less to wild mammals. Fish are more sensitive; when certain insecticides are washed into streams or lakes, they are apt to kill everything that moves on fins. Perhaps the worst effect on birds is the reduction of edible insects, which are important food for many species. But the damage is not complete; not even Miss Carson can point to a single sizable sprayed area where "no birds sing."

To answer insistent complaints, the National Academy of Sciences sponsored a careful study of pesticide damage to wildlife. Its conclusion: The damage, though always regrettable, is not disastrous, and the damaged wildlife population generally recovers in a few years. Sometimes it may be necessary, remarks the Academy, to choose between elms and robins, both of which have their partisans.

INSECT PARADISE

Lovers of wildlife often rhapsodize about the "balance of nature that keeps all living creatures in harmony," but scientists realistically point out that the balance was upset thousands of years ago when man's invention of weapons made him the king of beasts. The balance has never recovered its equilibrium; man is the dominant species on his planet, and as his fields, pastures and cities spread across the land, lesser species are extirpated, pushed into refuge areas, or domesticated.

Some species, most of them insects, benefit increasingly from man's activities. Their attacks on his toothsome crops are as old as recorded history—the Bible often refers to plagues of locusts, canker-worms, lice and flies—but their damage was only sporadically serious when population was small and scattered. Modern, large-scale agriculture offers a paradise for plant-eating insects. Crops are grown year after year in the same

or nearby fields, helping insect populations to build up. Many of the worst pests are insect invaders from foreign countries that have left their natural enemies behind and so are as free as man himself from the check of nature's balance.

Agricultural scientists try hard to find ways to check insect pests by tricks of cultivation. They import the ancient enemies of invading foreign insects and foster the resident enemies of native pests. They are developing bacterial diseases to spread pestilence among insect populations. Because these tactics alone are seldom enough to protect the tender plants of modern, high-yield farms, the use of insecticides is economically necessary. Tests run by the Department of Agriculture show that failure to use pesticides would cost a major part of many crops; a 20-year study proved that cotton yields would be cut by 40 percent. Production of many kinds of fruit and vegetables would be impossible; unsprayed apple trees, for instance, no longer yield fruit that is sound enough to be marketed.[1] Potato fields swept by the Colorado beetle or late blight (the fungus that caused the great Irish potato famine of 1846) yield hardly any crop.

A QUANDARY OF SURPLUSES

Chemical insecticides are now a necessary part of modern U.S. agriculture, whose near-miraculous efficiency has turned the ancient tragedy of recurrent famine into the biologically happy problem of what to do with food surpluses. Says Entomologist George C. Decker of the Illinois Agricultural Experiment Station: "If we in North America were to adopt a policy of 'Let nature take its course,' as some individuals thoughtlessly advocate, it is possible that these would-be experts would find disposing of the 200 million surplus human beings even more perplexing than the disposition of America's current corn, cotton, and wheat surpluses."

Many scientists sympathize with Miss Carson's love of wildlife, and even with her mystical attachment to the balance of nature. But they fear that her emotional and inaccurate outburst in Silent Spring may do harm by alarming the nontechnical public, while doing no good for the things that she loves.

Mr. MORSE. I call attention to the last paragraph of the article:

> Many scientists sympathize with Miss Carson's love of wildlife, and even with her mystical attachment to the balance of nature. But they fear that her emotional and inaccurate outburst in "Silent Spring" may do harm by alarming the nontechnical public, while doing no good for the things that she loves.

Perhaps that paragraph is justified. I do not know. But I do know that the Department of Agriculture has the responsibility of presenting to the Congress and to the public a very careful analysis of Dr. Carson's allegations. We have the right to look to the Department of Agriculture, and I now call upon the Department of Agriculture to prepare such a brochure.

We have a right to receive from the Department of Agriculture a scientific analysis of such charges by recognized scientists.

Senators will find in the material that I am inserting in the RECORD that there is no challenge as to the competency of those scientists. The challenge goes to some of the deductions that are drawn from the data which have been collected.

I ask unanimous consent that there be printed at this point in the RECORD an article entitled "More Political Quackery, New Drug Controls Will Impede Progress, Not Foster Safety," which is being distributed by the National Agricultural Chemicals Association, under the name of Dennis Hayley, the director of information.

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

MORE POLITICAL QUACKERY—NEW DRUG CONTROLS WILL IMPEDE PROGRESS, NOT FOSTER SAFETY

For those who believe in better things for better living, whether through chemistry, pharmacy, or some other triumph of the scientific method, the past few weeks have been a painful time. In July news broke of the terrible side effects caused by the drug thalidomide; a tragedy which shocked the world and jolted Congress into hurried action. Similarly, amidst widespread confusion and dismay, the U.S. Surgeon-General 10 days ago issued a warning (subsequently rescinded) against the use by adults of the Sabin vaccine, Type III which has been suspected of triggering polio in 4 inoculations out of 4 million. Now, to bookstres throughout the country, as well as to the members of the Book-of-the-Month Club, has gone "The Silent Spring," by Rachel Carson, a work approvingly cited by Consumers Union as "a stunning attack on the indiscriminate use of toxic insecticides." To judge by the furor which it already has stirred, official publication of "The Silent Spring" on Thursday may well usher in open season on the whole pesticides industry.

Deformity, paralysis, poison—each is what politicians would call a "gut issue," one which hits home instantly with most people. Hence in every case the reaction of the public was both inevitable and natural. Despite understandable alarm, however, the United States would do well to keep its head. For in the emotional atmosphere which currently prevails, it has become more susceptible than ever to political quackery. Thus it has applauded the award of a medal to a Government employee who, perhaps by the exercise of womanly intuition, unwittingly did her countrymen a great service. It has uncritically embraced the work of Miss Carson, a noted marine biologist with a marvelous command of her subject and a weakness for going beyond her depth. Most heedless of all, its spokesmen in Congress have lined up behind legislation which, in the guise of assuring safety, would impose irrelevant, potentially dangerous Federal controls on the manufacturing, testing, and sale of drugs. None of the provisions could prevent another thalidomide. What they doubtless would do, however, is discourage and delay the discovery of new live-saving compounds. In the circumstances, the real hazard to the Nation's health and welfare lies less in the disease than in the cure.

To those who seek remedies in Washington for all the ills afflicting mankind, a close reading of "The Silent Spring" will yield cold comfort. As widely advertised, the book is a powerful attack on the casual use of potent insecticides. In order to get rid of pests that often are little more than a nuisance, charges the author, gardeners, farmers and local and Federal authorities have in effect declared war on nature. Thereby they have destroyed unoffending plant and animal life. They have created resistant strains of insects which shrug off ordinary compounds, and, in an ominous chemical escalation, must be assaulted with increasingly deadly poisons. Worst of all, says Miss Carson, pesticides are a menace to the future of the race.

In rebuttal, Miss Carson's critics, while challenging neither her accuracy nor competence, accuse her of exaggeration. Thus, according to the head of the National Agricultural Chemicals Association, less than half an acre per hundred of forest, grassland pastures or "wildland" receives an annual dose of insecticides; on this score 95 percent of total U.S. forest and pasture land remains virgin territory. As to Miss Carson's claim that pesticides are carcinogenic (cancer-producing) substances, a layman can only note that scientific opinion is divided on the question: some authorities, who believe the cause of cancer to be a virus, cast doubt on her whole line of argument.

However, the main point—which apparently has escaped both the author and such readers as Consumers Union—is that the chief villain of the piece is not industry but Government. To begin with, all pesticides shipped in interstate commerce must be registered with the U.S. Department of Agriculture; manufacturers must prove to its satisfaction that the product, when used as directed, "will be effective, safe for users, safe for people living in the area, safe for crops and livestock, and safe in respect to residues in food." If accidents happen, it's certainly not for lack of Federal controls. Moreover, many of the tragic episodes recounted must be blamed on Federal or State officials. Describing the devastation of the sage brush in Bridger National Forest, Wyo., which exterminated moose, beaver, and trout, the author observes that the spraying was carried on by the Forest Service, a branch of the Department of Agriculture. Again, "during the fall of 1959, about 27,000 acres in southeastern Michigan * * * were heavily dusted from the air with clay pellets containing aldrin. The program was conducted by the State Department of Agriculture with the cooperation of USDA * * * The Michigan Insect Pest and Plant Disease Act allows the State to spray and dust indiscriminately without gaining the permission of individual landowners or even notifying them." Although aldrin was certified as harmless, adds Miss Carson, birds died while dogs, cats, and humans took sick. Similar examples of widespread, indiscriminate use of pesticides under official auspices dot the pages of the book.

The safety afforded by Government control thus has proved illusory; its perils, contrariwise, are painfully real. One danger, of course, is that those in authority will act from political rather than scientific motives. For example, just prior to Thanksgiving Day in 1959, the Secretary of Health, Education, and Welfare cracked down on the sale of cranberries because a widely used herbicide, aminotriazole, was found to induce cancer in rats. In taking this ridiculous step (which Miss Carson, by the way, applauds), HEW chose to ignore the fact, tartly pointed out by the American Medical Association, that the offending compound occurs naturally in a wide variety of vegetables. Equally perverse logic may have recently motivated the U.S. Surgeon General, who, upon learning that 4 adults out of 4 million injected with type III of the Sabin vaccine had contracted polio, hastily advised against its use. After some reflection—odds of a million-to-one make the Sabin vaccine safer than penicillin—and a heated protest from Dr. Sabin himself, the Surgeon General changed his mind.

At least as bad is the risk of delay inherent in all Federal controls. Legislation now pending in Congress, as well as new regulations proposed by the Food and Drug Administration, illustrate the point. While inspired by the thalidomide case, sweeping new powers proposed for both HEW and FDA in no way can prevent such a disaster.

[1] In the smaller orchards of prespraying days, fruit had a better chance to escape heavy insect damage, and since quality standards were lower, moderately damaged fruit often went to market.

According to Smith, Kline & French Laboratories: "Had the proposed laws and regulations been in effect prior to thalidomide, we still, almost certainly, would not have connected the drug with the abnormal births any sooner than we did. One cannot legislate against the unknown." Instead, by thrusting the Government into the key area of clinical investigation, what they undoubtedly will do is slow down the introduction of new medicines. In the years to come, so the company warns, "the drug that wasn't there" may prove the real tragedy.

These are sobering statements which lawmakers and voters alike ought carefully to weigh. Over the years the chemical and drug industries have made magnificent contributions to mankind's longevity and health, mental as well as physical, nor is the end anywhere in sight. Whatever Washington may pretend, moreover, scientific advance inevitably involves risk. Federal regulation can impede progress. It cannot cure disease, nor save lives.

Mr. MORSE. As I close, I plead that the American public is now entitled to an authenticated answer prepared by scientists dealing with the allegations of Dr. Carson. If those allegations can be answered, the American public is entitled to know them. It is no answer to say that there is fear that the deductions of the book "Silent Spring" may alarm the nontechnical public. The nontechnical public is now alarmed. The question is what answer is to be given to the public to the extent that any of the allegations of Dr. Carson can be verified. Then corrective measures ought to be taken.

I hope that when Congress returns in January we shall have made available an answer to the charges by the Department of Agriculture. As I see it, it happens to be one of the public service duties of the Department of Agriculture to see to it that the American consumers, as jurors, have the pros and the cons of the case so that they can render their verdict. If the Department of Agriculture cannot answer the charges, of course, it will be necessary for the Congress to take whatever remedial steps are necessary to protect the public from the great harm it would suffer if the charges were true. If, on the other hand, the charges are not true, the American jury, which in this instance consists of all the consumers, ought to have the evidence presented to it so that it can render its own verdict and put to rest the fears that otherwise would be created in the public mind.

THE KNOWLES PROJECT

Mr. GOLDWATER. Mr. President, of the proposals in the omnibus rivers and harbors and flood control bill for the Columbia River Basin certainly one of the most objectionable is the Knowles project. Indeed, it is so violently opposed by so many people intimately concerned with the proposal and best qualified to know and evaluate its implications that it is surprising that the committee would seriously report it favorably.

One of the aspects that disturbs me deeply about this project is the manner in which we are going to treat the Indians. The Indian tribes of the Flathead Reservation are directly involved and have appeared before the committee to plead their case. As far as the record is concerned they have been completely ignored.

Mr. President, I am beginning to suspect that the modern-day counterpart of the crooked trader, the buffalo hunter, the gun peddler—all of whom took advantage of the Indians in our frontier days—is none other than the public power advocate. This is not the first case on record where the Indians have been treated as second-class citizens when their lands and their interests stood in the way of some public power project. This is precisely the case with the Kootenai and Salish Indian Tribes and the Knowles project. We will rob them of good pastureland—many thousands of acres—and we will rob them of powersites on the river from which they can derive needed revenue.

If we are not going to rob them; if we are going to pay for these assets that now belong to these Indians, then why are those figures not included in the cost of this already uneconomic project? Is this going to be another case of deliberately trying to shunt off a major element of cost of a power project on some other agency of government so that it won't make the project look worse than it already looks? Is this cost going to be thrown to the Bureau of Indian Affairs?

The Flathead Tribes point to article 2 of their treaty of July 16, 1855, set forth in 12 Stat. 975, which established, out of the lands they had owned since time immemorial; a reservation "for the exclusive use and benefit of said Confederated Tribes as an Indian reservation." Now the Flathead Tribes have testified in the committee's hearings—and that testimony has not been controverted at any stage—that they own pursuant to the treaty not merely the agricultural value of tribal lands remaining to them but what they called the exploitable value of damsites within the reservation. That is, they owned all rights prior to the coming of the white man; the white man reserved to them all the rights in a portion of their ancestral area; and this portion which is guaranteed by treaty includes two highly feasible damsites where power can be produced cheaply and a good profit made. These damsites would be wiped out by the proposed Knowles project. The Flathead Tribes say—and no one has controverted them—that the Knowles Dam is not merely a violation of their treaty rights, but constitutes a taking of their property for which they must be paid.

The representatives of the Flathead Indians cited a case, *United States* v. *5,677.94 Acres of Land*, 162 F. Supp 101, 112–116, which they say establishes their right to the "exploitable value" of these damsites. The district court refers to this value as the "waterpower value" of the damsite in the opinion to which I refer. I have reviewed that opinion; it does indeed seem to say that the Indians under treaty are entitled to the waterpower value of their sites and that this must be paid for in the event of the taking of their lands for a Federal project. Nothing whatever has been called to the attention of the committee or to my attention privately which would throw any doubt on this proposition.

The Chief of Engineers acknowledged in his report of March 31, 1961, paragraph 23, that building Knowles "would require acquisition of certain Indian lands which may involve unusual costs." He left what those unusual costs should be to Congress, and the proposed legislation makes no provision respecting them. Notwithstanding the fact that the Corps of Engineers was aware that unusual costs were involved, no cost whatever is taken into account for the water-power value of these sites, which are estimated only on the relatively trifling value they have for agricultural purposes.

It was testified by engineering consultants employed by the Flathead Tribes to protect their interests, that the value for water power of these sites might be in the neighborhood of $116 million. Mr. President, if any figure remotely like that were involved, the Knowles project is utterly beyond the range of feasible projects and the Indians so stated in the hearings. Testimony of the engineers was that the benefit-cost ratio was actually negative when these costs were taken into account—that is, instead of being 1.2 or 1.08 as determined by the Chief of Engineers in his report of March 31, 1961, it became .75—a disastrous throwing away of taxpayers' money.

In the light of the total failure of the proponents of this project to justify it from the standpoint of the Indian interests which are being so cavalierly dealt with, I submit that the project not only should not be authorized but it should be rejected so vehemently that it would never again be proposed. This is a disgraceful breach of treaty with no move to get the consent of the other party to that treaty. And even if we had the wholehearted concurrence of the Flathead Tribes this project would not make sense economically or otherwise.

TREATMENT FOR TAX PURPOSES OF INCOME RECEIVED BY CONTROLLED FOREIGN CORPORATIONS

Mr. CARLSON. Mr. President, during the discussion of the conference report on the Revenue Act of 1962, I was attending a conference on the postal rate and pay bill, and therefore failed to enter my views on a particular section of the bill.

My attention has been called to a serious ambiguity in connection with the language in proposed section 954(d)(2), found in section 12 of the bill. This concerns itself with treating a separate branch of a controlled foreign corporation as a separate foreign wholly owned subsidiary, when the branch is located outside the country of incorporation of that controlled foreign corporation.

The Secretary of the Treasury, under this section, is given the power to prescribe regulations for the purposes of treating as foreign base company sales

income, certain income attributable to the carrying on of activities of this type of branch. This section has been criticised because the language might subject to tax the income of a branch which would not be treated as foreign base company sales income if it had been derived by a separate controlled foreign subsidiary. This was never intended.

I want to set the record straight. The purpose of section 954(d)(2) is to treat as foreign base company sales income only such items of income of the branch which would have constituted foreign base company sales income to a controled foreign corporation incorporated where the branch is located and performing the same or similar activities and functions. It was never intended that this section could be used to broaden the types of income, subject to tax under section 12, beyond those encompassed by these provisions when earned by controlled foreign corporations.

OPERATIONS OF MANPOWER DEVELOPMENT AND TRAINING ACT

Mr. HART. Mr. President, the Manpower Development and Training Act, which became law on March 15 of this year, is already proving its worth in Michigan.

The first training program under this act to get underway in the Nation started in Grand Rapids, Mich., on September 10.

To date in Michigan 11 programs have been approved in 8 cities. Two hundred and ninety-nine persons will be trained for nine occupations.

Twenty-one other programs have been, or are currently being readied for review in Washington. Nearly two score additional programs are in the planning stage.

Recently I received a letter from Mr. Max M. Horton, director of the Michigan Employment Security Commission, which outlines the steps which have been taken to put this valuable program into effect.

I ask unanimous consent that excerpts from Mr. Horton's letter, together with a list of those programs now underway in Michigan, be printed at this point in my remarks.

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

MICHIGAN EMPLOYMENT SECURITY COMMISSION,
Detroit, Mich., September 25, 1962.

Senator PHILIP A. HART,
U.S. Senate, Washington, D.C.

DEAR PHIL: * * * Governor Swainson, immediately after passage of the Manpower Development and Training Act, established a State advisory committee to assist him in planning the implementation of this program on a statewide basis. In the past few months we have organized 21 area advisory committees. These latter committees, working with the branch office and local vocational educators, participate in the development, review and approval of training programs throughout the State. On all of the committees there are representatives of management and labor as well as persons representing the interests of the general public. We have found them most cooperative and very helpful in inaugurating and maintaining the manpower development program in this State.

To date, 11 training programs which we have developed have received final approval from Washington. These 11 programs will have 299 enrollees and their total cost is $438,800. Ten of these programs have begun as of today's date. Due to a change in the training facility in Kalamazoo, the auto spray painter program, approved for that community, has been delayed.

I am sending you a list of our approved programs, those which are being developed by the department of public instruction, those which currently are being reviewed by the Federal Government, and those which we are in the process of developing. At frequent intervals comparable lists of training programs in various stages of development are sent to public officials and interested civic leaders.

To keep State officials, advisory committees, agency personnel and other interested persons informed of our activities in the field of vocational retraining, we are including in each second issue of our house organ a supplement containing detailed information regarding training activities in this State. We have found this a most useful means of stimulating interest in the program and keeping those interested current with respect to developments.

Shortly after the passage of the Manpower Development and Training Act, this agency established a new section within its operations division to coordinate training activities on a statewide basis. This section has responsibility for assisting in the development of training proposals, reviewing training proposals, and giving staff approval to them before this agency takes final action regarding them.

Most of the literature which we are disseminating in Michigan was prepared by the Federal Government and has been adapted for State usage. We distribute to all those making inquiries a small pamphlet entitled, "Your Opportunity for Job Training." To State officials, employers, unions, and civic leaders interested or involved in the program we distribute a pamphlet entitled, "The Manpower Development and Training Act of 1962—Its Origin and Provisions." These are the only releases which we have prepared for the public. Other materials which we have prepared are procedural in nature and relate to our internal operations.

We have been very pleased that we in Michigan were able to undertake training programs under the new legislation as soon as we did. We hope and plan to continue our efforts to maximize the effectiveness of this legislation within Michigan.

Sincerely yours,

MAX M. HORTON, *Director.*

Approved programs under MDTA in Michigan as of Sept. 19, 1962

Location	Occupation	Number of trainees	Starting date
Detroit	Automatic screw machine setup man	40	Sept. 24, 1962
Do	Transmission and differential repair	40	Do.
Grand Rapids	Welder, inert gas	15	Sept. 10, 1962
Kalamazoo	Painter, automobile	15	(1)
Lansing	Machine operator, general	25	Sept. 17, 1962
Detroit	Auto body repairman	40	Sept. 24, 1962
Muskegon	Machine operator, general	20	Sept. 17, 1962
Do	Woodworking machine operator	20	Do.
Jackson	Automobile mechanic, entry	18	Sept. 24, 1962
Battle Creek	Nurse aid	36	Do.
Saginaw	do	30	[2] Oct. 1, 1962

[1] Not determined. [2] Tentative.

TRIBUTE TO ALLEN P. MITCHEM

Mr. ALLOTT. Mr. President, it is with mixed feelings that I rise on this occasion. I am exceedingly pleased to be introducing for the RECORD a resolution which was adopted unanimously by the Interior and Insular Affairs Committee on September 5, 1962. At a meeting of the committee, I moved the adoption of the resolution, and it was adopted with the concurrence of all members. My pleasure stems from the fact that the subject of the resolution is an individual who performed outstanding service and it is good to see him recognized in this singular manner. However, as the resolution indicates, the occasion for it is the departure of Mr. Allen P. Mitchem as minority counsel of the Senate Interior and Insular Affairs Committee. Because of his substantial contribution and his great ability, Allen Mitchem's absence will be sorely felt.

It was upon my recommendation that Allen Mitchem came to his position as minority counsel early in the first session of the 87th Congress. He is admirably equipped for this demanding job. A graduate of Fort Hays, Kans., State College, Mr. Mitchem went on to law school at Washburn Municipal University where he was awarded his LLB degree magna cum laude. He holds a master's degree in law earned at Columbia University.

Mr. Mitchem was an associate professor at the University of Denver College of Law for 5 years and is still a lecturer at that institution. For several years, he was a visiting lecturer at the University of Colorado School of Law. Mr. Mitchem left his law practice in Denver, Colo., to serve on the Interior Committee and has now returned to it. Water law is of particular interest to him, and he is a recognized authority in this field. His guidance, recommendations and suggestions have time and again revealed the keen appreciation and concern he has over water problems as well as other important legislative areas which were before the committee during the past 2 years.

I regard it as a rare and deserved tribute to Mr. Mitchem that all 17 members of the committee voted to adopt a resolution complimenting the minority counsel for a job well done. I wish him well upon his return to his home and the practice of law. I ask unanimous consent that the resolution be printed at this point in the RECORD.

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

Whereas Allen P. Mitchem left the private practice of law to serve as minority counsel to the Senate Interior and Insular Affairs Committee during the 87th Congress of the United States; and

Whereas he has performed his duties and acquitted himself with distinction in that capacity, rendering able service, in a scholarly and professional manner consonant with his standing as a lawyer and teacher of the law; and

Whereas the entire committee has benefited by his counsel and guidance, and in recognition of his outstanding service; now, therefore, at the time of his departure: be it

Resolved, That the Committee on Interior and Insular Affairs of the U.S. Senate does hereby commend Allen P. Mitchem and express its appreciation for the services he has rendered.

Adopted in session of the full committee this 5th day of September 1962.

CLINTON P. ANDERSON, *Chairman;* HENRY M. JACKSON, ALAN BIBLE, JOHN A. CARROLL, FRANK CHURCH, ERNEST GRUENING, FRANK E. MOSS, OREN E. LONG, QUENTIN N. BURDICK, LEE METCALF, J. J. HICKEY, THOMAS H. KUCHEL, GORDON ALLOTT, JACK MILLER, JAMES B. PEARSON, JOE H. BOTTUM, LEN B. JORDAN.

Attest:

JERRY T. VERKLER,
Chief Clerk.

THE 40TH ANNIVERSARY OF THE FOUNDING OF THE RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. SCOTT. Mr. President, I am pleased to join in saluting the Reserve Officers Association upon its 40th anniversary.

I have been proud to be a Reserve officer of the Navy, and to give my support, and my membership, to ROA. It has a fine record of constructive service to the cause of national security.

ROA is one of the Nation's fine, free institutions. Only in a great free country like ours could associations of this type exist, free to make its recommendations on national policy with full confidence that its views will be fully considered, and oftentimes made as national policy.

One characteristic of ROA is most significant to me. We are in the middle of national political campaigns. In this body are representatives of every section of our country, the different political parties, and philosophical convictions. Yet, from all of these groups we come together in agreement to work for "a military policy which will provide adequate national security." We may differ on every other issue; yet ROA brings us together for this common goal. That too is a significant service of this association.

NEEDED: ACTION ON LEGISLATION FOR EXPANDING UNIVERSITY EXTENSION SERVICES

Mr. WILEY. Mr. President, the Senate, yesterday, wisely approved S. 3477 which I cosponsored, designed to expand educational opportunities through the extension service of universities. This represents, in my judgment, a major step forward in better meeting the educational needs of the Nation.

As adopted by the Senate, the University of Wisconsin, for example, would receive a first year matching grant of about $194,000 for expansion of its already fine extension services. Realistically, this is late in the session. I am very hopeful, however, that our colleagues on the House side will take affirmative action on this legislation prior to adjournment.

INTERNATIONAL ISSUES

Mr. LAUSCHE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial written by Mr. John S. Knight and published in the Akron, Ohio, Beacon-Journal of September 30, 1962. The editorial deals soundly and effectively with a number of international issues. Mr. Knight's views are worthy of profound consideration.

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

A LIGHT DAWNS IN EUROPE—U.S. BEARS EXCESSIVE LOAD

Since Fidel Castro's statement that the Russians will help build a "major port" in Cuba for their Atlantic fishing fleet, the New York Times is beginning to take notice of the Communist threat to the Americas.

In a masterpiece of understatement, the Times has this to say:

"This announcement, if it is implemented, can only mean that the shadow of the Hammer and Sickle is darkening the Western Hemisphere."

But let's not be beastly to Fidel Castro and the Russians?

WE LEARN TOO LATE

The Manchester Guardian finds that "the American people are being asked to bear a grossly disproportionate share of world economic aid." Other NATO nations have failed to contribute their fair share.

This column has made the same point for more than a decade. But nobody was listening.

Now there is talk by Eugene Black, of the World Bank, that it may be preferable for the developed nations to render their aid through agencies like his instead of providing it directly to the recipients.

Mr. Black thinks that such a multilateral agency would shelter the United States from the bitterness of those who feel they are not getting enough.

The economist of London correctly observes that "many Members of Congress, who are being told constantly that Europe has found the key to prosperity, wonder why it does not share more of the burden; many are genuinely concerned about their country's balance of payments; many are disillusioned about foreign aid and feel that the administration is attempting too much."

To make sure that our opinion makers don't get any such radical notions, the State Department is shortly holding a "briefing" in Washington for the press and the broadcasters.

At that time, the foreign aid people will admit making "a few mistakes" such as the $17 million highway in Cambodia which is now falling apart. Then comes the hard sell that we are shoring up the free world against communism, and must not fail in that duty.

That tired old line will satisfy 80 percent of those present who, in turn, will continue to dose the American people with piffle and platitudes.

I welcome recent converts to Mr. Black's and my theory that world responsibility is not America's alone.

But where were they when their support might have prevented the misuse of foreign aid and stemmed the outflow of American gold?

MORE CARROT, LESS STICK

President Kennedy told a conference of business magazine editors that he is not antibusiness but is finding it hard to keep "all businessmen" happy.

In particular, the President wondered why business wasn't more enthusiastic over the 7 percent credit offered in the new tax bill to businessmen who modernize or expand their production facilities.

The short answer is that unless manufacturers and businessmen see a definite need for expansion and modernization, they're not about to invest in new equipment just to get a 7 percent tax credit.

The President should stop worrying over how to keep businessmen "happy," and do more to win their confidence.

This is not accomplished by inviting a few industrial tycoons to the White House for cocktails and dinner.

But if Government, and that includes Congress, will make a conscientious effort to promote an atmosphere of cooperation with business as they do in England and Western Europe, our businessmen will respond with enthusiasm.

* * * * *

In Europe, as I have said, the governments do everything they can to stimulate business activity even to the point of taking away the markets for U.S. products.

But in this country it seems more important to the politicians to get an indictment or to cite someone for contempt than to learn how we can better compete in world trade.

If the President wants to create more jobs, the way to do it is to foster the hope of reward and give the businessman some idea of the Government's ground rules.

Says Goodyear's E. J. Thomas, chairman of the board: "Most of us do not fear competition and we'll operate according to the rules—if we can find out what they are. Business uneasiness is caused in large part because it is impossible to plan for the future with any certainty."

And that's the point. Government can't go around continually whacking the dairy cow over the rump and still get the same amount of milk.

* * * * *

RANDOM NOTES

The flight of Latin American capital to Switzerland continues. Latin investments overseas are estimated at $5 to $15 billion. "Governments that constantly preach the need for social progress, on one hand," says the St. Louis Post Dispatch, "and the need for foreign aid, on the other, should feel obliged to do no less than to control their own wealth and to help themselves."

* * * * *

The Greeks, who cried to Vice President LYNDON JOHNSON about proposed cuts in foreign aid, intend to keep on shipping goods to Cuba. * * * The British say their shipowners will not carry goods to and from Cuba which might embarrass the Government's relations with the United States, but they will not cut off all trade. * * * Secretary Rusk has asked NATO countries not to use their ships to transport Communist goods to Cuba. * * * Turkey is complying

with this request. * * * If others turn us down, we should be less responsive with our favors.

* * * * *

JOHN S. KNIGHT.

DAIRY PRODUCTS FOR THE NEEDY

Mr. HUMPHREY. Mr. President, America's abundant dairy production is being used effectively in providing butter, dry milk solids, and cheese to relieve human hunger at home and abroad. These are products acquired under farm price support programs, and distibuted in this county through U.S. Department of Agricultue programs and overseas by voluntary relief agencies and the Agency for International Development.

During the past fiscal year, our Nation's schools, needy families, and charitable institutions shared in the donation of more than 160 million pounds of butter, and are continuing to receive this nutritious food in the current year.

Last January, with supplies of butter exceeding the needs of domestic outlets, the Department of Agriculture offered butter for donation abroad under the food-for-peace program, for the first time since 1956. Some 200 million pounds of butter were offered for distribution to needy persons in friendly foreign nations through U.S. private voluntary welfare agencies.

Much of this is and will be converted to butter oil, which saves on shipping and handling costs through a reduction of 20 percent in volume through removal of salt and moisture. Sealed in tins, butter oil also is more easily distributed through the limited facilities generally available in underdeveloped countries around the globe. Most important, of course, butter oil is more familiar and acceptable to the people of the Mideast and Far East than is butter as we know it. Already 65 million pounds of butter oil are being shipped or available for shipment overseas—the equivalent of about 80 million pounds of butter. In addition, some 4½ million pounds of packaged butter is available now for shipment to those countries that have facilities for its handling and distribution.

The concentrated nutrients of nonfat dry milk solids also are helping to improve diets at home and abroad. This product is a great aid in providing better nutrition for children in many underdeveloped countries. During the past fiscal year more than 733 million pounds of the milk solids were distributed at home and abroad, compared with 530 million pounds in the previous year. We are in a position to supply all the milk powder that will be needed, and for oversea shipment alone some 870 million pounds have been made available this fiscal year.

American cheese, like butter, recently was made available for foreign donation, and 40 million pounds have been offered for immediate needs. Last year, 102 million pounds of cheese were donated to schools, institutions, and needy families in this country.

THE 125TH ANNIVERSARY OF PROTESTANTISM IN KANSAS

Mr. PEARSON. Mr. President, on October 21, 1962, the Protestant denominations will recognize the 125th anniversary of the beginning of Protestanism in the State of Kansas, and the establishment of the first known Protestant church west of the Missouri River. These events are being recognized throughout the State this year.

This religious movement into new and unsettled territory resulted in many great contributions to the building of moral, ethical, and spiritual standards of my State and of our country. From these concepts have grown the freedom that we cherish and enjoy.

The first Protestant church established in Kansas was established as a mission to the Iowa and Sac Indians by the Board of Foreign Missions of the United Presbyterian Church in the year 1837. Out of the original ministry grew many great denominations and also grew the first college in the State of Kansas known as the Highland College.

The Governor of Kansas, the Honorable John Anderson, Jr., has issued a statewide proclamation recognizing the anniversary, which reads as follows:

Whereas, the Christian faith played an important part in the lives of the early settlers of Kansas; and

Whereas, those Christian principles adhered to by the early settlers are embodied in the constitution of the State of Kansas; and

Whereas the Synod of Kansas and the Topeka-Highland Presybtery throughout this year, 1962, will be recognizing the founding of the Highland Presbyterian Mission in 1837, the birth of the Reverend S. M. Irvin, first Presbyterian missionary in Kansas, and the establishment of the first Protestant church organization in Kansas in 1843:

Now, therefore, I, John Anderson, Jr., Governor of the State of Kansas, do hereby proclaim the year 1962, as the 125th anniversary of the founding of the Highland Mission, and the 150th anniversary of the birth of the Reverend S. M. Irvin.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1963

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate, and be made the pending business.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. ELLENDER. 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.

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

STRENGTHENING OF CRIMINAL LAWS RELATING TO BRIBERY, GRAFT, AND CONFLICT OF INTEREST

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily, and that the Senate proceed to the consideration of Calendar No. 2176, House bill 8140.

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

The LEGISLATIVE CLERK. A bill (H.R. 8140) to strengthen the criminal laws relating to bribery, graft, and conflict of interest, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments on page 2, in the seventh line of the matter after line 2, after the numerals "206.", to strike out "Exemption of retired officers of the Armed Forces" and insert "Exemption of retired officers of the uniformed services"; in line 9, after the word "thereof", to insert "including the District of Columbia"; on page 7, line 9, after the word "executive", to insert "or legislative"; in line 16, after the word "basis", to insert a comma and "or a part-time United States Commissioner. Notwithstanding the next preceding sentence, every person serving as a part-time local representative of a Member of Congress in the Member's home district or State shall be classified as a special Government employee."; on page 8, line 5, after the word "is", to insert "voluntarily"; in line 8, after the numerals "218", to insert "A Reserve officer of the Armed Forces or an officer of the National Guard of the United States who is serving involuntarily shall be classified as a special Government employee."; in line 15, after the word "sections", to strike out "203, 205," and insert "205"; on page 10, at the beginning of line 6, to insert "involving a specific party or parties"; at the beginning of line 11, to strike out "which is or within two years has been a subject of his official responsibility, or (3)"; in line 14, after the word "clause", to strike out "(3)" and insert "(2)"; in line 15, after the word "who", to strike out "serves no more than fifteen days during any period of three hundred and sixty-five consecutive days" and insert "has served in such department or agency no more than sixty days during the immediately preceding period of three hundred and sixty-five consecutive days"; on page 12, line 3, after the word "matter", to insert "involving a specific party or parties"; in line 7, after the numeral "(2)", to strike out "which is or within two years has been a subject of his official responsibility, or (3)"; in line

11, after the word "clause", to strike out "(3)" and insert "(2)"; in line 12, after the word "who", to strike out "serves no more than fifteen days during any period of three hundred and sixty-five consecutive days" and insert "has served in such department or agency no more than sixty days during the immediately preceding period of three hundred and sixty-five consecutive days"; in line 17, after the word "employee", to strike out "from taking uncompensated action, not inconsistent with the faithful performance of his duties, to aid or assist any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings with respect to those proceedings" and insert "if not inconsistent with the faithful performance of his duties, from acting without compensation as agent or attorney for any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings in connection with those proceedings."; on page 13, line 6, after the word "for", to strike out "or otherwise aiding or assisting"; in line 7, after the word "whom", to insert a comma and "or for any estate for which,"; after line 15, to strike out:

Nothing herein or in section 203 or 207 prevents as present or former special Government employee from aiding or assisting another person in the performance of work under a contract with or for the benefit of the United States provided that the head of such special Government employee's department or agency shall certify in writing that the national interest requires such aid or assistance.

And, in lieu thereof, to insert:

Nothing herein or in section 203 prevents a special Government employee from acting as agent or attorney for another person in the performance of work under a grant by, or a contract with or for the benefit of, the United States provided that the head of the department or agency concerned with the grant or contract shall certify in writing that the national interest so requires.

On page 14, line 11, after the word "the", to strike out "Armed Forces" and insert "uniformed services"; in line 14, after the word "the", where it appears the first time, to strike out "Armed Forces" and insert "uniformed services"; on page 15, line 5, after the word "matter", to insert "involving a specific party or parties"; in line 11, after the word "within", to strike out "two years" and insert "one year"; in line 12, after the word "his", to strike out "last"; in line 18, after the word "matter", to insert "involving a specific party or parties"; in line 22, after the word "of", where it appears the first time, to strike out "two years" and insert "one year"; in line 23, to strike out "his employment" and insert "such responsibility"; in line 25, after the word "both", to insert a colon and "*Provided*, That nothing in subsection (a) or (b) prevents a former officer or employee, including a former special Government employee, with outstanding scientific or technological qualifications from acting as attorney or agent or appearing personally in connection with a particular matter in a scientific or technological field if the head of the department or agency concerned with the matter shall make a certification in writing, published in the Federal Register, that the national interest would be served by such action or appearance by the former officer or employee."; on page 16, after line 10, to strike out:

(c) Whoever, being a partner of a former officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, including a former special Government employee, engages, during a period of two years following the termination of the latter's employment by the Government, in any activities which such former officer or employee of the Government or special Government employee is himself prohibited from engaging in by subsection (a) hereof; or

At the beginning of line 21, to strike out "(d)" and insert "(c)"; on page 17, line 21, after the word "in", to strike out "subsection (c) and (d)" and insert "subsection (c)"; on page 18, line 7, after the word "a", to strike out "Government action, proceeding," and insert "judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest,"; in line 11, after the word "spouse,", to insert "minor"; in the same line, after the word "partner,", to strike out "business"; and in line 21, after the word "the", to strike out "action, proceeding," and insert "judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest,".

Mr. MANSFIELD. Mr. President, this is a bill which was reported out of the Judiciary Committee. It is my understanding it is agreeable to the Senator who is handling the bill, the distinguished Senator from Tennessee [Mr. KEFAUVER], and the distinguished Senator from New York [Mr. KEATING] that a limitation be requested on this measure. With that in mind, and if the Senate approves, I ask unanimous consent that 50 minutes be allocated to this bill, one-half to be under the control of the Senator from Tennessee [Mr. KEFAUVER] and the other half to be under the control of the Senator from New York [Mr. KEATING] or other Senators whom he may wish to designate.

The PRESIDING OFFICER. Is there objection? The Chair hears none——

Mr. KEATING. Mr. President, reserving the right to object——

Mr. MANSFIELD. And that there be a vote at the conclusion of that time.

Mr. KEATING. I would not want it to appear in the RECORD that because I am agreeing to the limitation I oppose the bill. I favor the bill. It is merely an accommodation.

Mr. MANSFIELD. That is correct. I add the further understanding that a vote be taken at the conclusion of that time.

Mr. KEFAUVER. Mr. President, reserving the right to object, am I to understand that the limitation of 50 minutes is on the bill?

Mr. MANSFIELD. Yes, with the understanding that at the conclusion of that period of time, or before that time, there be a vote.

The PRESIDING OFFICER. Without objection, the quorum call required by the rule is dispensed with.

Is there objection to the unanimous consent request?

Mr. KEFAUVER. Mr. President, reserving the right to object, does any Senator have any amendments?

Mr. KEATING. Mr. President, the Senator from Tennessee is looking at me with an inquisitive look. There are amendments at the desk. I intend to discuss them, but I have concluded it would be unwise at this stage of the proceedings to offer them.

Mr. MANSFIELD. Mr. President, I understand debate can be concluded within 50 minutes, and that a vote will then follow.

The PRESIDING OFFICER. Without objection, the request of the Senator from Montana is agreed to.

Does the Senator from Montana desire that the time for the quorum call be charged?

Mr. MANSFIELD. Yes, equally.

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 further proceedings under the quorum call be rescinded.

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

Mr. KEFAUVER. Mr. President, this bill is very important. It is somewhat technical, but every section, every line, every word has been hammered out and considered by the distinguished Antitrust Subcommittee of the House Judiciary Committee under the leadership of its able chairman, Representative CELLER, and by the Judiciary Committee of the Senate.

It has been studied for a long time by the Bar Association of the City of New York, which strongly recommends the bill, by the American Bar Association, and by the Department of Justice who also strongly support this bill.

Although the bill we are considering does not arouse much public interest, it is one of the most important bills that will have been considered in this session of the Congress.

If enacted—and I think it will be, if it is limited to the amendments which have been recommended by the Senate Judiciary Committee—I think it will be one of the most important accomplishments of this Congress.

In the beginning I wish to pay tribute to the House committee, and particularly to its chairman, Representative CELLER, who over a period of 3 years has been studying this problem and various bills introduced by him.

I also wish to pay tribute to the bar associations which have been considering the problem, and to the distinguished Senator from New York [Mr. KEATING], who has given it a great deal of study, and whose individual views in the report of the Senate Committee on the Judiciary bring out several questions which are challenging and deserving of consideration. They will, of course, be given consideration at a time which is appropriate.

I know the distinguished senior Senator from Oregon [Mr. MORSE], one of

the great constitutional lawyers of the Congress, has studied this problem and been interested in it over a period of many years. His work in connection with the subject has been most worthwhile. I am sure he will have something to say later.

I also commend the distinguished Senator from Colorado [Mr. CARROLL] who has been interested in the problem for several years, and whose Subcommittee on Administrative Practice and Procedure of the Judiciary Committee assisted greatly in improvement of the bill.

I invite attention to the individual views of the Senator from Colorado [Mr. CARROLL], which appear on page 16 of the report by the committee.

I invite the attention of Senators to the excellent hearings held by the Antitrust Subcommittee of the House of Representatives under Representative CELLER, copies of which I believe are available for all Senators. The hearings point out the great consideration which has been given to this problem over the years, the importance of the problem, and the fact that as a result of the study of the subject beginning in 1957 the President of the United States asked for legislation on this subject in his message to Congress transmitted in April of last year.

I read a portion of the message by the President to the Congress at that time, referring to the conflict-of-interest statute.

> Five of these statutes were enacted before 1873. Each was enacted without coordination with any of the others. No two of them use uniform terminology. All but one impose criminal penalties. There is both overlap and inconsistency. Every study of these laws has concluded that, while sound in principle, they are grossly deficient in form and substance.
>
> The fundamental defect of these statutes as presently written is that: On the one hand, they permit an astonishing range of private interests and activities by public officials which are wholly incompatible with the duties of public office; on the other hand, they create wholly unnecessary obstacles to recruiting qualified people for Government service.

The chairman of the committee in the House, Representative CELLER, also pointed out that manifestly the revision of the conflict-of-interest statutes is long overdue, and gave cogent reasons therefor.

We know that, among other things, the President and his predecessors in the office of the Presidency have had a great deal of difficulty in obtaining specialized and knowledgeable assistants on a part-time or consultant basis to help in the governmental operations and the administration of matters highly important to the United States.

I also invite attention to the comprehensive hearings held by the Senate Judiciary Committee on June 21 of this year, at which time a number of Senators and Representatives along with bar association officials. The Attorney General was represented by Mr. Katzenbach who testified at length, as did the Senators from New York [Mr. JAVITS and Mr. KEATING] and several others.

Mr. MORSE. Mr. President, will the Senator yield for a few brief comments?

Mr. KEFAUVER. I am happy to yield to the distinguished senior Senator from Oregon.

Mr. MORSE. I commend the Senator from Tennessee [Mr. KEFAUVER] and the Senator from New York [Mr. KEATING] for the leadership they have shown in connection with the bill now before the Senate. I believe it was in 1947 that I first introduced public disclosure bill, which would have been binding upon all Members of Congress and upon all Federal employees receiving salaries of $10,000 or more a year.

In essence, my public disclosure bill would require such public officials, including Members of Congress, to disclose once each year to the public all sources of their income and all amounts of their income.

I have spoken many times on this subject during the past 15 or so years. The RECORD will speak for itself.

I ask unanimous consent that at the close of the speech by the Senator from Tennessee, or at some other appropriate place, I may have printed in the RECORD a synopsis, in chronological order, of the proposed legislation I have introduced on this subject over the years, and a digest of my views on it.

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

(See exhibit 1.)

Mr. KEFAUVER. Will the Senator permit that to be printed following the remarks by various Senators about the bill?

Mr. MORSE. Yes. That is what I requested. My bill, now pending in the Senate, is S. 165. I also ask unanimous consent that it be printed along with the material I have obtained permission to insert in the RECORD.

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

(See exhibit 2.)

Mr. MORSE. Mr. President, if my friend from Tennessee and my friend from New York will permit, I wish to say that I have taken the position that we, as public officials in the legislative branch of the Government, should disclose this information because, the voters of this country are entitled to know our sources of income and the amounts of our income, including gifts. If we do not wish to live in a glass bowl we should not enter politics.

If we are to keep the streams of democracy unpolluted from undue influences, from bribery, from "bought" politicians, the public is entitled to know all the facts in regard to the politicians so far as their economic resources are concerned.

I have never varied from this position. I think this principle should be enacted into law.

As brought out in the committee report before the Senate, that is not the only conflict of interest which may arise in public service, because conflicts of interest may arise as a result of Members of Congress, in effect, being lobbyists on the floors of both Houses of Congress. That is a sordid thought. It is an ugly thought; but it is a reality.

That is what happens time and time again when proposed legislation is before the Congress and an investigation of the background, the economic connections, the business connections, and the professional connections of some Members of the Congress shows that they are really parties in interest in connection with proposed legislation. They ought to disqualify themselves.

Yet, as we go back through the record of the Congress, we find that it is a rarity when a Member of Congress stands up and asks to be excused from voting on a question. In my 18 years I have seen proposed legislation before the Senate in regard to which some Senators should never have voted, and in support of which they should never have uttered a syllable from their lips. Yet here on the floor of the Senate, in effect, they have been the most effective lobbyists that the proponents of some proposed legislation have had.

As a result of that action I have always despaired. It has always saddened me. I do not think it is in keeping with the maintenance of the clean stream of Government. In my judgment they should not even participate in debate in regard to any question with respect to which they have a financial interest.

I close with the statement that it is too late in the present session for us to engage in a long discussion of this subject. Although I heartily support the proposed legislation, in my judgment it does not go far enough.

Next January, if the voters shall have sent me back to the Senate—and I have every confidence that they will send me back—I shall introduce proposed legislation that will seek to do a purifying job on this problem. The American people are entitled to have the question determined once and for all, for in my judgment no politician has the right—the moral right, at least—to proceed to criticize wrongdoers outside the Government for seeking to pollute the stream of democracy if they themselves fail to keep not only their hands clean, but their whole bodies clean, so far as the body politic is concerned. We shall not do so unless we rid the Halls of Congress and the administrative branch of the Government of any and all conflicts of interest.

Mr. KEFAUVER. Mr. President, the Senator from Tennessee appreciates the remarks of the senior Senator from Oregon, and in general agrees with him. I am aware that over a period of 18 years the Senator has fought hard for a code of ethics for Members of Congress in relation to a conflict-of-interest statute, which would be a guide to Members of Congress and those in the executive agencies in respect to the matters about which he has spoken. Such legislation is long overdue, not only with respect to the executive agencies, but also as to Members of Congress.

The Senator from New York [Mr. KEATING] has some amendments pending. I can only say in that regard that the amendments that have been submitted to the House bill are largely technical amendments. We have reason to believe that if today amendments are added to the bill which have not been the subject of hearings in the House committee and in the Senate, the whole bill will be imperiled and probably no bill on

the subject will be passed. So it is imperative that the bill be passed in its present form.

I know that shortly the Senator from New York will further explain his recommendations, which are in line with the recommendations of the Senator from Oregon, and which I wish to join in recommending and sponsoring. They provide that there shall be a joint House-Senate Committee on Ethics, or an enlargement of the authority of the Senate Committee on Rules and Administration, to consider the very problem about which the Senator from Oregon has spoken in connection with Members of Congress.

I hope and feel that such action will be taken at the next session of Congress. I am sure the Senator from Oregon will agree with me, however, that the problem in connection with Members of Congress is intricate and difficult. To reach a correct decision would not be as easy as in connection with those in the administrative agencies. It involves such questions as whether a Senator who owns a farm should vote on farm legislation.

Mr. MORSE. At times I have asked to be excused from voting.

Mr. KEFAUVER. All kinds of difficulties might arise. But it is high time that there be a rule of ethics or a change in the conflict-of-interest statutes to deal with Members of Congress. Of course, they are already dealt with in two provisions of the conflict-of-interest laws, but these are not adequate to cover the problems, I readily admit.

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

Mr. KEFAUVER. I yield.

Mr. MORSE. I wish to make two statements. First, the Senator has raised question as to whether a Senator who owns a farm should vote on an agricultural bill as a result of which he could obtain some economic assistance if the bill were passed. In my judgment, whenever such a question arises, such a Senator should be excused from voting. On one occasion—and the only occasion on which the issue arose in regard to the agricultural pursuits, the senior Senator from Oregon did exactly that.

Mr. KEFAUVER. I recall that the Senator did.

Mr. MORSE. I think that is exactly what a Senator should do. We ought to accept the bill today.

We should pass the bill. It is the best we can do in the closing hours of the present session. I think it is perfectly clear that if we encumber the bill with amendments, we shall have no bill. We should accept the bill. Then when we return in January, the Senator from Tennessee [Mr. KEFAUVER], the Senator from New York [Mr. KEATING], the Senator from Oregon and other Senators who share our point of view should join in the introduction of additional proposed legislation that would improve the situation beyond the point provided in the pending bill.

Mr. KEFAUVER. I agree with the Senator from Oregon. With the support and help of the Senators from New York [Mr. JAVITS and Mr. KEATING] and many others who are interested, I am sure something can be started and accomplished.

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

Mr. KEFAUVER. I yield to my very distinguished friend, the Senator from Texas.

Mr. YARBOROUGH. I commend the distinguished senior Senator from Tennessee for his position on this issue, as on so many other issues presented to the Senate at this session and past sessions, but this session in particular. I cite the drug bill, the space satellite communications bill, and many other bills upon which he has rendered such notable service to the people of the United States.

Mr. KEFAUVER. In connection with the space communications satellite bill, I must say that we did not get the best possible bill.

Mr. YARBOROUGH. Yes, but the Senator performed a commendable service to the public in bringing to the attention of the American public what was being done.

I point out to the distinguished Senator from Tennessee that we in the Commerce Committee inserted a sentence in the space communications bill that, I think, will save the people of our country much money in the future. That sentence provides that Congress reserves the power to amend or repeal the law. Of course, that power is inherent in Congress, anyway; but the express provision in the space communications bill is a warning to those who received special giveaways under the bill, that they cannot obtain any vested right under the measure to continue to receive that giveaway.

The distinguished Senator from Tennessee has rendered many notable services in this body to the American people. In noting his work in connection with the pending legislation to eliminate corrupt practices, I commend him for his work on the pending measure, as well as on all proposed legislation in the Congress which I have mentioned.

Mr. KEFAUVER. The Senator is very generous. I do not deserve what he has said.

Mr. YARBOROUGH. I have one question of the distinguished Senator from Tennessee. On page 14 of the report, under the heading "Salary of Government Officials and Employees Payable Only by United States," the following statement appears:

SECTION 209. SALARY OF GOVERNMENT OFFICIALS AND EMPLOYEES PAYABLE ONLY BY UNITED STATES

Section 209 is similar to title 18, United States Code, section 1914. The latter prohibits a Government employee from receiving any salary in connection with his Government services from a private source. Subsection (a) of section 209 would reenact this prohibition in substance and, in addition, would make it an offense for anyone to make a payment to a Government employee the receipt of which would violate the section.

The present statute's ban on the receipt of private payments "in connection with" an employee's Government services is replaced in section 209(a) with a ban on the receipt of such payments "as compensation for" such services. The new language is more precise in expressing what is clearly intended by the present broad phrase.

This is my question of the Senator from Tennessee. Does not that language in this bill relax the prohibition in the law instead of tightening it? The present law provides that a Government employee is prohibited from receiving any private payments "in connection with" his services. That language is being changed so as to prohibit him from receiving any payments "as compensation for such services."

Let us suppose, for example, that a public officer says he cannot stay in Washington on a salary of $15,000 or $20,000 a year, and a private business offers to supplement his income by paying him x number of dollars to enable him to stay in Washington. Suppose some governmental official should decide he cannot work for the governmental salary and a private business interest does offer to supplement his pay by $5,000 a year or any other sum of money. The present law provides that a Government employee cannot receive private payments in connection with his employment. The amendment says he may not receive payments "as compensation." My question is: Does not this language relax the restriction in present law?

Mr. KEFAUVER. It is probably unfortunate that we did not allow more time in which to discuss the bill. The time is very short. The bill does not relax present law in this respect. The intention is to clarify it.

Mr. YARBOROUGH. That is what I wanted to have assurance on from the Senator from Tennessee.

Mr. KEFAUVER. On the contrary, it strengthens present law in some ways.

Mr. YARBOROUGH. That is my basic question, really. I congratulate the Senator from Tennessee in strengthening this law. Strengthening was needed.

Mr. KEFAUVER. It does establish a special rule with respect to temporary employees in connection with such a situation to protect such employees from running afoul of the conflict of interest statute where the public's protection does not require it.

Mr. YARBOROUGH. I wanted to have that made clear.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. KEFAUVER. May I have a little more time? Will the Senator from New York yield me 2 minutes?

Mr. KEATING. I am afraid that all my time has been committed. However, I ask unanimous consent, with the cooperation from the majority leader, that the Senator from Tennessee may have 5 additional minutes.

Mr. RUSSELL. Mr. President, reserving the right to object, we seem to be trying very hard to discuss in a very limited time, a subject that seems to me to be of great importance. I have a question that I desire to propound also, before we vote on the bill.

Mr. KEATING. I am agreeable to any provision with respect to additional time.

Mr. RUSSELL. I would suggest that the Senator ask for 10 additional minutes. I have a question that I should like to ask.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time may be extended by 10 minutes, and that enough time be allotted to allow the Senator from Georgia to ask his questions.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mr. KEFAUVER. I am happy to yield to the Senator from Georgia.

Mr. RUSSELL. I notice that the bill contains section 206, which applies to retired officers of the uniformed services. This is the first time that the bill has come to my attention. Are retired officers exempted from any penalties? Is that all that the bill does in that respect?

Mr. KEFAUVER. This question was considerably discussed in committee. Generally speaking, the section does not change the present law applicable to retired officers.

Mr. RUSSELL. The present law is left as it is?

Mr. KEFAUVER. Yes. That is subject to study next year.

Mr. RUSSELL. The Senator believes the provision is adequate. One of the things that has impressed me most in this situation has been the fact that men may retire from high positions in the armed services and then accept positions with private industry and sell to the men who were their aides—perhaps majors or men holding lower rank—while they were four-star generals in the service. I believe that part of the law is capable of more abuse than many other parts, much more than in the case of a civilian employee leaving Government employment.

Mr. President, the Committee on Armed Services recently conducted hearings on the conflict of interest laws applicable to retired military personnel as they relate to the forfeiture of retired pay if they engage in selling activities during retirement. The committee voted to repeal the present provisions making Navy and Marine Corps officers subject to a forfeiture of retired pay if they engaged in selling to their departments at any time after retirement. At the same time, the committee increased from 2 to 3 years the provisions applicable to all services which make retired officers subject to a forfeiture of retired pay if they engaged in selling to any Department of Defense activity subsequent to 3 years after retirement.

During these hearings it appeared that little was being done in the executive branch to enforce section 281 of the Criminal Code, which makes retired officers subject to criminal penalties if they engage in certain selling activities to their own department at any time after retirement.

It appeared that only the Comptroller General was making an effort to review this matter that is so capable of abuse and violation.

I would like to insert into the record at this point, first, those portions of the committee report which deal with the reasons why retired military personnel are accorded different statutory treatment from other categories of persons, and second, that part of the report dealing with the committee's observation on the lack of enforcement in the executive branch of section 281 of the Criminal Code as it relates to military retired personnel.

The committee report emphasizes that its action on the forfeiture bill should in no way be construed as supporting a change in the present language of section 281. On the contrary, the committee observed that the present provisions could possibly be better enforced.

[Excerpts from Senate Report No. 1979, 87th Congress, Aug. 29, 1962]

BASIS FOR THE STATUTES INVOLVED

For many years these statutes have provided prohibitions against procurement activities of retired officers who are employed in private industry subsequent to their active service. Originally, the prohibited procurement activities applied only to the department in which the officer held a retired status. In 1952, however, in the provision mentioned above, the prohibited activities were extended so that a retired regular officer was not only prohibited from selling to the department from which he retired, but to all agencies of the uniformed services, for a period of 2 years following retirement.

The basic purpose of these conflict-of-interest provisions for retired military officers, which are more strict than those applicable to other categories of personnel, is to prevent the use of personal influence on the part of retired officers in connection with the procurement of supplies and war materials between the military agencies and the private contractor who employs the retired officer.

Some of the factors that might give rise to conflict-of-interest situations include associations while on active duty with those former subordinates who remain in active service, the prestige generally of those who served in high rank on active duty, possible close knowledge of the military department by the retired officer, and possibly the continued association between the retired officer and the service from which he is retired. Although the basic statutes were enacted some years ago, the need for a continued rule is underscored by the fact that retired officers now are employed by the hundreds in defense industry, and the fact that the Defense Department undertakes procurement actions totaling billions of dollars, much of which is on a negotiated basis.

It should be emphasized that the sense of integrity on the part of the overwhelming majority of the retired officers would preclude any violations of the statutory provisions. These provisions, however, do serve as a deterrent for the few who might be tempted and a penalty for the few who might actually violate the provisions.

The committee would like to emphasize that the prohibited activities relate only to the selling process. They do not affect retired officers who act either for themselves or for others in various nonsales positions, including executive, administrative, and technical positions. The skills and talents of retired officers may be fully utilized in activities not connected with the selling process.

COMMITTEE OBSERVATION ON SECTION 281, TITLE 18, UNITED STATES CODE

Another important provision relating to conflict of interests of retired officers is section 281, title 18, United States Code, to which reference has already been made. The Committee on Armed Services does not have jurisdiction over the U.S. Criminal Code, although this commitee does have legislative jurisdiction generally over the retired military officers who are subject to the criminal provision.

Testimony before the committee indicated that although the Comptroller General had found violations in a number of cases under the provisions involving forfeiture of pay, none of these cases was referred by the Department of Defense to the Department of Justice for the purpose of examining possible violations of section 281, title 18. It would appear that consideration could be given in the executive branch to improving the procedures and coordination by the Department of Defense and the Department of Justice with respect to the matter of reviewing possible violations of this provision.

With respect to the meaning of section 281, the Department of Justice, which is charged by statute with the responsibility for interpreting the law as it applies to the executive branch, has indicated that retired officers are within the scope of section 281. Furthermore, the Department of Defense regulation 5500.7, in enclosure 3, page 3, states the following with respect to this provision:

"a. 18 U.S.C. 281 exempts retired officers not on active duty from its application, but it prohibits a Regular retired officer from representing any person in the sale of anything to the Government through the Department in whose service he holds a retired status."

The Air Force regulation AFR 30-30, section 16b, page 5, states that: "no Regular retired Air Force officer will sell, contract for the sale of, or negotiate for the sale of anything to the Air Force at any time."

The statutory basis for this rule after such an officer has been retired for more than 2 years is section 281, title 18, United States Code.

NO INTENT TO AFFECT SECTION 281, TITLE 18

The committee would like to emphasize that its action in recommending this bill should not be construed in any way, by intent, implication, or otherwise, as meaning that section 281 should be amended to reduce its scope, either in terms of limiting the prohibited procurement activities, or by limiting the period following retirement to which the provision applies.

Mr. KEFAUVER. I recognize the abuses in this area and I feel it should be dealt with specifically. In at least one respect the present law applicable to such officers is changed by this bill. Under section 207 if they are working on a particular matter for the armed services, they cannot leave that employment and later participate in the same matter in civilian life. That prohibition is for life, not merely for 2 years, which is the provision at the present time. In some other respects, I believe the general provisions of 207 will also change the present status of retired officers.

Mr. RUSSELL. I say to the Senator that the Committee on Armed Services surrendered jurisdiction in these areas to the Committee on the Judiciary several years ago, because it involves criminal penalties. I hope that this matter will not be entirely overlooked and not considered by the Judiciary Committee in the writing of appropriate legislation. I assumed, when we surrendered jurisdiction to the Committee on the Judiciary, that that committee would at least take cognizance of the possibility of this abuse.

Mr. KEFAUVER. The Committee on the Judiciary has discussed the matter.

It does recognize that this problem exists, and should be dealt with by legislation. I assure the Senator that there will be a strong effort made in the next Congress to bring that about. But we now are confronted with the situation if we substantially change the bill, that we will get no law this year. There are certain matters of near emergency nature which should be dealt with now.

Mr. RUSSELL. Does the Senator intend to review the matter in the next session of Congress?

Mr. KEFAUVER. As the Senator knows, I am only a very minor member of the Committee on the Judiciary. To the extent of any influence that I may have, the subject will be reviewed and something will be done about it.

Mr. RUSSELL. I do not agree with the Senator's estimate of himself. It should be stated in justice that he is a powerful member of the Committee on the Judiciary, and is the chairman of some of the most active subcommittees of that committee, which range into a great many areas. On the assurance that the Senator has given me, I shall not offer any amendment to the bill. However, I cannot refrain from expressing my disappointment that the Committee on the Judiciary has not dealt with what I regard as one of the most important conflict-of-interest areas in the Government.

Mr. KEFAUVER. I agree with the Senator from Georgia that it is a matter that must be dealt with affirmatively. Whatever I am able to do will be done.

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

Mr. KEFAUVER. I yield.

Mr. MANSFIELD. I am certainly in complete and full accord with what the distinguished chairman of the Committee on Armed Services has had to say on this matter. I am heartened, despite the fact that this bill does not go far enough, by the statement of the Senator from Tennessee, to the effect that a study will be inaugurated early next year. I should like to ask the distinguished Senator from New York [Mr. KEATING], if I may, if he would express his views on this particular matter.

Mr. KEATING. I feel very strongly that the bill does not go far enough, and that we cannot leave it the way it is, or leave the matter with this bill. As the Senator will note from the individual views that I filed, dealing with Members of Congress, we should do something about the conflict-of-interest situation of Members of Congress. I agree with the Senator from Georgia that I hope something will be done about it. If we are not going to do anything about it, then we should let the committee of the Senator from Georgia do something about it, to take up this problem of conflict of interest of retired officers.

Mr. RUSSELL. I hope, if the Judiciary Committee should abandon this field, it will give the Committee on Armed Services some notice of that fact. Some years ago we started to deal with this subject, and the Committee on the Judiciary protested. I agreed with the committee. Under the Reorganization Act, this matter was clearly within the jurisdiction of the Judiciary Committee. I have advised persons who have written to me about it that the matter was in the jurisdiction of the Committee on the Judiciary. Therefore, I hope that the committee will deal with the subject and hold hearings on it and pay some attention to it, because in my opinion it is one of the most important areas in the conflict-of-interest field.

While I am not impugning anyone's motives, this situation is certainly susceptible to more abuse than any other conflict-of-interest area in the Government.

Mr. KEFAUVER. I again assure the distinguished Senator from Georgia that I fully agree with him that this is one of the bad abuses. This is a House bill, and we hope to make only amendments which will be accepted by the House without the necessity of a conference. We have been informed that if new subject matter makes it necessary to have a conference, the whole bill may be defeated.

The principal object of H.R. 8140 is to improve the current conflict of interest laws, most of which were first enacted in the 19th century. As now written, they are confusing, inadequate in certain respects, too sweeping in other respects and, in general, fail to meet the needs of present-day Government. The shortcomings of these statutes have been pointed out in recent years by various committees of the Congress, by the executive branch and by organizations of the bar. Each of these groups has found the underlying principles of the statutes to be sound but has at the same time noted the need for their revision in the interests of clarification and modernization.

This bill embodies the most important of the recommended changes in present law which were submitted by the President with his special message of April 27, 1961, on conflicts of interest and standards of conduct in the Government. In addition to the support of the administration, the bill has the support of the American Bar Association and the Association of the Bar of the City of New York. The New York City Association made an invaluable report in 1960 on the subject of the Federal conflict of interest laws and many of its recommendations have been written into the bill. Every witness who appeared at the hearings held by the Senate and House Judiciary Committees favored the enactment of the bill. As far as I know, no opposition to it has been voiced from any quarter. Although the Judiciary Committee made a number of amendments, I have no doubt they are acceptable to the House of Representatives.

The bill has three main purposes in connection with the conflict statutes:

First, it strengthens certain of them by increasing the range of the Government matters in which activities giving rise to conflicts of interest are prohibited. As as result of judicial construction these statutes are presently regarded as prohibiting activities in connection with "claims against the Government" for money or property only. The bill would extend their scope to include the vast range of administrative proceedings and other similar matters which comprise a great part of the work of the Government departments and agencies today.

The bill also strengthens present law by imposing a permanent bar, rather than the present 2-year bar, against a former Government employee's representing a private party in connection with a specific matter in which the former employee had participated personally while working for the Government.

The second main purpose of H.R. 8140 is to clarify and simplify the existing statutes. It should be noted, however, that in certain respects it makes no significant changes. Thus, the two provisions applying to Members of Congress do not make any changes of susbtance in the corresponding provisions of the present law. One, in section 203 of the bill, prohibits the receipt of compensation by Members of Congress for representing others before the agencies of the Government. The other, section 204, prohibits Members of Congress from practicing in the Court of Claims.

Similarly, the bill leaves untouched the two present sections of the conflicts statutes which pertain specifically to retired officers of the Armed Forces.

The third main purpose of H.R. 8140 is to facilitate the Government's recruiting of skilled persons from private fields to serve it on an intermittent or temporary basis. At the same time, the bill affords the Government adequate protection against conflicts of interest on the part of such persons. This dual purpose is achieved by creating in section 202 a category of Government employees designated "special Government employees" who are not subject to the full extent of the prohibitions applicable to the ordinary Government employee. This category is composed of employees, whether compensated or not, who serve not more than 130 days during any period of 365 consecutive days either on a full-time or intermittent basis.

Passing now to a summary of the provisions of H.R. 8140, I believe it will be helpful to describe first their impact on the regular Government employee. He would be subject to four major conflict-of-interest restrictions under the bill. He would in general be prohibited from representing any other person in relation to any transaction involving the Government. The regular employee also would be prohibited from participating in a transaction involving the Government in the consequences of which he, his spouse, minor child or business associates have a significant financial interest. Private sources would be prohibited from paying or supplementing his salary for his Government services. Finally, after leaving the Government service, he would be prohibited from representing another person in relation to any transaction involving the Government in which he participated personally and substantially as a Government employee. He would also in general be barred for 1 year following his Government employment from representing anyone in

a matter in an area where he had had official responsibility at any time during his last year in the Government.

The special Government employee would be prohibited from representing other persons only, first, in matters involving the Government in which he has participated personally and substantially and, second, if he serves an agency more than 60 days a year, in matters pending before that agency. As to participation in transactions involving the Government in the consequences of which he, his spouse, minor child or business associates have a financial interest, the special Government employee would be subject to the same restrictions as a regular employee. Similarly, the postemployment prohibitions applicable to a regular Government employee would apply equally to the special Government employee. However, the latter would not be subject to the restrictions against outside compensation applicable to the regular employee.

A secondary purpose of H.R. 8140 is to consolidate into a single section—section 201—of Government-wide applicability the gist of the various existing bribery statutes which apply separately to particular categories of Government officials and to jurors and witnesses (18 U.S.C. 201–213). This consolidation makes no significant changes of substance and would not narrow the broad sweep of the current bribery laws.

Finally, the bill would add to "any other remedies provided by law" an authorization for the Government to void any contract or other transaction in relation to which there has been a final conviction under the bribery or conflict-of-interest statutes.

H.R. 8140 is the result of years of discussion and study, and its provisions are endorsed by the experts in the fields it covers. It is designed to promote the public interest by affording the Government the protection it requires and simultaneously making it possible for the Government to obtain services it requires. The need for the bill is undisputed, and I urge that it be passed by the Senate promptly in order to permit its enactment this session.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a summary of H.R. 8140 which was prepared by the Department of Justice. It is an excellent analysis of the bill.

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

SUMMARY OF H.R. 8140

INTRODUCTION

In general, H.R. 8140—

1. Consolidates into a single section (sec. 201) of Government-wide applicability the gist of the various existing bribery statutes which apply to particular categories of Government officials (18 U.S.C., 201–213).

2. Strengthens certain of the present conflict-of-interest statutes by increasing the range of the Government matters in which activities giving rise to conflicts of interest are prohibited. As a result of judicial construction these statutes are presently regarded as prohibiting activities in connection with "claims against the Government" for money or property only. The bill would extend their scope to include the vast range of administrative proceedings and other similar matters which comprise a great part of the work of the Government departments and agencies today.

3. Facilitates the recruiting of skilled personnel to serve the Government on an intermittent or temporary basis. Many individuals possessing the special skills and knowledge required intermittently or temporarily by the Government are engaged in private activities which are such that they would, under the existing conflict-of-interest laws, be required to give up those activities in order to serve the Government merely on an intermittent, consultative or purely advisory basis. The bill, while protecting the interests of the Government, would modify existing law to permit such service in many cases without the present drastic consequences.

4. Clarifies and simplifies the existing conflict-of-interest laws.

In connection with the conflicts provisions of the bill, it is helpful to observe at the outset that:

(a) In dealing with the problem of the intermittent or temporary consultant or adviser, the bill (sec. 202) creates a category of Government employees designated "special Government employees" who are not subject to the full extent of the prohibitions applicable to the ordinary Government employee. This category is composed of temporary employees, whether compensated or not, who serve not more than 130 days during any period of 365 consecutive days either on a full-time or intermittent basis.

(b) The bill includes District of Columbia employees within its scope.

(c) Only two sections apply to Members of Congress and they make no significant changes in the comparable two sections of the present law. One section (sec. 203) prohibits Members of Congress from representing others before the agencies of the Government. The other section (sec. 204) prohibits Members of Congress from practicing in the Court of Claims.

(d) The bill makes no changes with respect to retired officers of the Armed Forces.

ANALYSIS

The regular Government employee would be subject to four major conflict-of-interest restrictions under the bill. He would in general be prohibited from representing any other person in relation to any transaction involving the Government. The regular employee also would be prohibited from participating in a transaction involving the Government in the consequences of which he, his spouse, minor child, or business associates have a significant financial interest. Private sources would be prohibited from paying or supplementing his salary for his Government services. Finally, after leaving the Government service, he would be prohibited from representing another person in relation to any transaction involving the Government in which he participated personally and substantially as a Government employee. He would also be barred for 1 year following his Government employment from representing anyone in a matter in the area where he had official responsibility during his last year in the Government.

The special Government employee would be prohibited from assisting other persons only in (1) matters involving the Government in which he has participated personally and substantially, and (2) if he serves an agency more than 60 days a year, matters pending before that agency. As to participation in transactions involving the Government in the consequences of which he, his spouse, minor child, or business associates have a financial interest, the special Government employee would be subject to the same restrictions as a regular employee. Similarly, the postemployment prohibitions applicable to a regular Government employee would apply equally to the special Government employee. However, the latter would not be subject to the restriction against outside compensation applicable to the regular employee.

Finally, the bill would add to "any other remedies provided by law," an authorization for the Government to void any contract or other transaction in relation to which there has been a final conviction under the bribery or conflict-of-interest statutes.

Mr. KEFAUVER. Mr. President, I ask unanimous consent also to have printed at this point in the RECORD an appendix to the statement of Deputy Attorney General Katzenbach on H.R. 8140 before the Senate Committee on the Judiciary. It was inadvertently omitted from the printed hearings.

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

APPENDIX TO STATEMENT OF DEPUTY ATTORNEY GENERAL NICHOLAS DEB. KATZENBACH ON H.R. 8140 BEFORE THE SENATE COMMITTEE ON THE JUDICIARY, JUNE 21, 1962

PROPOSED AMENDMENTS TO H.R. 8140, AS PASSED BY THE HOUSE OF REPRESENTATIVES AND INTRODUCED IN THE SENATE

Insert the word "voluntarily" after the word "is" in page 8, line 4, and insert the following sentence after the period in page 8, line 8: "A Reserve officer of the Armed Forces or an officer of the National Guard of the United States who is serving involuntarily shall be classified as a special Government employee."

2. Strike the following from page 10, lines 10 and 11, and page 12, lines 7 and 8: "which is or within two years has been a subject of his official responsibility, or (3)"

Substitute the following for each of the provisos beginning at page 10, line 13, and page 12, line 10:

"*Provided*, That clause (2) shall not apply in the case of a special Government employee who has served in such department or agency no more than sixty days during the immediately preceding period of three hundred and sixty-five consecutive days."

Strike the number "203" from page 8, line 12.

3. If section 207(c) is omitted, the following conforming amendments should be made in page 16, line 18:

Change the word "subsections" to "subsection" and strike the words "and (d)".

4. During a preliminary consideration of H.R. 8140 by the Senate Judiciary Committee in September 1961, a committee member suggested that persons acting as part-time consultants or advisers in the legislative branch be made eligible for inclusion in the category of "special Government employees." This result may be accomplished by inserting the words "or legislative" after the word "executive" in page 7, line 13.

5. The words "particular matter" appear at a number of places in the bill, including the following: line 5, page 10; line 2, page 12; line 12, page 14; line 25, page 14.

The words are used in these four places in connection with prohibitions against certain activities on the part of special Government employees or former Government employees. The words are there intended to limit the prohibitions to proceedings of a nature involving specific parties as distinguished from proceedings such as general rulemaking. In order to make this differentiation clear, the administration proposes the insertion of the words "involving a specific party or parties" immediately after the words "particular matter" in each of the four places listed above.

6. Section 207(a) as originally drafted for consideration by the House Judiciary Committee made it unlawful for a former Government employee to act "as agent or attorney for, or aid or assist" other persons in connection with matters in which the United States has an interest and in which he had participated during his Government service. The committee reduced the reach of this section by striking the words "or aid or assist". However, it failed to make corresponding changes in the three paragraphs in section 205 (beginning at page 12, line 14, and ending at page 13, line 14) which use the words "aid or assist" or "aiding or assisting." These terms do not appear elsewhere in section 205 or the remainder of the bill. In order to avoid problems of construction and to make the language of sections 205 and 207(a) completely consistent, it is recommended that the above-mentioned three paragraphs be amended. In addition, it would be appropriate to include grants within the authority given to agency heads by the third paragraph. Set forth below is a proposed revision of the paragraphs accomplishing these results and making a few other minor changes, including the deletion of a confusing reference to section 207 in the third paragraph:

"Nothing herein prevents an officer or employee, if not inconsistent with the faithful performance of his duties, from acting without compensation as agent or attorney for any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings in connection with those proceedings.

"Nothing herein or in section 203 prevents an officer or employee, including a special Government employee, from acting, with or without compensation, as agent or attorney for his parents, spouse, child, or any person for whom he is serving as guardian, executor, administrator, trustee, or other personal fiduciary except in those matters in which he has participated personally and substantially as a Government employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or which are the subject of his official responsibility, provided that the Government official responsible for appointment to his position approves.

"Nothng herein or in section 203 prevents a special Government employee from acting as agent or attorney for another person in the performance of work under a grant by, or a contract with or for the benefit of, the United States provided that the head of the department or agency concerned with the grant or contract shall certify in writing that the national interest so requires."

7. In the interest of conformity, the words "Government action, proceeding" in page 17, line 3, and "action, proceeding" in page 17, line 15, should be deleted and replaced by the following language which appears in several places in the bill: "judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest,".

8. In the event section 207(b) is retained in the bill, the discussion and recommendation appearing below will be pertinent.

Section 207(b) imposes a 2-year ban against a former Government employee's appearance before a court or Government agency as agent or attorney for another in connection with any matter which was under his official supervision at any time within 2 years prior to his departure from the Government. As drafted, this section might impose an unduly long restriction in the case of a former employee who has served the Government in more than one agency. For example, an officer of the Treasury Department transfers to the State Department, remains 23 months and then resigns to accept private employment. He would be barred for 2 years thereafter from appearing as to matters under his official responsibility not only in the State Department but in the Treasury Department, which he had left 23 months before. It would obviously be unfair to bar him from the Treasury Department as to such matters for more than an additional month. Accordingly, the following amendments are proposed to prevent that result: delete the word "last" in page 14, line 20, and replace the last two words in page 15, line 5, with the words "such responsibility".

Mr. KEFAUVER. Mr. President, the report on the bill has been excellently prepared, particularly as regards the individual views of the Senator from Colorado [Mr. CARROLL] and the very thoughtful and provocative questions raised in the report by the individual views of the Senator from New York [Mr. KEATING]. I ask unanimous consent to have printed at this point in the RECORD excerpts beginning on page 4 of the report, together with the individual views of Senator CARROLL and Senator KEATING.

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

PURPOSE OF AMENDMENTS

The purpose of the amendments is to correct typographical errors, and conform and clarify language in the bill, to incorporate suggested amendments proposed by the Department of Justice during the course of the public hearing on this proposal, and to incorporate language adopted by the committee affecting part-time U.S. commissioners and part-time legislative employees in the home districts and States of Members of Congress.

PURPOSE

This legislation is concerned with two subjects, conflicts of interest and bribery, and would revise the current criminal statutes dealing with these subjects.

Insofar as the conflict-of-interest laws are concerned, the bill has two purposes. First, it would simplify and strengthen the conflict laws presently in effect. Second, in the interest of facilitating the Government's recruitment of persons with specialized knowledge and skills for service on a part-time basis, it would limit the impact of those laws on the persons so employed without depriving the Government of protection against unethical conduct on their part.

A secondary feature of the bill is the substitution of a single comprehensive section of the Criminal Code for a number of existing statutes concerned with bribery. This consolidation would make no significant changes of substance and, more particularly, would not restrict the broad scope of the present bribery statutes as construed by the courts.

LEGISLATIVE HISTORY

On April 27, 1961, the President transmitted to the Congress a special message dealing with conflicts of interest and ethical behavior on the part of persons serving in the departments and agencies of the Government. Accompanying the message was a proposed bill to revise the conflict-of-interest laws which was later introduced as H.R. 7139. Two identical bills, H.R. 3411 and H.R. 3412, introduced by the chairman and the ranking minority member of the House Committee on the Judiciary, and H.R. 3050, a bill drafted by the Association of the Bar of the City of New York, also proposed significant changes in the conflict-of-interest laws. H.R. 3411 and H.R. 3412, in addition, contained provisions designed to consolidate the bribery laws. Hearings on the four bills were held June 1 and 2, 1961, by the Antitrust Subcommittee of the House Committee on the Judiciary. The subcommittee subsequently combined various features of these bills into a new bill, H.R. 8140, which received the support of the administration, the Association of the Bar of the City of New York, and other groups. Following approval by the full committee, H.R. 8140 passed the House on August 7, 1961.

This committee held hearings on the bill on June 21, 1962. Although the committee received a number of recommendations for amendment, all witnesses agreed with the objectives of the bill and unhesitatingly supported its enactment.

STATEMENT

The necessity for maintaining high ethical standards of behavior in the Government becomes greater as its activities become more complex and bring it into closer and closer contact with the private sector of the Nation's economy. The best means of assuring high standards have been a matter of increasing concern in recent years, as evidenced by the work of various committees of the Congress, the executive branch, members of the bar, and others. All of these groups have found that the present laws, while correct in principle, are confusing and inadequate and to a considerable degree are actually a hindrance to the Government. This committee has come to the same conclusion. The consensus of views in this connection is reflected in the following passage from the President's special message of April 21, 1961:

Five of these statutes were enacted before 1873. Each was enacted without coordination with any of the others. No two of them use uniform terminology. All but one impose criminal penalties. There is both overlap and inconsistency. Every study of these laws has concluded that, while sound in principle, they are grossly deficient in form and substance.

The fundamental defect of these statutes as presently written is that: On the one hand, they permit an astonishing range of private interests and activities by public officials which are wholly incompatible with the duties of public office; on the other hand, they create wholly unnecessary obstacles to recruiting qualified people for Government service. This latter deficiency is particularly serious in the case of consultants and other temporary employees, and has been repeatedly recognized by Congress in its enactment of special exemption statutes.

A serious defect of the statutes arises from the fact that, as construed in *United States* v. *Bergson* (119 F. Supp. 459 (D.C.D.C., 1954)), they prevent improper activities by present and former Government employees in connection with claims to money or property but do not protect the Government against the same kind of activities when directed to proceedings which are not technically for money or property. Yet the dangers of abuse of Government position and of the unconscionable use of inside information against the Government by a present or former employee are, of course, as great in an administrative or judicial proceeding for the award of a valuable license or other privilege as in a proceeding to obtain the payment of money.

An example of overprotection of the Government's interest, as contrasted with the underprotection just described, is found in title 5, United States Code, section 99, a statute applying to a former employee of an executive department. It prevents him for 2 years after the end of his employment with that department from prosecuting a claim which was pending, during the period of his incumbency, either in that or in any other department, even though he was totally unaware of the claim during that period. Whatever the merit of this prohibition at a time when the Government departments were fewer in number and much smaller in size, it makes very little sense today. Thus,

it is hard to advance a reasonable justification for precluding a former Commerce Department attorney, for 2 years or for any length of time, from representing before the Treasury Department a private client who has a claim for an income tax refund with which the attorney never had any connection while in Government service.

In considering the application of present law in relation to the Government's utilization of temporary or intermittent consultants and advisers, it must be emphasized that most of the existing conflict-of-interest statutes were enacted in the 19th century—that is, at a time when persons outside the Government rarely served it in this way. The laws were therefore directed at activities of regular Government employees, and their present impact on the occasionally needed experts—those whose main work is performed outside the Government—is unduly severe. This harsh impact constitutes an appreciable deterrent to the Government's obtaining needed part-time services.

The problem was well stated by the Senate Government Operations Subcommittee on National Policy Machinery in a study dated February 28, 1961, and entitled "Organizing for National Security—the Private Citizen and the National Service":

"The heart of the difficulty lies in the failure of present-day law to recognize the special problems of the occasional consultant.

"To be sure, consultancies can in certain conditions be abused by those who would pursue private gain or seek to exert covert and wrongful influence on Government policies. The law and administrative regulations should effectively guard against such abuses. Indeed, we require more precise and sophisticated safeguards than exist presently.

"But the statutes should be refined to deal with the real danger. The intermittent consultant should not be arbitrarily and indiscriminately swept under a network of outdated general restraints serving only to deny the Government the expert assistance it needs in modern conditions."

An Advisory Panel on Ethics and Conflict of Interest In Government, appointed by the President in January 1961, also considered the problem. This panel, composed of retired Judge Calvert Magruder, of the U.S. Court of Appeals for the First Circuit; Dean Jefferson B. Fordham, of the University of Pennsylvania Law School, and Prof. Bayless Manning, of the Yale Law School, made the following statement in its report, dated March 21, 1961:

"In the present context one of the most significant developments in the Federal personnel system is the great and growing resort to temporary and intermittent personnel. The tremendous range and volume of governmental activities, much of which stems from technological developments and international problems, have brought Government into intimate relationship with the economic life of the Nation and with social welfare, with the result that there are no longer clear boundaries between the private and the public sectors. This means, for one thing, that the National Government has major demands for qualified personnel of the sort needed by business organizations and other private institutions. What the Government must do is compete as best it can for the needed people. Thus, it is readily understandable that in many areas of activity the Government has to make use of people on a limited basis in the capacity of advisers, consultants, or experts. Nor is it likely that the occasion for this practice will lessen. Use of such semiemployees, partly in and partly outside Government, greatly complicates the problem of maintaining ethical standards in the Government for it inevitably multiplies the risks of conflicting interests."

At this date it is no longer open to question that many, if not most, of the departments and agencies find it necessary for the optimum performance of their tasks to make use of the skill, talent, and experience of leaders in the sciences, business, and the professions whose regular work is conducted in private spheres. Today's Government requires the part-time services of thousands of such persons to deal with problems of increasing complexity and scope. It can scarcely be questioned that a satisfactory means must be found of facilitating the employment of these individuals by the departments and agencies, as needed, without relaxing basic ethical standards or permitting actual conflicts of interest.

Congress has on a number of occasions recognized the obstacles faced by an agency requiring the part-time services of consultants and advisers and has granted the persons employed by the agency in that capacity a specified statutory exemption from some or all of the conflict laws. This hit-or-miss practice has produced unjustified inconsistencies and in some cases has resulted in the grant of unduly broad exemptions. Needless to say, general legislation doing away with the need for special treatment is a preferable course of action.

H.R. 8140 is intended to remedy the deficiencies and difficulties discussed above. It is the end result of protracted and careful studies both in and out of government, and this committee is of the view that it will achieve the goal set for it. In so doing, it will promote and balance the dual objectives of protecting government integrity and facilitating the Government's recruitment and retention of needed personnel.

SECTION-BY-SECTION ANALYSIS

Section 1(a) of the bill would amend chapter 11 of title 18, United States Code, by combining into a new section 201 the substance of the present sections 201 through 213 relating to bribery and graft. In addition section 1(a) of the bill would replace the present sections 281, 282, 283, 284, 434, and 1914 of title 18, all relating to conflicts of interest, with new sections 202 through 209. The renumbering and repeal of sections necessitated by the provisions of section 1(a) are accomplished by section 1 (b), (c), and (d) and by section 2.

The following references to sections 201 through 209 and section 218 refer to the proposed new sections of title 18 which would be enacted by section 1 (a) and (e) of the bill.

Section 201. Bribery of public officials and witnesses

The current bribery laws in title 18, United State Code, sections 201–213, consist of separate sections applicable to various categories of persons—Government employees, Members of Congress, judges, and others. Section 201 would bring all these categories within the purview of one section and make uniform the proscribed acts of bribery, as well as the intent or purpose making them unlawful.

Subsection (a) contains definitions for the purposes of the new section 201 only. The term "public official" is broadly defined to include officers and employees of the three branches of government, jurors, and other persons carrying on activities for or on behalf of the Government. The definition of "person who has been selected to be a public official" is self-explanatory. The term "official act" is defined to include any decision or action taken by a public official in his capacity as such.

Subsection (b) makes it unlawful for anyone to bribe or attempt to bribe a public official by corruptly giving, offering, or promising him or any person selected by him, anything of value with intent to influence any official act by him, to influence him to commit or allow any fraud on the United States, or to induce him to do or omit to do any act in violation of his lawful duty. The three alternate intents specified in the subsection are in substance the same as those now prescribed in title 18, United States Code, section 201. The subsection expands present law to a degree in its provisions forbidding an offer or promise of something of value from which a public official himself will not benefit but which will be of advantage to another person in whose well-being he is interested.

Subsection (c) prohibits a public official's solicitation or acceptance of, or agreement to take, a bribe. The same alternate intents are set forth here as in subsection (b).

Subsections (d) and (e) prohibit the offering to, or the acceptance by, a witness of anything of value involving intent to influence his testimony at a trial, congressional hearing, or agency proceeding.

The maximum penalties authorized for convictions under these four subsections are a fine of $20,000 or triple the monetary equivalent of the thing of value, whichever is greater, or imprisonment for 15 years, or both. In addition a violator may be disqualified, in the discretion of the court, from holding any office under the United States. Title 18, United States Code, section 206 presently makes such disqualification mandatory in cases of conviction for offers of bribes to judges, jurors, or judicial officers and title 18, United States Code, sections 202, 205, and 207 require it in cases of convictions for acceptance of bribes by Government employees, Members of Congress, and judges.

Subsections (f) and (g) forbid offers or payments to, and solicitations or receipt by, a public official or anything of value "for or because of" any official act performed or to be performed by him. Subsections (h) and (i) similarly forbid offers or payments to, and solicitations or receipt by, a witness of anything of value "for or because of" testimony given or to be given by him.

The maximum punishment for a conviction under subsection (f), (g), (h), or (i) is a fine of $10,000, or imprisonment for 2 years, or both.

Subsection (j) specifies that nothing in subsection (d), (e), (h), or (i) is to prevent the payment or receipt of lawful witness fees, travel and subsistence expenses, or reasonable compensation for expert testimony.

Subsection (k) specifies that the provisions of the section are not to supersede the present statutes making it unlawful to obstruct justice by intimidating or influencing jurors or witnesses.

Section 202. Definitions

This section contains two definitions applicable to the conflict of interest provisions to follow. The first definition, that of "special Government employee," serves to establish a category of intermittent and temporary personnel, as distinguished from regular, full-time personnel. The term is defined to include officers and employees of the executive and legislative branches, independent agencies, and the District of Columbia who are employed, with or without compensation, to perform temporary duties, either on a full-time or intermittent basis, for not more than 130 days in any period of 365 consecutive days. In general, as will be seen hereinafter, the prohibitions of the bill relating to special Government employees are less extensive than in the case of regular employees. Although H.R. 8140, as it passed the House, did not make employees of the legislative branch eligible for classification as special Government employees, this committee sees no reason for omitting them and has amended section 202 accordingly.

In addition the committee has amended the section to classify a part-time home representative of a Member of Congress as a special Government employee even though

his service exceeds the 130-day standard. Part-time local representatives, though generally rendering fairly frequent service, rarely spend more than a small part of any day on business of the Member they assist, and it would be unfair and unrealistic to treat them as regular, full-time employees if they exceed that standard.

The provisions of H.R. 8140, like the provisions of the present conflict-of-interest laws, apply in general to officers of the Armed Forces on active duty. Section 202 provides that a Reserve or National Guard officer on a tour of active duty solely for training shall be classified as a special Government employee. As it passed the House, section 202 also provides that every Reserve or National Guard officer who is serving a period of extended active duty in excess of 130 days shall be classified as an officer subject to the full impact of the bill rather than as a special Government employee. No distinction is made between Reserve and National Guard officers who are serving pursuant to an involuntary recall to duty and those who are serving voluntarily. This committee is of the opinion that it is not equitable and may cause unjustified hardship to subject the former to all the prohibitions applicable to the general run of officers and employees of the Government. Accordingly, the committee has amended section 202 to classify an involuntarily recalled Reserve or National Guard officer as a special Government employee during the whole of his period of involuntary service—that is, even if it extends beyond 130 days.

Enlisted members of the Armed Forces are specifically excluded by section 202 from the coverage of the conflict-of-interest statutes.

Finally, section 202 defines the term "official responsibility" as the direct administrative or operating authority to approve, disapprove, or otherwise direct Government action.

Section 203. Compensation to Members of Congress, officers, and others in matters affecting the Government

This section is proposed as a substitute for title 18, United States Code, section 281, which prohibits Members of Congress and officers or employees of the Government from receiving compensation for services rendered for others before a Federal department or agency in matters in which the Government is a party or is interested. Section 203 of the bill continues this restraint in full effect except with respect to special Government employees. Subsection (c) makes the prohibition applicable to those individuals only in relation to (1) matters in which they have at any time participated personally and substantially in their governmental capacities or (2) matters pending in the department or agency in which they serve. However, the second restriction would not apply in the case of a special Government employee who has served in such department or agency no more than 60 days during the preceding period of 365 days.

The House bill set 15 days' service in a year as the maximum which would leave the bar of the second restriction at rest. The committee recognizes that an intermittent or temporary consultant or adviser may attain a considerable degree of influence in an agency he serves and that the second restriction is a reasonable one in principle. However, the 15-day limit seems much too short and no doubt would often make unavailable to an agency the needed services of an individual with specialized knowledge or skills who must appear before that agency in other connections in his private capacity. The 60-day standard set by the committee seems a more reasonable one, particularly when it is borne in mind that the first restriction applicable to special Government employees continues in effect in any event. It will, of course, remain incumbent on each agency to make certain that persons serving it part time who also appear on behalf of outside organizations do not abuse their access to the agency for the benefit of those organizations.

The House bill contains a provision in subsection (c) of section 203 subjecting a special Government employee to the prohibition of the section in relation to a matter which is, or within 2 years has been, a subject of his official responsibility. This provision also seems to be directed at the improper use of influence. As a practical matter, however, the problem of influence would seem to be dealt with best in the manner indicated in the next preceding paragraph—that is, by agency watchfulness and regulation. And, with the unceasing application of the abovementioned first restriction preventing private appearances by a special Government employee in relation to matters he has worked on for the Government, it seems clear that the Government is well protected. Taking into account also the likelihood that the additional House restriction might well be an impediment to recruitment, the committee has omitted it.

Section 203 provides the same penalties as title 18, United States Code, section 281: a maximum fine of $10,000 or maximum imprisonment for 2 years or both, and mandatory disqualification for holding any office under the United States.

Section 204. Practice in Court of Claims by Members of Congress

This section in substance repeats the provisions of the present title 18, United States Code, section 282 precluding Members of Congress from practice in the Court of Claims.

Section 205. Activities of officers and employees in claims against and other matters affecting the Government

Section 205 is the counterpart of the current title 18, United States Code, section 283 which prevents officers or employees of the departments, agencies, Senate, and House of Representatives (but not Members of Congress) from acting as agent or attorney for, or aiding or assisting in, the prosecution of any claim against the United States otherwise than in the proper discharge of their official duties. As pointed out above, the term "claim against the United States" has been limited to the decision in the case of *United States* v. *Bergson* so as to include only proceedings against the Government which seek money or property. Section 205 of the bill explicitly goes beyond this restricted class of proceedings and extends its bar against a Government employee's private representational activities to all matters in which the United States is a party or has an interest. Thus the section includes within its scope applications for licenses or other privileges, criminal proceedings, and other important matters not now covered.

Section 205 treats special Government employees in the same manner as section 203 of the bill. More precisely, a person in that category is subject to the restraints of section 205 only in regard to matters in which he has participated personally and substantially in a governmental capacity and, if his service in his agency has aggregated more than 60 days in the year past, matters pending before that agency.

Section 205 contains a provision lifting its bar in the case of a Government employee who represents another, without compensation, in a disciplinary, loyalty, or other personnel administration proceeding. The section also makes it possible for an individual in Government service, with his superior's approval, to represent, with or without compensation, his parents, spouse, child, or a person for whom he acts as fiduciary. However, this permission does not extend to representing such persons in matters in which the individual has participated personally and substantially as a Government employee or which are the subject of his official responsibility.

Section 205 also contains a provision authorizing a special Government employee to act as agent or attorney for another in the performance of work under a contract with or for the benefit of the United States if the head of the agency concerned with the contract certifies in writing, published in the Federal Register, that the national interest so requires. This narrow authority is given to take care of any situations involving the national interest where an intermittent employee's special knowledge or skills may be required by his employer or other private person to effect the proper performance of a Government contract but where his services may be unavailable in the absence of a waiver of section 205.

Section 205 contains a declaration that it does not prevent an officer or employee from giving testimony under oath or making required official statements.

The Judicial Conference of the United States has recommended to the committee that part-time U.S. commissioners be exempted from the comprehensive coverage of section 205. The Conference believes that the office of Commissioner can best be filled by a lawyer and has consistently encouraged the appointment of lawyers. As of May 16, 1962, there were 692 commissioners, of whom 469 were practicing attorneys. All but a very few of these attorneys perform services on a part-time basis and the Conference believes the continuation of their services is important to the fair administration of the criminal laws of the Federal Government.

As noted by the Conference, U.S. commissioners are not among those who may be classified as special Government employees under section 202 of the bill as it came before the committee, with the consequence that section 205 would foreclose attorneys who are part-time commissioners from engaging in the field of Federal practice. It should be added that section 203 would have virtually the same effect. The end result under these circumstances would no doubt be that many, if not most, of the attorneys would resign to the detriment of the administration of justice.

The committee concurs in the view of the Judicial Conference that part-time commissioners should not be left within the full coverage of section 205—or of section 203. It believes the best solution is to treat all such commissioners as special Government employees. The committee has therefore amended the definition of special Government employees in section 202 to achieve that result.

The penalties of section 205 are a maximum fine of $10,000, or maximum imprisonment for 2 years, or both.

Section 206. Exemption of retired officers of the uniformed services

This section provides that sections 203 and 205 of the bill do not apply to a retired officer of the uniformed services or to any person specially excepted by Congress. It should be noted at this point that section 2 of the bill repeals title 18, United States Code, sections 281 and 283, except as those statutes may apply to retired officers. Thus the net result of section 206 and this partial repeal is to leave the present status of retired officers under title 18, United States Code, sections 281 and 283 unchanged.

Section 207. Disqualification of former officers and employees in matters connected with former duties or official responsibilities; disqualification of partners

Section 207 replaces title 18, United States Code, section 284 dealing with postemployment activities. The latter prohibits a former employee of the Government, for a 2-year period following the termination of his

employment, from prosecuting a claim against the United States involving any subject matter directly connected with which he was employed. Here again the term "claim against the United States" is subject to the limitation of the Bergson decision.

Subsection (a) of section 207 provides that a former Government officer or employee, including a former special Government employee, shall be permanently barred from acting as attorney or agent for anyone other than the United States in any matter in which the United States is a party or is interested and in which he participated personally and substantially in a governmental capacity. Thus, in addition to replacing the present 2-year disqualification with a lifetime bar, section 207(a) strengthens present law by going beyond claims for money or property to the whole range of matters in which the Government has an interest.

Subsection (b) bars a former employee of an agency, for a period of 1 year after his employment with it has ceased, from appearing as agent or attorney for another person before any court or agency in connection with a matter in which the Government has an interest and which was within the area of his official responsibility at this agency at any time within 1 year prior to the end of such responsibility. The prohibition would thus cover cases where the former employee had actually not participated in a matter while in the Government. As subsection (b) appears in the House bill, each of the time factors is set at a period of 2 years.

The committee received testimony at its hearings on the bill recommending the complete omission of the subsection on the ground that it would certainly and adversely affect recruitment by the scientific agencies of the Government of topflight personnel for regular service, especially in higher ranking supervisory positions, and their recruitment of intermittent personnel for work in broad areas of agency endeavor. The committee recognizes the possibility that this result might ensue but it believes there is also a distinct possibility of harm to the Government when a supervisory employee may sever his connection with it one day and come back the next seeking an advantage for a private interest in the very area where he has just had supervisory functions. Striking a balance between the two possibilities, the committee has reduced the 2-year periods in the House bill to periods of 1 year. In addition, in order to make sure that a scientific agency is not cut off from the benefits which may accrue in an important situation from permitting the appearance of a former employee with outstanding scientific qualifications, the committee has added a proviso permitting such appearance, despite the provisions of subsection (a) or (b), upon an agency certification, published in the Federal Register, that the national interest would be served thereby.

Subsection (c) prohibits a partner of a person employed by the Government, including a special Government employee, from acting as agent or attorney for anyone other than the United States in matters in which the employee participates or has participated personally and substantially for the Government or which are the subject of his official responsibility.

Section 207 of the House bill includes a provision which would prevent a partner of a former Government employee, for a period of 2 years following the termination of the latter's employment, from engaging in any activities before the Government from which such former employee is barred. This prohibition, which seems to be applicable primarily to lawyers, is no doubt based on the imputation of a disqualification from one partner to another. It is to be contrasted with the prohibition in subsection (c) which covers the much more serious situation where an individual outside the Government is in a position to benefit from improper action by a partner currently in Government service. The committee considers that the additional provision included by the House falls principally within the field of legal ethics, where the present canons of ethics would seem to give adequate coverage. Thus the committee does not believe the provision should be included within a criminal statute and has omitted it.

The maximum penalties provided for violations of section 207 of the bill are a fine of $5,000 or imprisonment for 1 year, or both.

Section 208. Acts affecting a personal financial interest

Subsection (a) is modeled on title 18, United States Code, section 434 which disqualifies an employee of the Government who has an interest in the profits or contracts of a business entity from the transaction of business with such entity. However, subsection (a) improves upon the present law by abandoning the limiting concept of the "transaction of business." The disqualification of the subsection embraces any participation on behalf of the Government in a matter in which the employee has an outside financial interest, even though his participation does not involve the transaction of business. Section 208 also reaches further than present law by requiring the disqualification of an employee from participation in matters in which his spouse, child, or persons with whom he has business connections have an interest. The bill, as it came before the committee, makes no distinction between minor children and those who have attained a majority. The committee believes that only the interest of a minor child should serve to disqualify the employee and has amended section 208(a) accordingly.

Subsection (a) at one point speaks in terms of an employee's disqualifying connection with a "business organization," thus leaving open the implication that he would remain eligible to act for the Government in a matter involving a nonprofit organization with which he is connected. A great number of universities, foundations, nonprofit research entities, and other similar organizations today are engaged in work for the Government. Conflicts of interest may arise in relation to them just as in the case of the ordinary business for profit. The committee therefore has deleted the word "business" from the subsection to make clear that improper dealing by a Government employee in connection with nonprofit organizations is also prescribed.

Subsection (b) adopts a de minimis rule authorizing an agency waiver of an employee's disqualifying interest of insignificant proportions either on an ad hoc basis or pursuant to a general agency regulation.

Section 208 establishes maximum penalties for its violation of a $10,000 fine, imprisonment for 2 years, or both.

Section 209. Salary of Government officials and employees payable only by United States

Section 209 is similar to title 18, United States Code, section 1914. The latter prohibits a Government employee from receiving any salary in connection with his Government services from a private source. Subsection (a) of section 209 would reenact this prohibition in substance and, in addition, would make it an offense for anyone to make a payment to a Government employee the receipt of which would violate the section.

The present statute's ban on the receipt of private payments "in connection with" an employee's Government services is replaced in section 209(a) with a ban on the receipt of such payments "as compensation for" such services. The new language is more precise in expressing what is clearly intended by the present broad phrase.

Subsection (b) is a declaration that a Government employee covered by subsection (a) is not thereby prevented from continuing to participate in a bona fide pension or other welfare plan maintained by a former employer.

Subsection (c) exempts special Government employees and employees serving the Government without compensation from the application of subsection (a) and also grants a corresponding exemption to any outside person paying compensation to such individuals.

Subsection (d) specifies that the section does not prohibit the payment or acceptance of sums under the terms of the Government Employees Training Act.

The maximum penalties authorized by section 209 are a fine of $5,000 or imprisonment for 1 year, or both.

Section 218. Voiding transactions in violation of chapter; recovery by the United States

This section, which has no statutory counterpart at the present time, authorizes the President or, under regulations prescribed by him, a department or agency head, to declare void and rescind any transaction with the United States in relation to which there has been a final conviction under the bribery or conflict-of-interest statutes. The section further specifies that the United States would be entitled to recover, in addition to any penalty prescribed by law or in a contract, the amount expended or the thing transferred or delivered on its behalf, or the reasonable value of such thing. The question has arisen whether this section would operate to modify the Supreme Court decision relating to the Dixon-Yates matter (*United States* v. *Mississippi Valley Generating Co.*, 364 U.S. 520 (1961)). That result seems to be foreclosed since the opening language of section 218 states that its provisions are "in addition to any other remedies provided by law."

OTHER PROVISIONS OF THE BILL

Section 2 of the bill repeals title 18, United States Code, sections 281, and 283 (except, as noted above, as they apply to retired officers) and title 18, United States Code, sections 282, 284, 434, and 1914. Section 2 also states that these sections of the Criminal Code are to be supplanted by the new sections 203, 204, 205, 207, 208, and 209 as set forth in section 1. Existing exemptions from the sections repealed would be retained as exemptions from the corresponding new sections except to the extent that they affect officers or employees of the executive branch, of any independent agency or of the District of Columbia, as to whom they would no longer be applicable.

Section 3 of the bill repeals title 5, United States Code, section 99, the anachronistic postemployment statute which is discussed earlier herein. Thus there will remain a single statute governing postemployment conduct, the new section 207.

Section 4 specifies that the legislation shall take effect 90 days after the date of its enactment.

In addition to the amendments to the House bill which are described above, the committee has made a number of minor clarifying and perfecting amendments which require no discussion.

The committee is of the opinion that this legislation, as amended by the committee, is a long step forward in strengthening and revising the existing conflict-of-interest laws. At the same time it should give stimulus to the Government's efforts to enlist technical and scientific experts on a temporary basis to aid the national defense effort.

The committee accordingly recommends favorable consideration of H.R. 8140, as amended.

In the opinion of the committee it is necessary to dispense with the requirements

of subsection (4) of rule 29 of the Standing Rules of the Senate in order to expedite the business of the Senate.

INDIVIDUAL VIEWS OF SENATOR JOHN A. CARROLL

H.R. 8140 as reported by our committee is a long-needed modernizing, strengthening, and clarifying measure concerning the laws relating to bribery and conflicts of interest.

As chairman of the Subcommittee on Administrative Practice and Procedure I have become acutely aware of some of the problems in this area which have been experienced in the departments and agencies of the Government.

I present these additional views to emphasize that in H.R. 8140 we have created a "special Government employee" for whom the restraints upon regular Government employees have been relaxed under the bill. This was done to permit the Government to be able to bring advisers and consultants in temporarily—a problem which under present law is difficult, as the report indicates.

I wish to emphasize that there will have to be close administrative regulation of this provision. Among the regulations should be current statements of their financial interests, a continuous scrutiny of the role and need for the individual in the agency, and of the appearance of these employees on behalf of non-Government organizations and enterprises.

These individual views of mine are in the nature of a warning and a caution to the executive branch to be more alert and to be more vigilant where we have relaxed this conflict-of-interest provision.

By the same token Congress must exercise greater diligence and alertness to the functions of the executive branch and, may I add, ought to reexamine, from time to time, its own relationships to the provisions of this bill.

There can be no double standard. The high standard of conduct that we in the legislative branch expect of the executive branch must be equally applied to ourselves.

JOHN A. CARROLL.

INDIVIDUAL VIEWS OF SENATOR KENNETH B. KEATING

Enactment of H.R. 8140, as reported by the committee, will serve to clarify, modernize, and, in some respects, strengthen existing conflict-of-interest laws. In my judgment, however, it contains several serious omissions.

Its most important defect is its failure to deal with conflict-of-interest problems affecting Members of Congress. The legislative branch, of course, has special problems, but these do not require an exemption of Congress from the same high ethical standards we intend to impose on the officers and employees of the other branches of the Government. There is no justification for a double standard of morality in Government, one for the Congress and another for the rest of the public service. The public will resent any "holier than thou" attitude on the part of Congress, and properly so.

Conflict-of-interest questions confront the Members of Congress almost daily. For example, should a Representative or Senator vote on matters in which he has some personal financial stake? What are the proper limits on the appointment of relatives to the Member's staff? What kind of outside employment and income are compatible with certain committee assignments? What campaign contributions are properly acceptable and which are not? What are the limits on a Member's representation of constituent interests before the regulatory agencies and other Government departments? Under what circumstances, if any, should Members be permitted to accept fees for speeches to various interest groups?

One of the difficulties now is the absence of any legislative machinery for dealing with these and similar questions. As a result, each Member must act on his own judgment, which, in the light of the pressures on him, may be a very faulty guide to what is right, no matter how good his intentions.

I believe that it would serve the interests of the Members of Congress as well as the public interest if a source of authoritative guidance as to how to deal with such problems were made available.

There are some cases, of course, in which a Member's conduct would be clearly wrong. For example, no Member should be permitted to accept a fee for prosecuting claims against the United States, obtaining Government contracts, or appearing in regulatory agency proceedings. Such obvious misconduct is now a violation of the criminal law and should continue to be treated in this way. But there are many possibilities of conflict of interest which are not so apparent. The criminal law, with its requirements of malice and willfulness, does not offer a practical solution for cases in this shadowland of conduct.

Early in this Congress I joined in sponsoring legislation proposing a three-step approach to the legislative conflict-of-interest problem. The three steps were: (1) Creation of a Joint House-Senate Committee on Ethics to investigate and recommend a specific code of ethics for the Congress; (2) adoption of an interim code of ethics which would be in force during the joint committee's study; and (3) a grant of authority to the Senate Committee on Rules and Administration to give advisory opinions to the Members of the Senate on conflict of interest questions.

I testified in favor of these proposals at a hearing on H.R. 8140 before the Committee on the Judiciary. However, they were not explored extensively, and questions have been raised by those strongly in favor of acting in this field, about the details of the proposed interim code of ethics.

Because of the lateness of the session, apprehension also has been expressed that any attempt to press this proposal as an amendment to the present bill may imperil its chances of passage. I believe that the principal bill is vitally important and has been too long delayed already and, therefore, would be most reluctant to subject it to any such hazards.

At the same time I know of no reason to defer action on the establishment of a Joint House-Senate Committee on Ethics or the enlargement of the authority of the Senate Committee on Rules and Administration. Indeed, the absence of an interim code of ethics makes it more important than ever that these other steps be taken as promptly as possible. It is my intention, therefore, to offer an amendment for these purposes when this bill is before the Senate.

The same is true of another amendment I have offered to require that all ex parte communications from Congressmen relating to agency adjudications be made a matter of public record. There are many circumstances in which it is appropriate for a Member of Congress to communicate in behalf of his constituents with an agency about the status, disposition, or merits of a pending case. However, I can conceive of no circumstances under which it would be proper to do so without some notice to the parties in the agency proceedings. Elemental fairness in agency adjudications requires that all such communication be made a matter of record. In addition, disclosure would be a powerful safeguard against any improper attempts to influence agency decisions in such cases. My proposal would not prohibit contacts by Members of Congress with the administrative agencies, but it would curb abuses in this process by exposing every such contact to the light of day.

The bill reported by the committee contains many of the provisions of legislation which Senator JAVITS and I joined in sponsoring early in this Congress on the basis of a report of a special committee of the Bar Association of the City of New York after an intensive study of executive conflict-of-interest problems. Unfortunately, however, H.R. 8140 omits two key provisions of this legislation dealing with administrative enforcement and gifts. In my judgment, amendments should be added to the proposed legislation covering both points.

(1) ADMINISTRATIVE ENFORCEMENT

This amendment would authorize agency heads to take whatever disciplinary action was appropriate against those who violated the substantive provisions of the law or any regulations issued thereunder. It would also permit administrative action designed to prevent violations from occurring, such as the filing of reports by officers and employees of the agency and by persons appearing before or dealing with the agency.

These administrative control procedures would not affect the application of criminal penalties in appropriate cases. There are many conflict-of-interest situations, however, in which a large gray area exists. The demanding requirements of guilt beyond a reasonable doubt in criminal cases may make it difficult to prevail in criminal proceedings in cases which definitely warrant civil or administrative sanction.

President Kennedy, in his message to the Congress on April 27, 1962, recognized the need for this dual approach to enforce the conflict-of-interest laws. In that message he said:

"Most of the existing laws are criminal statutes. As such, they have been strictly construed and, because of their harshness, infrequently invoked. By granting this added flexibility we help to insure more effective enforcement. In addition, the regulations which are adopted will permit more specific adaptation of the general prohibitions tailored to the activities of particular agencies."

It is clear from the President's message that he recognized a form of administrative enforcement as an important ingredient for conflict-of-interest legislation. I wholeheartedly agree with his views in this regard.

(2) GIFTS

This amendment is directed to an area in our conflict-of-interest laws where there now exists almost a complete void—gifts to Federal employees. The Billy Sol Estes case is only one of many indicating the seriousness of this omission from the law. Under existing law the acceptance of a gift by a Federal employee may not be illegal even though the employee's agency or department does regular business with the donor. This in my opinion is absurd and should be changed.

Objections were raised at the hearings on H.R. 8140 to the scope of the amendment originally proposed with respect to gifts. In order to avoid as much controversy as possible on this issue, therefore, the amendment will be modified to reflect these objections. As modified, however, it would still prohibit any Government employee from soliciting or accepting any gift from any person where the employee has reason to believe that such person (*a*) is seeking to obtain contractual or other business or financial relationships with the employee's agency, or (*b*) conducts operations or activities which are regulated by the employee's agency, or (*c*) has interests which may be substantially affected by the employee's performance or nonperformance of his official duties. Certainly, such obvious attempts at influence peddling or the purchasing of good will should be prohibited in any meaningful revision of the conflict-of-interest laws.

In conclusion, I believe a word of commendation should be expressed to the Bar

Association of the City of New York and its special committee under the leadership of Roswell B. Perkins for the time and attention they have given this subject. It is now up to the Congress to make certain that they have not labored in vain. Enactment of this measure, with the amendments I have discussed, would be a major step in assuring public confidence in the integrity of government. At the same time, it would remove impediments which now exist to the recruitment of key personnel. The difficult and challenging tasks facing our Government make it imperative that we take every step necessary to assure its efficient and honest operation. This bill would contribute significantly to that goal and should not be delayed.

KENNETH B. KEATING.

Mr. LAUSCHE. Mr. President, I agree with the Senator from Tennessee that there is a need to tighten the law on the subject of conflict of interest as it relates to employees of the Federal Government.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the time may be extended.

Mr. MANSFIELD. Mr. President, I prefer not to have the time extended.

Mr. KEATING. Mr. President, I think that almost all of my time has been committed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an additional 2 minutes be allocated to the Senator from Ohio.

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

Mr. LAUSCHE. As I see it, we should go further and make certain that all branches of the service are covered. I am in agreement with what has been said by the Senator from Georgia [Mr. RUSSELL] that we should especially examine into the positions of retired military personnel in private employment who are doing business with the Department of Defense through members of that Department who formerly were their subordinates.

Second, the whole gamut will not be covered unless some action is taken next year which will apply to Members of Congress. We shall be in an indefensible position if we impose criminal sanctions upon Government employees when Members of Congress are immune from punishment for similar actions committed by them. No answer can be given to the charge that we provided criminal penalties for employees but gave no consideration to some restriction upon what the actions of a Member of Congress may be.

I realize the difficulty of the task. The Senator from New York [Mr. KEATING] has recommended that at least guidelines ought to be established, so that we will be under some legal requirement to make certain that we do not participate in the passage or defeat of proposed legislation when we have a substantial personal interest in what is being done.

Mr. KEFAUVER. I fully agree with the Senator from Ohio. I say to him, as I said to the Senator from Oregon [Mr. MORSE] and the Senator from Georgia [Mr. RUSSELL], that so far as I am concerned I will do my very best to try to push for consideration of the problem as it relates to retired military officers and Members of Congress, with the purpose of establishing in the next session of Congress, guidelines which must be followed.

Mr. KEATING. Mr. President, I yield myself 10 minutes.

The bill before the Senate is designed to clarify, modernize, and strengthen existing conflict-of-interest laws. It is a good bill, and it will have my full support. In many respects, the bill reflects the recommendation of a special committee of the Bar Association of the City of New York, which conducted a thorough study of the entire subject beginning in 1958. We are all indebted to that committee for the excellent service it has rendered in connection with the proposed legislation.

In both the 87th Congress and the 86th Congress my colleague from New York [Mr. JAVITS] and I have joined in the introduction of proposed legislation designed to carry out all the recommendations of the bar association committee. At the same time, we have introduced other measures which apply specifically to the legislative conflict-of-interest problems. Our goal has been to achieve the same standards of ethics in the legislative as well as the executive branch of the Government.

Unfortunately, the bill now before the Senate omits several important provisions of the measure introduced by Senator JAVITS and me and does not deal at all with the conflict-of-interest measures which are designed specifically for the legislative branch of the Government. In my individual views, printed in the report of the Committee on the Judiciary on H.R. 8140—Senate Report No. 2213—I discussed these defects in the pending bill in some detail and indicated that amendments would be offered to add such measures to the bill.

However, I have been informed—and I believe correctly—that at this late date in the session attempts to amend the bill might be fatal to its passage. We have been advised that any substantial amendments would create great, if not insuperable, obstacles to the passage of the bill in the other body. The acceptance of our amendments in the Senate, under these circumstances, would be a hollow victory, since it could mean that the session would end without any legislation on conflicts of interest. I, for one, am unwilling to subject this important measure, containing many excellent features, to any such 11th-hour hazards.

It is my intention, however, early in the next session of Congress to join again with my colleague in proposals for coping with legislative conflicts of interest.

Mr. President, beginning at the bottom of page 17 of the report are the three proposals in this area:

(1) Creation of a Joint House-Senate Committee on Ethics to investigate and recommend a specific code of ethics for the Congress; (2) adoption of an interim code of ethics which would be in force during the joint committee's study; and (3) a grant of authority to the Senate Committee on Rules and Administration to give advisory opinions to the Members of the Senate on conflict of interest questions.

It would be expected, if these proposals were approved, that the House would vest in its Committee on House Administration authority similar to that granted the Senate Committee on Rules and Administration.

Mr. President, at the very least we should proceed promptly in the next session of Congress to create a joint Senate-House committee to study this problem and to recommend a code of ethics for Members of Congress.

I understand that the distinguished Senator from Tennessee [Mr. KEFAUVER] feels exactly as I do, and that he will be happy to join in sponsoring such proposed legislation.

Mr. KEFAUVER. Mr. President, will the Senator from New York yield?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from New York yield to the Senator from Tennessee?

Mr. KEATING. I yield.

Mr. KEFAUVER. I wish to repeat that the two Senators from New York [Mr. KEATING and Mr. JAVITS] have done great work on this bill. Personally, I am very sorry the situation is not appropriate to do something more constructive in regard to the conflict of interest statute applicable to Members of Congress and to retired military officers. But, as the Senator from New York has said, we know that if such provisions were added, there would not be time to have the bill passed by the House at this session.

So I shall wholeheartedly join the Senator from New York and other Senators in sponsoring such legislation to enable the necessary joint committee or other group to obtain consideration of these problems at the next session.

Mr. KEATING. Mr. President, I appreciate the remarks of the Senator from Tennessee, and also his assistance in connection with this effort.

I judge from the remarks of the Senator from Ohio [Mr. LAUSCHE] that he, too, is very much interested in this subject.

Of course, Mr. President, the legislative branch has special problems; but these do not require exemption of Congress from the same high ethical standards we impose on the officers and employees of the other branches of the Government. There is no justification for a double standard of morality in government—one for the Congress and another for the rest of the public service. The public will resent any "holier than thou" attitude on the part of Congress, and properly so.

Conflict of interest questions confront the Members of Congress almost daily. For example, should a Representative or Senator vote on matters in which he has some personal financial stake? What are the proper limits on the appointment of relatives to the Member's staff? What kind of outside employment and income are compatible with certain committee assignments? Which campaign contributions are properly acceptable and which are not? What are the limits

on a Member's representation of constituent interests before the regulatory agencies and other Government departments? Under what circumstances, if any, should Members be permitted to accept fees for speeches to various interest groups?

Mr. KEFAUVER. Mr. President, will the Senator from New York yield for a brief observation?

Mr. KEATING. I yield.

Mr. KEFAUVER. In his report, the Senator has proposed a code of ethics which I believe would be of great importance. He has proposed that representations made by Members of Congress to executive agencies be made matters of public record. I think it would aid the executive agencies to require that to be done, and I wish to stress the importance of that part of the individual views of the Senator.

Mr. KEATING. I agree with the Senator from Tennessee; and that is one of the amendments which I would have proposed if we had not been confronted with this unusual situation.

Of course there are some cases, in which a Member's conduct would be clearly wrong. For example, no Member should be permitted to accept a fee for prosecuting claims against the United States, obtaining Government contracts, or appearing in regulatory agency proceedings. Such obvious misconduct is now a violation of the criminal law, and should continue to be treated in this way. But there are many possibilities of conflict of interest which are not so apparent. The criminal law, with its requirements that malice and willfulness must be shown, does not offer a practical solution for cases in this shadowland of conduct.

The front pages of newspapers throughout America have carried, over a period of many months, daily stories about the Billy Sol Estes saga. If there is one thing this story of greed and influence peddling demonstrates, it is the shortcoming of any conflict of interest code that does not include provisions for the Members of Congress and their employees. I do not contend that the restrictions on executive branch employees can be applied in the same words to the members and employees of the legislative branch. The general principle that no public servant should be influenced by corrupt practices or motives does apply to everyone, but several fundamental differences between the legislative branch and the executive branches hopelessly complicate any effort to apply the same enactments to both.

For one thing, a Member of Congress must stand for election periodically—in the case of House Members, every 2 years. In areas in which there is a strong two-party system and in which the electorate is intelligent and well-informed, this may be the most important sanction against any conflict of interest.

Furthermore, a Member of the House of Representatives is, by definition, a representative of the people and interests of his district, and a distinction must be made between what he does for his own private interest and what he does for the private interest of his constituents. The difficult problems arise when the two interests overlap—as, for example, when a farm-State Congressman who has a farm of his own, votes for high subsidies from which he personally would benefit.

In addition, Congressmen cannot subsist on their salaries alone. The cost of campaigning for almost any seat is far more than the Member's total salary. A total ban on outside contributions to a Congressman certainly would be unrealistic.

Moreover, the view persists that being a Member of Congress is still a part-time job. This view could be another reason, of course, for a different attitude toward outside interests. But in recent years this has been more a matter of theory than a fact—as this long session pointedly demonstrates.

Finally, there is the principle that if the constituency wants to elect a man in spite of improprieties in his actions or interests, that is their privilege in a democracy. This is another version of the old maxim that people get the kind of government they deserve.

These differences, however, do not dispose of the problem or justify complete inaction on the legislative conflict-of-interest situations which do exist. The adoption of the amendment for disclosure of ex parte contents referred to by the distinguished Senator from Tennessee, for example, would be very helpful in that everything would then be made a matter of record. A code of ethics to govern the actions of Members of Congress and machinery for its enforcement also would be very constructive.

The PRESIDING OFFICER. The time the Senator from New York has yielded to himself has expired.

Mr. KEATING. Mr. President, I yield myself 5 more minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 additional minutes.

Mr. KEATING. Mr. President, the measures, in which I have joined, specifically relating to legislative conflicts of interest take into account the special problems of Congress; but they strongly reject any notion that Members of Congress should be exempt from the high ethical standards which we expect of all members of the executive branch.

Basically, these measures are designed to provide the machinery for considering and resolving conflict-of-interest problems. They would establish a Joint Senate-House Committee on Ethics to investigate and recommend a specific code of ethics for Members of Congress, and would vest the Senate Rules Committee with authority to give to the Members of the Senate advisory opinions on such problems. These committees would function somewhat like the grievance or ethics committees of bar associations, medical societies, and other professional organizations. Their advice to Members and legislative employees might not have the force of law; but they would have the force of public opinion, and in severe cases could serve as the basis for disciplinary action. This kind of machinery for the legislative branch would be a source of protection for the Members, as well as for the public. It ought to be welcomed by everyone interested in good government.

I am very proud to be a member of the bar; however, it is necessary to have some disciplinary procedures available with reference to members of the bar. I am also extremely proud to be a Member of the U.S. Senate; and I believe it would be in the public interest, in the national interest, and in our own interest to have some supervision over our conduct in this body.

Another measure in this field which I have joined in offering would require that all ex parte communications from Congressmen relating to agency adjudications be made matters of public record. This is the measure to which the Senator from Tennessee has referred. There are many circumstances in which it is perfectly appropriate for a Member of Congress to communicate in behalf of his constituents with an agency about the status, disposition, or merits of a pending case. However, I can conceive of no circumstances under which it would be proper to do so without some notice to the parties in the agency proceedings. Elemental fairness in agency adjudications certainly requires that all such communication be made matters of record. In addition, as intimated in the remarks of the Senator from Tennessee, disclosure would be a powerful safeguard against any improper attempts to influence agency decisions in such cases. This proposal would not prohibit contacts by Members of Congress with the administrative agencies; but it would curb abuses in this process, by exposing every such contact to the light of day.

Congress cannot indefinitely defer action on measures such as these without impairing public confidence in the integrity of our institutions. I say this despite the profound respect which I have for the legislative branch and its membership. The public cannot possibly know in detail of the attitude, diligence, and honesty of individual Members. In evaluating any organ of government, a few unhappy cases can sour the public's taste and darken the image of the House and Senate.

We must demonstrate that the area of legislative oversight does not exclude our own conduct and operations, and, above all, that there is effective machinery in the Congress for exposing and correcting any abuses which may arise.

In my view, these considerations are self-evident. I know from experience in the other body, however, the difficulties which would be encountered in attempting to write them into this bill at this stage in its legislative progress. Nevertheless, I believe that the unfairness of legislating in this area only for the executive branch of the Government will become so patent in a short time that added impetus will be given to our attempts to apply comparable standards to the legislative branch.

I hope that in the next session an early start can be made, and that we will

persist in our efforts until the action needed in this field is completed.

I pledge myself to that end, to have legislation introduced, to urge hearings, and appeal to others besides those who have already spoken on this subject to join in this effort.

Mr. President, I yield 5 minutes to my colleague from New York, who has been very active in this field and with whom I have joined in offering these proposals.

Mr. JAVITS. Mr. President, I thank my colleague for yielding time to me. The reason for my interest in this subject is evident. When I was attorney general of the State of New York, the New York State code of ethics had just taken effect, and because the attorney general was charged with the responsibility in this matter, I had the privilege of organizing, in my own office, the necessary committees and other activities which dealt with the supervision of the code of ethics for the State of New York under its public officers law.

The law of the State of New York, unlike what we are enacting here today, expressly provides for a code of ethics for members of the State legislature. Section 74 of the New York public officers law carries out that design.

I join with my colleague from New York [Mr. KEATING], and the Senator from Tennessee [Mr. KEFAUVER] in deprecating the fact that provision is not made in the pending bill for the legislative arm and for Members of Congress, except in the most elementary recodification of existing law relating to bribery, actual appearance in court, and payment from sources other than the Federal Government for services rendered to the Federal Government.

But the bill does not meet the main question, that this represents a double standard of morality, one for the legislative department and one for the executive arm. I do not subscribe to any such double standard.

I think it is important that one practice what he preaches. I am pleased to note that my colleague from New York [Mr. KEATING] and I were among the first to publish, before the rules required it, a list of our employees and the compensation which was paid to them.

Subsequently such a requirement was incorporated in the rules and is now standard practice for all Senators. It arose during the time when there was a controversy over the employment of relatives. I was very honored to take part, with my colleague, in that disclosure.

I think this is the essence of what we are trying to effectuate: A sanction which the public can impose upon Members of the Congress can be imposed only if the public knows. Mr. President, I repeat that, because I think it is critically important—a sanction which is to be imposed on Members of Congress can be imposed only if the public knows. The popular conception is that as we stand for election it is the public which must impose these sanctions if we do not do everything we should do, aside from the basic power of each body to discipline, and, if necessary, to expel its Members. So the public and our colleagues must know. Otherwise, there is no opportunity for either self-discipline or for the public to hold us to strict account.

It is for that reason that very early in my service I went to work on this subject as a member of the Committee on Rules, and I sponsored, with my colleague Mr. KEATING, Senate Concurrent Resolution 10 and S. 627, which had for their purpose administering a code of ethics for Members of Congress and requiring the recording by the agencies which are approached by Members of Congress of the cases in which they were approached and who approached them, so that all the information might be a matter of public record.

I think it is very sad that such requirements are not dealt with in the pending bill. I cosponsored with my colleague from New York [Mr. KEATING], S. 603, containing excellent provisions for the executive department, advocated by the Association of the Bar of the City of New York. Those provisions are very largely incorporated in the bill.

I shall support the bill. I very much desire to offer, with my colleague from New York [Mr. KEATING], the amendments which are, in my opinion, absolutely essential to a really balanced and honest code of ethics, to include Members of Congress; but both of us are convinced that such action would end the bill for this session. I therefore pledge my efforts, if the people return me to the Senate, as I am standing for election this year, to come back and very early in the next session begin the fight to add to the measure a code of ethics for Members of Congress.

Mr. President, I ask unanimous consent that the code of ethics of the public officers law of New York be printed in the RECORD at this point as a part of my remarks.

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

SECTION 74. CODE OF ETHICS

1. Definition: As used in this section: The term "State agency" shall mean any State department, or division, board, commission, or bureau of any State department.

The term "regulatory agency" shall mean the banking department, insurance department, State liquor authority, department of agriculture and markets, department of State, department of public service and department of labor.

The term "legislative employee" shall mean any officer or employee of the legislature but it shall not include members of the legislature.

2. Rule with respect to conflicts of interest: No officer or employee of a State agency, member of the legislature or legislative employee should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his duties in the public interest.

3. Standard:

(a) No officer or employee of a State agency, member of the legislature or legislative employee should accept other employment which will impair his independence of judgment in the exercise of his official duties.

(b) No officer or employee of a State agency, member of the legislature or legislative employee should accept employment or engage in any business or professional activity which will require him to disclose confidential information which he has gained by reason of his official position or authority.

(c) No officer or employee of a State agency, member of the legislature or legislative employee should disclose confidential information acquired by him in the course of his official duties nor use such information to further his personal interests.

(d) No officer or employee of a State agency, member of the legislature or legislative employee should use or attempt to use his official position to secure unwarranted privileges or exemptions for himself or others.

(e) No officer or employee of a State agency should engage in any transaction as representative or agent of the State with any business entity in which he has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his official duties.

(f) An officer or employee of a State agency, member of the legislature or legislative employee should not by his conduct give reasonable basis for the impression that any person can improperly influence him or unduly enjoy his favor in the performance of his official duties, or that he is affected by the kinship, rank, position, or influence of any party or person.

(g) An officer or employee of a State agency should abstain from making personal investments in enterprises which he has reason to believe may be directly involved in decisions to be made by him or which will otherwise create substantial conflict between his duty in the public interest and his private interest.

(h) An officer or employee of a State agency, member of the legislature or legislative employee should endeavor to pursue a course of conduct which will not raise suspicion among the public that he is likely to be engaged in acts that are in violation of his trust.

(i) No officer or employee of a State agency employed on a full-time basis nor any firm or association of which such an officer or employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such officer or employee, should sell goods or services to any person, firm, corporation or association which is licensed or whose rates are fixed by the State agency in which such officer or employee serves or is employed.

(j) If any officer or employee of a State agency, member of the legislature or legislative employee shall have a financial interest, direct or indirect, having a value of $10,000 or more in any activity which is subject to the jurisdiction of a regulatory agency, he should file with the secretary of state a written statement that he has such a financial interest in such activity which statement shall be open to public inspection. (Added L. 1954, c. 696, eff. Jan. 1, 1955.)

LEGISLATIVE DECLARATION

Laws 1954, chapter 696, section 1, effective January 1, 1955, provides:

"Declaration of intent. A continuing problem of a free government is the maintenance among its public servants of moral and ethical standards which are worthy and warrant the confidence of the people. The people are entitled to expect from their public servants a set of standards above the morals of the marketplace. A public official of a free government is entrusted with the welfare, prosperity, security and safety of the people he serves. In return for this trust, the people are entitled to know that no substantial conflict between private interests and official duties exists in those who serve them.

"Government is and should be representative of all the people who elect it, and some

conflict of interest is inherent in any representative form of government. Some conflicts of material interests which are improper for public officials may be prohibited by legislation. Others may arise in so many different forms and under such a variety of circumstances, that it would be unwise and unjust to proscribe them by statute with inflexible and penal sanctions which would limit public service to the very wealthy or the very poor. For matters of such complexity and close distinctions the legislature finds that a code of ethics is desirable to set forth for the guidance of State officers and employees the general standards of conduct to be reasonably expected of them."

Mr. JAVITS. Mr. President, the New York State code of ethics is very clear and powerful, not only in setting standards for legislators as well as for executive and administrative officers and employees, but also in requiring disclosure when a legislator has a financial interest of $10,000 or more in any activity which is subject to the jurisdiction of a regulatory agency.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. May I have 1 more minute?

Mr. KEATING. I yield 1 more minute to my colleague.

Mr. JAVITS. It seems to me that is the nubbin of the problem which we face. I believe the example which has been set by the Senators from Pennsylvania [Mr. CLARK and Mr. SCOTT] in disclosing their investments is an excellent one. I believe it is essential that the public know what interest we hold personally. I am not for prohibiting Senators from holding an interest or restricting it, but I am in favor of disclosing it. If we are constantly subject to public sanction and subject to disclosing to the public whatever interest we have, the public can exercise its judgment, when we vote on a particular measure, and in connection with whatever we do, notwithstanding our personal financial involvement. This is the sine qua non, the essence, of any code of ethics for Members of Congress.

I cannot see how we can rest in good conscience upon this bill without, immediately upon our return in January, seeking to complete it—and I use that word advisedly—by adding a code of ethics which will be enforceable through our own machinery, by action of our own committees or in the Congress, for each House separately has set up a method we had proposed by way of an interim code. I do not see how in sheer fairness we can do anything less than that.

I close by complimenting those who have worked on the bill and by saying that we have not completed our job, and by pledging myself, when we return, to join with my colleagues in bringing about a completion of the legislation.

The PRESIDING OFFICER. All time on the bill has expired.

Mr. KEFAUVER. Mr. President, I ask unanimous consent——

Mr. KEATING. Mr. President, I think that is a strange arithmetical computation.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the time may be extended an additional 2 minutes.

Mr. KEATING. Mr. President, I ask unanimous consent that it be extended 5 minutes.

The PRESIDING OFFICER. Is there objection to the request to extend the time? The Chair hears none; and, without objection, the time is extended 5 minutes.

Mr. KEFAUVER. Mr. President, I should like to exercise the privilege of yielding to the Senator from Rhode Island [Mr. PASTORE].

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PASTORE. Mr. President, I desire to associate myself with the Senator from Tennessee and the Senators from New York in connection with their proposed amendments, although I recognize they will not be pressed at this time, for obvious reasons, already explained. I think the time has come when we may best obviate whatever suspicion there may be on the part of our constituencies or the country at large as to the financial interests of various Members of Congress when measures are considered by the Houses of Congress, and we must register our support or our rejection.

I hope that whatever code or procedure may be devised will be a reasonable and sensible one, and that we shall approach this very important subject with calmness and judiciousness, without emotion and without fanfare, so that whatever we do may be done wholly in the public interest.

I think this proposal is very salutary. I hope that at some future date it will be recognized by the Congress, and that some code of ethics may be adopted by this branch of the Congress to govern situations in which there might be a possible conflict of interest.

Mr. KEATING. Mr. President, I yield such time as he may need to the Senator from Nebraska [Mr. HRUSKA].

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HRUSKA. Mr. President, I rise to support H.R. 8140. The bill in its present form represents several years' study by various groups and committees both within and outside of Government. There has been unanimous agreement as to the need for this type of legislation.

Briefly stated, the bill has a twofold purpose. First, it revises and strengthens the existing bribery and conflicts-of-interest statutes. Secondly, it tailors the conflicts-of-interests statutes so as to better adapt them to the modern-day needs of the Government in recruiting qualified personnel.

The present conflicts-of-interest laws are, of course, based upon the age-old injunction that "No man shall serve two masters." The bill before us would neither alter nor compromise that underlying principle. We must have Government officials whose loyalties are undivided. While we cannot legislate ethical conduct we can legislate away the opportunities which might otherwise tempt Government employees to place self-interest above duty.

Although the present laws are directed to this end, they fall far short in many areas of employee conduct. Several of these laws have been on the books for almost a century and simply fail to take into account the realities of present-day Government. On the one hand, they permit certain types of conduct which clearly should be prohibited. Yet, at the same time they are overly restrictive in other areas to the extent that there is no reasonable relationship between the conduct proscribed and abuse of office. As a result they actually hinder the Government in its efforts to recruit outside talent.

It is to plug these gaps and to remove these meaningless restrictions that H.R. 8140 is intended. The bill seeks to strike a more precise balance between the Government's interest in having faithful employees on the one hand and an unhampered source of valuable talent on the other.

In the hearings which were held in both bodies, several witnesses testified as to the Government's increasing need for the services of part-time specialists and consultants. With the rapid advance of science and technology and the various other fields in which the Government becomes involved, there obviously is a corresponding demand for highly trained personnel.

Many of these specialists cannot be engaged on a full-time basis, either because their services are not needed full-time or because the Government cannot compete with the salaries that are paid by private industry. Therefore, the most practical arrangement is to retain these individuals as part-time consultants.

In theory at least, this type of arrangement should enable the Government to hire the country's best talent. As a practical matter, however, this has not been the case. Because of the present conflicts-of-interest laws, many individuals are unwilling to enter part-time Government service. To do so would require them to severely restrict any of their outside activities which may involve dealings with the Government. The resulting financial hardship involves a greater sacrifice than most individuals are willing to make, so the Government is denied the benefit of these skills.

H.R. 8140 meets the problem of the part-time consultant by creating a class of "special Government employees" to whom special rules would apply. The "special Government employees" is defined as an officer or employee of the executive or legislative branch or any independent agency or the District of Columbia who serves not more than 130 days during any period of 365 consecutive days.

The provisions of the bill which prohibit Government officers and employees from representing others in proceedings in which the United States is interested would apply to special Government employees only in relation to those matters, first, in which he participated personally and substantially as a Government employee; or, second, which are pending in the department or agency of the Government in which he is serving. The prohibition as to this latter class of cases would not apply, however, if the employee has worked no more than 60 days in such department or agency.

The special treatment given to part-time consultants is probably the most

novel feature of the bill. There is no comparable provision in existing law. This provision should help to overcome the Government's recruiting problems and, at the same time, adequately protect the Government against conflicting interests.

H.R. 8140 also makes significant improvements in the present law as it applies to regular, full-time employees.

Under the existing law, Members of Congress and officers and employees of the Government are prohibited from receiving compensation for services rendered before Federal agencies in matters in with the United States is interested. The bill broadens the types of employees and proceedings which are affected and makes illegal the payment as well as the receipt of forbidden compensation.

Section 283 of the criminal code presently prohibits a Government employee from acting as an attorney or agent for prosecuting a claim against the United States. Since the term "claim" has been defined to mean only demands for money or property, this section fails to cover many types of proceedings which affect the Government. H.R. 8140 therefore adds a further prohibition against representing anyone before any department, agency, or court in any matter in which the United States is a party or has a direct and substantial interest. The bill also extends this restriction to partners of Government employees.

In order to remove conflicts arising from previous Government employment, the bill prohibits a former Government employee from acting as attorney or agent for anyone in connection with any matter in which the United States is a party or has a direct and substantial interest and in which the former employee participated "personally and substantially" as a Government employee. The present law dealing with former employees applies only to the prosecution of claims and limits the prohibition to a 2-year period following the termination of employment. Under the bill, the prohibition is extended to a wider range of activities and is made permanent.

With respect to those matters in which the former employee did not participate personally and substantially, but which were under his "official responsibility," the former employee is barred from representing others for a period of 1 year after his Government employment has ceased.

Under the present law, a Government employee is prohibited from transacting business on behalf of the Government with any business entity in which he has a pecuniary interest. H.R. 8140 broadens and rewords this prohibition so as to bar Government employees from participating personally and substantially in any matter in which he, his family, or his business associates have a financial interest. As a further refinement, the bill establishes a procedure for exempting from the application of this section, those employees whose financial interest in a business is so small as to be inconsequential.

The present law barring Members of Congress from practicing in the Court of Claims is continued under the bill. It also continues the present prohibition against the receipt by a Government employee of additional compensation for his Government service from private sources.

The provisions of H.R. 8140 dealing with bribery revise and consolidate into one section of the bill the several separate bribery sections which are presently contained in the criminal code. The consolidation of these sections helps to clarify this field and renders uniform the definition of bribery. The bill also provides for greater uniformity in penalties.

In addition to its criminal provisions, H.R. 8140 adds to the civil remedies which are presently available to the Government. The bill authorizes the President to void those contracts or other transactions in relation to which there has been a violation of the bribery or conflicts-of-interest laws.

A special committee of the Association of the Bar of the City of New York, which was appointed to study the Federal conflicts-of-interest laws several years ago, and has done outstanding work in this field, has given its enthusiastic support to the bill. It also has the support of the Justice Department and the American Bar Association.

I strongly urge that the bill be passed.

I agree that there are further problem areas, such as the receipt of gifts by Government employees, which are not covered by the bill. These areas deserve our attention and should be studied further. Also this legislation, if it is enacted, should be reappraised in due time to make sure that it is being effective.

The PRESIDING OFFICER. All time has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Nebraska may proceed for 1 additional minute.

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

Mr. HRUSKA. If any abuses creep into the Government employment structure under the exemptions and provisions of the bill, we shall be on the lookout for them and will deal with them accordingly.

(Mr. MORSE submitted the following exhibit which was referred to in his previous remarks.)

INCOME DISCLOSURE BILLS SPONSORED BY SENATOR WAYNE MORSE

Seventy-ninth Congress, second session (1946), Senate Resolution 306: Requiring Senators to file annual statements of income and financial transactions. Referred to Committee on Banking and Currency.

Eightieth Congress, first session (1947), Senate Resolution 31: Amending rules so as to require Senators to file annual statements of income and dealings in securities. Referred to Rules Committee.

Eightieth Congress, first session (1947), Senate Resolution 33: Requiring Senators to file annual statements of income and dealings in securities. Referred to Rules Committee.

Eightieth Congress, second session (1948), S. 2086: To require certain members of legislative, judicial, and executive branches of Government to file statements relating to amount and sources of income and dealings in securities and commodities. Referred to Rules Committee.

Eighty-first Congress, first session (1949), S. 109: To require certain members of legislative, judicial and executive branches of the Government to file statements relating to amount and sources of income and dealings in securities and commodities. Referred to Rules Committee.

Eighty-second Congress, first session (1951), S. 561: To require certain members of the legislative, judicial, and executive branches of the Government to file statements relating to amount and sources of income and dealings in securities and commodities. Referred to Rules Committee.

Eighty-second Congress, second session (1952), Senate Resolution 334: Requiring annual reports showing names of persons employed by each Senator with their compensation. Referred to Rules Committee.

Eighty-third Congress, first session (1953), S. 334: To require Members of Congress, certain other officers and employees of the United States, and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets and their dealings in securities and commodities. Referred to Rules Committee.

Eighty-fourth Congress, first session (1955), S. 2747: To require Members of Congress, certain other officers and employees of the United States and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets and their dealings in securities and commodities. Referred to Rules Committee.

Eighty-fifth Congress, second session (1958), S. 3346: To require Members of Congress, certain other officers and employees of the United States, and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets, and their dealings in securities and commodities.

Eighty-sixth Congress, first session, S. 1603 (Messrs. MORSE and HUMPHREY, April 7, 1959, Rules and Administration): Requires each Member of Congress, certain other officers and employees of the United States, and certain officials of political parties, to file with the Comptroller General an annual statement disclosing the amount and source of his income and the value of the assets held by and liabilities owned by him, or jointly with his spouse, and a semiannual statement of his dealings in securities and commodities, or those of someone acting on his behalf. Provides a penalty of $2,000 fine and/or imprisonment for not more than 5 years, for any person who willfully fails to file a report, or who willfully and knowingly files a false report.

Eighty-seventh Congress, first session, S. 165 (Messrs. MORSE and HUMPHREY, January 5, 1961, Rules and Administration). Same as S. 1603.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the committee amendments may be considered en bloc.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Tennessee? The Chair hears none, and it is so ordered. The question is on agreeing to the committee amendments en bloc.

The committee amendments were agreed to en bloc.

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

amendments and the third reading of the bill.

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

The bill (H.R. 8140) was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 8140) was passed.

Mr. KEFAUVER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. KEATING. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1963

Mr. MANSFIELD. Mr. President, what is the pending question?

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. KEFAUVER. 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 further proceedings under the quorum call may be dispensed with.

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

TRIBUTES TO SENATOR JOHN MARSHALL BUTLER, OF MARYLAND

Mr. COTTON. Mr. President, the measure of a man can be marked by his deeds. But, with every man, certain deeds stand out above all others. No less is true here in the U.S. Senate.

The record of the senior Senator from Maryland is a good example. His activities during the past 12 years have covered a broad spectrum of legislative interests, but foremost among these has been his constant devotion to a strengthening of the Nation's sea power capability.

On many occasions, he has defined sea power as being not only the Navy and the merchant marine, but also the shipyard capacity which is necessary to build and maintain our naval and maritime fleets. In this area, most of the legislation he has proposed has been enacted into law and is now on the statute books.

He has always been influential in prodding the executive agencies, under both this and the previous administrations, to take corrective measures. Less than 2 months ago, the Congress included in the defense appropriations bill for fiscal 1963 a provision calling for more naval shipwork in private yards rather than in naval shipyards—a proposition he has consistently advocated before the Senate and the departments downtown in the interests of saving money for the Federal Treasury and to make more funds available to correct creeping obsolescence in the naval fleet.

The Senator from Maryland is a leading authority in this field, in addition to such prominent Members of the Congress as the Senator from Washington [Mr. MAGNUSON], chairman of the Senate Committee on Commerce, and the Representative from North Carolina, chairman of the House Committee on Merchant Marine and Fisheries. He has been a recipient of the Robert L. Hague Trophy, sponsored by the American Legion and presented by the President of the United States each year, in recognition of successful efforts to advance the U.S. merchant marine—an essential element of sea power.

We can well applaud the leadership of JOHN BUTLER to insure the continuing supremacy of the United States on the high seas, and with the sine die adjournment, he can take with him the thanks and appreciation of all of us.

Mr. President, it has been my privilege during the 8 years I have served in the Senate to enjoy the close personal friendship of the distinguished Senator from Maryland [Mr. BUTLER].

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

Mr. COTTON. In a moment I shall be happy to yield.

As Congress nears adjournment, and as we know Senator BUTLER is voluntarily retiring from public life, I wish to take this opportunity to say to you, Mr. President, and through you, to the Senate, and to make a matter of record, that Senator BUTLER is one of the finest, friendliest, most sincere, and dedicated men with whom I have had the privilege to serve. We shall all miss him. Whether I am in the Senate or out, I particularly shall miss him, because I shall have lost close contact and frequent association with a dear friend.

Mr. President, I yield to the distinguished Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I join the distinguished Senator from New Hampshire in paying tribute to the Senator from Maryland [Mr. BUTLER]. He has served ably and with distinction. Frequently—more often than not—I have disagreed with him. He is a student. He has been diligent. He is always affable. He will be greatly missed by Senators on the Democratic side of the aisle as well as Senators on the Republican side.

The Senator is retiring voluntarily from the Senate, which happens very infrequently. Many leave the Senate, but very few retire voluntarily. I personally wish him well and assure him that he carries with him the esteem and good wishes of every Senator.

Mr. COTTON. I thank the distinguished Senator from Tennessee for his generous remarks. I yield to the distinguished Senator from New York [Mr. KEATING].

Mr. KEATING. Mr. President, having served not only in the Senate, but also on the Committee on Commerce, of which the distinguished Senator from Maryland [Mr. BUTLER] is the ranking Republican member, I have acquired great respect for Senator BUTLER's abilities and a deep affection for him personally. He is an able and conscientious Senator, who has never hesitated to take a firm and determined stand on the principles he thought right. There is no one on our side of the aisle, I suppose, with whom I may have differed more in actual voting than I have with the distinguished Senator from Maryland, but, at the same time, he has always been a friend and an associate whose company has been warmly welcome.

One of the most eloquent tributes to JOHN BUTLER came to my attention recently in an editorial which I came across in the Salisbury Times of Salisbury, Md., entitled "The Champ." The article is short and very much to the point. I should like to read it:

THE CHAMP

JOHN MARSHALL BUTLER, the first Maryland Republican to win reelection to the U.S. Senate in modern history, is stepping out as the undefeated champ.

He often described himself as the luckiest man alive in politics—he didn't claim to be a politician and stepped without thinking on politically tender toes. In his thinking he has been somewhat to the right of McKinley and as uncompromising with pressure groups as Theodore Roosevelt.

Until his illness this fall everyone had taken it for granted that he would run again, with an excellent chance of winning. But the champ retires. Unreconstructed, uncompromising, and undefeated.

That is a wonderful characterization. He has been "a champ." We shall all miss JOHN BUTLER, his friendly, cheery methods and his tolerance for those colleagues who might disagree with him on some questions. We sincerely hope that he will return here as often as he can from his neighboring State of Maryland to visit with us. Most heartily, we wish him many years of happiness in his retirement from the Senate.

Mr. COTTON. I thank the Senator. I yield to the distinguished Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I join my colleagues in paying tribute to the senior Senator from Maryland [Mr. BUTLER] upon his retirement. He has not only been a great strength in the U.S. Senate, ably representing his State of Maryland, but in a very real sense he has been and is a Senator of the United States.

I believe every American will join me in the thought that he embodies the finest traditions of this great Nation—courage, determination, moderation, and a desire to solve rather than aggravate the problems of our times.

He has served with distinction and, in fact, is the ranking minority member of the Senate Commerce Committee. His great will, enthusiasm, and intelligence have made his service on the Finance and Joint Economic Committees invaluable and his presence will greatly be missed.

We on the Del-Mar-Va Peninsula have come to look upon Senator BUTLER not only as a representative of one of our neighboring States, but more as a Senator from the peninsula. I know that in his departure he will be missed, not only by all the people on the peninsula, but also by those in his great State of Maryland, which he has so ably represented, as well as by the people of the other 49 States in our country. I join Senators in paying my respect to him at this time.

I feel certain, however, that he will return often to this great body and give us the benefit of his advice, his counsel, and his understanding.

Mr. COTTON. I thank the Senator. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, in a very few words I wish to join in making clear that I shall miss our colleague from Maryland, Senator JOHN BUTLER. My contacts with him came not on committees, but with relation to the shipbuilding industry, shipping, and the maritime interests throughout our country on the east coast and on the west coast. Together we have endeavored to build up our shipping industry not only for commercial purposes, but especially in the event that it would be needed for national security purposes in time of war. Senator BUTLER was always firm in supporting his belief in the necessity of maintaining a strong maritime industry. I joined with him in his efforts to accomplish this objective, and I will miss him in our future endeavors in this connection. I will miss his friendship as a colleague when he retires at the end of this year.

Mr. COTTON. Mr. President, I thank the Senator. It was not my purpose to try to hold the floor and presume to yield to others. I should like to yield to the Senator from Wisconsin [Mr. WILEY], then I shall yield the floor.

Mr. WILEY. Mr. President, the Senator from Maryland will leave an influence in the Senate that will be difficult to replace. First, Senator BUTLER is a friendly soul. I never heard him condemn anyone because he disagreed with him. Senator BUTLER enjoys laughter. He enjoys a good tale. He enjoys living. He has made the task here something different than a grind. He started with the thought that life has meaning, and that meaning is not found in negative thinking.

We shall miss him, but we wish him and his family continued health, prosperity, and opportunity for service which he will be able to render wherever he is, elevating the tone of the pessimist, and injecting into all a feeling that life does have meaning. I shall miss him; I hope he will return often.

Mr. BYRD of Virginia. Mr. President, when we convene in January there will be absent from our Senate ranks one of the most outstanding Members who has graced this body.

He is a man of splendid experience, a man who has won the admiration of his colleagues on both sides of the aisle as a battler for decency, for integrity, for forward-looking statesmanship. I refer to our associate, the senior Senator from Maryland.

It has been my pleasure to know JOHN MARSHALL BUTLER for many years. When he was a member of the Senate Finance Committee, there was no Senator who worked longer, more conscientiously, more constructively on that committee than the gentleman from Maryland.

JOHN MARSHALL BUTLER'S career as a public servant is far from over. I feel sure that his outstanding talents and abilities will be utilized in some new capacity whereby the citizens of Maryland and the United States will derive great benefit.

He will be sorely missed in the Senate.

Mr. RUSSELL. Mr. President, the end of the 2d session of the 87th Congress is approaching. Many of us realize that next year one of the best loved of this distinguished body will not be with us. My colleague JOHN MARSHALL BUTLER'S decision not to seek another term was a matter of great regret, not only to his supporters in Maryland but to his loyal friends throughout this great country.

Too often praise, appreciation, affection, respect, and admiration of one of our Members is expressed only upon their expiration.

I take this opportunity to tell you, JOHN MARSHALL BUTLER, that you have been an outstanding statesman, a wellspring of knowledge, information and experience, and above all a wonderful friend.

I would like to add that talent such as yours will never be permitted retirement. There will be many of us who in the future will be calling on you over there in the "land of pleasant living" to seek your counsel and advice.

Mr. BEALL. Mr. President, it is with a sad heart that I note the retirement of my colleague, the senior Senator of Maryland. It is hard for me to believe that he will not be among us at the start of the 88th Congress.

I can assure my colleagues, however, that JOHN BUTLER'S decision to retire from this distinguished body was not an easy one for him to make. It is never easy for any man to give up something which he dearly loves.

To Senator BUTLER, the U.S. Senate has been, and will always be, a legislative mechanism to be respected as well as revered, without equal elsewhere in the world. In a forceful, effective way he has left his impress upon the affairs of the Senate, as well as on the affairs of the Committee on the District of Columbia, the Committee on the Judiciary, the Committee on Commerce, the Committee on Finance, and the Joint Economic Committee on which he has served.

With it all, he has not compromised his principles and his beliefs, nor has he neglected the interests and problems of the State of Maryland. As his colleague for 10 years, I can say with accuracy that a recital of all his accomplishments would delay an already overdue motion for adjournment.

Suffice to say, the people of Maryland are not unmindful of these accomplishments. To them, he will take his place among those, past and present, who have rendered outstanding public service on behalf of the people of the great Free State and of the United States. I have the personal feeling that the voters of Maryland would have returned him to the Senate for as long as he wished, or for as long as his health permitted.

Though we have disagreed on a few questions, I have cherished my association with JOHN BUTLER. He is truly a man of integrity and character—a friend of whom to be proud. And, I will miss the continuing opportunity to work with him.

Mr. EASTLAND. Mr. President, for nearly 6 years, my good friend, JOHN BUTLER, was a member of the Committee on the Judiciary on which I am privileged to serve as chairman. When he joined our committee, it was soon evident that the distinguished senior Senator from Maryland was not an ordinary citizen nor an ordinary lawyer. The depth of his knowledge of the law impressed his colleagues at once. His ability to get quickly at the root of the most difficult, the most legalistic questions, through penetrating cross-examination, marked him for important subcommittee assignments.

He is perhaps without peers in his judicious and temperate attention to the threat of subversion and Communist expansion in the Western Hemisphere. He served as a member of the Internal Security Subcommittee with unusual distinction. He was the author of and moving force behind the Subversive Activities Control Act of 1954 which passed the Senate on August 12, 1954, by the astounding vote of 85 to 0 and which is now on the statute books as Public Law 637.

Even more striking has been the Senator's deep feeling for the spirit of the Constitution and his comprehension of its most technical provisions. This aptitude is something which has not been limited to his membership on the Judiciary Committee. On frequent occasions, many of us have turned to him for advice and counsel for the Senator from Maryland is truly a constitutional lawyer of enviable reputation.

Because of glaring constitutional inconsistencies, he has been known to take on such argumentative groups as the Emergency Civil Liberties Committee and the Americans for Democratic Action. He has been known to disagree with those in both the Republican and Democratic Parties—those in both the majority and minority on any issue—whose footings on constitutional grounds were shaky. The logic of his constitutional pleadings on such issues as the Bricker amendment was and is difficult to refute.

Some of the decisions of the Supreme Court, as well, have not escaped his scrutiny. With it, he continues to regard the Supreme Court of the United States, not only as the traditional symbol of equality and justice and a coordinate branch of the Government of standing equal to that of the other two branches, but as a positive influence on the people of the United States.

In 1954, the Senator from Maryland proposed a constitutional amendment

concerned with the composition and jurisdiction of the Supreme Court. This amendment passed the Senate on May 11 of that year with the support of another constitutional authority, Senator Walter George, of Georgia, by a vote of 58 to 19. It would be interesting to have the revered Senator George appraise the action of the Senate on that sunny day 8 years ago against the background of subsequent Supreme Court decisions.

Nonetheless, a genuine and strong belief that the Supreme Court was then trespassing upon the functions of the Congress led the Senator from Maryland to sponsor the so-called Jenner-Butler bill in 1958. The number of that bill, S. 2646, is indelibly stamped on my memory for it came in for such criticism and attack from some practitioners of the law and some civil rights spokesmen. The measure, as JOHN BUTLER once put it, was intended to resolve "a twilight zone of public and judicial confusion which resulted from certain celebrated decisions of the Court." He was not challenging the independence of the judiciary or the freedom of the courts to deal with those matters over which they do have jurisdiction. His purpose, then as now, was to preserve, in proper balance, the powers, functions, and responsibilities of the three coordinate branches of the Federal Government within a finite framework on the foundations of the Constitution.

Then as now, the U.S. Senate needs men like JOHN MARSHALL BUTLER. I am proud to be numbered among his friends. And though his friendship will always be with me, I will miss the opportunity to have available in this distinguished body his background and ability.

REMOVAL OF ENCUMBRANCE ON TITLE OF REAL PROPERTY OF THE BOARD OF EDUCATION OF THE VALLEJO SCHOOL DISTRICT, VALLEJO, CALIF.

Mr. KUCHEL. Mr. President, the bill H.R. 9491 is at the desk. I ask unanimous consent that it be considered. I have cleared it with the distinguished senior Senator from Arkansas [Mr. MCCLELLAN].

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

The bill (H.R. 9491) to provide for the removal of an encumbrance on the title of certain real property heretofore conveyed to the Board of Education of the Vallejo School District, Vallejo, Calif., by the U.S. Housing Corporation was read twice by its title.

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

There being no objection, the Senate proceeded to consider the bill.

Mr. KUCHEL. Mr. President, in 1928 the school district acquired this property from the Government. It built a schoolhouse on the property. That schoolhouse was subsequently condemned. The school district is building a new school at the present time, and desires to dispose of this property. There was a flaw in the title.

The executive agencies are in favor of the bill. I have discussed it not only with the distinguished chairman of the Committee on Government Operations, but also with his staff. I ask that the Senate approve the bill.

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

Mr. KUCHEL. I yield.

Mr. MCCLELLAN. I understand that the school district has been in possession of this property for a good many years.

Mr. KUCHEL. Some 35 years.

Mr. MCCLELLAN. It appears that there is a technical question involved regarding the title to the property which the school district purchased from the Government; is that right?

Mr. KUCHEL. There is a flaw with respect to the transfer by the then existing Federal agency, which was called the U.S. Housing Corporation, a defunct agency.

Mr. MCCLELLAN. There is no other way of correcting the title; is that correct?

Mr. KUCHEL. Except by act of Congress.

Mr. MCCLELLAN. There is no way of correcting the deficiency in the title except by the passage of the pending bill.

Mr. KUCHEL. That is correct.

Mr. MCCLELLAN. There is no objection to the bill from any source, so far as the Senator knows?

Mr. KUCHEL. So far as I know, that is correct.

Mr. MCCLELLAN. Under those circumstances, I have no objection to the bill being considered without being referred to the committee. However, in not interposing an objection and insisting that the bill be sent to the committee, I do not wish to be understood as agreeing that this sets a precedent for any other legislation which may be proposed hereafter; and that my withholding objection to this procedure does not constitute a precedent in that regard.

Mr. KUCHEL. I agree with the able Senator from Arkansas.

I ask unanimous consent that a statement from the House report with respect to the bill and a copy of a letter I received from Representative BALDWIN, who represents the district involved, be printed in the RECORD at this point.

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

PURPOSE OF THE BILL

This bill would authorize the Administrator of General Services to convey to the Vallejo Unified School District, Vallejo, Calif., whatever interest the Federal Government may now have to a tract of about 1.38 acres of land which the U.S. Housing Corporation conveyed to the school district in 1928.

The sole purpose of the bill is to remove a possible encumbrance on the title to that tract in order to make the title marketable. The bill specifies that the conveyance shall be without monetary consideration to the United States.

HISTORY OF THE TRACT

The U. S. Housing Corporation, which then owned the 1.38 acres of land, leased the tract to the Board of Education of the Vallejo School District in January 1926, to be used for school purposes only. The lease contained an option to the lessee to purchase the property for the sum of $10,000. On June 22, 1928, the U.S. Housing Corporation executed a deed conveying the tract to the Board of Education of the Vallejo School District of the city of Vallejo, Calif., and received $10,000 from the grantee. The 1928 deed recited that the tract "shall forever be used as and for school purposes and none other and this shall constitute a condition running with the land."

The United States Housing Corporation was dissolved in 1952. Section 105 of the Stock Corporation Law of New York, the State in which the U.S. Housing Corporation had been incorporated, provides that notwithstanding the termination of the corporate existence of a corporation, the surviving directors of the corporation may "administer, sell and distribute the remaining assets of the corporation for the purpose of finally winding up its affairs." Apparently under this authority the surviving directors of the corporation, who are all employees of the Federal Home Loan Bank Board, agreed in 1955 to waive the condition in the 1928 deed. They executed a quitclaim deed to effect such waiver and it was transmitted to the school district in March 1956. However, local title insurance companies apparently have questioned the authority of the surviving directors to execute the 1956 quitclaim deed waiving the condition running with the land.

The 1.38-acre tract was for many years the site of the Bay Terrace School. Recently this school was condemned for school use by the State of California because it failed to meet current standards for school structures. The school district has constructed a new school (Farragut School) at a cost of over $413,000, located approximately three blocks from the site of the Bay Terrace School. The school district desires to sell the Bay Terrace School and site, and credit the proceeds from such sale to the school district's capital fund account as a replacement for the expenditures required to construct and equip the Farragut School.

REASONS FOR ENACTMENT OF THE BILL

The school district has used the tract for school purposes for more than three decades in compliance with the purpose of the condition stated in the 1928 deed. It desires to sell the land solely for the purpose of creating proceeds which will also be used for school purposes. Such disposition would not be inconsistent with the basic purpose of the grant. For example, the numerous grants of public lands to the States for school purposes which laid the foundation for public school education and the land-grant colleges in most of the States were largely effectuated through sales of the granted land.

The fact that the 1928 deed required continued use of the land for school purposes as "a condition running with the land" ought not be a bar to the proposed disposition. If the school district had acquired this tract for school purposes under the Surplus Property Act of 1944 or the Federal Property and Administrative Services Act of 1949, the period during which it would have been obligated to comply with the condition would not have exceeded 20 years (45 Code of Federal Regulations, sec. 12.9). Moreover, in such case, section 203(k)(2)(iii) of the Federal Property and Administrative Services Act, as amended, (40 U.S.C. 484) authorizes the Secretary of Health, Education, and Welfare to release or waive the condition in the conveyance, at any time prior to the expiration of such 20-year period, if he found that the property no longer served the purpose for which it was transferred, or that the release of the condition would not prevent accomplishment of the purpose for which the property was transferred.

In this case, the school district has used the tract for school purposes for more than 20 years. The school district paid $10,000 for the land in 1928, and in 1956 received a

quitclaim deed intended to eliminate the condition subsequent from the title to the land. The school district will use the proceeds of the proposed sale of the tract for further school purposes.

The committee does not know the present fair market value of the land. However, this bill would merely eliminate a cloud that hovers over the title granted to the school district by the 1928 and 1956 deeds previously executed by the U.S. Housing Corporation. The committee believes that it would be equitable and consonant with the public interest to enact this bill to enable removal of the possible cloud on the title.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., October 2, 1962.

Hon. THOMAS H. KUCHEL,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR TOM: In accordance with our conversation of yesterday, I am summarizing below the background information which applies to H.R. 9491, which the House passed unanimously on October 1, and which provides for the removal of an encumbrance on the title of a school site originally given to the board of education of the Vallejo School District, Vallejo, Calif., by the U.S. Housing Corporation.

The Vallejo School District originally purchased this property from the U.S. Housing Corporation on June 22, 1928, for the price of $10,000. The deed of conveyance recites that real property "shall forever be used as and for school property and none other and this shall constitute a condition running with the land."

The Vallejo School District operated the Bay Terrace School upon this property until a few years ago, when the school was condemned for school use by the State of California because it did not meet school housing structure standards. The Vallejo School District then had no alternative but to discontinue use of this school building.

The Vallejo School District then had to construct the Farragut School, three blocks adjacent to the Bay Terrace School, in order to serve the students formerly served by the Bay Terrace School. The Farragut School was constructed at a cost of $413,203.87. The school district would like to obtain clear title to the Bay Terrace School property so that it can place the property up for sale. The funds received from such sale would be credited to the school district's capital fund account as an abatement of those expenditures which were required to construct and equip the replacement Farragut School.

The school district endeavored, some years ago, to obtain a clear title to the Bay Terrace School property. However, they found that the U.S. Housing Corporation was terminated as an entity on December 8, 1952. The school district obtained a quitclaim deed dated March 6, 1956, signed by the surviving directors of the U.S. Housing Corporation. This deed waived, annulled, and terminated the conditions running with the land which was recited in the original deed. However, the title insurance company has held that the surviving directors of the U.S. Housing Corporation could not legally give such a quitclaim deed after the U.S. Housing Corporation had officially been terminated. This has, therefore, made necessary the introduction of a bill to authorize the General Services Administration to provide such a deed to the Vallejo School District.

If the Vallejo School District had acquired this property after passage of the Federal Property and Administrative Services Act of 1949 there would have been no problem as subsection 203(k)(2) of the 1949 act provided that the Secretary of Health, Education, and Welfare, with the approval of the Administrator of the General Services Administration, may convey, quitclaim, or release to the transferees any right or interest reserved to the United States in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, or the 1949 act for school, classroom, or other educational use if he determines that property so transferred no longer serves the purpose for which it was transferred, or that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred.

Since the Vallejo School District obtained this property prior to passage of the 1949 act, it is necessary for the introduction of legislation as evidence by H.R. 9491, to authorize the Administrator of the General Services Administration to make the transfer of a clear title to the Vallejo School District.

I hope very much that you can obtain approval of this bill by the Senate before adjournment, as it is the only means by which this property can be given a clear title.

With kindest regards,

Sincerely yours,

JOHN F. BALDWIN,
Member of Congress.

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

The bill (H.R. 9491) was ordered to a third reading, was read the third time, and passed.

Mr. KUCHEL. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

INCLUSION OF DISTRICT OF COLUMBIA IN ACT PROVIDING FINANCIAL ASSISTANCE FOR LOCAL EDUCATIONAL AGENCIES IN AREAS AFFECTED BY FEDERAL ACTIVITY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2221, S. 2830.

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

The LEGISLATIVE CLERK. A bill (S. 2830) to amend the act providing financial assistance for local educational agencies in areas affected by Federal activities in order to provide assistance under the provisions of such act to the District of Columbia.

Mr. MANSFIELD. I have cleared this bill with both sides.

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

There being no objection, the bill was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted That section 9(8) of the Act entitled "An Act to provide financial assistance for local educational agencies in areas affected by Federal activities", approved September 30, 1950 (20 U.S.C. 244(8)), is amended by inserting "the District of Columbia," after "Guam,".

SOVIET ESPIONAGE THROUGH THE UNITED NATIONS

Mr. DODD. Mr. President, the newspapers of this past weekend carried the dismal news that two members of the Soviet delegation had been caught redhanded in the act of receiving secret documents from a U.S. Navyman, and that the United States had asked the Soviet mission to the U.N. for their recall.

This announcement followed by only 14 days the disclosure that two Soviet employees of the U.N. Secretariat had been caught spying against the United States and had already returned to Moscow.

Behind these several recent instances, there is a long history of Soviet espionage against the United States via the United Nations, working either through members of the Soviet delegation to the U.N. or through employees of the U.N. Secretariat or the various U.N. agencies.

The "Exposé of Soviet Espionage" prepared in May 1960 by Mr. J. Edgar Hoover, Director of the FBI, listed 12 Soviet nationals who had used their positions at the U.N. for purposes of espionage and who had been obliged to leave the United States when their activities had been exposed. The several cases that have come to light since that time raises the total of Soviet nationals who have used the U.N. as a cover for espionage to 17 cases all told.

The FBI is a highly efficient organization. But I think it can be taken for granted that, for every Soviet national who has been caught in a demonstrable act of espionage, there are two or three Soviet nationals at the U.N. who have thus far succeeded in carrying on their espionage activities undetected, or who may have been detected but have been careful enough not to get caught redhanded.

The incredible scale of this operation leads us to the frightening conclusion, Mr. President, that every Soviet representative to the U.N. and every Soviet employee of the U.N.'s various agencies must be considered a spy or a potential spy. They are spies, moreover, who operate with a minimum of risk because their quasi-diplomatic status makes it impossible to do more to them, if they are caught, than demanding their recall.

This situation in itself would be bad enough. But according to an item in the Baltimore Sun of Sunday's date, the United States is now being called upon to foot the lion's share of the bill for training prospective Soviet employees of the United Nations—that is for training prospective Soviet spies against the United States.

According to this item, Secretary General U Thant has asked the General Assembly for funds to maintain a school which he has already started in Moscow for the purpose of training 22 Russians each year for jobs at U.N. headquarters. The sum involved for 2 years is $201,200, of which the United States would pay 32.02 percent, or $64,424, while the Soviet Union would pay only 17.47 percent or $35,139.

This is adding indignity to injury, with a vengeance—and I bring this matter to

the attention of my colleagues at this juncture because we are now in the process of appropriating certain funds destined to assist the U.N. or its agencies in their operations for the coming year.

I believe in the U.N. and I do not wish to do anything at this late stage that would deprive the U.N. of funds that are essential to its operation. But I also believe that the U.N. suffers from many serious weaknesses—weaknesses which are gravely impairing its effectiveness—weaknesses which, in my opinion pose a threat to its very existence if we continue to ignore them or sweep them under the rug.

In his report on Soviet espionage, Mr. J. Edgar Hoover called attention to the fact that many of the cases cited involved Soviet employees of the United Nations.

They are guests of the United States—

Said Mr. Hoover—

and are supposedly dedicated to the cause of international peace but they are, in fact, carefully selected envoys of the international Communist conspiracy, trained in trickery and deceit and dedicated to the concept of fully exploiting the freedoms of the countries they seek to destroy. It is too much to expect that they would not prostitute the United Nations.

The Soviet Union conducts espionage operations in other countries through a hundred different channels, including its own Embassies. This is something that can be taken for granted. There is something obscene, however, about their conscienceless use of their U.N. delegations and U.N. staff members for purposes of espionage.

The U.N. does not belong to the Soviets: it belongs to all the nations. And when one nation, completely disregarding the terrible damage that this will do to the U.N., uses its U.N. personnel, cloaked with U.N. diplomatic immunity, for purposes of espionage against the United States, this naiton, in my opinion, is guilty of criminal contempt of the United Nations.

If no machinery exists for punishing such activities, the very least we can demand is that they be publicly censured by the U.N. General Assembly.

Mr. PASTORE. Mr. President, will the Senator from Connecticut yield?

Mr. DODD. I am glad to yield to the Senator from Rhode Island.

Mr. PASTORE. I agree completely with the statement of the Senator from Connecticut. I do not believe we should pay a nickel for the school in Moscow, any more than Moscow is paying a nickel toward our decision in the Congo.

Furthermore, I quite agree with the Senator that these acts of espionage on the part of people who are members of the Russian delegation at the United Nations, and who are the guests of the United States because of that association, ought to be condemned publicly by a resolution passed by the General Assembly of the United Nations.

Mr. DODD. I am most grateful to the distinguished Senator from Rhode Island for his statement. He is absolutely correct, as he almost invariably is. He is clearheaded about this problem.

I am dumfounded that the American people should be paying for the training of Soviet agents who are sent to the United Nations to act as spies on us. But that will be the fact if the arrangements made by Secretary General U Thant in Moscow are permitted to stand.

I believe the State Department should formally demand a vote of censure and that it should back up the demand by presenting to the General Assembly a documented summary dealing with Soviet utilization of the U.N. for purposes of espionage.

I also believe that our delegation to the U.N. and the Department of State should monitor the U.N.'s expenditures more carefully. There is no indication that Secretary General U Thant asked U.S. approval before he committed the U.N. to the establishment of his Moscow school for the training of prospective Soviet U.N. employees. Since we foot the bill for approximately one-third of all U.N. operations, we have a right to be consulted—and this is something that should be made abundantly clear to the Secretariat.

As I have said, it is my desire to help the U.N. and not to put obstacles in its path. Despite many serious misgivings, I voted for the commitment to the United Nations bond issue. But I must warn the U.N. Secretariat frankly that if the Soviets continue to use its headquarters on a wholesale scale as a cloak behind which they can conduct espionage activities with immunity, the people of America will not indefinitely tolerate such a situation.

I must warn them, too, that if the proposed funds for the U.N.'s Moscow training school are approved, it would raise such serious doubts in my own mind about the wisdom of continuing financial support to the U.N. that I would feel constrained to raise the matter for reconsideration as soon as Congress convenes again in January.

Mr. President, I think it would be helpful if I presented for the RECORD a brief summary concerning the 17 Soviet U.N. representatives and Soviet U.N. employees who have engaged in espionage against the United States.

Vassili Molev, while attached to the Soviet delegation to the United Nations, in 1953—handling maintenance, purchase of supplies and similar matters—met Boris Morros on a date and at a time and place previously designated by Morros' Soviet intelligence superiors in Austria. Molev accepted from Morros a report prepared in New York by Jack Soble and given by Soble to Morros in accordance with instructions from their Soviet superiors. Photographs, both still shots and motion pictures, of this meeting were taken by FBI personnel. Immediately following the arrest of Jack Soble on espionage charges on January 25, 1957, the U.S. Department of State declared Molev persona non grata. Molev at that time was employed—in a similar capacity—by the Soviet Embassy. He left the United States on January 28, 1957, en route to Russia.

Mikhail Nikolaevich Svirin, a Soviet assigned to the Soviet U.N. delegation from August 1952 to April 1954, was identified by Yuri A. Rastvorov, a former Soviet intelligence officer, as a member of the Ministry of Internal Affairs and a very experienced intelligence officer. Svirin was also identified by Reino Hayhanen, a former Soviet intelligence agent. On two occasions, in January and February 1953, Svirin was observed in the area where Boris Morros was scheduled to meet with his Soviet superior. Morros subsequently met Vassili Molev on March 3, 1953, at the scheduled meeting place.

Maksim Grigorievich Martynov last entered the United States on November 3, 1954, as a member of the Soviet representation to the U.N. Military Staff Committee. In August 1954 a highly placed Army officer in Germany was introduced to a Soviet under clandestine circumstances in the Soviet sector of Berlin. The officer did not discourage the Soviet's approach and meetings in New York were arranged. A code phrase was established for recognition purposes. The New York contact turned out to be Martynov. On two occasions a special agent of the FBI, made up to resemble the Army officer, met with Martynov. On the second occasion, January 15, 1955, FBI agents, with State Department permission, accosted Martynov, who identified himself but claimed diplomatic immunity. On February 21, 1955, the Department of State declared Martynov persona non grata for the above activity and he departed the United States February 26, 1955.

Aleksandr Konstantinovich Guryanov entered the United States March 26, 1955, as an employee of the Soviet delegation to the U.N. On April 25, 1956, he was declared persona non grata by the U.S. Department of State as a result of his implication in the improper repatriation to the U.S.S.R. of five Soviet seamen who left the United States on April 7, 1956. The seamen were members of the crew of the Soviet tanker *Tuapse* who previously defected to the United States. The Department of State informed the Soviet Government that Guryanov's activities made his presence in the United States no longer desirable, and he departed May 9, 1956.

Boris Fedorovich Gladkov entered the United States December 15, 1953, as naval adviser to the Soviet representation in the Military Staff Committee of the U.N. In January 1955 Gladkov, at a cocktail party, met a sales engineer for a New York marine engineering firm. He cultivated the sales engineer and held a number of clandestine meetings with him. Through the engineer, on June 14, 1955, he received two unclassified publications dealing with marine boilers. During his meetings with the sales engineer which continued on a regular basis through June 1956, Gladkov furnished the engineer $1,550 for services rendered. On June 22, 1956, the Department of State declared Gladkov persona non grata. He departed July 12, 1956.

Rostislav E. Shapovalov entered the United States September 27, 1955, as a second secretary of the Soviet delegation to the U.N. On May 7, 14, 17, and 21, 1956, he contacted a Russian emigre, Michael Schatoff, a former officer in the Russian Army, was a classmate of Shapovalov at a New York university. On

August 20, 1956, the Department of State declared Shapovalov persona non grata for his activities in attempting to induce Schatoff to return to the Soviet Union. Shapovalov departed the United States September 12, 1956.

Viktor Ivanovich Petrov arrived in the United States February 17, 1953, as a translator employed at the U.N. Secretariat. According to the FBI, Petrov, during 1955 to 1956, established contact with an aviation draftsman for the purpose of seeking classified information concerning U.S. military aircraft development. On August 20, 1956, the U.S. representative to the U.N. brought the matter to the attention of the Secretary General, who agreed to dismiss Petrov. Petrov departed the United States on August 23, 1956.

Konstantin Pavlovich Ekimov entered the United States October 17, 1955, as second secretary of the Soviet delegation to the U.N. Ekimov was accused before the Senate Internal Security Subcommittee of participating in the abduction of Tanya Chawastov, aged 2, an American-born daughter of a Russian refugee. He took part in dockside arrangements which enabled Alexei Chawastov to leave the United States with his infant daughter. This move was against the wishes of the child's mother who remained in the United States. Ekimov was declared persona non grata by the Department of State on October 29, 1956, and he departed the United States on November 30, 1956.

Vladimir Arsenevich Grusha was formerly assigned as first secretary of the Soviet delegation to the U.N. On March 5, 1957, Grusha had a rendezvous with a Ceylonese employee of the U.N. Secretariat, Mr. Dhanapalo Samarasekara, in the latter's automobile, after Mr. Samarasekara had been observed entering the offices of the Ceylonese delegation and extracting certain papers from a file cabinet. Based on information developed by the FBI, the Department of State declared Grusha persona non grata on March 25, 1957, and he departed from the United States on April 10, 1957.

Kirill Sergeevich Doronkin arrived in the United States March 12, 1956, to serve as film editor, radio and visual division of the Department of Public Information, U.N. Secretariat. In October 1958 special agents of the FBI observed a clandestine meeting between Doronkin and a source that had been recruited for the specific purpose of obtaining aerial photographs of the Chicago area. The source reported to the FBI that the package which he turned over to Doronkin at this meeting contained the requested aerial photographs. The U.S. mission to the U.N. delivered a note to the Secretary General of the U.N. on January 15, 1959, requesting Doronkin's dismissal from the U.N. Doronkin's contracted term of employment terminated March 3, 1959, and he was not reemployed by the U.N. He departed from the United States March 11, 1959.

Vadim Aleksandrovich Kirilyuk arrived in the United States September 11, 1958, as a political affairs officer employed by the Department of Trusteeship and Information for Non-Self-Governing Territories, U.N. Secretariat. During the period from June through September 1959, Kirilyuk met with an American citizen in a clandestine manner on five occasions. On these occasions he requested data concerning cryptographic machines and instructed the American to seek employment with a vital U.S. Government agency. Kirilyuk's meetings with the source on August 28, 1959, and on September 18, 1959, were observed by special agents of the FBI. The Secretary General of the U.N. was informed of Kirilyuk's espionage activity on December 17, 1959. On January 7, 1960, the Soviet delegation to the U.N. was advised of Kirilyuk's activities, whereupon Kirilyuk and his family left the United States on January 10, 1960.

Igor Y. Melekh, a Soviet national, was assigned to the U.N. Secretariat in October 1958. According to the FBI, Melekh asked a New York free lance medical illustrator, Willie Hirsch, to provide intelligence data such as a map of Chicago showing military installations. Melekh and Hirsch were indicted by the Federal grand jury in Chicago on October 27, 1960, and both were placed under arrest by the FBI on the same day. They were charged with three counts including espionage and conspiracy. Melekh claimed diplomatic immunity; however, this was denied by the courts and he was released under $50,000 bond. On March 24, 1961, a U.S. district court ruled that, if Melekh departed from the United States by April 17 and if the Attorney General moved for dismissal of the indictment, the court would dismiss as to both defendants. Melekh left the United States for the Soviet Union on April 8, and the indictments against both Melekh and Hirsch were dismissed on April 11, 1961.

Yuri A. Mishukov and Yuri V. Zaitsev. Mishukov was employed as a translator by the U.N. on November 11, 1957. Zaitsev was employed on August 9, 1961, as a U.N. political and security council affairs officer. On September 15, 1962, the FBI disclosed that Mishukov and Zaitsev had established an espionage arrangement with an American citizen and between June and August of this year had paid him $3,000. Two days after the Justice Department made its announcement, the U.N. announced that Mishukov had left for Moscow last July 5 and Zaitsev had done so August 7.

Eugeni M. Prokhorov and Ivan Y. Vyrodov. Both Prokhorov and Vyrodov were members of the permanent mission of the U.S.S.R. to the U.N. On September 28 Prokhorov and Vyrodov were apprehended by FBI agents in the act of receiving classified information concerning the U.S. Navy from Yeoman 1/C Nelson Cornelius Drummond. They were released after establishing their identity. On September 29 the U.S. delegation to the U.N. demanded that the Soviet delegation expel Prokhorov and Vyrodov.

Valentine A. Gubitchev, a Soviet citizen, was employed as an engineer by the U.N. Secretariat in New York. Gubitchev and Judith Coplon, a native-born American employed by the Department of Justice, were arrested after a clandestine meeting in New York on March 4, 1949. In Miss Coplon's purse, at the time of here arrest, were summaries of confidential FBI reports to which she had access in her employment. Coplon was tried in Washington, D.C., for espionage and on July 1, 1949, was sentenced to 10 years in prison. Gubitchev and Coplon were tried in New York for conspiring to commit espionage and were convicted. On March 9, 1950, she was sentenced to 15 years in prison. On the same date, Gubitchev was also sentenced to 15 years in prison; however, his sentence was suspended with the provision that he depart from the United States and not return. Although Miss Coplon's conviction in New York was reversed and she was held entitled to a new trial in Washington, D.C., based on technical grounds in both instances, it is interesting to note the Judge Learned Hand, Second Circuit, Court of Appeals, made a statement that even though the case was being reversed, the guilt of Coplon was plain.

Mr. THURMOND. Mr. President, will the Senator from Connecticut yield?

Mr. DODD. I yield to the Senator from South Carolina.

Mr. THURMOND. I commend the Senator for presenting this information to the Senate. I hope the news media will carry it to the public so that the people of America may be made aware of what has been taking place at the United Nations.

It is my judgment that unless the spying which has been taking place for several years at the United Nations, at the Soviet Embassy, and at other Communist embassies in this country is discontinued, the people of America will rise up and demand that action be taken to stop it.

Mr. DODD. I thank the Senator for his statement. I am completely in agreement with him. My interest in this subject arises principally because I desire to see the United Nations succeed. I deeply believe in the U.N. I want it to succeed. But I am sure it will be agreed that to permit the U.N. to operate with Soviet spies on its payroll, persons who seek to destroy the United States by utilizing their employment in an organization for which we are paying a large part of the cost, is so utterly absurd and outrageous that we cannot allow this situation to continue.

Mr. President, I ask unanimous consent to insert into the RECORD at this point certain documents.

First, excerpts from the Baltimore Sun article of last Sunday's date; and second, excerpt from the official U.N. budget estimate for the financial year 1963 dealing with the establishment of a Russian language training center in Moscow.

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

[From the Baltimore Sun, Sept. 30, 1962]

EXPEL TWO AT U.N., UNITED STATES TELLS REDS—OUSTER OF RUSSIANS AS SPY CASE FIGURES DEMANDED

(By Paul W. Ward)

NEW YORK, September 29.—The U.S. delegation announced today it has demanded that the Soviet delegation at the United Nations expel two members who figured in a new espionage case disclosed by the Justice Department last midnight.

The announcement followed by 14 days a like disclosure in Washington that two

Russian employees of the United Nations had been caught spying against the United States but already had returned to Moscow.

MOSCOW SCHOOL REQUEST

The Justice Department's latest disclosure coincided, moreover, with a request to the Assembly by U Thant, Secretary General, for funds to maintain a school he already has started in Moscow to train an additional 22 Russians annually for jobs at the headquarters here.

The sum involved is $101,200 for the current year and $100,000 for 1963, with the United States slated to pay 32.02 percent—$64,424—of the $201,200 aggregate and the Soviet Union 17.47 percent, or $35,139.

The U.S. announcement was made at 4:25 p.m., just 15 minutes after the expulsion demand had been delivered to the Soviet delegation under instructions from Washington.

The note, which was not signed by Adlai E. Stevenson, U.S. Ambassador, but presented simply in behalf of the mission he heads here, said:

"The U.S. mission to the United Nations presents its compliments to the permanent mission of the U.S.S.R. to the United Nations and wishes to call further attention to the espionage activities on the part of Mr. Evgeni M. Prokhorov and Mr. Ivan Y. Vyrodov, members of the permanent mission of the U.S.S.R. to the United Nations.

PAID SUBSTANTIAL SUMS

"Representatives were informed of these activities earlier today when agents of the FBI observed Mr. Prokhorov and Mr. Vyrodov receiving classified documents of a national defense nature from a member of the U.S. Armed Forces who was immediately arrested.

"In this espionage operation, Mr. Prokhorov and Mr. Vyrodov previously had received other classified documents for which they paid substantial sums of money to the U.S. citizen.

"As host to the United Nations, the Government of the United States strongly protests these espionage activities directed against the internal security of the United States.

"Not only are such activities clearly outside the scope of the official responsibility of these members but they are an outrageous violation of their privileges of residence within the meaning of section 13(B) of the agreement between the United States and the United Nations concerning the headquarters of the United Nations.

"Under this provision of the agreement, they have by their actions forfeited their privilege of continued residence in this country. The U.S. mission requests the permanent mission of the U.S.S.R. to take the necessary steps to effect the immediate withdrawal of Mr. Prokhorov and Mr. Vyrodov from the United States."

COMPLIANCE WAS AUTOMATIC

There was no immediate public reaction on the Soviet delegation's part to the demand arising out of this latest in a long series of espionage cases involving either members of that delegation or Soviet employees of the United Nations, which Washington has aired over the years.

In all prior cases, save those in which Federal prosecutions were instituted against the United Nations employees, compliance with the withdrawal demands has been automatic.

The United States never got a chance to make such a demand in next to latest case, which involved Yuri A. Mishukov, 38, employed since November 11, 1957, as a translator in the conference services section, United Nations' Affairs Office, and Yuri V. Zaitsev, 31, employed since August 9, 1961, as a United Nations Political and Security Council affairs officer.

Mishukov had left for Moscow last July 5, and Zaitsev had done so August 7, according to a United Nations anouncement issued 2 days after the Justice Department's disclosure September 15 that they had established an espionage arrangement with an American citizen and between June and August this year had paid him $3,000.

The American, who entered into the arrangement after consulting the FBI, was identified as Richard A. Flink, a New York lawyer who is a Republican candidate for assemblyman. Washington, which had kept the affairs secret pending final congressional action on the United Nations bond issue bill, made its disclosure only after learning that a Member of the Senate was about to air the case.

ANNOUNCED BY HOOVER

The current case, including the arrest of Y1c. Nelson Cornelius Drummond, was aired by J. Edgar Hoover, FBI chieftain, following the arrest of the 33-year-old sailor outside a Post Road diner at Larchmont, N.Y., last midnight.

The FBI, according to Hoover, had had Drummond under close observation for some time, based upon his naval service in England, for which he was reassigned in 1959 to the United States.

Stationed at Newport (R.I.) Naval Base, Drummond has been making frequent trips to New York and was in "extreme financial difficulty," according to Hoover, who said:

1. While Prokhorov parked his car beside Drummond's outside the diner last night, Vyrodov went in to get the sailor.

2. FBI agents, who stepped up and arrested Drummond as soon as he seated himself beside Prokhorov in the latter's car, found on the seat between them eight classified Navy documents.

3. The FBI agents did not arrest the two Russians, whom he referred to as "Russian United Nations officials," because of "their diplomatic status."

MISSION NOT INFORMED

It is understood that the U.S. mission here was kept in ignorance of the operations of Prokhorov and Vyrodov until after Drummond's arrest last night.

It is also understood that the facts of the case and Washington's reaction were relayed to Thant through C. V. Narasimhan, an Indian who is his executive assistant, before the mission made its announcement this afternoon.

Thant's newest arrangement for accommodating Kremlin demands for more posts on the United Nations' payroll for Soviet nationals came to light following his submission of a request for "supplementary" appropriations in the net amount of $2,399,730 for the current year.

Included in the tabulations accompanying the written request circulated Thursday was a line reading: "Russian language training program, $101,200." The inquiries that transpired led to a discovery that Thant signed 6 months ago an agreement with "the Moscow Pedagogical Institute for Foreign Languages for the establishment of a training center for Russian language personnel."

Three of his subordinates—Nicolai Vassiliev, Mary McKenna, and Yuri Zhemchuzhnikov—were sent to Moscow to negotiate the contract under which the Soviet state institute provides the training facilities and trainees and the United Nations pays the director—Mrs. Zoya Zaroubina, former dean of the institute's English faculty—and the teaching staff and also awards the trainees a monthly stipend.

FIVE TO BE INTERPRETERS

Five of the twenty-two trainees—all graduates of Soviet universities—are being prepared for United Nations jobs as interpreters, the rest for jobs here as translators of United Nations documents and records from English, French or Spanish into Russian, or vice versa. None is being trained as a Russian-Chinese interpreter or translator.

Thant made his arrangement with the Soviet Government, effective March 28 last, without specific Assembly authorization. But he did consult, the reports show, the Assembly's Advisory Committee on Administrative and Budgetary Questions, which includes Albert P. Bender, Jr., as U.S. representative.

PROGRAM NOT MENTIONED

The advisory committee, in a report circulated here yesterday, urged that Thant's request for supplementary appropriations to cover "unforeseen and extraordinary expenses" for the current year be cut by $127,000 but neither criticized nor mentioned his "Russian language training program."

Besides asking the Assembly to ratify his contract with Moscow by voting him $101,200 for its fulfillment this year, Thant is asking an additional $100,000 to keep the project going through next year.

He invokes "the serious difficulties of recruitment to the Russian language posts in the Office of Conference Services" as justifying initiating the project to Moscow and for continuing it through 1963.

TRANSLATION PROJECT

He also has contracted recently with "one of the leading publishing houses in Moscow" for translations into Russian of some 40,000 pages of United Nations records accumulated since 1946. The contract provides for "an initial volume of 10,000 pages per year at a cost of $6 per page of original text."

The Russians being trained in Moscow at United Nations expense are also counted upon to translate—as a part of their 10-month training course—about a fifth of the accumulated mass of United Nations documents.

NOW UP TO OVER 70

The Soviet Government last February served upon Thant a demand that 80 posts in the United Nations Secretariat be handed over to Soviet nationals and that those already on the payroll be awarded pay raises. In the last year the number of professional-level posts held by Soviet nationals has risen from 59 to just over 70.

Unlike other members, the Soviet Government has never yielded to the requirement that candidates for Secretariat jobs take the equivalent of civil service examinations to prove their qualifications.

[From U.N. official budget]

Russian language training	$100,000
1962	(1)
1961	

[1] Estimated costs $101,200 to be absorbed, to such extent as is possible, within the 1962 appropriations.

Having regard to the serious difficulties of recruitment to the Russian language posts in the Office of Conference Services, and following upon consultations with the Advisory Committee on Administrative and Budgetary Questions, the Secretary-General entered into arrangements with the Moscow Pedagogical Institute for Foreign Languages for the establishment of a training center for Russian language personnel. The agreement provides that the center will train 16 translators and 6 interpreters, the 22 candidates being selected from university graduates with some experience in the linguistic field, and in other fields useful for United Nations purposes, e.g., economic, legal, political, and scientific. The students will participate full time in a program approved by the United Nations, averaging 30 academic hours a week. They will receive a stipend during the course of the training which will cover a 10-month period from March 28. As part of their studies the trainees will translate some of the United Nations backlog

documentation, estimated provisionally at 8,500 pages during the 10 months' course. Other arrangements call for qualified teaching and administrative staff. The total costs are estimated at about $218,000 for the initial course. The Moscow Institute will provide the premises and equipment at an estimated cost of $117,000 and the United Nations the cost of teaching and administrative staff, stipends for the students and the supply of certain items of equipment for the trainees, at an estimated cost of $101,200.

It is considered desirable that provision should be made to continue these favorable arrangements in 1963, and the estimate provides for a similar 10 months' course of training for an equal number of students for that year.

OCEANOGRAPHIC ACT OF 1962—CONFERENCE REPORT

Mr. ENGLE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 901) to advance the marine sciences, to establish a comprehensive 10-year program of oceanographic research and surveys, to promote commerce and navigation, to secure the national defense, to expand ocean, coastal, and Great Lakes resources, to authorize the construction of research and survey ships and laboratory facilities, to expedite oceanographic instrumentation, to assure systematic studies of effects of radioactive materials in marine environments, to enhance the public health and general welfare, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read, for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of October 1, 1962, p. 21574, CONGRESSIONAL RECORD.)

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

There being no objection, the Senate proceeded to consider the report.

Mr. ENGLE. Mr. President, Senate bill 901, as introduced by Chairman MAGNUSON, would have authorized construction of 23 ships for basic research to be supplied oceanographic institutions and laboratories, 14 ships for fisheries research, 6 ships for applied and acoustics research by laboratories, and 18 ships for oceanographic surveys, 10 to be built for the Coast and Geodetic Survey, and 8 for the Navy Hydrographic Office. Undersea vehicles and devices, construction of additional laboratory facilities for many institutions, and acquisition and development of scientific instruments also would have been authorized.

It would have authorized funds for research grants or contracts by the Office of Naval Research, Bureau of Commercial Fisheries, National Science Foundation, Public Health Service, and the Atomic Energy Commission.

Marine and Great Lakes research activities of the Commerce, Navy, Interior, Treasury, Health, Education, and Welfare, Army, and State Departments, Atomic Energy Commission, National Science Foundation, Smithsonian Institution, and 15 bureaus, offices or services within departments would have been coordinated, reviewed, and evaluated by a Marine Science Division, to be established in the National Science Foundation.

The Division would have included scientists from both Federal agencies and non-Government institutions. Funds for education and training of marine scientists would also have been authorized.

Costs of the 10-year program over the 10-year period were estimated as slightly under $700 million, or an average of about $70 million a year.

The bill, as agreed to by the conferees, contains no authorization for funds, for construction of ships, for purchase of instruments, or for research.

What it does is to declare as a policy of the United States to develop, encourage, and maintain a long-range national program in oceanography, to be participated in by all qualified persons, organizations, institutions, agencies or entities.

To make such a policy work, the Office of Science and Technology is directed by the bill, as amended, to advance or develop a national program of oceanography, to issue a statement of national goals, methods of achieving them, and how the various agencies of Government will fit into the overall plan.

In other words, this legislation will give direction to our oceanography programs, now scattered throughout many of our Departments.

The bill would authorize an advisory committee, and it would report to the Congress yearly on the overall program, along with detailed financial information as to costs, and so forth.

One part of the bill would allow the appointment of an Assistant Director of Oceanography, in the Office of Science and Technology, at a salary of $19,000 per year.

The House insisted on this section; and we of the Senate yielded, to save the bill. We changed the language of the House, however, so as to make it clear that the establishment of such a position was not mandatory, but could be set up if the President thought it necessary. I emphasize this point—that the position need be established only if the President considers it necessary. I should say that no Government agency thought this position necessary.

With the present language, however, I urge approval of the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the amendments of the House to the bill (S. 507) to set aside certain lands in Washington for Indians of the Quinaielt Tribe.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 11099) to amend the Public Health Service Act to provide for the establishment of an Institute of Child Health and Human Development, and for other purposes.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 13175) making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PASSMAN, Mr. GARY, Mr. CANNON, Mr. TABER, and Mr. FORD were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1359. An act for the relief of Mario Rodrigues Fonseca;

H. R. 2338. An act for the relief of Kaino Hely Auzis;

H.R. 5133. An act for the relief of Nora Lee Douglas;

H.R. 6709. An act for the relief of Dr. and Mrs. Abel Gorfain;

H.R. 7432. An act for the relief of Garland G. Bishop;

H.R. 8351. An act for the relief of Anthony Joseph Calandi;

H.R. 8550. An act for the relief of Theodore Zissu;

H.R. 8728. An act for the relief of Pong Yong Jin (also known as Pang Yong Chin);

H.R. 9430. An act for the relief of Basilio King, his wife, and their children;

H.R. 9777. An act to amend Private Law 87-197;

H.R. 10089. An act for the relief of Melborn Keat;

H.R. 10178. An act for the relief of Katherina Raffaelli;

H.R. 11746. An act for the relief of Yasuko Agena and Carl William Agena;

H.R. 12217. An act for the relief of George Edward Leonard;

H.R. 12313. An act for the relief of Jane Froman, Gypsy Markoff, and Jean Rosen;

H.R. 12886. An act for the relief of Dr. Olga Marie Ferrer;

H.R. 12805. An act for the relief of Lt. Claude V. Wells;

H.R. 13013. An act for the relief of Elfriede Unterholzer Sharble;

H.R. 13072. An act for the relief of Robert O. Nelson and Harold E. Johnson; and

H.R. 13120. An act for the relief of Dorothy L. Lisette.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H.R. 8567) to authorize the Secretary of the Interior to create trial boards for the U.S. Park Police, and for other purposes, and it was signed by the President pro tempore.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or placed on the calendar, as indicated:

H.R. 1359. An act for the relief of Mario Rodrigues Fonseca;

H.R. 2338. An act for the relief of Kaino Hely Auzis;

H.R. 5133. An act for the relief of Nora Lee Douglas;

H.R. 6709. An act for the relief of Doctor and Mrs. Abel Gorfain;

H.R. 7432. An act for the relief of Garland G. Bishop;

H.R. 8351. An act for the relief of Anthony Joseph Calandi;

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H.R. 8728. An act for the relief of Pong Yong Jin (also known as Pang Yong Chin);

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H.R. 9777. An act to amend Private Law 87-197;

H.R. 10089. An act for the relief of Melborn Keat;

H.R. 10178. An act for the relief of Katherina Raffaelli;

H.R. 11746. An act for the relief of Yasuko Agena and Carl William Agena;

H.R. 12886. An act for the relief of Doctor Olga Marie Ferrer;

H.R. 12805. An act for the relief of Lt. Claude V. Wells;

H.R. 13013. An act for the relief of Elfriede Unterholzer Sharbie;

H.R. 13072. An act for the relief of Robert O. Nelson and Harold E. Johnson; and

H.R. 13120. An act for the relief of Dorothy L. Lisette; to the Committee on the Judiciary.

H.R. 12217. An act for the relief of George Edward Leonard; placed on the calendar.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. McCLELLAN. Mr. President, I address my remarks to House bill 12580, the appropriation bill for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The total amount of the appropriations provided by the bill as reported by the Senate Appropriations Committee is $2,036,808,700. This amount is $135,593,000 more than the amount voted by the House, and is $166,826,564 more than the 1962 appropriations. But it is $86,439,300 less than the total budget estimates submitted by the executive branch of the Government for consideration by the committee. I think it is a fairly good bill, and I believe it will provide sufficient funds to enable these departments and agencies to operate effectively and efficiently during the fiscal year 1963.

For the State Department, the committee recommends an increase of $116,567,000 more than the amount voted by the House. Included in this sum are two items which were not considered by the House; namely, the $100 million loan to the United Nations, which was submitted to our committee, for its consideration, on September 21, 1962, after the House had passed on the bill, and the recommendation for $11 million for the operation and maintenance of foreign buildings under the control of the State Department. The $11 million item contains $7 million in foreign currencies and only $4 million in hard dollars. We felt it necessary to recommend this amount for the purpose of carrying on the operation and maintenance of more than $200 million of buildings and properties which our Government owns overseas.

Other miscellaneous increases for the Department of State are:

First is $1,200,000 for "Salaries and expenses," which the committee felt was justified in order to provide additional funds for the purchase—it will be mainly for this purpose—of security equipment and all other miscellaneous equipment in the Department here in Washington and abroad, and for expenditures in connection with travel and home leave, rent and quarters allowances, and the purchase of furniture and supplies.

Second is $205,000 from the special foreign currency account, to purchase a site in Bombay, India, an "excess" currency country, for a new information center.

Third is $40,000 for some additional employees in the United Nations. The House has already provided for seven additional positions; and our committee felt it would be sufficient to provide for three more of the additional nine requested, to serve at the United Nations.

Incidentaly, the Department had requested 17 new employees. The House voted to provide funds for seven new employees. The Senate committee has recommended that provision be made for three more—in other words, to provide sufficient funds for a total of 10 out of the 17 originally requested, and therefore to provide $40,000 additional.

Fourth is $50,000 for the "Salaries and expenses" item under the International Boundary and Water Commission, to help defray the cost of several needed projects, investigations, and studies along the Mexican border contemplated for this fiscal year.

Fifth is $172,000 to provide the full revised budget requirements for several of the international fisheries commissions. The record shows that this money is needed, in the main, to meet the U.S. pro rata share of the expenses of these commissions.

Sixth is $3.9 million for the mutual educational and cultural exchange program. This sum, added to the $40 million allowed by the House, will provide $43.9 million in the appropriation. It was brought out during the hearings that additional carryover moneys exceeding $14 million, scheduled for obligation in 1963, would permit an exchange program in 1963 of $58,529,217. As indicated in the report, this total sum of $58.5 million would involve the expenditure of $29.7 million in hard dollars and $28.8 million in foreign currencies. This is about the same ratio of dollars to foreign currencies as was programed in fiscal 1962. The committee determined that, as a result of certain reforms recently instituted, the Department should be able to use a much larger percentage of foreign currencies in the program and also release foreign currencies for other needed activities overseas, thus saving hard dollars.

In summarizing the recommendation of $400,047,000 for the Department of State, if the U.N. bond loan of $100 million, which was not considered by the House, is excluded—and if the increased foreign currencies included in the committee's recommendation are considered—the committee's recommendation in hard dollars is only $8,262,000 over the House bill.

I think that is a pretty good record for our committee, in view of the experience we all know we have, when we are asked to make tremendous restorations after the House has acted on these measures, and when the requests are sometimes supported by very substantial justification. I think the committee has done well to hold the amount to this figure. The amount, of course, will go to conference and possibly not all be retained.

For the Department of Justice——

Mr. ELLENDER. Mr. President, will the Senator yield before he reaches the Department of Justice item?

Mr. McCLELLAN. I am glad to yield.

Mr. ELLENDER. I wish to compliment the Secretary and the other officials of the State Department for not requesting money for additional personnel in fiscal year 1963. In fact, the number of positions has been reduced from 14,015 to 13,955 or a reduction of 60 positions.

Mr. McCLELLAN. The Senator is speaking now only of the State Department?

Mr. ELLENDER. That is correct. It is especially gratifying to me to see this economy effected, even though new republics have recently been formed and it has been necessary for the Department to open quite a few new posts. I am glad to see the Department is transferring personnel from posts in Western Europe and other areas to fill positions in the new Republic of Africa and other parts of the world where new posts have been established. I believe this is the first time the State Department has presented to the Senate Appropriations Committee a program in which it has not requested additional personnel, since I have been a member of that committee. It is my fervent hope that the Department will continue to do so in the future, because I feel that further reductions can easily be made in the number of personnel in many posts in Europe and other parts of the world to fill the necessary positions that are created as a result of the establishment of new republics throughout the world.

Mr. McCLELLAN. I thank the distinguished Senator from Louisiana. I point out that in the committee report we commend the Department, the Secretary of State and his associates, for not requesting additional personnel for fiscal 1963. We commend them for that decision and their efforts for economy in that direction.

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

Mr. McCLELLAN. I am happy to yield to the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. I join in commending the chairman of the subcommittee, the Senator from Arkansas, for

the manner in which he handled the appropriation bill for the Departments of State, Justice, Commerce, and the judiciary. I have been on the subcommittee for over 10 years. We conducted the hearings in the spirit that we were going to try to keep the amount appropriated at the House level if we possibly could.

There is one item to which I believe the Senator from Arkansas did not call attention. At least, I did not hear him. The $11 million that the Senate committee provided for maintenance and operation of embassies abroad was not in the bill as it came from the House. No money is provided in the bill for the acquisition of embassies, because the authorization bill has never passed, but we provided $11 million, which is a substantial increase, for the purpose of maintaining and operating the embassies and chanceries we now have.

Mr. McCLELLAN. Yes. I thank the Senator for his complimentary references to the work of the chairman of the subcommittee. I had the wholehearted and enthusiastic cooperation of every member of the committee on both sides of the aisle, including the distinguished Senator from Massachusetts and the distinguished Senator from Louisiana, and other Senators.

I did mention the $11 million and pointed out that $7 million in that category was to be in foreign currencies, and only $4 million in hard dollars. That amount of money is necessary to maintain about $200 million worth of properties that we own in foreign countries.

For the Department of Justice, the committee increased the House allowance in only one item of $950,000 for the "Buildings and facilities" of the Federal prisons system. This sum will enable the Department to go forward with the design and site preparation work for a new psychiatric center in North Carolina, for which $250,000 in planning money was provided last year. The Department indicated that only $950,000 of the original budget estimate of $1,350,000 was necessary at this time, as a site of 1,000 acres has been donated by the State to the Department. The House committee apparently had deferred action on the item because no site had been selected at the time of the House hearings.

Now that the site has been selected and North Carolina has so generously and graciously donated a suitable site for the location of the facilities, we believe that not to provide the money now would only delay the project for a year or more. Three years are required to plan and complete the project. The committee felt there was no need for such delay, and that the construction of the facility should be expedited. Therefore we have submitted this increase over the amount the House allowed for the Justice Department.

I think the Justice Department should be commended in this regard for trying to hold down expenditures and for not making requests for restoration over and above the House allowances.

Mr. JORDAN of North Carolina. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to the distinguished Senator from North Carolina.

Mr. JORDAN of North Carolina. I appreciate very much being yielded to by the chairman of the committee on this particular item, because it is one with respect to which I am very much interested. As the Senator has said, it was previously omitted entirely for the reason that the language stated "for acquisition of site and planning," which at that time had not occurred. There was a request for $1,350,000.

The State of North Carolina has provided 1,000 acres of land, which is developed with sewers, water, lights, and so on, valued at $400,000.

The Bureau of Prisons and the Justice Department have told me personally that $950,000 is all that is now needed.

Mr. McCLELLAN. That would be adequate for this year.

Mr. JORDAN of North Carolina. That would be adequate for this year. I appreciate very much the inclusion of the item, because this is a very worthwhile project. It is to be located in an ideal spot. The Duke University Medical Center has a psychiatric department. The State of North Carolina maintains a hospital in this same locality, at the old Camp Butner. The Federal Government has a Veterans' Administration hospital, which includes a psychiatric department, only some 12 miles away.

Mr. President, I ask unanimous consent to have printed in the RECORD my statement on this item.

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

STATEMENT BY SENATOR JORDAN OF NORTH CAROLINA

I would like to call attention to one section of the bill before us which provides for the appropriation of $950,000 for planning and other work on the construction of a new psychiatric hospital for the Bureau of Prisons.

It has been long recognized among those who are familiar with our Federal prisons system that there is an urgent need for the construction of such a hospital to supplement the present facilities located at Springfield, Mo.

More and more inmates of our Federal prisons are receiving psychiatric diagnosis and treatment, and there has been an increasing trend in recent years in the number of persons charged with crimes being referred to the Bureau of Prisons for psychiatric observation and care. I think the statistics will show that the workload is now overwhelming and we are in urgent need for additional facilities.

The Appropriations Committee has provided for $950,000 to begin work on such a hospital, and the Justice Department has announced that it will be located in North Carolina.

I am very familiar with the preliminary work that has been done in connection with locating the hospital in North Carolina, and the site that has been selected is ideal for this purpose. The site is located at Butner, N.C., where the State of North Carolina now has a large unit of the State mental hospitals system, and it is only a few miles away from the Duke University Medical Center and the Veterans' Administration hospital in Durham, and the University of North Carolina Medical Center at Chapel Hill.

All three of these institutions carry on extensive clinical and research work in prevention and cure of mental illness and I know it will mean a great deal to the proposed Federal hospital to have these medical centers nearby and anxious to cooperate in every way possible.

The House of Representatives did not include funds in its appropriations bill for this this project because it was not aware of the fact that a site had been selected at the time the bill was acted upon earlier this year. Several months ago the State of North Carolina made available to the Bureau of Prisons a total of 1,000 acres of land free of charge at Butner for the proposed hospital site. At this time everything is in complete readiness to begin work on the hospital, and as a result of the State of North Carolina donating the site it has reduced the total cost of the hospital by about $400,000, which amount was originally requested by the Department of Justice for land acquisition.

I think it is of utmost importance that favorable action be taken on this matter, and I hope that the Senate will approve the funds for this hospital and that the House of Representatives will concur.

Mr. McCLELLAN. I congratulate the State of North Carolina and the distinguished Senators from North Carolina for their alertness and aggressiveness, and for all the other talents which they employed to induce the Department to select North Carolina for the location of this fine institution.

Mr. JORDAN of North Carolina. The 1,000 acres of free land were pretty good bait.

Mr. McCLELLAN. I congratulate the Government for being able to persuade North Carolina to make such a generous donation.

THE JUDICIARY

Mr. President, for the judiciary, only one item was requested restored and that related to the appropriation "Fees of jurors and Commissioners." The request was $1,500,000, of which $300,000 would be used to defray outstanding obligations from 1962 and the balance for increased juror costs in 1963. The committee felt that $1,300,000 would be sufficient at this time, instead of the $1,500,000 requested, since most every year, a supplemental has been requested for this item, and the increased costs resulting from the activities of additional judges cannot definitely be determined until the elapse of additional time into the fiscal year.

U.S. INFORMATION AGENCY

For the U.S. Information Agency, the committee recommends $129,500,000 in dollars and foreign currencies for "Salaries and expenses." This is the same amount as provided in the House bill. It is $8.2 million, or 7 percent more than the 1962 appropriation of $120.8 million, but $5.5 million less than the budget estimate of $134.5 million. The House bill provided 630 positions over the 1962 base of 11,403. The Agency requested restoration of $35 million and 140 positions. The committee denied the request because it believed the Agency would have sufficient funds under the House allowance of $129,500,000 for a well-balanced program in 1963, including the expansion of essential programs for high priority areas.

The committee was disturbed about the manner in which the Agency had distributed the allowances under the

House bill. The committee was impressed by the testimony for expanding the program in certain areas. However, some of the members felt that if funds, personnel, and functions were reduced in certain areas, such as the countries of Western Europe and transferred to areas of higher priority, the necessary expansion could be accomplished within the funds available. Even the U.S. Advisory Commission on Information, in its recent report, said that too many USIS posts attempt to use all media rather than concentrating on those fewer media and programs best suited to the particular country or area. The Commission urged that only those media be used that are effective and applicable and that all marginal programs be eliminated. The committee believes that more funds and personnel are not as crucial a factor in the Agency's activities as a more discriminating use of its available resources.

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

Mr. McCLELLAN. I yield to the distinguished Senator from Louisiana.

Mr. ELLENDER. In addition to what the distinguished chairman of the subcommittee has stated, I point out that when the House cut was presented to the Senate committee there was no deduction indicated either for Western Europe or for Eastern Europe. The House deductions were allocated by the USIA to the Far East, Africa, the Near East, and south Asia, as well as Latin America and the World Wide Missions. It seems to me that the new and emergent requirements of the underdeveloped countries should take priority over what we do in Europe.

The chairman will recall that when we provided the appropriations last year we suggested that Mr. Murrow should reduce the personnel in Western Europe and transfer these employees to the new areas which are now attaining independence. He made a small reduction but not nearly enough, in my humble opinion. It is my belief that if such a course were pursued a much better job could be done.

As I have pointed out on many occasions, it seems silly to me to carry on all programs in all areas of the world. I believe we should employ the rifle approach rather than the shotgun approach to many programs which could be employed profitably in Africa but have no application in Western Europe and vice versa.

It strikes me that we could do a better job in this way. For example we could eliminate a great deal of money which has been spent and is being spent for expensive libraries and information centers in France, England, Germany, and other countries of Western Europe.

If this procedure were employed, I am confident the money we appropriate would be more than ample to accomplish the objectives of the USIA.

Mr. McCLELLAN. I thank the distinguished Senator. I do not think there is any question that some of the program could be dispensed with in areas in where there is no longer a great need, to say the least, and that the personnel could be transferred into the higher priority areas, where possibly more effort is needed than is now being made.

For the "Special international exhibitions" appropriation, which provides funds for exhibitors, trade fairs, and labor missions, the committee recommends the appropriation of $7,474,000. This is $126,000 below the House allowance and represents a saving in the appropriation from prior year funds which the Department advised the committee was available for 1963 expenditures. No funds are included in this appropriation for trade missions, as was proposed in the House bill in the amount of $553,700, in view of the action recommended by the Commerce subcommittee that the funds for the trade missions item, in the amount of $750,000, be included under the Commerce Department.

For "Acquisition and construction of radio facilities," the committee recommends the appropriation of $8,750,000 instead of $10,750,000 provided by the House bill. This is a no-year appropriation and testimony brought out at the hearings revealed that the Agency would be unable to obligate more than $8,750,000 this year.

For the "Informational media guarantee program," the committee recommends the appropriation of $1 million instead of the $1.5 million in the House bill and the $4,300,000 in the budget estimate. Under the Senate recommendation, the Agency can guarantee contracts for fiscal year 1963 of approximately $4.7 million, which is comparable to a figure of $4.8 million in 1962.

Mrs. SMITH of Maine. Mr. President, the bill we are recommending to this body today for its consideration is, I believe, a good bill. The subcommittee hearings on H.R. 12580, a copy of which is on every Member's desk, containing approximately 1,500 pages of testimony, is conclusive evidence that the subcommittee judiciously considered the items for which the departments were seeking funds for the fiscal year 1963 budget. Also I must say that those items reduced by the House were thoroughly reviewed as to reasons for restoration.

Mr. President, I will not take the time of my colleagues to go over each item in the bill, because the chairman has already covered this matter in great detail, and each Member has a copy of our report, which details the amounts of money recommended by our committee.

As the ranking minority member on the State, Justice, Commerce, the Judiciary, and related agencies appropriation bill, I want to take this opportunity to congratulate the chairmen of the subcommittees, the senior Senator from Arkansas [Mr. McCLELLAN] and the senior Senator from Florida [Mr. HOLLAND] for the excellent leadership they displayed throughout the course of the hearings and the markup of the bill. It was indeed a great pleasure to be associated with them throughout our deliberations on this appropriations bill.

I also commend most highly the work of the staff members, without whom we could not have completed our work.

Mr. McCLELLAN. I thank the distinguished Senator from Maine, who has been most cooperative and helpful in the processing of the appropriation bill.

I am happy to yield now to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, I join my colleagues in the Senate in expressing the commendation of the members of the subcommittee for the excellent service rendered by the Senator from Arkansas with reference to appropriations for the Department of State, the Judiciary, and the Department of Justice.

One item meets with special gratification insofar as the Senator from Nebraska is concerned. That is the psychiatric hospital, construction of which is to commence this year. As a member of the Judiciary Committee's Subcommittee on National Penitentiaries, I have over the past few years seen overwhelming evidence that a new psychiatric hospital for Federal prisoners was a paramount need of our prison system. Most of the Federal institutions which I have inspected do not have adequate facilities and personnel for the psychiatric treatment and care of mentally ill prisoners. Yet these institutions, already overcrowded with commitments from the courts, are forced to retain more than 1,000 mentally ill prisoners for whom proper facilities were lacking.

The Federal system, as a matter of fact, has only one hospital for those prisoners who should receive specialized psychiatric and medical care. This institution, the Medical Center for Federal Prisoners, at Springfield, Mo., can accept less than 50 percent of the total number of prisoners who should be receiving professional care. As a 30-year-old plant, it lacks many facilities and those which it does have cannot easily be adopted to a modern treatment program.

Upon learning that new psychiatric facilities for Federal prisoners were particularly required in the East, the State of North Carolina offered to donate a 1,000-acre site for the proposed hospital. The site, in the Raleigh-Durham area, proved to be ideal for the purpose. It is located near three outstanding medical schools—Duke University, the University of North Carolina, and Bowman-Gray—and other consultative services in the fields of law, social work, psychology, and education are also available.

This donation made possible a substantial economy to the Government. The original estimate for the acquisition of the site and architectural planning amounted to $1,350,000. But because of the donation of the site, this estimate was scaled down to $950,000. The current appropriation for the Departments of State, Commerce, and Justice, contains this item.

The location of the hospital in North Carolina will bring human and economic gains for the State, and it will also benefit the rest of the Nation. The hospital will engage in extensive research into abnormal behavior, a subject about which we know very little. This research can be undertaken at the same time that psychiatric treatment is being afforded

the prisoner patients. The new psychiatric hospital, together with the complex of universities in the area, will eventually become a major center for mental research and rehabilitation. The techniques and knowledge to be developed there should have tremendous social implications for the welfare and safety of our citizens and their property. The Nation, in my opinion, owes a debt of gratitude to North Carolina and its two distinguished Senators, SAM ERVIN and EVERETT JORDAN, for their cooperation in helping to resolve a critical problem of our Federal prisons.

Mr. McCLELLAN. I thank the distinguished Senator from Nebraska. I wish to express my appreciation for his cooperation and assistance.

The distinguished Senator from Florida [Mr. HOLLAND], chairman of the Commerce Department and Related Agencies Subcommittee, held hearings on those aspects of the bill. I would appreciate it very much if the Senator would give an explanation of the Commerce Department and Related Agencies appropriations. I am glad to yield to the distinguished Senator from Florida.

Mr. HOLLAND. Mr. President, I thank the Senator from Arkansas, my chairman, for yielding. I express to him my appreciation for his many courtesies as we have worked on the provisions of the pending bill. I am also deeply appreciative of the kind remarks made by the Senator from Maine [Mrs. SMITH].

I shall not make a separate report on the agencies related to the Department of Commerce, which are covered in title V of the bill, along with certain agencies which are related to those parts of the bill and those departments upon which hearings were conducted by the Senator from Arkansas. I believe it is unnecessary to make a special statement relative to that part of the bill, title V, which came from the particular subcommittee of the subcommittee over which I presided.

For title III, Department of Commerce, the committee recommends a total of $800,447,000 and, in addition, as proposed in the House bill, appropriations of $3,251,200,000 from the highway trust fund. Contained in the report will be found the items where the committee has recommended changes from the House bill. The principal changes would include $14,200,000, for a total of $64,200,000 for ship construction, Maritime Administration. This amendment would provide for a modification of the planned 18-ship replacement program to have a more balanced program and better meet requirements in the trade routes and companies concerned.

In effect, this transfer of ship replacements is from the Atlantic shipping merchant fleet to the Pacific fleet, and provides for the same number of ships, but for the construction of larger ships by way of replacements in the Pacific because they are required by the nature of the trade there.

The Weather Bureau increases in salaries and expense provide $1,826,000 and include provision for specialized agricultural weather services in several areas. The international activities show an increase of $1,800,000 over the House bill, recommended to make provision for trade missions and additional trade and industrial exhibits. The committee considered and recommends additional funds in the amount of about $1 million requested in the Business and Defense Services Administration and in the Census Bureau for programs relating to the 19-nation long-term cotton textile arrangements.

Another item handled under the Department of Commerce and certain related agencies, the subcommittee of which I am chairman, that I am sure will be of interest to the Members of the Senate is committee recommendation of $300 million for the revolving fund, Small Business Administration. This amount as provided in the House bill is recommended without amendment. In accordance with the usual practice in committee reports relating to changes from the House bill, this matter is not written up in the report, but appears in the summary tables at its conclusion and, of course, appears in the bill without change.

By way of summary, title III appropriations for the Department of Commerce are recommended in the amount of $800,447,000, which represents an increase of $18,752,000 over the House bill. At the same time, the amount recommended is $31,158,936 less than the appropriations for fiscal 1962, and $35,652,000 less than the budget estimates.

Mr. President, my distinguished colleague in the Senate, the ranking minority member, the Senator from Maine [Mrs. SMITH] proposed an amendment to the bill, known as section 304. It is fully described and set forth verbatim on page 21 of the committee report. I shall be glad to move for the adoption of the amendment, but I shall be glad, also, to yield to the Senator from Maine for any discussion of the amendment that she wishes to offer at this time.

The PRESIDING OFFICER. The committee amendments have not been agreed to.

Mr. HOLLAND. I am requested to withhold my offer until the committee amendments are agreed to en bloc.

I ask unanimous consent that they may be agreed to en bloc, without destroying the right of any Senator to raise a point of order, and at the same time taking action to make the bill in effect an original bill, subject to amendment.

Mr. McCLELLAN. I was about to propose a unanimous-consent request with respect to the entire bill. Is the Senator from Florida asking only with respect to the Department of Commerce title?

Mr. HOLLAND. I was asking only with respect to the Department of Commerce title; but I shall be glad to yield to the chairman of the subcommittee to make the same request for the entire bill.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, with the exception of the committee amendment on page 42, after line 16, to insert a new section; that the bill as thus amended be regarded for purposes of amendment as original text; provided, that no point of order shall be considered to have been waived by reason of the agreement to this order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the committee amendments are agreed to en bloc.

The committee amendments agreed to en bloc are as follows:

On page 3, at the beginning of line 16, to strike out "$140,710,000" and insert "$141,910,000".

On page 4, after line 6, to insert:

"OPERATION AND MAINTENANCE OF BUILDINGS ABROAD

"For necessary expenses of maintenance, operation, repair, and payment of leaseholds of properties acquired pursuant to the Foreign Service Buildings Act, 1926, as amended (22 U.S.C. 292–300), including personal services in the United States and abroad; salaries, expenses and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), $11,000,000, of which not less than $7,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States, to remain available until expended: *Provided*, That not to exceed $1,323,000 may be used for administrative expenses during the current fiscal year."

On page 5, line 6, after the word "expended", to strike out "$2,000,000" and insert "$2,205,000".

On page 6, line 10, to strike out "$2,250,000" and insert "$2,290,000".

On page 7, after line 4, to insert:

"LOANS TO THE UNITED NATIONS

"To enable the President to provide for a loan to the United Nations, as authorized by law, $100,000,000, to remain available until expended."

On page 8, line 11, after the word "investigations", to strike out "$620,000" and insert "$670,000".

On page 11, line 12, after the word "Congress", to strike out "$1,910,000" and insert "$2,082,000".

On page 12, line 1, after the word "exceed", to strike out "$1,000" and insert "$2,500"; at the beginning of line 6, to strike out "$40,000,000" and insert "$43,900,000"; in the same line, after the word "than", to strike out "$9,515,000" and insert "$14,515,000", and in line 9, after the word "exceed", to strike out "$1,732,000" and insert "$1,932,000".

On page 21, line 4, after the word "institutions", to insert "and for planning, site acquisition, and commencing construction of a new psychiatric institution", and in line 7, after the word "account", to strike out "$2,595,000" and insert "$3,545,000".

On page 23, line 7, after the word "exceed", to strike out "$1,500" and insert "$2,000", and in line 8, after the word "entertainment", to strike out "$3,700,000" and insert "$3,900,000".

On page 24, line 10, after "(75 Stat. 53)", to strike out "$115,480,000" and insert "$115,050,000".

On page 24, line 21, after "(22 U.S.C. 401)", to strike out "$3,480,000" and insert "$3,735,000"; in line 22, after the word "exceed", to strike out "$1,237,000" and insert "$1,337,000", and on page 25, line 1, after the word "exceed", to strike out "$80,400" and insert "$120,400".

On page 25, line 9, after the word "possessions", to strike out "$3,400,000" and insert "$3,430,000".

On page 25, line 14, after the word "Administration", to strike out "$4,600,000" and insert "$4,940,000, of which not to exceed $20,600 may be transferred to the appropriation 'Salaries and expenses, General Administration' for necessary legal support."

On page 25, line 21, after the word "centers", to insert "trade missions"; on page 26, line 8, after the word "exceed", to strike out "$10,000" and insert "$20,000"; in line 9, after the word "abroad", to strike out "$6,500,000" and insert "$8,300,000", and in the same line, after the amendment just above stated, to insert a colon and "*Provided*, That the provisions of section 105(f) and 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (Public Law 87-256) shall apply in carrying out the activities concerned with exhibits and missions."

On page 26, line 25, after the word "abroad", to strike out "$3,350,000" and insert "$3,950,000".

On page 27, line 9, to strike out "$12,250,000" and insert "$12,598,000".

On page 28, after line 6, to insert:

"EIGHTEEN DECENNIAL CENSUS

"The time limitation under this head in the General Government Matters, Department of Commerce, and Related Agencies Appropriation Act 1962 is changed from 'December 31, 1962' to 'June 30, 1963'."

On page 28, at the beginning of line 22, to strike out "$21,500,000" and insert "$22,750,000".

On page 29, line 13, after the word "expended", to insert a colon and "*Provided*, That appropriations granted under this heading shall be available for completing payments on the construction contract for the Coast and Geodetic Survey ship Surveyor."

On page 30, line 12, after the word "expended", to strike out "$50,000,000" and insert "$64,200,000".

On page 31, line 1, after the word "Commission", to strike out "$225,000,000" and insert "$220,400,000".

On page 31, at the beginning of line 14, to strike out "$3,550,000" and insert "$5,500,000".

On page 35, line 5, after the word "Patents", to strike out "$25,860,000" and insert "$27,193,000".

On page 36, line 10, after the word "or", to strike out "construction" and insert "reconstruction".

On page 36, line 22, after "(75 Stat. 670)", to insert "to remain available until expended,".

On page 38, at the beginning of line 6, to strike out "$4,000,000" and insert "$2,000,000".

On page 39, line 7, after the word "law", to strike out "$1,000,000" and insert "$500,000".

On page 40, line 16, after the word "law", to strike out "$58,250,000" and insert "$60,076,000."

On page 40, line 20, after the word "equipment", to insert "purchase of two aircraft;"; in line 23, after the word "equipment", to strike out "$10,000,000" and insert "$11,500,000"; and on page 41, line 1, after "June 30, 1965", to insert a colon and "*Provided*, That appropriations granted under this head, in the fiscal year 1962, shall be merged with this appropriation."

On page 41, line 8, after the word "land", to strike out "$4,000,000" and insert "$4,650,000".

On page 47, line 7, after "(74 Stat. 86)", to strike out "$4,500,000" and insert "$5,800,000", and in line 8, after the amendment just above stated, to insert a colon and "*Provided*, That $300,000 of the foregoing amount shall be available for the payment of obligations incurred under the appropriation for similar purposes for the preceding fiscal year."

On page 51, line 23, after "(5 U.S.C. 2131)", to strike out "$2,100,000" and insert "$2,700,000".

On page 54, line 20, after the word "individuals", to strike out "$2,900,000" and insert "$2,950,000".

On page 56, line 9, after the word "exceed", to strike out "$500" and insert "$2,500".

On page 59, line 21, after "(75 Stat. 527)", to strike out "$7,600,000" and insert "$7,474,000"; in line 23, after the word "of", to strike out "$10,550" and insert "$15,550"; and on page 60, line 2, after the word "labor", to strike out "and trade".

On page 61, line 2, after the word "otherwise", to strike out "$10,750,000" and insert "$8,750,000".

On page 61, line 15, after "(22 U.S.C. 1442)", to strike out "$1,500,000" and insert "$1,000,000".

Mr. HOLLAND. Mr. President, I advert to section 304, which I had mentioned; and I yield again to the distinguished senior Senator from Maine, the author of that amendment, which she may wish to discuss.

Mrs. SMITH of Maine. Mr. President, I wish to present an explanation of the language amendment which I proposed, and to which the chairman of the Subcommittee on Department of Commerce Appropriations has referred.

The committee has approved the amendment for inclusion in the bill, as a part of section 304, page 42, line 17 through line 23. The amendment would direct the Bureau of the Budget to include special matter in the budget document identifying the specific components of the total Federal meteorological activities.

In the course of my service on various appropriations subcommittees, I have found that from time to time the requests for funds involve a multiplicity of agencies engaged in the same or similar activities. When this question of sameness—possible duplication, perhaps—is explored, the responses generally indicate less than adequate familiarity on the part of the witnesses present with apparently similar activities of some other agency whose review is under another subcommittee's jurisdiction.

It seems to me that it would be helpful to insure that the totality of some of these dispersed activities should be presented in some such fashion as to insure a better understanding and appreciation of the relationships, magnitudes, and financial requirements.

I have noted that the budget document transmitted to the Congress in January each year carries a special analyses section. These special analyses include summarizations, among others, of Federal credit programs, Federal activities in public works and other construction, Federal research and development programs, Federal aid to State and local governments, and principal Federal statistical programs. It is possible with respect to these summaries to obtain a rather clear delineation of the total Federal activity and the relativity as distributed by agency. It presents, in effect, a thumbnail analysis.

I had occasion during the consideration of S. 901, relative to oceanography, to propose, and have approved by the Senate, an amendment which directed the Bureau of the Budget to submit with the budget document certain consolidated summary detail relating to the oceanographic activities. I am pleased to see that in the preparation of the 1963 budget document the Bureau of the Budget has seen fit to include in the Federal research and development program analysis a special section giving valuable summary detail relating to obligations of Federal agencies for oceanographic research and surveys. I am not so vain as to assume that the inclusion of this matter is pursuant to my interest in this subject, but regardless of the reason, I would commend the Bureau of the Budget for the inclusion of this new matter, and trust that it will be a continuing feature.

In my judgment, it would be helpful to have this section on oceanography improved by the inclusion of subsidiary data identifying within the major agencies, like Commerce, Interior, or others, the bureaus or offices assigned these responsibilities—Coast and Geodetic Survey, Fish and Wildlife Service, and so forth.

In the course of hearings in recent years, it has been a matter of continuing concern to the subcommittees having review jurisdiction of Weather Bureau programs to be informed and knowledgeable with respect to the total meteorological effort. In the course of the hearings, the subcommittees were invariably told that the various efforts were coordinated, interagency committees were effecting liaison, and that no duplication of effort existed. However, significant detail did not always appear to be readily available. It was particularly helpful to me to receive the results of a survey of Federal meteorological activities made by the Bureau of the Budget in March 1962, following the request for such data by the House Committee on Appropriations. This survey indicates that 15 agencies are engaged in meteorological activities involving either operations or research and development.

The summary of the findings, which it might be well to insert in the RECORD, indicate the desirability of providing for special treatment in the budget document in such a way as to assist the congressional committees in their annual review, as well as to help the agencies in relating their own meteorological activities with those being conducted elsewhere in the executive branch. Of course, it would also be useful to the Bureau of the Budget in their annual review of the meteorological programs of the various agencies.

It is my sincere belief that this would assist members of the Appropriations Committee to more effectively fulfill their responsibilities and would provide within the executive branch a method of examining the meteorological programs in their totality so that identical, similar, or overlapping functions can be detected and, in all probability, corrected by the executive branch.

I will look forward to this special analyses material relating to meteorology and confidently expect that it will make possible reviews to secure meaningful information relating to coordination of activities; the cooperation of participants; the placing of responsibility for results; and the most effective use of total resources. It is my hope that this could result subsequently in the development of similar treatment for other Federal activities which might benefit from review and scrutiny that includes an understanding of the totality as well as familiarity with the components.

In March 1962 the Bureau of the Budget, as a result of a request by the House Committee on Appropriations, submitted a "Survey of Federal Meteorological Activities." I ask unanimous consent that the findings of this survey be printed at the close of my remarks with respect to my amendment.

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

FINDINGS

1. Fifteen agencies are engaged in significant meteorological activities involving either weather service operations, or research and development, to support their various missions.

Operations: Extensive weather services are operated by the Weather Bureau to meet basic national needs and by the Navy and the Air Force to meet specialized needs in support of their respective missions. The Federal Aviation Agency operates a communications system for the Weather Bureau and participates in weather observation and pilot briefing programs. The Coast Guard makes weather observations which are utilized by the weather services.

Research and development: Fourteen agencies support research and development programs in meteorology. While the National Science Foundation supports research to advance fundamental knowledge as a national resource the remaining agencies conduct research and development programs to resolve problems affecting or related to their respective primary missions. The meteorological satellite programs of the National Aeronautics and Space Administration account for most expenditures in this category. The agencies supporting research and development programs are: Agriculture; Atomic Energy Commission; Bureau of Standards and Weather Bureau of the Department of Commerce; Advanced Research Projects Agency, Army, Navy, and Air Force of the Department of Defense; Federal Aviation Agency; Health, Education, and Welfare; Geological Survey and Bureau of Reclamation of the Department of the Interior; National Aeronautics and Space Administration, and the National Science Foundation.

2. The conduct of meteorological activities is fundamentally affected by the fact that meteorology deals with physical phenomena which are simultaneously global and local in nature.

The needs of the general public, national defense, and such elements of the economy as aviation and agriculture cumulatively require weather information on a broad scale. The data must be collected, analyzed, and distributed on a round-the-clock basis, around the globe, and irrespective of national boundaries. At the same time that knowledge of broad scale phenomena is needed, critical variations in weather occur at locations often within a few miles of each other, thereby requiring local meteorological facilities and services.

3. Collection and distribution of data require extensive cooperative arrangements among Federal agencies.

As much data as possible must be collected in the United States and abroad, and be fed into the process of analysis and distribution. Consequently, foreign governments interchange information with the United States and with each other. Similarly, within this country it is necessary continually to obtain, analyze and distribute weather information from and to a large number of locations involving both Federal and nongovernmental organizations. The total volume of data is immense, and considerations of economy call for the cooperative efforts of those agencies which possess the needed geographic distribution of personnel and facilities. For example, data transmission is mainly handled by agencies already performing communications functions. Dissemination of specialized weather information to users commonly utilizes the most effective available communications media and facilities.

4. There is a need for a central agency to provide basic weather services common to the requirements of all agencies.

The Weather Bureau now has the basic responsibility, recognized by all users, to provide those weather services which can best be furnished centrally. The extensive weather services of the military agencies stem from their requirements to augment the basic weather data, provided by the Weather Bureau, to meet specialized uses, particularly for strategic and tactical air and sea missions.

5. A central meteorological service cannot feasibly perform all meteorological activities for all agencies.

The internal meteorological requirements of some agencies are so highly specialized and enmeshed with their basic missions that they cannot be effectively met by a central agency. Concentration of responsibility for specialized meteorological activities in such agencies facilitates effective programing responsive to agency needs. Finally, the value of some meteorological programs can often be more readily recognized when closely identified with the mission which they support.

6. While the central meteorological agency is not vested with legal responsibility for planning and coordinating all aspects of meteorology the cooperation between the agencies concerned produces considerable cohesiveness of effort.

In essence, the present Federal weather service program is the sum of plans and efforts by the major weather operations agencies which do achieve a considerable degree of integration of efforts through interagency mechanisms established for this purpose. Such integration is encouraged by the inherent nature of the problems and the techniques used to cope with them.

As in all fields of science having broad application to many Federal programs, R. & D. in meteorology is being pursued through a variety of approaches by a number of agencies. The Federal Council for Science and Technology, with the aid of its subcommittee on atmospheric sciences and outside advisers, reviews the Federal R. & D. programs and facilitates coordination. Cooperative arrangements are worked out through this and other interagency coordinating mechanisms.

7. Except for the concept of a central service agency embodied in the statutes concerning the Weather Bureau, the present organization of meteorological activities is the result of historical development based on ad hoc accommodations to needs and to scientific and technological advances.

Existing organizational arrangements do not reflect any preconceived plan but, rather, represent pragmatic adjustments to meet changing needs. The national security exigencies of World War II and of the present cold war have been the major factors influencing the existing alinement of organizational responsibilities.

8. Pressures now being exerted by scientific and technical advances within and upon the field of meteorology and the accelerating growth of expenditures will require strengthening of existing arrangements for planning and coordinating meteorological programs. Man is now acquiring tools to grapple with the cosmic nature of meteorology. These tools provide greater capacity to collect, analyze, and disseminate knowledge. Often scientific and technical advances from outside meteorology, as in space and aviation, are providing new tools for that field, but such advances also introduce new requirements for meteorological support. While scientists agree that meteorology has been a neglected field of research they expect that future successes will come slowly after much work exploring a variety of approaches. To prevent wasteful proliferation of Federal meteorological programs, it is necessary to satisfy the various users of weather data that their interests are being met within the capability of the meteorological sciences and the limitations of available resources. Thus, it becomes even more essential to take all necessary measures to assure that meteorological programs are soundly conceived and effectively coordinated.

DATA ON SCOPE OF FEDERAL METEOROLOGICAL ACTIVITIES

The quantitative data on funding, personnel and facilities, contained in this report, were compiled from information furnished by the agencies concerned. There was some variation among agencies in interpretation of the scope of each activity as well as differences in fiscal accounting and man-year interpolation of data. Thus, while the total figures for agencies are quite representative, comparisons of specific programs should be considered in the light of these qualifications.

OVERALL EXPENDITURES

Budget funds for Federal agencies in fiscal year 1963 include approximately $326 million for meteorology. Of this amount $217 plus million are for operation of weather services and $108 plus million for research and development. Included in total funds are approximately $90 million for meteorological satellites, both operational and R. & D.

Total estimated budget funds, fiscal year 1962 and fiscal year 1963

[In thousands]

Agency	Operations		Research and development		Total	
	Fiscal year 1962	Fiscal year 1963	Fiscal year 1962	Fiscal year 1963	Fiscal year 1962	Fiscal year 1963
Agriculture			$960	$1,400	$960	$1,400
Atomic Energy Commission			4,440	4,660	4,440	4,660
Commerce:						
Bureau of Standards			210	250	210	250
Weather Bureau	$105,850	$105,890	9,000	11,500	114,850	117,390
Department of Defense	(87,690)	(93,540)	(19,980)	(26,340)	(107,670)	(119,880)
Advanced Research Projects Agency			1,000	2,000	1,000	2,000
Army	1,040	1,040	7,140	9,700	8,180	10,740
Navy	25,240	25,500	3,140	3,920	28,380	29,420
Air Force	61,410	67,000	8,700	10,720	70,110	77,720
Federal Aviation Agency	17,460	17,900	3,940	1,560	21,400	19,460
Health, Education, and Welfare			4,080	4,760	4,080	4,760
Interior:						
Geological Survey			260	260	260	260
Bureau of Reclamation			440	410	440	410
National Aeronautics and Space Administration			50,800	45,800	50,800	45,890
National Science Foundation			5,450	11,750	5,450	11,750
Treasury (Coast Guard)	290	290			290	290
Total	211,290	217,620	99,560	108,780	310,850	326,400

NOTE.—Not all fiscal year 1962 funds are expended within the fiscal year.

Mr. HOLLAND. Mr. President, I thank the Senator from Maine. I shall be glad to move the adoption of the amendment, or to yield to the Senator from Maine to do so.

Mrs. SMITH of Maine. I shall be pleased to have the chairman move the adoption of the amendment.

Mr. HOLLAND. Mr. President, I move the adoption of the amendment, which is a committee amendment, but comes up separately because it is legislation, but such helpful legislation that the full committee felt it should be adopted. I hope the amendment will be accepted and approved by the Senate.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 42, after line 16, it is proposed to insert a new section, as follows:

SEC. 304. The Bureau of the Budget shall provide the Congress, in connection with the budget presentation for fiscal year 1964 and each succeeding year thereafter, a horizontal budget showing (a) the totality of the programs for meteorology, (b) the specific aspects of the program and funding assigned to each agency, and (c) the estimated goals and financial requirements.

Mr. PROXMIRE. Mr. President, this sounds like an excellent amendment. I shall raise no opposition to it. My only reason for rising is to make certain that the adoption of the amendment will not foreclose my offering of a subsequent amendment to title 3, dealing with an amount to be appropriated.

My parliamentary inquiry is, Will my right to amend the Maritime Administration section of title 3 be in any way adversely affected by the action taken on this amendment?

Mr. HOLLAND. Mr. President, certainly that is not the intention of the author of the amendment or of the committee. What we wish to do is to have positive, affirmative legislation requiring a showing of all the meteorological programs of the Nation, because they do not all appear in one place.

Mr. PROXMIRE. I enthusiastically share that view. It seems to me that this amendment would not bar my amendment; but I wanted to make certain.

The PRESIDING OFFICER. In reply to the question of the Senator from Wisconsin, the acceptance of section 304 now would preclude further amendment to that section.

Mr. PROXMIRE. To section 304?

The PRESIDING OFFICER. To section 304 alone.

Mr. PROXMIRE. Would it affect the Maritime Administration section?

The PRESIDING OFFICER. That is a question of substance and not a parliamentary inquiry.

Mr. PROXMIRE. Mr. President, I ask specifically if this question is in order: Would my amendment designated "10–2–62—B," which is pending, be in order after the adoption of the amendment offered by the Senator from Florida?

The PRESIDING OFFICER. That amendment would not be affected, because it appears on a different page of the bill.

Mr. PROXMIRE. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 42, after line 16, to insert a new section, section 304.

The amendment was agreed to.

Mr. HOLLAND. I thank the Presiding Officer. I want to make it very clear that the amendment was approved in committee at the same time the other committee amendments were approved. I wished to have the Senate clearly understand that this is a legislative amendment and was so regarded by the offerer, the Senator from Maine [Mrs. SMITH], and by the full committee; and that it was unanimously approved by the Committee on Appropriations in such a way that we could have asked for a waiver of the rule. That is the only reason why I wanted the action on the amendment to be taken separately.

Mr. ENGLE. Mr. President, I call up my amendment which is at the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 26, line 9, it is proposed to strike out "$8,300,000" and insert in lieu thereof "$8,300,000, of which $2,100,000 shall remain available for trade and industrial exhibits until June 30, 1964."

Mr. ENGLE. Mr. President, I have discussed the amendment with the Senator from Florida [Mr. HOLLAND], the Senator from Maine [Mrs. SMITH], and the Senator from Massachusetts [Mr. SALTONSTALL].

The proposed amendment makes a single change in the appropriation for International Activities in the Department of Commerce.

This might be termed a technical amendment, as it does not require any additional funds, but simply extends to the Commerce Department the same no-year funds authority that has been granted to the U.S. Information Agency. The new language states that of the total amount appropriated, $2,100,000 shall remain available for trade and industrial exhibits until June 30, 1964."

The $2,100,000 is already in the amount recommended by the Committee on Appropriations—this is not new money. The change is found in giving Commerce this money as no-year funds.

The most important international trade fairs are held in the fall of the year, many coming in August and September. In order to participate in fall shows, the Department of Commerce must sign agreements for space, start construction, obtain services of designers and incur obligation for other related services at least 6 or 8 months prior to the opening of the exhibits. The exclusion of no-year availability of the funds appropriated in H.R. 12580 would make it virtually impossible to participate in fall fairs, since obligations would fall into 2 fiscal years.

Recognizing this situation, the Congress has already provided no-year fund authority to USIA. In fact, last year I introduced, and the Senate passed S. 1729, which provided like authority to the Commerce Department in mounting their own fairs.

Inasmuch as H.R. 12580 provides funds for Commerce to mount its own trade fairs, it would seem appropriate to add language authorizing the use of this money as no-year funds.

Mr. HOLLAND. Mr. President, the amendment does, of course, involve legislation; but the Senator from Florida felt it was a wise amendment, a commonsense amendment. He has discussed it with the Senator from Arkansas [Mr. MCCLELLAN], the chairman of the subcommittee; with the Senator from Maine [Mrs. SMITH], the ranking minority member of the subcommittee; and the Senator from Massachusetts [Mr. SALTONSTALL], the ranking Republican member of the full committee on Appropriations. Also, I understand that the chairman of the full Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN], has no objection to it.

I hope the amendment will be adopted and for the reasons set forth by the Senator from California [Mr. ENGLE]. It is to the advantage of the Nation to have no time limit, well ahead of the time for the commitment of funds for trade fairs and the other purposes covered by this relatively small amount, which is proper to be committed within 2 years, rather than prior to July 1 of the coming year.

The PRESIDING OFFICER (Mr. HART in the chair). The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I wish to address myself to three items in the appropriation bill. I am a new member of the committee, but it happens that we are concerned with a problem which is of the deepest interest to me. In order clearly to mark what I am seeking, I should like to speak about the U.S. Information Agency. In telling the world what we believe in and what we are doing, Uncle Sam, a great giant, has but a pipsqueak voice.

Mr. HOLLAND. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. HOLLAND. I do not wish to interupt the Senator from New York unduly, but the chairman of the subcommittee which handles items in this field is not in the Chamber.

I observe that he has returned, so I withdraw my remarks.

Mr. JAVITS. I had the honor of having him come over to listen to me. I invite the chairman to return.

This is a national fault to which I call attention namely, that Uncle Sam, the giant in production, the giant in military power, the giant in world influence, and the giant in almost all other spheres in which mankind operates, speaks to the world with a pipsqueak voice. The difference in this respect between our country and the Soviet Union is so marked as to be most alarming and dangerous.

Mr. President, money is not always a gage of power; but when we realize that we are requiring the USIA to operate with a budget of only $120,500,000, and when it is estimated that the Soviet Union spends four times as much for the sole purpose of jamming the broadcasts of the Voice of America, as USIA

spends for the Voice of America, I believe we can begin to obtain some concept of the order of magnitude.

When we begin to appreciate that a nation such as the United Arab Republic does about as much in terms of broadcasting its position and its voice as does the United States of America, there begins to be reason for alarm on our part.

Mr. President, this is not the fault of the committee. It has done its work very ably, and has brought an estimate of $125,500,000 down to $120,500,000. I am not complaining about the committee; I am complaining about the Nation and about the President's leadership. What we are doing in the USIA is completely inadequate to represent the position of the United States in the cold war. In the cold war, we are heavily dependent upon the information the USIA issues in the attempt to compete with the information and propaganda agency of the Russians. But our efforts in this connection are woefully inadequate, and the USIA is being outperformed in every division—in broadcasting, books, publications, the exchange of people, the exchange of professors, the exchange of students, the exchange of those who lecture in foreign places, and in the cultural program of artists—who, after all, constitute one of the greatest show pieces of any nation. For example, let us consider the oversea performances given by the Bolshoi Ballet, as compared with efforts by the United States in any area of the dance—and in the field of music.

In all these fields we are being outperformed; our performance fails very greatly to come close to meeting the competition which we must face; and the result is that we are put at very great disadvantage all over the world.

For example, in the extremely important field of radio broadcasting, the Soviet Union broadcasts 1,088 program hours per week compared with 740 hours per week broadcast by our own Voice of America. In the field of books, the Soviet Union prints and distributes for use abroad approximately 140 million copies. Our own Government effort is something in the neighborhood of 10 million.

I speak of this matter for two reasons. First, I believe that Americans are overly self-conscious about propaganda. We believe that our motives are so honorable, that our desires are so clear, and that our solicitude for the rest of mankind is so evident, that we cannot understand why we have to speak of these things, repeat our statements, and dress them up for worldwide consumption. But the experience of life shows that these thing about what we believe and do must be said and must be repeated and must be advocated and broadcast in order to be heard by people of other countries, let alone to get them to accept what we say.

Let any Senator—especially a new Senator—estimate the number of people in his own State who know him. Just before I was first elected to the House of Representatives, a poll was taken in my congressional district; and it was found that only 19 percent of the people in the district knew the name of the gentleman who had represented that district in the House of Representatives for four or five terms before I took over. In short, in that district most of the people did not know the name of the man who had represented the district in the House of Representatives for 8 or 10 years; most of the people in the district thought someone else was holding that office.

I served in the House for 4 terms. I received a great deal of public notice, and was the first Republican to be elected to Congress from that district, which was overwhelmingly Democratic—in the proportion of two to one— which fact, alone, should have called my name to the attention of the people there. Nevertheless, I found that only one-third of the people in the district knew my name. So we must be aware that stories do not tell themselves. The best evidence of that is the hundreds of millions of dollars, perhaps billions, which are spent on advertising in the United States. This sum is spent to advertise the best products in terms of value and service, and probably the cheapest in price, that many people have had an opportunity to purchase. Nevertheless, these products must be advertised if they are to be sold.

Mr. President, we have received testimony to this effect from David Sarnoff, president of RCA. He is one of the most brilliant strategists for freedom our country has; and he has estimated that in order to do a reasonably good job in the information field, it is necessary to spend approximately 2 percent of the national budget—which in our case comes to about $2 billion. However, our total actual expenditure in this field is only approximately $200 million, or about 10 percent of the amount we should spend in this effort.

We have an enormous private enterprise system; and I would be entirely in favor of making use of that system, through its broadcasting media, its advertising media, and all its other branches, in connection with the U.S. Information Agency program. That would be fine, and it would save the public a great deal of money. However, that is not being done, and it is clear that our country suffers because it does not have a really big, affirmative voice in the world. Its voice in the world is far from being commensurate with our investment of $50 billion in defensive arms, and it is far from commensurate with the $4 billion to $5 billion which we spend in foreign aid. Our entire information program involves only approximately $200 million, and we do not supplement it by using the private sector. In short, we are far from doing the job we should be doing in this field.

However, at the same time we regret that people all over the world believe all kinds of lies about us, and we regret that our image in other countries is not what it should be. Mr. President, we should blame ourselves for that. We are not spending what must be spent in order to correct this situation.

I cannot make the estimates for the Bureau of the Budget; but I think the President has a clear duty and responsibility in this case. I do not criticize him for what has been done. The size of the present program is largely the result of the background in which this work has been conducted ever since World War II.

But now the time has come for us to put our feet on a new high plateau, in order to meet our responsibilities in this field fully. We are not doing that now; and, as a result, we are being seriously hurt in the cold war.

Therefore, Mr. President, I urge—because this is the time and this is the place for us to act, now that we are dealing with the appropriation bill for this agency—that the President and the USIA get together and decide what the U.S. Information Agency needs, and then propose that to Congress. Congress may not agree; but certainly it is the duty of the Agency to propose to Congress an Information Agency program which will really be commensurate with the responsibilities carried by our country in the world. In relation to all of our efforts in the cold war, we are most deficient and backward and inadequate in this particular one, because apparently no one has had the gumption to face the realities, in terms of the necessary cost.

I think we can afford to pay the cost. If we can afford to pay $50 billion for arms, if we can afford a budget of close to $100 billion, and if we can afford the many public works in which we engage, then certainly we can afford to pay the necessary cost in order to build up our strength to the extent required to enable us to win our cold-war struggle against communism, which is attempting to take over the world. Certainly we can afford to spend what must be spent if Uncle Sam is to have a voice commensurate with the size of his effort.

I hope this plea is heeded; and if I am returned to Congress, I shall consider it a great honor to continue to fight for the program.

I should like to state my credentials on this score: I came to the Senate for the first time in 1957, but I am no novice in the field of legislation. I served for 8 years in the House of Representatives, and I previously served as a high official of my State; so I do not claim amateur standing. My first ordeal of battle was when I was new to the Senate. I fought singlehandedly against the drastic cuts then proposed in the program of the USIA. Those cuts were proposed because the majority leader at that time, now the Vice President of the United States, Mr. JOHNSON, was not satisfied with the way a man named Larson was operating that Agency. The result was that the funds for the USIA were drastically reduced.

It was cut, if memory serves me, about 25 percent, or $30 million out of a total budget of $115 million or thereabouts.

In my opinion, that agency has not recovered to this day from the dismemberment of its staff which it suffered at that time.

I fought that cut singlehanded, but I was steamrollered. I knew then that I was right; and I am even more convinced now that I was right.

I say to those who are quick to speak about our imperfections and shortcomings in the international field and who say that we are lagging and falling short, that we are not putting up what it takes, and that we cannot run a triple effort to win the cold war—that triple effort being composed of military, economic, and propaganda effort—by absolutely starving our information agency and getting into a situation where it is now accepted as a fact that that is the way it is going to be; that there is no use talking about it; and that the administration has not the nerve to ask for what it takes to make the effort.

There has been much criticism of many aspects of the program. For example, the informational media guarantee program, which I happen to think is good, is in real disfavor with the committee. I can understand its imperfections. I understand that the agency is going to do its best to correct these faults. But, Mr. President, this is a minuscule aspect of the problem. It is myopia, it is missing the forest for the trees, whether anything is done or not about the difference of $500,000 with respect to the informational media guarantee program. I think a good case has been made for it. The point is that the whole perspective on education and information is completely inconsistent with the power, ambition, majesty, and impact of the United States; and we are paying for it. We are paying for it in the international field in terms of the validity and impact of all the programs we have, and in terms of the fact that the Russians are putting their story across far more advantageously than are we. So are other nations. I have already named one, the United Arab Republics. We are being hurt and prejudiced every day in that regard.

I am reminded of a business story in this regard. When I was a practicing lawyer I attended a meeting of bankers. The bankers were asked for a loan by my client. My client had asked for a loan of $7½ million. The bankers said, "No; we are not going to lend you $7½ million, because it is not enough to do the job that needs to be done. We will lend you either $10 million, which is what it will take to do the job, or nothing. It is either a good proposition, and we ought to give you what it will take to do the job without your being pinched or strapped, or it is not a good proposition and we will lend you nothing."

That is the situation with respect to the USIA. It is not enough to have a relatively weak program—and that is what it is. Either we should have a program which measures up to America's responsibility or we should not have any. This program does not measure up to America's responsibilities, because our fundamental planners, those responsible for the cold war struggle, have not seen the picture in the perspective in which it needs to be seen, and have not asked for the funds and effort that are required for the national security.

I say that affirmatively and in a considerate way. I realize that many Members of the Senate may think I am addressing myself only to some fine idea of mine, something that is not going to happen. I do not agree. I think it is my duty, even if I am the only Senator speaking on it, and whether I am listened to or not, to press this point. Many voices of that character have later proved to be right.

I close by addressing this urgent plea to the President of the United States, the National Security Council, and the Cabinet: Have the courage to bring to the Congress a program for education and information—for propaganda, if you will—which is commensurate with the structure of the programs of the United States in the cold war.

Do not let Uncle Sam have a pipsqueak voice—which is precisely what we are providing for. Give us a substantial program, and one which is deserving, to make sure that we shall be successful in the grim struggle in which we are engaged with communism throughout the world.

Mr. PROXMIRE. Mr. President, I wish to ask the distinguished Senator from Florida [Mr. HOLLAND], who is in charge of the Department of Commerce appropriation part of the bill, questions about two sections of the bill. The first is with respect to the Small Business Administration. Early this year the administration proposed that the ceiling which is now required on appropriations to the Small Business Administration be eliminated so that it would be possible for the SBA to go to the Appropriations Committee and ask for whatever funds the Administration wished.

I want to ask the distinguished Senator from Florida a question in connection with the request of the Administration. I oppose the request of the Administration and I want to make a record in opposition to such requests. I ask the Senator from Florida, if the increase from $227 million to $305 million, or $78 million, is not the largest increase in appropriations which the Congress has ever made for the Small Business Administration.

Mr. HOLLAND. Mr. President, all I can say is that the appropriation recommended this year is the largest that has been recommended in any year since I have handled the appropriation with respect to the Small Business Administration. As to whether this increase is the largest of any one year, I am unable to say without some research.

I can say to the distinguished Senator that there is a quite simple explanation for a part of the increase. The Senator will remember that shortly after the storm of last spring, when a great load of disaster loans was being handled by the Small Business Administration, its funds for normal operations were exhausted.

While we included in the second supplemental appropriation bill of 1962 a very substantial sum for the Small Business Administration, the passage of that bill was so delayed that it did not pass until well into fiscal year 1963. At the time it did pass, it was necessary, in order to pass it, to cut large amounts that had been allowed in the earlier bills, both by the House and the Senate. So a large backlog of approved applications was carried over from fiscal 1962 into fiscal 1963.

I am sure the distinguished Senator is entirely familiar with that situation, because, as I understand, he is chairman of the subcommittee that handles legislative matters for the Small Business Administration.

Am I correct in that understanding?

Mr. PROXMIRE. The Senator is correct.

Mr. HOLLAND. So I am sure the Senator is familiar with the dilemma with which the Small Business Administration was confronted.

That is the most complete explanation I could give for the increase in the appropriations. There might be added to that statement the fact that several new functions have been entrusted to the Small Business Administration in the last 2 or 3 years. I am sure the distinguished Senator knows about them, because, as I say, he handles the legislation for that agency. Those new functions are resulting in a greater volume of work.

The budget has been carefully handled. I am sure it was carefully heard and considered by the Senate committee. It had been handled with equal care by the committee of the House, which has not been noted for its profligacy, and which allowed the full amount that was allowed by the Senate. I believe that was $300 million. The same amount was allowed by the two Houses.

I am completely in sympathy with the Senator's attitude that we should proceed with caution in enlarging an activity, no matter how beneficent we believe it is. Hearings were carefully held.

The amount contained in the bill has been completely justified, particularly in view of the large backlog of approved applications carried over from fiscal year 1962 into fiscal year 1963.

Mr. PROXMIRE. I thank the Senator. In the first place, there is recommended an increase of $6.7 million in administration, which is a perfectly enormous proportionate increase.

As I read the justifications, I can see that there has been some justification for the increase, but it is a perfectly enormous increase, and the same is true of the amount to be made available for regular business loans.

On the basis of having looked at other appropriations and authorizations, it seems to me that this represents probably the fastest growing civilian agency of our Federal Government in proportion. There are some bigger agencies which might have had a somewhat larger absolute increase, but in terms of proportions this is one of the fastest growing agencies, and perhaps the fastest growing agency of the Federal Government.

Mr. HOLLAND. I am sure the Senator is substantially correct. I remind the Senator that while this is a civilian agency, handling loans to civilian enterprisers, many of those people are rendering contractual or other services to the defense branches of our governmental activities.

The Senator knows, of course, that under legislation passed about 3 years ago, there was a provision for field service officers of this agency to give advice and help to small business firms so that they could bid to better advantage on defense contracts.

One of the activities—and I am sure the Senator from Wisconsin has been entirely sympathetic with that activity—has been to provide, through this agency, greater opportunity to small business to participate in defense contracts and similar contracts, such as those under NASA and the like.

Mr. PROXMIRE. I wholeheartedly approve of that, but we must recognize, in all fairness, that much of the personnel for that particular program comes under the Defense Department. That personnel is included in the appropriations for the Defense Department.

Mr. HOLLAND. The field service officers are not.

Mr. PROXMIRE. That is true. There are some personnel in that field. That is one of the finest parts of the program. It is economical and accounts for a very small proportion of the total cost.

I should like to ask the Senator a series of very brief questions.

I ask if it is not true that in each case the Appropriations Committee cannot possibly look into the policy questions, and must rely on the authorization committee to look into the policy questions, to make its decision, and to limit the authorization based on what ever legislative policy decision is made?

I point out first to the Senator that since the beginning of the Small Business Administration there have been made some 25,000 loans, though there are a total of 4½ million of small business firms. Therefore, only one-half of 1 percent of the total of small businesses have received any advantage from the SBA by borrowing money.

With that in mind I ask the Senator if this kind of question can be decided by the Appropriations Committee, so as to limit the appropriations, or whether it is not properly a decision to be made by the authorization committee?

First, there is the question as to whether the Small Business Administration should continue to lend half of its total funds in large loans to a relatively small number of firms. More than half of the dollar volume of loans dispensed by the Small Business Administration has been in loans of more than $100,000. These loans have gone to only 10 percent of the firms receiving loans from the Small Business Administration.

Is this not a decision to be made by an authorization committee? Is it not proper that such a committee should make that kind of decision at regular intervals, and limit the authorization based on the decision which is made?

Mr. HOLLAND. I would certainly reply in the affirmative. The Appropriations Committee must rely upon legislation and recommendations coming from the legislative committee, of which the Senator from Wisconsin is a member.

My belief is that we have followed with accuracy and completeness the legislation approved, after clearance in the legislative committee.

As to the number of borrowers and the fact that they are a small proportion of the total number of firms of the Nation, I think that fact reflects a sound situation, because the Small Business Administration makes loans which cannot be procured in the ordinary channels of trade and commerce from banking facilities, and brings relief and help to businesses which need such help, yet which give promise of soundness and ultimate permanency and solvency.

I think the fact that a relatively small percentage of the total number of businesses in the Nation have procured loans is rather eloquent testimony to the fact that in general our Nation has been in sound condition and that only a small percentage of the businesses have had to turn to the Small Business Administration, for which I am grateful.

Mr. PROXMIRE. Is it not true that many small businessmen feel that a small business loan is somehow connected with an awareness of influence with a Member of Congress and that Members of Congress are able to obtain the money for them? Undoubtedly a very large proportion of the 25,000 loans made over the past several years have been made based on at least some congressional interest having been shown.

I am not saying that this is necessarily wrong, but I am saying that the money does not necessarily go to the 25,000 firms which most urgently and desperately need it on the basis of merit. Instead, it is provided on the basis of which firms have lawyers or know Representatives in Congress or Senators, or perhaps both, and therefore are in a position to bring pressure for getting Government money under the circumstances.

Mr. HOLLAND. The Senator is correct in his implication that many of the borrowers—in fact, most of them—go to their Representatives in Congress or Senators or both. I think it would be unfair for the record to be left in such a position as to indicate that that was all that was necessary.

Mr. PROXMIRE. Of course not.

Mr. HOLLAND. My own experience in connection with potential borrowers in my own State has been that the Small Business Administration by no means grants all the loans for which applicants have cleared either through my office or the office of my colleague in the Senate, or both, or who have cleared through the offices of some of the Representatives in Congress from Florida. I think the Administration handles the cases pretty soundly, on their merits.

Mr. PROXMIRE. I agree. The difficulty is that large numbers of loans are going to businesses like motels, bowling alleys, additions to doctors' offices, and so on. There is no limit. The result is a scattershot effect for a few people who want to work through their Senators or Representatives in Congress to get the money. The really beneficial effect for needy small businesses is very small.

Furthermore, no attention is paid to the fact that in many areas of the country the banks are fully capable of doing an adequate job of financing, and are willing to do it.

It seems to me that by confining the areas in which the Small Business Administration should make its funds available somewhat, by limiting them, by providing some guidelines with regard to Government capital at low interest rates, so that it would be made available in a more limited way, we could provide a service for small business. Otherwise, it seems to me, a very good argument could be made that this agency, which has helped only a very small proportion of small businesses, with no real relation to national growth or anything else, might as well be wound up, so far as loans are concerned, and might concentrate on procurement, business counseling, and other fields.

Mr. HOLLAND. Mr. President, the Senator's opinion on such questions is vastly better than my own, because his attention is addressed to the legislative side of this activity. We shall certainly be bound by any legislation which he recommends, which is passed by the Congress and signed by the President. I am here now simply to answer questions, if I can, about the appropriations.

The budget request has been reasonably well handled. The fact that it has been approved in the form requested by both Houses, after very long hearings, would indicate it is a pretty soundly based request. The fact that there was a heavy holdover from fiscal year 1962 business accounts in the main for the increase in size of the appropriation and of the budget request.

I am thoroughly in sympathy with the Senator's feeling that the problems he mentioned should be studied and restudied. From time to time the studies should be brought up to date by the committee of which he is an able member and the Senate committee of which he is the able chairman. But as to whether or not those laws should be changed, is a question that is much more within his knowledge and much more certainly within his jurisdiction than it is within the knowledge and jurisdiction of the Senator from Florida.

Mr. PROXMIRE. The point the Senator from Wisconsin makes is that it would be a great tragedy if we should forego the authorization process. This year the committee decided, over my strenuous objection, to forego it to the extent of authorizing every other year. In other words, we will authorize for a 2-year period instead of every year. If we go further than that, I believe it would be a serious mistake.

Mr. HOLLAND. I agree with the Senator. I am opposed to open-ended authorizations for money. The legislative committees have a responsibility to authorize from time to time, and over such periods as they think best, and to recommend proposed legislation in that field. I do not believe in open-ended, longtime authorizations for this or any other agency.

Mr. PROXMIRE. I thank the Senator.

Mr. President, I call up my amendment "10-2-62—B," and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. On page 30, line 12, it is proposed to strike out "$64,200,000" and insert in lieu thereof "$50,000,000".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

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

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. I have had some conversations with the Senator from Wisconsin, the chairman of the subcommittee, the minority leader, and other Senators. I ask unanimous consent at this time that there be a limitation of 1 hour on the amendment now pending, 30 minutes to be allocated to the Senator from Wisconsin [Mr. PROXMIRE] and 30 minutes to the chairman of the subcommittee, the Senator from Arkansas [Mr. McCLELLAN].

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

Mr. MANSFIELD. It is my understanding that at the conclusion of the period authorized by the unanimous-consent agreement there will be a yea-and-nay vote on the amendment of the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator. I will do my very best to conclude in less than a half hour.

Mr. MANSFIELD. Mr. President, since the amendment of the Senator from Wisconsin deals with a line item, perhaps the Senator from Florida should have control of the time.

Mr. HOLLAND. Mr. President, either way would be acceptable to me.

Mr. McCLELLAN. I suggest that the Senator from Florida be given control of the time. I may have to go to a conference.

The PRESIDING OFFICER. The Chair understands that the time will be under the control of the Senator from Florida [Mr. HOLLAND].

Mr. PROXMIRE. Mr. President, the amendment would reduce the appropriation for Maritime Administration ship construction from $64,200,000 to $50 million. Fifty million dollars was the amount contained in the first budget estimate. The House recommended $50 million. However, since that time the administration has submitted a request, which the Senate committee has approved, for an additional $14,200,000, not to build more ships, but to provide an opportunity to build on the west coast some of the ships authorized and to build ships that will be somewhat larger, apparently, although I must say that the justification seems to be very limited indeed. I read from the justification:

1. Construction-differential subsidy costs: The original 1963 program as presented in the budget justification was tentative and was based on building four ships for Grace Line; seven ships for Lykes Bros. Steamship Co.; and seven ships for U.S. Lines. The revised program results from identification of specific ships to be replaced. Lykes Bros. proposes now to build four 20-knot ships for trade route 22, gulf to Far East, in lieu of seven 18-knot ships for trade route 15, gulf to south and east Africa. U.S. Lines originally proposed to construct seven ships for trade route 5, North Atlantic to United Kingdom and Ireland; however, they have now modified their program to five ships for trade route 16, North Atlantic to Australasia service. A review of the trend of commerce on the trade routes served by these companies indicates that the interest of the company and the Government will be better served at this time by construction of the ships in the revised program.

The downward revision in the number of ship replacements for Lykes and U.S. Lines permits us to provide, within the 18-ship program total, for the replacement of 2 ships for American Mail Lines and 3 ships for American President Lines.

The justification admits that the increase in the requirement results first, from more expensive-type ships being built than the original program proposed and, second, it would increase the number of contracts from three to five, with a lesser number of units per contract, thus increasing the unit cost per ship. The justification continues:

Both of these companies are west coast operators and the possibilities are that their ships will be successfully bid by west coast shipyards. Accordingly, the modified program is better balanced in that it will result in five construction contracts in lieu of three, making possible a better geographical distribution of the contracts.

Mr. President, this is an element of Government subsidy which I think is highly questionable.

Recently a very excellent book was written on the economic value of the U.S. merchant marine by Ferguson, Lerner, McGee, Oi, Rapping and Sobotka. It is interesting because this particular book was written on the basis of a subsidy from a committee of American steamship lines. The results that the book shows in terms of the economic value of the merchant marine are very revealing. I read from a book review:

The quality of its research is high indeed; it is a fine example of fruitful, so-called team research; and it demonstrates that a study, requested and financed by people who no doubt hoped for findings favorable to their interests, can and will be published despite conclusions damaging to their position. Both the Transporation Center at Northwestern University and the Committee of American Steamship Lines (the financiers) deserve congratulations upon the publication of this book.

For many years, some advocates of a subsidized merchant marine for the United States have claimed that, aside from its value as the "fourth arm" of national defense, the subsidized merchant fleet makes a significant economic contribution to Americans. They have no doubt been annoyed by the summary dismissal of this contention by those who merely point to the necessity for payment of a subsidy as sufficient proof that the industry makes no economic contribution within the generally accepted meaning of that term.

Ferguson and his associates certainly cannot justifiably be accused of undue brevity or superficial analysis in their assessment of the economic value of the American-flag merchant marine, even though they confine their study primarily to the subsidized ocean liner industry and exclude the military value of the merchant marine from their definition of economic value.

This analysis also summarizes one of the conclusions of the authors, which is as follows:

Thus, briefly, there appears to be little net economic contribution to the United States by the subsidized liner firms or deriving from the subsidy program. The operation of the reserve fleet in mitigating shipping crisis is the only major exception to these gloomy conclusions. Their validity is, of course, subject to any imperfections in the analysis, to inadequacies of the data, and particularly to the choice of criteria.

For a program costing the Federal Government about $120 million annually for operating-differential subsidies and a total (over several years) of $1.5 billion to $2 billion for the replacement of vessels, these are certainly "gloomy" conclusions.

That would not be affected in any way whatsoever by the amendment of the Senator from Wisconsin.

Mr. President, the study to which I have referred was paid for by the shipping interests themselves. It confirms the position which many of us have taken for some time that the subsidy is unsound and does not contribute economically to the United States. As I will indicate, I think this is a poor way to provide for effective national defense.

I quote from the summary:

The construction subsidy is paid not to the liner operator but to the shipbuilder to cover not more than 55 percent of the cost of an approved vessel.

The Government takes old vessels in trade and holds them out of service in the reserve fleet. The Government also guarantees approved mortgages and provides extensive tax relief on funds specifically earmarked for future ship construction.

In recent years the direct costs of the operating subsidy have been in the neighborhood of $120 million annually. If the construction program to replace the present war-built fleet is carried out as planned, the total subsidy cost to the Government of that part of the program will approximate $1.5 to $2 billion (at present prices) over the decade of the 1960's.

The significance of the findings is emphasized as follows:

There is at present a requirement that the American-flag operators use ships built in the United States. Assuming that there is a military justification for an operating fleet, it does not necessarily follow that there is a similar need for a mobilization base in shipbuilding or, if there is, that is best served through the present construction subsidy. Until the beginning of the replacement program, only a small fraction of postwar shipbuilding was for the account of the subsidized operators (table II-7). The construction subsidy over the next several years will require a major portion of the total subsidy budget; perhaps if it were spent on naval vessels or other weapons, the nearly $2 billion would have more military value.

I agree with that. I emphasize again that only a small fraction of the shipbuilding was for the account of the subsidized operators, and none of this subsidy is necessary to help the shipbuilding industry. That is based on the conclusion of able scholars, who are subsidized by the maritime interests themselves.

They go on to state:

Stretching the replacement program out over a longer period of years would reduce the financial burden on the liner companies and diminish somewhat the fluctuations in the demand for commercial shipbuilding, which together might be of some benefit to the shipbuilding industry. Further, by extending the economic life of the fleet, such extensions would reduce American costs (social as well as private).

Any of these measures would reduce the economics cost of the subsidy program. Further, if they should be politically feasible, the first three probably would not reduce the size or quality of the merchant fleet.

Furthermore, this very extensive study by five able scholars—once again I state that they were subsidized by the shipbuilding interests themselves—found that the fleet is now uneconomically big. We are now being asked to spend $64,200,000 or $14 million above the $50 million that the administration originally requested, to make it even bigger.

These five scholars go on to state that "the industry is now beginning a major new investment program which would not need to be undertaken if a policy of curtailing the fleet were introduced."

I ask unanimous consent that a table which shows the Government funds, the internally generated funds, the funds available for construction, and the gap which will have to be filled by the subsidy for the years 1959–69 be included in the RECORD at this point.

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

TABLE III-22.—*Summary: Conservative assumptions, 1959–69*

[In millions of dollars]

	Total 1959–69	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Requirements	3,138	154	433	363	374	506	297	259	143	198	121	290
Government funds:												
Construction subsidy	1,569	77	216	182	187	253	148	130	72	99	60	145
Trade-in allowances	246	14	21	33	34	46	27	19	13	18	11	10
Operating subsidy	1,591	128	131	134	138	141	144	148	151	155	159	162
Internally generated funds:												
Income after taxes (less operating-differential subsidy and debt retirement)	(1,167)	(51)	(64)	(73)	(85)	(97)	(107)	(119)	(127)	(137)	(147)	(160)
Depreciation	750	39	48	53	59	67	72	77	79	82	84	90
Dividends	(198)	(18)	(18)	(18)	(18)	18	(18)	(18)	(18)	(18)	(18)	(18)
Funds available for construction	2,791	189	334	311	315	392	266	237	170	199	149	229
The gap: Requirements minus funds available	(347)	35	(99)	(52)	(59)	(114)	(31)	(22)	27	1	28	(61)
The gap, cumulated	--------	35	(64)	(116)	(175)	(289)	(320)	(342)	(315)	(314)	(286)	(347)

Sources: "Requirements, Construction Subsidy and Trade-in Allowances," table III-3. Operating subsidy, income after taxes, depreciation, table III-18. Debt retirement, dividends, the "gap," and the "gap," accumulated, table III-20. Funds available for construction, computed.

Mr. PROXMIRE. Mr. President, one fact stands out, and that is that "the entire subsidy program promises to become more expensive in the future than it has been historically." This is what these men have written. They go on to state:

The subsidies can be expected to total something in the vicinity of $3 billion over the decade of the 1960's under present plans.

They finally conclude by pointing out that there are other ways in which the cost can be cut down. Others would be:

Stretchout construction over a longer period. The advantages of a stretchout are that operators have more time to raise the funds they need for their new construction obligation and the total capital costs per year are reduced.

Permit some American-flag shipbuilding in foreign yards. This alternative would reduce the Government expenditures since no construction subsidy would be required. Moreover, to the extent that foreign costs are more than 50 percent lower than American costs, American shipping firms would save money.

Increase further the statutory life of vessels from 25 years, and permit longer term financing to be undertaken. The advantage of increasing the length of the mortgage is that the annual cash charges would be reduced. By reducing annual depreciation, income would be made higher.

In view of the fact that the administration originally recommended a $50 million subsidy—and I think that is too much—and in view of the fact that the House has voted to appropriate $50 million, that $50 million should be adequate under the circumstances.

I realize that the east coast shippers as well as the Pacific coast shippers have agreed to this increase. Of course they have. Although a substantial amount of the construction would be on the west coast, they agreed to it because it is only realistic to assume that the east coast shippers will expect that in the future there will be cooperation on the part of the west coast shippers to make sure that more expensive and larger ships will be built on the east coast.

None of these ships will be built in the Middle West. The rest of the country is being taxed more heavily than east and west coast to provide for a subsidy which, on the basis of the most expert, objective professional analysis we have available, cannot possibly be justified. I do not know how we can qualify experts more completely than that they are making a study which has been paid for by the shipbuilding industry itself.

I yield the floor, and reserve the remainder of my time.

Mr. HOLLAND. Mr. President, the amendment offered by the Senator from Wisconsin and the Senator from Ohio would cut from the bill the $14,200,000 which was added to the House bill by granting a supplemental budget item submitted by the Bureau of the Budget, which sought to change the nature of the ship replacement program for this year.

The change requested was a very simple one. The ship replacement program was an 18-ship program, mostly on the Atlantic and gulf coasts. The Maritime Administration found—and incidentally, the whole maritime industry supported that finding—a far greater need for these new ship replacements on the Pacific coast at this particular time than there was on the Atlantic and gulf coasts.

Therefore, for 5 of the 18 ships the Bureau of the Budget requested this additional fund of $14,200,000, to pay the difference in the Government's share for those 5 ships, because of their being considerably larger ships, as compared with the Government's share for the 5 ships originally programed. The facts seem to be that the need for adequate shipping is greater at present in the Pacific, that the need for larger ships exist there, and that the need was so well recognized that even the shipping companies which had commitments for the 5 ships to be built on the Atlantic and gulf coasts were glad to yield, because they thought it presented a more balanced program.

I speak with some knowledge of the yielding, because one of the firms happens to be the Lykes Bros. firm, which is composed of very excellent people from my State and the States so well represented by the Senators from Louisiana and by the Senators from Texas, and other able and distinguished Senators. They felt that it was in the interest of our public security and a better balancing of our maritime fleet to yield to Pacific lines, along with another company, some of the ships which would have been put under contract this year with them for the building of the ships according to the pattern that is needed there, which is larger ships of greater capacity for the handling of that kind of trade.

That is the whole story.

We have not approved any unbudgeted items. We were strongly urged to approve another item, for the remodeling of four passenger ships. My personal view was that it would have been in the interest of solvent operation of the two lines that were affected if that request had been granted. However, the committee, after surveying the whole question, declined to grant the request; and also declined others which were not budgeted.

Some of these were in this field and some in other fields. We felt that when an important agency is established to determine what the needs of the Nation are under existing law and to recommend to us how those needs should be met, and when it supports its request not only by thorough justification but also by joinder in the request by the lines which were losing replacement ships for this particular year, the committee should heed the recommendation of the official agency set up, not by the Appropriations Committee, but under legislation recommended by the Commerce Committee and enacted many years ago. It has been modified from time to time.

The Senator from Florida believes there is only one reasonable course to follow, and that is to try to determine whether the recommendations of the Bureau of the Budget and the request of the agency affected are well justified and, in this instance, show themselves to be within the pattern of the best service of the Nation. The committee has so decided and so recommended.

I say again what I said a few minutes ago to the distinguished Senator from Wisconsin. I think his argument in this case, as it was in the case of the Small

Business Administration, is largely as to the nature of the legislation, largely as to the nature of the law which now exists, and as to which the two Committees on Appropriations are merely seeking to apply to the facts as presented to them by the agencies affected and by the Bureau of the Budget.

The House Committee on Appropriations did not have before it the supplementary request program for a transfer of funds for these ships to the Pacific. That had not been published at the time they conducted their hearings. The procedure has been completely regular; the proof has been strong. A case has been made. The recommendation of the Senate Committee on Appropriations speaks for itself. We have no interest different from that of other Senators with respect to the prominence of our flag on the seas in commerce. We are only trying to carry on under the provisions of the law now on the books, which seeks to safeguard the future of our Nation in this field, by having available relatively new ships, relatively fast ships, so protected by modern methods of compartmentalization, and the like, as to be readily useful as transports in the event we should unfortunately be brought into armed collision with any other nation in the world.

The Senator from Wisconsin is within his rights in objecting to this item; but I wish to have it clearly appear that what we are doing is approving the study of the Maritime Administration, approving the recommendations of the President and the Bureau of the Budget. We are not doing so in a perfunctory manner. We have rejected some recommendations because we believed that they were not sufficiently supported. In this instance, we thought they were well supported. That is why this item was placed in the bill.

Mr. PROXMIRE. Was there any justification for using bigger ships on this particular run because it was on a Pacific route? Why would the fact that it was being operated on a Pacific route require a bigger ship? The same number of ships is being built, but an additional $14 million is being spent on these 18 ships. Why is it necessary to build bigger ships? The Senator has justified the increase on the ground that bigger ships are being built.

Mr. HOLLAND. It is because the Pacific trade uses bigger ships. That is, the ship must be adapted to the Pacific trade. I suppose it is because the distances are much greater, the time away from home port is much greater, and the necessity for hauling a larger cargo exists. I could not give the Senator all the answers, because I am not an expert in the field. But when the Maritime Administration created under legislation enacted by Congress, and to which Congress has entrusted the protection of the national security in this field, tells us that larger ships are required for the Pacific trade; and when I learn the same thing after talking with the representatives of some of the shipping lines which operate in the Atlantic, I am not inclined to differ with them or to set up my judgment against theirs. I think we must rely upon the recommendations of the trained men, the men we place in positions of responsibility, as to the kind of ships needed for a particular trade. They say—and when I say "they," I mean the Maritime Board and the Bureau of the Budget—that a larger type of ship is required for the Pacific trade.

Mr. PROXMIRE. But when those trained men made their initial recommendation, they recommended $50 million and recommended that the ships be built. The ships apparently were not to be so large. It was that recommendation which the House approved.

I am wondering how this change can be justified, in view of the fact that it amounts to an increase of $14 million. There should be a substantial reason for their having taken one course initially, and later taking another course. If the first recommendation was wrong, why did we accept it?

Mr. HOLLAND. If the Senator will turn to page 81 of the side slips, he will find a compilation of why that was, in connection with the testimony of the Maritime Board. It shows the original program, made some time ago. These budgets are always compiled more than a year ahead of time, and are then shaped up into final form about the late fall of the year before they come before the committee.

Under the original program, 18 ships were recommended to be replaced, those 18 ships being for 3 Atlantic operators—7 for the first, 7 for the second, and 4 for the third.

Perhaps as much as 2 years later, the program was revised. I do not have the exact time; but the Senator will find how it was revised, and will also note the difference in the cost items. If he will read the cost items in the skillful testimony presented to the committee, and also presented in the justifications, he will find that the larger ships cost more money but also meet the need for the trade in the Pacific, a need which would not be made by the smaller type of ships which are used in the Atlantic.

Mr. PROXMIRE. With all good humor I read this justification, and it seems to me it is very thin.

Mr. HOLLAND. The facts are shown clearly in the hearings. The testimony on the original program is shown. That was a part that was retained. Lykes Bros., instead of getting seven replacement ships under this program, are getting four. The United States Lines, instead of getting seven, are getting five. The American Mail Line will get two. The American President Line will get three. All of them were not in the original program.

The Grace Line was to get four under the first program. It retained all four under the revised program.

If we are to impose an absolute condition upon the Maritime Commission or any other Government agency, that it must with finality state its needs more than a year ahead of time as they will exist at the time the bills are pending in Congress, we will not be well served by them; and my belief is that we will not serve the country to the best advantage. The fact that there is some change in the approach with respect to 5 ships out of 18 does not indicate to me any negligence or want of knowledge. To the contrary, it indicates that they are trying to revise their views in connection with changing facts, as they move from one year to the next. Certainly the witnesses made a strong case for the change.

Mr. PROXMIRE. In making the case, did the witnesses say anything about the cost per ton-mile? Did they indicate anything about the speed? Did they relate the cost per ton-mile to speed, so that there would be some basis for determining whether the change was justified? Did they show that there was a traffic need in the Pacific which would justify this change? Did they indicate that the change was needed in the national defense? Did they indicate why it was necessary to have more ships on the Pacific run than on the Atlantic run?

Mr. HOLLAND. They showed that five replacements were needed now in the Pacific; and the size of the ships proposed in the bill in those five cases was as shown by the testimony. They did not give all the details.

The Government provides a maximum of 55 percent of the replacement cost. For that consideration, it gets new ships, it gets faster ships, it gets ships better built to meet the need of military transportation in the event there should be a need later. Of course, there is also attached the condition that the ships shall become immediately available to the Government for Government use if they are needed. So the Government gets some consideration for the very large investment it makes.

Mr. PROXMIRE. I realize that; but were not the cost factors brought out in the study? On the point of speed, a relatively modest 16 knots, this very careful study indicates that it has been found more expensive to operate a ship at a faster speed than at a slower speed. The cost is greater, not less. This may sound contradictory, but there was much testimony and study to support that basis.

Mr. HOLLAND. I think that is correct, generally speaking; but that does not change the fact that in the event of a military emergency, our Government would want fast ships, both to transport quickly the necessary freight, and also to be less vulnerable to submarine and air attack.

I think it is understandable that the military authorities want faster ships and better built ships, so they can be used better for military purposes—better ships than those which would be built if the freighting companies built ships only for the purpose of meeting their present needs in connection with transporting freight in peacetime from one point to another.

Mr. PROXMIRE. Of course, if this were a military program——

Mr. HOLLAND. It is largely that.

Mr. PROXMIRE. In that event, why not have them built in foreign shipyards, with a resulting great saving in

cost, and, in addition, have the 55 percent built specifically and exclusively for the purpose of military operations?

Mr. HOLLAND. Again, Mr. President, the Senator from Wisconsin is complaining about legislation which is already on the books. The law requires, as a part of our military planning, that our shipyards be maintained in an active status, so they can be used in the event of a war emergency.

Senators well remember the time, a few years ago, when it was necessary, following Pearl Harbor, to build many ships in a hurry. But if the suggestion of the Senator from Wisconsin were followed, with the result that these ships would be built—at less cost—in foreign yards, the result would be that our own yards and shipbuilding facilities would deteriorate and close, and that would be contrary to existing law.

But even if the law should—according to the opinion of the Senator from Wisconsin—be changed, the time to attack it is not now, when we are dealing with the appropriation bill and the appropriations which are our responsibility in this field. Such an attack should be made before the Commerce Committee and the other committees which deal with the basic legislation to which these appropriations relate.

Mr. PROXMIRE. One of the justifications given for the $5 million increase is that the ships could then be built in west coast shipyards, and presumably one of the reasons would be to keep those yards open and busy. But the authoritative studies—subsidized by the shipbuilding companies—shows that the contribution made by having these particular ships built in west coast yards, in terms of keeping them busy, would be almost nil. So we do not have to be very much concerned about that point, in view of the study made by the shipbuilding companies themselves.

In addition, I should like to ask whether any evidence was adduced in regard to the rate of replacement—in other words, whether it is necessary to replace these ships now, and that therefore it is necessary to make a last-minute request of Congress for these appropriations. The request came to the Senate committee after the House acted on this measure.

Mr. HOLLAND. There was a showing of greater need in the Pacific yards, as compared with those on the Atlantic coast; and the supplemental budget item came to us on July 23, which was after the House had acted on the bill.

Nearly all the points the Senator from Wisconsin has made so well and so skillfully may properly be considered by the Senate and by the Nation; but I do not think they are valid points to be made at this time, and thus to hold up the action of the Senate on the bill appropriating the funds needed in order to carry out our present program. We or our predecessors established this program, and it was believed necessary for the Nation's welfare. So far as I know, no suggestion has yet been made by way of legislation to change it.

So the question is whether the Senate is now to proceed with the exercise of its duties in connection with making the necessary appropriations for the established program—drafted by very expert and knowledgeable persons, and duly enacted by Congress. It seems to me that if the Senator from Wisconsin believes the existing program is wrong, he should have drafted, between now and the first of the year, proposed legislation to change the law in the particulars in which he believes it should be changed. So far as I am concerned, I shall be glad to consider that question with him.

I voted, as he did, to end the 6-percent differential for the Pacific yards, as against those on the Atlantic coast and the gulf coast.

I am sure that both of us are equally interested in economy and in the security of our country. We or our predecessors established this basic legislation in the interest of the security of the country.

If the Senator from Wisconsin believes the proposed expenditure of $14,200,000 would be negligible in aiding these shipyards, that would seem to indicate that the yards on the Pacific coast can live without having any business to do. But I do not think that is a valid conclusion, because they must have business if they are to continue to exist; and I know the Senator from Wisconsin realizes that these very shipyards were among those which rendered the country such excellent service during World War II.

In my opinion, the Senator from Wisconsin should direct his patriotic suggestions to proposals to amend the existing legislation, instead of thwarting the chosen officials of our legally established agency which is charged with the responsibility of carrying out the provisions of the law which Congress enacted for the purpose of better securing and protecting the Nation.

Mr. PROXMIRE. But does not the Appropriations Committee consider the replacement cycle? Is it not proper for the Appropriations Committee to consider it, and also to consider whether, when the maritime authorities recommend these additional expenditures for replacement of these ships with new ships built on the west coast, that the committee should consider whether in fact such replacements should be made?

The expert testimony shows that the cycle can easily be extended, and that the ships have a longer life than that claimed. If the Appropriations Committee believes that is true, certainly it can properly decide that less than the amount requested is needed, and that can be an appropriations-level decision, not a decision at the legislative program level.

Mr. HOLLAND. In the past 10 years or more, while I have been a member of the Appropriations Committee, it has frequently made such decisions. But the committee thought it did not have the information it needed in order to make such a determination. The committee did not have access to the book the Senator from Wisconsin has before him. It may be accurate, but it was not available to the committee. However, the committee held full hearings on this measure.

I think the Senator from Wisconsin knows that the committee conducted its hearings and finished them about 2 months ago. Since then, the committee has been waiting for an opportunity to bring this measure before the Senate; and in the meantime the committee has taken up supplemental matters. So we have not been negligent in the performance of our duty, and we have not been careless in connection with the showing made.

We think the Senator's suggestions may have merit, in terms of the work of the legislative committee. But certainly they should not succeed in preventing our committee from living up to its responsibilities under the existing law, particularly in view of the fact that that law was enacted for the purpose and the objective of serving the security of the Nation.

Mr. ERVIN. Mr. President, will the Senator from Florida yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Florida yield to the Senator from North Carolina?

Mr. HOLLAND. If I have additional time available, I am glad to yield to the Senator from North Carolina.

Mr. ERVIN. Mr. President, the Department of Justice was wise in determining that a new psychiatric prison should be established for Federal prisoners. It was also wise in selecting as the site a tract of land located near Camp Butner, N.C. I cannot conceive of any more ideal location for a prison of this kind. At Camp Butner is one of the great hospitals in North Carolina for the treatment of the mentally ill, and members of the staff of that hospital will be available for consultation with members of the staff of the new Federal psychiatric prison.

A few miles away, at the city of Raleigh, N.C. is another of the great hospitals in North Carolina for the treatment of the mentally ill; and the staff of that hospital will be available for consultation with the staff of the proposed psychiatric prison near Camp Butner.

In addition, only a few miles from the site is located the hospital of the University of North Carolina Medical School and also nearby is the hospital of the Duke University Medical School; and these hospitals have very competent staffs in the field of psychiatry.

So the Department of Justice was wise in the selection of this site.

As a citizen of North Carolina and as a Member of the Senate interested in this problem, I want to thank the able and distinguished Senator from Arkansas [Mr. MCCLELLAN], the able and distinguished Senator from Nebraska [Mr. HRUSKA], and the other members of the subcommittee and the members of the full Appropriations Committee for adding the item to the appropriation as authorized by the House bill for the purpose of constructing the Federal psychi-

atric prison. It will be a wise expenditure of public funds and will serve a most useful need for the country in years ahead.

Mr. PROXMIRE. Mr. President, I yield myself 1 minute.

I ask unanimous consent that the justification printed in the memorandum relating to the amendments, on pages 81 and 82, be printed in the RECORD.

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

JUSTIFICATION

The following table compares the original budget request for funds for the 18-ship replacement program with the revised requirements:

[In thousands of dollars]

	Original 1963 program		Revised 1963 program		Difference	
	Number of ships	Amount	Number of ships	Amount	Number of ships	Amount
1. Construction-differential subsidy:						
Lykes Bros. Steamship Co.	7	$33,000	4	$21,400	−3	−$12,200
United States Lines Co.	7	35,700	5	26,750	−2	−8,950
American Mail Line, Ltd.			2	12,200	+2	+12,200
American President Lines, Ltd.			3	19,050	+3	+19,050
Grace Line, Inc.	4	23,000	4	23,000		
Subtotal	18	92,300	18	102,400		+10,100
2. National defense features				1,800		+1,800
3. Acquisition of replaced ships		10,800		14,400		+3,600
Total cost of ship replacement program		103,100		118,600		+15,500
Carried forward from fiscal year 1962		56,250		57,550		−1,300
Appropriation requirements, 1963		46,850		61,050		+14,200

1. Construction-differential subsidy costs: The original 1963 program as presented in the budget justification was tentative and was based on building four ships for Grace Lines; seven ships for Lykes Bros. Steamship Co.; and seven ships for U.S. Lines. The revised program results from identification of specific ships to be replaced. Lykes Bros. proposes now to build four 20-knot ships for trade route 22, gulf to Far East, in lieu of seven 18-knot ships for trade route 15, gulf to south and east Africa. U.S. Lines originally proposed to construct seven ships for trade route 5, North Atlantic to United Kingdom and Ireland; however, they have now modified their program to five ships for trade route 16, North Atlantic to Australasia service. A review of the trend of commerce on the trade routes served by these companies indicates that the interest of the company and the Government will be better served at this time by construction of the ships in the revised program.

The downward revision in the number of ship replacements for Lykes and U.S. Lines permits us to provide, within the 18-ship program total, for the replacement of 2 ships for American Mail Lines and 3 ships for American President Lines. Both of these companies are west coast operators and the possibilities are that their ships will be successfully bid by west coast shipyards. Accordingly, the modified program is better balanced in that it will result in five construction contracts in lieu of three, making possible a better geographical distribution of the contracts.

The increase in fund requirements results from (1) more expensive type ships being built than in the original program, and (2) increase in the number of contracts from three to five with a lesser number of units per contract, thus increasing the unit cost per ship.

2. National defense feature costs: As originally planned, costs of national defense features incorporated in the 18 ships to be built under the replacement program were to be financed by transfer of funds from the appropriation "Shipbuilding and conversion, Navy." The new method of financing NDF costs was not approved by the legislative and Appropriation Committees of Congress responsible for Department of Defense programs. Therefore, it becomes necessary to cover such costs in Maritime Administration's "Ship construction" appropriation.

3. Acquisition of replaced ships.—Based on the tentative schedule for ship replacement in the original estimate, funds in the amount of $10.8 million were programed for replacement of 18 ships. Of the original total, $5.4 million was available from carryover funds and acquired and estimated cost:

	Number	Estimate
American Mail Line	2	$1,288,000
American President Lines	3	2,320,000
Grace Line	4	2,550,000
Lykes Bros.	5	3,170,000
United States Lines	8	5,072,000
Total		14,400,000

Mr. PROXMIRE. Mr. President, I submit that the justification is much too thin. It provides no substantial argument of national defense needs for the additional $14,200,000. There is no evidence in the justification that this is an economic action which should be taken. The net effect is simply to transfer shipbuilding from the east coast and the gulf coast to the west coast at an additional cost of $14,200,000.

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

Mr. PROXMIRE. I yield.

Mr. HOLLAND. The insertion which the Senator has asked to have printed is not a justification, but excerpts from the justifications in the side slips. The justifications, which are much longer, will be found in the printed record of the hearings. If the Senator wanted to have the justifications printed, it would be much more accurate to have those printed in the RECORD.

Mr. PROXMIRE. I am willing to do it, but I think the excerpts are concise summaries of the justifications which are in more detail. I am willing to handle it in whatever way the Senator wishes.

Mr. HOLLAND. The side slips epitomize the points made in the justifications by the clerks in preparing the side slips and in no case cover the full justification. The matter which the Senator mentioned covers only the supplemental justification.

Mr. PROXMIRE. That is correct. It is a supplemental justification, which is not justified.

All my amendment would do would be to eliminate the supplemental increase of $14,200,000.

I hope the amendment will be approved.

If the Senator will yield back his time, I will yield back mine.

Mr. HOLLAND. I will yield back mine with this statement for the information of the reporter.

The full justification begins at page 392 of the printed record and continues for a number of pages.

I ask unanimous consent that the justification be printed at this point in the RECORD, and I yield back my time.

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

MARITIME ADMINISTRATION

SHIP CONSTRUCTION

(House hearings, pp. 688, 703–714)

Page 29, line 24, of H.R. 12580, as reported:

1962 appropriation	$98,000,000
1963 estimate [1]	64,200,000
Increase (+) or decrease (−) 1963 estimate compared with 1962 appropriation	−33,800,000
1963 House committee allowance on original estimate	50,000,000
Comparison of House committee allowance with original 1963 estimates	
Amendment requested	+14,200,000

[1] As amended by S. Doc. No. 110.

Amendment requested

On page 29, line 24, strike out "$50,000,000" and insert "$64,200,000".

House report

"Ship construction: The committee recommends $50 million, the full amount of the budget estimate, for ship construction. This amount together with a carryover of an estimated unobligated balance of $63,879,000 will allow for the construction and replacement of 18 ships. The requested language permitting the transfer of not to exceed $2,800,000 to this appropriation from the appropriation for 'Shipbuilding and conversion, Navy,' for the cost of national defense features has not been included in the bill inasmuch as the legal authority therefor has not been provided."

Justification

The House committee approved the estimate under this head as requested. However, since our hearings before that committee the planned replacement program has been revised in order to have a more balanced program and to better meet the requirements of the trade routes and companies concerned. This revision of program requires an amendment of the estimate in the amount of $12.4 million to permit accomplishment of the revised 18-ship replacement program. In addition to this increase,

the amended estimate also includes $1.8 million for the payment of national defense features costs on the new ship to be constructed in the fiscal year.

Necessity for providing for national defense feature costs under this appropriation results from the Navy Department not receiving legal authorization to pay such costs by transfer from the appropriation "Shipbuilding and conversion, Navy," as originally planned.

Justification for the amended estimate has already been furnished in a separate submission.

SHIP CONSTRUCTION

Summary of requirements

Appropriation, 1962 (regular bill) $98,000,000

Net difference, 1963 over 1962:

	Requirements		Difference, increase (+) or decrease (−)	
	1962 estimate	1963 estimate		
Construction-differential subsidies	$86,314,000	$41,450,000	−$44,864,000	
Acquisition of replaced ships	9,186,000	5,400,000	−3,786,000	
Administrative and warehouse expenses	2,500,000	3,150,000	+650,000	
Gross requirements	98,000,000	50,000,000	−48,000,000	−48,000,000
Total estimate of appropriation, 1963				50,000,000

General statement

The funds requested for ship construction projects provide for (1) construction-differential subsidy in connection with nine vessels to be contracted for under the ship replacement program; (2) acquisition of the old vessels which will be traded in on such new construction; and (3) administrative expenses of the ship construction program.

Funds available in fiscal year 1962 for the ship replacement program was sufficient to pay construction-differential subsidy on 22 new ships. Of this total of 22, current plans call for awarding contracts for 13 of the ships prior to the end of fiscal year 1962, with contracts for the remaining 9 to be awarded early in fiscal year 1963. The additional funds included in this estimate provide for paying construction-differential subsidy on an additional nine ships to be contracted for in fiscal year 1963. Thus, new funds requested herein, together with funds carried over from fiscal year 1962, will permit the award of contracts for construction of 18 new ships in 1963 as compared to the 13 ships to be contracted for in 1962. The number of ships estimated to be contracted for within presently available and additional funds requested is predicated on a continuation of recent experience in highly competitive bidding which has resulted in unusually low contract costs.

In summary, the new appropriation request for 1963 will provide:

(a) Ship replacement program, 9 ships	$41,450,000
(b) Acquisition of 9 replaced ships	5,400,000
(c) Administrative expenses	3,150,000
Total	50,000,000

Justification

(a) Ship replacement program, $41,450,000

Projecting the current lower cost factors, awards have been scheduled for construction of 13 ships in the current fiscal year. Of this total, bids have been received and awards made covering construction of two ships for Gulf & South American Steamship Co., and four ships for Lykes Bros. Steamship Co. Invitations to bid have been issued for construction of one ship for Grace Line, Inc., and six ships for Moore-McCormack Lines, Inc., with awards scheduled during the last half of the fiscal year.

There are contractual requirements for 29 replacement ships in fiscal year 1963. The proposed budget requests funds for 9 of these ships with the remaining 20 ships to be deferred until the following year.

The following tabulation summarizes the construction contracts awarded in the period 1956 through 1961, those to be awarded in 1962, and those proposed for 1963:

	Number of ships		1963 program	
	1956-61	1962	Number of ships	Cost
				Thousands
American Export Lines, Inc	12			
American Mail Line, Ltd	3			
American President Lines, Ltd	2			
Farrell Lines, Inc	6			
Grace Line, Inc	5	1	4	$23,000
Gulf & South American Steamship Co., Inc		2		
Lykes Bros. Steamship Co., Inc	17	4	7	33,600
Mississippi Shipping Co., Inc	3			
Moore-McCormack Lines, Inc	10	6		
Pacific Far East Line, Inc	2			
States Steamship Co	6			
United States Lines Co	11		7	35,700
Total	77	13	18	92,300
Carried forward from 1962 fiscal year				50,850
1963 appropriation request				41,450

In view of the necessary deferral of 20 ships, a degree of flexibility is necessary in the allocation of available funds. Substitutions may be made in the selection of specific operators as circumstances warrant.

American Export Lines, Inc., is committed to construction of 19 ships under its replacement program. No awards are scheduled for 1962. Five ships scheduled for 1963 are proposed for deferral until 1964.

American Mail Line, Ltd., is committed to construction of five ships under its replacement program. No awards are scheduled for 1962. Three ships scheduled for 1963 are proposed for deferral until 1964.

American President Lines, Ltd., is committed to construction of 22 ships under its replacement program. No awards are scheduled for 1962. Six ships were scheduled for award in 1963; however, under the proposed budget the construction of these six ships will be deferred until 1964.

Grace Line, Inc., is committed to construct five replacement ships in 1962 consisting of one combination and four cargo ships. The contract for replacement of the combination ship is scheduled for award in February 1962 and contract for replacement of the four cargo ships will be awarded early in fiscal year 1963.

Gulf & South American Steamship Co. is committed to construction of five ships under its replacement program. Award has been made for construction of two ships in 1962. No awards are scheduled for 1963.

Lykes Bros. Steamship Co., Inc., is committed to construction of 36 ships under its replacement program. Award has been made for construction of four ships in 1962. Seven ships scheduled for award in 1963 are covered in the proposed budget.

Mississippi Shipping Co., Inc., is committed to construction of 10 ships under its replacement program. No awards are scheduled for 1962. Two ships scheduled for 1963 are proposed for deferral until 1964.

Moore-McCormack Lines, Inc., is committed to construction of 31 ships under its replacement program. Invitations to bid have been issued for construction of six ships scheduled for award in 1962. No awards are scheduled for 1963.

United States Lines Co., is committed to construction of 34 ships, exclusive of replacements for its mariners and the SS *America* and SS *United States*. Of these 34 ships, 11 were scheduled for replacement in the fiscal years 1962 and 1963. Under the proposed budget, contracts for seven ships are scheduled for award in 1963 with the remaining four deferred.

(b) Acquisition of replaced ships, $5,400,000

It is requested that funds be made available to acquire the vessels contemplated for replacement under the ship replacement program. Construction of nine new vessels is scheduled for 1963. The fund requirement is based on an estimated average trade-in allowance of $600,000 per vessel. This reflects past year experience factors with a corresponding decrease in the average cost from $750,000 per vessel as formerly used for budgetary projections.

(c) Administrative expenses, $3,150,000

The limitation on administrative expenses for the current year is $3,150,000 to administer all ship construction projects. Contracts in force in 1963 will constitute a program comparable to that of 1962 in terms of administrative requirements. Accordingly, no change is proposed for this limitation which is available for transfer to the appropriation for salaries and expenses.

(S. Doc. 110)

MARITIME ADMINISTRATION

SHIP CONSTRUCTION

"For an additional amount for ship construction, $14,200,000, to remain available until expended."

Program and financing

[In thousands of dollars]

	1963 costs to this appropriation			Analysis of 1963 financing		
	Original estimate	Revised estimate	Increase (+) or decrease (−)	Original appropriation required	Revised appropriation required	Increase (+) or decrease (−)
Program by activities:						
1. Construction-differential subsidy	98,850	109,450	+10,600	41,450	52,050	+10,600
2. Acquisition of replaced ships	10,000	13,600	+3,600	5,400	9,000	+3,600
4. Administrative expenses	3,150	3,150		3,150	3,150	
Total program costs	112,000	126,200	+14,200	50,000	64,200	+14,200
Change in selected resources	−3,350	−3,350				
Total obligations	108,650	122,850	+14,200			
Financing:						
Unobligated balance brought forward	−63,879	−63,879				
Unobligated balance carried forward	5,229	5,229				
(Reserved for adjustments of prior year contracts)						
New obligational authority	50,000	64,200	+14,200			

Object classification

[In thousands of dollars]

	1963 original estimate	1963 revised estimate	Increase (+) or decrease (−)
25 Other services	100	100	
Services of other agencies	3,650	3,650	
31 Equipment	9,400	13,000	3,600
41 Grants, subsidies, and contributions	98,850	109,450	10,600
Total costs	112,000	126,200	14,200
Change in selected resources	−3,350	−3,350	
Total obligations	108,650	122,850	14,200

Ship construction

Request $14,200,000

Purpose and need for amendment

The purpose of this amendment is to provide additional funds required to carry out the agency-planned 1963 ship construction program. The need for additional funds has arisen as a result of (1) revision of the planned 18-ship replacement program in order to have a more balanced program and to better meet the requirements of the trade routes and companies concerned; and (2) necessity for providing funds under this appropriation for payment of national defense feature costs on the new ships to be constructed.

Justification

The following table compares the original budget request for funds for the 18-ship replacement program with the revised requirements:

[In thousands of dollars]

	Original 1963 program		Revised 1963 program		Difference	
	Number of ships	Amount	Number of ships	Amount	Number of ships	Amount
1. Construction-differential subsidy:						
Lykes Bros. Steamship Co.	7	$33,600	4	$21,400	−3	−$12,200
United States Lines Co.	7	35,700	5	26,750	−2	−8,950
American Mail Line, Ltd.			2	12,200	+2	+12,200
American President Lines, Ltd.			3	19,050	+3	+19,050
Grace Line, Inc.	4	23,000	4	23,000		
Subtotal	18	92,300	18	102,400		+10,100
2. National defense features				1,800		+1,800
3. Acquisition of replaced ships		10,800		14,400		+3,600
Total cost of ship replacement program		103,100		118,600		+15,500
Carried forward from fiscal year 1962		56,250		57,550		−1,300
Appropriation requirements, 1963		46,850		61,050		+14,200

1. Construction-differential subsidy costs: The original 1963 program as presented in the budget justification was tentative and was based on building four ships for Grace Line; seven ships for Lykes Bros. Steamship Co.; and seven ships for U.S. Lines. The revised program results from identification of specific ships to be replaced. Lykes Bros. proposes now to build four 20-knot ships for trade route 22, gulf to Far East, in lieu of seven 18-knot ships for trade route 15, gulf to south and east Africa. U.S. Lines originally proposed to construct seven ships for trade route 16, North Atlantic to United Kingdom and Ireland; however, they have now modified their program to five ships for trade route 16. North Atlantic to Australasia service. A review of the trend of commerce on the trade routes served by these companies indicates that the interest of the company and the Government will be better served at this time by construction of the ships in the revised program.

The downward revision in the number of ship replacements for Lykes and U.S. Lines permits us to provide, within the 18-ship program total, for the replacement of 2 ships for American Mail Lines and 3 ships for American President Lines. Both of these companies are west coast operators and the possibilities are that their ships will be successfully bid by west coast shipyards. Accordingly, the modified program is better balanced in that it will result in five construction contracts in lieu of three, making possible a better geographical distribution of the contracts.

The increase in fund requirements results from (1) more expensive type ships being built than in the original program, and (2) increase in number of contracts from three to five with a lesser number of units per contract, thus increasing the unit cost per ship.

2. National defense feature costs: As originally planned, costs of national defense features incorporated in the 18 ships to be built under the replacement program were to be financed by transfer of funds from the appropriation "Shipbuilding and conversion, Navy." The new method of financing NDF costs was not approved by the legislative and Appropriation Committee of Congress responsible for Department of Defense programs. Therefore, it becomes necessary to cover such costs in Maritime Administration's "Ship construction" appropriation.

3. Acquisition of replaced ships: Based on the tentative schedule for ship replacement in the original estimate, funds in the amount of $10.8 million were programed for replacement of 18 ships. Of the original total, $5.4 million was available from carryover funds and an additional $5.4 million was requested in the estimate.

The revised program provides trade-in of 22 ships on the 18 new ones to be constructed. This results in an additional appropriation of $3.6 million to acquire the ships being traded in. The following table indicates, by operator, the number of ships now planned to be acquired and the estimated cost:

	Number	Estimate
American Mail line	2	$1,288,000
American President Lines	3	2,320,000
Grace Line	4	2,550,000
Lykes Bros	5	3,170,000
U.S. Lines	8	5,072,000
Total		14,400,000

Mr. PROXMIRE. Mr. President, the majority leader indicated he would ask for a yea and nay vote. May we yield back all our time so that a quorum call may be asked for?

The PRESIDING OFFICER. All time has been yielded back, and 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. MANSFIELD. Mr. President, I ask for the yeas and nays on the amendment of the Senator from Wisconsin [Mr. PROXMIRE].

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin. On this question the yeas and nays have

been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Colorado [Mr. CARROLL] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG], are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Pennsylvania [Mr. CLARK] would each vote "nay."

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Texas [Mr. TOWER].

If present and voting, the Senator from Colorado would vote "nay" and the Senator from Texas would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Utah [Mr. BENNETT].

If present and voting, the Senator from Alaska would vote "nay" and the Senator from Utah would vote "yea."

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from South Dakota [Mr. BOTTUM].

If present and voting, the Senator from Minnesota would vote "nay" and the Senator from South Dakota would vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kentucky [Mr. MORTON] and the Senator from Texas [Mr. TOWER] are necessarily absent.

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Utah would vote "yea" and the Senator from Alaska would vote "nay."

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from South Dakota would vote "yea" and the Senator from Minnesota would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Maryland would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Colorado would vote "nay."

The result was announced—yeas 30, nays 52, as follows:

[No. 304 Leg.]

YEAS—30

Boggs	Jordan, Idaho	Prouty
Bird, Va.	Kerr	Proxmire
Carlson	Lausche	Russell
Church	McGee	Symington
Curtis	Miller	Talmadge
Douglas	Monroney	Thurmond
Goldwater	Moss	Wiley
Gore	Mundt	Williams, Del.
Hart	Muskie	Young, N. Dak.
Hickenlooper	Pearson	Young, Ohio

NAYS—52

Allott	Hayden	Morse
Bartlett	Hill	Murphy
Beall	Holland	Neuberger
Bible	Hruska	Pastore
Burdick	Humphrey	Pell
Bush	Jackson	Randolph
Byrd, W. Va.	Javits	Robertson
Cannon	Johnston	Saltonstall
Case	Jordan, N.C.	Scott
Cooper	Keating	Smathers
Cotton	Kefauver	Smith, Mass.
Dirksen	Kuchel	Smith, Maine
Dodd	Long, Hawaii	Sparkman
Ellender	Long, La.	Stennis
Engle	Mansfield	Williams, N.J.
Ervin	McClellan	Yarborough
Fong	McNamara	
Hartke	Metcalf	

NOT VOTING—18

Aiken	Carroll	Hickey
Anderson	Chavez	Long, Mo.
Bennett	Clark	Magnuson
Bottum	Eastland	McCarthy
Butler	Fulbright	Morton
Capehart	Gruening	Tower

So Mr. PROXMIRE's amendment was rejected.

Mr. MCCLELLAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MORSE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORSE. Mr. President, without losing my right to the floor, I yield to the minority leader.

LEAVE OF ABSENCE

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the distinguished Senator from Iowa [Mr. HICKENLOOPER] be excused from attendance at the sessions of the Senate on Thursday, Friday, and Saturday of this week.

The PRESIDING OFFICER (Mr. JORDAN of North Carolina in the chair). Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I ask unanimous consent also that the distinguished Senator from Colorado [Mr. ALLOTT] be excused from attendance at the sessions this week because of official business at the U.N.

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

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

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

Mr. MORSE. I yield.

Mr. MANSFIELD. Mr. President, I have discussed the question of a time limitation on the amendment which will be offered by the Senator from Oregon [Mr. MORSE] with the Senator from Oregon, the Senator from Illinois [Mr. DIRKSEN], the chairman of the subcommittee, the Senator from Arkansas [Mr. MCCLELLAN], and others. At this time I should like to make a unanimous-consent request that 35 minutes be allotted on the amendment, 30 minutes to be under the control of the Senator from Oregon and 5 minutes to be under the control of the Senator from Montana.

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

Mr. MANSFIELD. Mr. President, it is my intention to move to table the amendment of the Senator from Oregon at the conclusion of the time limitation.

Mr. MORSE. Mr. President, I am disappointed to hear that statement, but I am a legislative realist. May I at least have an agreement for a yea-and-nay vote on the proposed unfortunate motion?

The PRESIDING OFFICER. The amendment has not been offered.

Mr. MANSFIELD. There can be a yea-and-nay vote based upon the majority leader's announcement.

Mr. MORSE. Mr. President, I still ask for the yeas and nays on the amendment.

Mr. RUSSELL. Mr. President, what is the pending question on which the yeas and nays have been requested?

The PRESIDING OFFICER. The amendment has not yet been offered. Will the Senator call up his amendment?

Mr. MORSE. Mr. President, I offer my amendment in the form of the bill, S. 2985, which I send to the desk, and on which I have filed a motion to suspend the rules as of yesterday.

The PRESIDING OFFICER. The amendment of the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. It is proposed to amend section 521 of title 38 of the United States Code.

Mr. MORSE. Mr. President, in the interest of saving time, I ask unanimous consent that further reading of the amendment be waived, because I shall describe it in some detail.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be printed and not read.

The amendment is as follows:

That section 521 of title 38 of the United States Code is amended by redesignating subsections (b) through (f) as subsections (c) through (g), respectively, and by inserting after subsection (a) the following new subsection:

"(b)(1) In the case of a veteran of World War I, pension shall be paid at the following monthly rate:

"(A) $75; or

"(B) $90 if (i) the veteran is sixty-five years of age or older, or (ii) the veteran has been rated as permanently and totally disabled for an aggregate period of ten years; or

"(C) $150 if the veteran is in need of regular aid and attendance.

"(2) If the veteran served outside the continental limits of the United States for a period of thirty days or more during the creditable period of service the monthly rate payable to him under paragraph (1) shall be increased by 10 per centum.

"(3) For purposes of this section, a veteran of World War I shall be deemed to be permanently and totally disabled upon reaching the age of sixty-five years.

"(4) No pension shall be paid under paragraph (1) to any unmarried veteran whose annual income exceeds $1,800, or to any married veteran or any veteran with children whose annual income exceeds $3,000."

SEC. 2. (a) Subsections (c), (d), and (e) of such section (as redesignated by the first section of this Act) are amended by striking out "If" in each subsection and inserting in lieu thereof "In the case of a veteran of World War II or the Korean conflict, if".

(b) Subsection (e) of such section (as redesignated by the first section of this Act) is amended by striking out "(b) or (c)" and inserting in lieu thereof "(c) or (d)".

SEC. 3. The amendments made by this Act shall take effect on the first day of the first month which begins after the date of the enactment of this Act.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. MANSFIELD. Mr. President, has the time limitation been agreed upon?

The PRESIDING OFFICER. The unanimous-consent request for a time limitation has been agreed to.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

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

Mr. MORSE. I yield.

Mr. DIRKSEN. Were the yeas and nays ordered on the motion to suspend the rules?

Mr. MORSE. No, the yeas and nays were ordered on the proposed motion to lay on the table which the majority leader said he would make.

Mr. MANSFIELD. Mr. President, I understand the parliamentary situation fully. I think the procedure described is the best way to meet the situation rather than to raise points of order and operate on a two-thirds basis. If the Senator from Oregon wishes to make his position known again this year as he has in years gone by on the pending question, we thought he should be given the privilege of a yea-and-nay vote. I hope that the action already taken by the Senate will be sustained, despite the fact that we could have operated differently had we desired to do so.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. At the end of the discussion, which I understand will run for 30 minutes, may a point of order still be made?

Mr. MANSFIELD. I intend to make a motion to table the amendment.

Mr. DIRKSEN. I wish to be sure that the right of any Senator to make a point of order will be preserved after the discussion has taken place, if a Senator desires to make such a point.

The PRESIDING OFFICER. After the debate is completed, a point of order can be made.

Mr. MANSFIELD. I express the hope that no Senator will raise the point of order at that time and that the Senate will vote, as agreed, on the basis of tabling the amendment of the Senator from Oregon.

Mr. MORSE. Mr. President, I yield to myself all my time.

Mr. President, for many years now, I have felt that the Nation's pension program for veterans of World War I has not only been inadequate, but has been reduced to little more than a welfare program for men who happened to serve in World War I.

The 1959 Congress went further in this direction than it has ever gone before, putting veterans' pensions on a sliding scale related inversely to income. In my opinion, that makes it a welfare program.

I think the Nation's veterans are entitled to better than that. Pensions should not be a part of a welfare program. They should be a form of recognition, of obligation on the part of the Nation.

The amendment I offer today is the same as the bill I have introduced before on this subject. It is S. 2985 of the current Congress. It provides a pension for veterans of World War I by establishing as a matter of law that such a veteran shall be considered permanently and totally disabled at age 65, and entitled to pension benefits. The veteran would also be considered permanently and totally disabled for pension purposes if he has been so rated for an aggregate period of 10 years.

He would receive a pension of $90 a month, plus a 10 percent increment for service overseas of at least 30 days during World War I.

This proposal is not nearly as generous as many pension proposals for this group have been. In fact, I would favor and vote for a more comprehensive program than this one I am offering.

It is not as liberal a measure, for example, as H.R. 3745, in the other body. This is because my bill does not change the existing income limits of $1,800 for a single veteran and $3,000 for a married veteran.

LEGISLATIVE SITUATION IN 87TH CONGRESS

Mr. President, the veterans' groups which are most interested in this subject have been waiting for action in the House on H.R. 3745. I have been cooperating with them, and they with me. It was my feeling that my bill should not be pressed in the Senate while there was any possibility of favorable action being taken in the House. However, in recent days there has been a consensus of opinion among us that that hope is now forlorn.

Therefore I place in the RECORD the record that has been made on H.R. 3745. A discharge petition was filed in the House on the bill on April 16, 1962, by the gentleman from Indiana [Mr. DENTON]. The maximum number of names consisted of 197, as of a week ago. The total number at one time was 211. The present status of this bill is that it is at the Speaker's desk. Hearings on it were held, along with hearings on other pension bills, on July 11 to 13, 1961. Six hearings were held on the operation of the pension program in August and September 1962. The last one was on September 26, 1962. Testimony taken from World War I pension groups included a statement on H.R. 3745.

The best indication we can get from the House is that the probabilities of action on the House bill, H.R. 3745, are not good, and that the best chance of getting action on the pension bill in the House would be to follow the route that the senior Senator from Oregon is proposing in the Senate today; namely, to try to have it attached as an amendment, under a suspension of the rule, to a bill in the Senate.

I felt that the appropriation bill for the Department of Justice and Department of Commerce was a particularly good one in connection with which to try this parliamentary endeavor. It ought to go on the Justice Department appropriation because there is no question that justice ought to be done to these veterans. It ought to go on the Commerce Department appropriation because of the beneficial economic effect that the bill would have on the economy of the country. The consensus of opinion is that it will mean that 90 percent of the return from this pension would go into the cash registers on the main streets of America and would increase the purchasing power of the consumers of America, and therefore would be a great benefit in expanding the economy.

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

Mr. MORSE. No; I will not yield at this time. After I have finished my speech, I shall be glad to yield. I have a great deal to say in my 30 minutes.

As I say, this amendment would be of great benefit to the economy of our country. Therefore, I am offering it on the pending bill as a last-ditch attempt, so to speak, to try to get some action in this session of Congress. I share the disappointment of the veterans' groups which are interested in the bill. Some of their expressions I shall put in the RECORD before I close my speech. I share the disappointment that the bill has become bogged down in the House of Representatives. I sincerely trust that there will be favorable action on the bill before the Congress adjourns. In case there is not, and I am again entrusted with the great privilege and honor and obligation of serving the people of my sovereign State in the Senate for another 6 years, I will be back at this desk come next January to reintroduce the bill. For so long as I serve in the Senate, I will continue to do what I can to obtain a measure of justice for the World War I veterans, which has been denied to them these many years, in regard to a deserved pension.

DIFFERENCES FROM H.R. 3745

As I have said, my bill is not as liberal as H.R. 3745. This is because my

bill does not change the existing income limits of $1,800 for a single veteran and $3,000 for a married veteran.

Secondly, my bill does not change the present method of computing income. There is a very good case, in my opinion, to be made for eliminating certain types of income such as social security benefits, railroad retirement benefits, and other types of retirement income, from the calculation of what is to be counted as income for pension purposes.

But this measure does not change the present law in that respect, either. It seems to me that Congress might consider liberalizing the existing program simply by changing the method of computing income, as an alternative to increasing rates. But I am not offering that alternative at this time.

Instead, I am proposing that within the present income limits, we raise all eligible World War I veterans to a pension rate of $90 a month at age 65. It is possible that a few veterans could receive more under the present law than under my amendment. This is because the present sliding scale provides single veterans with incomes under $600 a year a pension rate of $85 a month. If they are not yet 65 and have not been judged permanently and totally disabled for an aggregate period of 10 years or more, their pension rate under my bill would be $75 a month.

Similarly, the present law provides the veteran with one or more dependents and an income of less than $1,000 a year with a pension of $90 a month. Here again, for the veteran not yet 65 and not found permanently and totally disabled for 10 years my bill provides a pension of $75 a month.

This is why my amendment is intended to permit the veteran to choose whether or not to remain under the existing program, or come under the provisions of this amendment.

The report of the Veterans' Administration to the Senate Finance Committee on S. 2985, says the following on this point:

> It does not appear the bill, if enacted, would affect the eligibility of World War I veterans to continue to receive pension under the savings provision of section 9 of Public Law 86-211. They could, of course, elect to receive pension under this bill if otherwise eligible. It further appears they could reelect if they so desire and can qualify under the law in effect on June 30, 1960.

But I think there would be very few World War I veterans who would choose to remain under existing law, as opposed to this measure. This is because the average age of World War I veterans is now slightly over 68. The only men whose benefits would be less under my bill would be those not yet 65, not permanently disabled, and with an income under $600 a year, if single, and $1,000 a year, if married. Even so, they could elect to remain under existing law and receive the higher amount.

In fairness to the administration, and to the Veterans' Administration, whose entire report on my bill was in opposition to my bill, I ask unanimous consent to have printed at this point in the RECORD, the report from the VA to the Senate Finance Committee on S. 2985.

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

AUGUST 20, 1962.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Further reference is made to your request for a report on S. 2985, 87th Congress.

The bill would liberalize eligibility for, and authorize generally higher rates of, pension for veterans of World War I.

Title 38, United States Code, section 521, authorizes permanent and total non-service-connected disability pension for otherwise qualified veterans of World War I, World War II, and the Korean conflict. Permanent total disability is determined on a very liberal basis. Although age alone is not a basis for entitlement, it is considered in association with disability and unemployability in determining permanent and total disability. For example, at age 65, such rating will be assigned to a veteran with a permanent 10 percent disability if he is unable to follow substantially gainful employment by reason of the disability. As of December 1961, the average age of World War I veterans was 67.6 years.

As you are aware, the pension program was the subject of extensive study by the executive and legislative branches, culminating in Public Law 86-211, effective July 1, 1960. The revision retains the requirements of disability and need for the payment of veterans' pension, providing benefits on a sliding scale, giving the greatest amount of pension to those in the greatest need. For veterans unmarried or without a child, the monthly rates range from $40 to $85 depending upon yearly income which may not exceed $1,800. For veterans married or with a child or children, the monthly rates range from $45 to $100 depending upon the number of dependents and annual income which may not exceed $3,000. The applicable rate is increased by $70 monthly for veterans in need of regular aid and attendance.

The new graduated pension system superseded the old program effective July 1, 1960. The new law, however, contained a savings provision (sec. 9) permitting persons on the pension rolls on June 30, 1960, who do not elect to receive pension under the new law, to continue to receive pension under the old law so long as they can qualify thereunder.

The enactment of S. 2985 would revoke World War I veterans' entitlement to current pension payments under 38 United States Code 521 and would provide new rates of pension and income limitations under that section for these veterans. The basic rate of pension under the bill for veterans of World War I who are permanently and totally disabled from non-service-connected disability would be $75, increased to $90 at age 65 or when the veteran has been rated permanently and totally disabled for an aggregate period of 10 years. A veteran who requires aid and attendance would receive $150. Each of these rates would be further increased by 10 percent for a veteran who served outside of the continental limits of the United States for a period of at least 30 days during World War I. Under the bill, a World War I veteran would be deemed to be permanently and totally disabled upon reaching the age of 65 years. This provision would, in effect, establish for veterans of World War I, to the exclusion of veterans of later wars, a service pension at age 65 if they meet the other requirements of law relating to income and length and character of service. Pension would not be payable to an unmarried veteran whose annual income exceeds $1,800 nor to any married veteran or any veteran with children whose annual income exceeds $3,000.

Other provisions of title 38, United States Code, governing payment of pension, such as length of service, type of discharge and method of computing income, would not be changed and would be for application under S. 2985, if enacted.

It does not appear the bill, if enacted, would affect the eligibility of World War I veterans to continue to receive pension under the savings provision of section 9 of Public Law 86-211. They could, of course, elect to receive pension under this bill if otherwise eligible. It further appears they could reelect if they so desire and can qualify under the law in effect on June 30, 1960.

S. 2985 would revert to the all-or-nothing principle of prior laws, which Public Law 86-211 sought to correct. In addition, it would benefit most those who are least in need, and would, in some instances, provide a lower rate of pension than is provided under existing law for those who are most in need. This is apparent from the attached chart which compares pension rates and annual income limits under 38 United States Code 521 and S. 2985. I believe the rate structure provided by existing law is more equitable than that proposed by the bill.

I question the wisdom of granting a preferential pension rate based solely on service outside the continential limits of the United States. As a general rule, a person has no control over the locale of his military service. Usually a serviceman is assigned to duties in which military authorities consider he can make the greatest contribution to the war effort without regard to the area in which he will perform such duties.

It is estimated that enactment of the bill would result in greater pension payments than authorized under existing law in 957,800 cases, and lesser payments in 27,200 cases during the first year. The net additional cost for that year would be approximately $192,170,000. It is estimated that the cost would increase for the next 3 years when it would reach $207,876,000 and would remain at that figure the following year. These estimates cannot be considered firm because actual experience indicating the effects of Public Law 86-211 is still incomplete. Nevertheless, they are believed to be in the proper magnitude.

Enactment of S. 2985 may well stimulate requests for a similar pension, or for an increase in pension rates, for veterans of World War II or the Korean conflict who are currently eligible for pension on the same basis as World War I veterans. It might also result in requests for increased rates in the death pension programs for widows and children. We believe, therefore, that your committee will desire to give careful consideration to the far-reaching effects of the proposal.

For the reasons indicated, I recommend that the bill be not favorably considered.

Advice has been received from the Bureau of the Budget that enactment of S. 2985 would not be in accord with the program of the President. The Bureau further advises that there is no objection to the submission of this report to your committee.

Sincerely,

W. J. DRIVER,
Deputy Administrator.

Mr. MORSE. I wish to stress that we are dealing with an elderly group. We are dealing with a limited group of elderly persons, those who do not earn more

than $1,800 if unmarried, and $3,000 if married. They are entitled to better care than they are receiving under welfare programs. They are entitled to the justice of the Morse bill.

We also need to keep in mind the moral obligation we owe those men; because, considering every war since World War I, the World War I veterans are the forgotten veterans of America. It is perfectly clear that the World War I veterans have never received the benefits which veterans of other wars have received, including wars before World War I and World War II and the Korean war.

When we speak about a pension which is to be given veterans having low income earning, we are talking about pensions which will be used to buy the necessities of life. We are talking about pensions which will be poured immediately into the economic stream of this country. They are going to be used to buy consumer goods and the necessities of life. I am at a loss to understand why anyone should hesitate to provide that kind of purchasing power to a group of old veterans in this country to whom we owe so much.

DOMESTIC NEEDS AS GREAT AS FOREIGN AID NEEDS

Only yesterday I voted against the foreign aid bill. One reason why I voted against it was that, in my judgment, we think too much about seeing to it that economic aid is provided to people away from our shores, and too little about seeing to it that economic aid reaches people within our own country.

The Senate yesterday voted, in the foreign aid bill, hundreds of millions of dollars for the benefit of people in foreign lands. Yet arguments are raised about whether we can afford to increase pension benefits to the veterans of World War I. I do not care what criterion is used to measure our obligation. We cannot afford not to do it.

If we can vote hundreds of millions of dollars for foreign aid, we can afford to vote these benefits for the patriotic veterans to whom we are so greatly indebted.

The result of my amendment is not to add more veterans to the pension roll; it is to eliminate the declining scale of the pension under present law.

Senators know that the higher the income under existing law, the smaller the pension, until the veteran reaches the level of $1,800 a year, if single, or $3,000 a year, if married. In the first instance, he receives $40 a month; under my bill, he would receive $75 a month if not yet 65 and $90 if he is 65 or over.

If he has a dependent and has an income of just under $3,000, he receives $45 a month. Under my bill, he would receive $75 if under 65, and $90 a month if 65 or over. Do not forget that he is now receiving a pension plan which amounts to nothing but a welfare plan.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table prepared for me by the Veterans' Administration comparing current pension rates with the provisions of my bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows.

Comparison of pension rates and annual income limits under 38 U.S.C. 521 and S. 2985

	38 U.S.C. 521—Veterans of World War I, World War II, or Korean conflict		S. 2985, 87th Cong.—Veterans of World War I only	
	Income limit	Monthly rate	Income limit	Monthly rate
Single veteran	$600	$85.	$1,800	$75; $90 age 65 or P. & T. 10 years.
	1,200	$70.		$150 aid and attendance.
	1,800	$40.		The foregoing rates increased by 10 percent for foreign service of 30 days or more.
		$70 additional to foregoing rates for aid and attendance.		
Veteran and wife or child or children.	1,000	$90, 1 dependent; $95, 2 dependents; $100, 3 or more dependents.	3,000	$75; $90 age 65 or P. & T. 10 years.
	2,000	$75.		$150 aid and attendance.
	3,000	$45.		The foregoing rates increased by 10 percent for foreign service of 30 days or more.
		$70 additional to foregoing rates for aid and attendance.		

NOTE.—Under sec. 9, Public Law 86-211, World War I, II, or the Korean conflict veterans on pension rolls on June 30, 1960, may continue to receive pension at the rates and subject to income limitations applicable at that time. (Income limits: $1,400 if single; $2,700 with dependents. Rates: $66.15 or $78.75 at age 65 or if on pension rolls continuously for 10 years. Aid and attendance rate: $135.45.)

COST OF PENSION CHANGES

Mr. MORSE. Mr. President, any time the word "pension" is mentioned, the main consideration for many people is "how much will it cost?" I do not want any misunderstanding that would cause Senators or the public to assume that my proposal is the same as that pending in the House for which cost estimates have been publicized.

Again, I have had the Veterans' Administration prepare for me a chart showing the cost of the present pension system for World War I veterans, compared to the cost under my bill. As is customary, the figures are estimated up to the year 2000.

I suppose most Members of Congress will look first to the cumulative total at the lower right-hand corner. It shows that from 1963 to 2000, the total additional cost of this amendment is estimated at $3,240,100,000, about three and a quarter billion, in other words. Are Senators shocked at that? Here we are considering a foreign aid appropriation bill which totals $6,781,402,000. That is over a period of 1 year for most of it, 5 years for some of it, and some of it indefinite. Yet the mutual security portion alone is $4,422,800,000, more than $1 billion more than what I am suggesting we make available to our World War I veterans over the next 37 years.

When we consider the cost of my bill, we are talking in terms of an amount which will be spent over 37 years. Yet most of the amount provided in the foreign aid bill which was passed yesterday will be spent in the next year, or the next, or the next 5 years.

Moreover, there is one figure the Veterans' Administration chart does not show and that is the average yearly increment over that period. According to my own staff's calculations, over the next 37 years, my bill would cost the Treasury about $87½ million more each year than the existing law.

Eighty-seven and a half million a year each year for the next 37 years. That is what my proposal would cost. Is that so extravagant? Is even the total of three and a quarter billion so extravagant, compared to the extravagance of the more than $90 billion we have poured into foreign aid since 1946?

I ask unanimous consent to have printed at this point a table showing the estimated cost of the pension program under existing law, compared with the measure I am proposing today.

There being no objection, the table was ordered to be printed in the RECORD.

World War I veterans, non-service-connected disability caseload and cost (estimated), fiscal years 1963–2000—Present legislation compared with proposed legislation (S. 2985, 87th Cong.) showing additional cost

[In thousands]

Cost comparison				Additional cost of S. 2985, 87th Cong.[2]		
Present law [1]			S. 2985, 87th Cong. (if enacted into law) (amount)			
Fiscal year	Cases [1 2]	Amount		Specific year	5-year period	Cumulative
1963	1,040	$1,030,000	$1,222,170	$192,170		$192,170
1964	1,080	1,069,000	1,268,561	199,561		391,731
1965	1,110	1,099,000	1,304,105	205,105		596,836
1966	1,125	1,114,000	1,321,876	207,876		804,712
1967	1,125	1,114,000	1,321,876	207,876		1,012,588
1968	1,120	1,109,000	1,315,952	206,952		1,219,540
1969	1,115	1,104,000	1,310,028	206,028		1,425,568
1970	1,110	1,099,000	1,304,105	205,105		1,630,673
1975	712	705,000	836,563	131,563	$804,899	2,435,572
1980	374	370,000	439,107	69,107	470,447	2,906,019
1985	150	149,000	176,717	27,717	221,365	3,127,384
1990	45	45,000	53,315	8,315	80,379	3,207,763
1995	14	14,000	16,587	2,587	24,391	3,232,154
2000	5	5,000	5,924	924	7,946	3,240,100
Average per year						87,570

[1] Estimated caseload under present law and the proposal was considered to be same for estimate purposes. Although some new cases would be eligible it is believed they would be insignificant.

[2] Approximately 95 percent of the caseloads would be affected by rate changes, resulting in estimated additional costs indicated.

NOTE.—(A) This long-range estimate is predicated on the following assumptions and due to the many intangible factors involved should not be considered a firm estimate but only one of approximate magnitude: (a) Present economic conditions will continue, (b) income levels shall consistently remain at latest known levels as published by Bureau of Census, (c) used marital status for veterans for non-service-connected benefits as determined from actual sample study of disability pension rolls, (d) present social security program will continue, and (e) number and age of living veterans based upon official VA estimates.

(B) The estimate takes into account World War I veterans receiving pension under the savings provisions of sec. 9 of Public Law 86-211.

Mr. MORSE. Mr. President, I know it is unorthodox to offer such a measure as an amendment to an appropriation bill. Yet this is the only way I know of to bring the subject to the attention of the Senate and of the public.

There has never been a hearing on this measure as such; yet it has been before the Senate since 1957, when I first introduced it. I have introduced it in each session of Congress ever since. I think 5 years is long enough to wait for hearings on any bill. I think the time has come for the Senate to take action on the floor of the Senate on a bill which seeks to do justice to World War I veterans.

In the other body, Members signed a discharge petition which came close to bringing H.R. 3745 to the House floor before hearings were obtained on the general subject. I have been advised by friends in the House that the only way the discharge petition was stopped was to take the bill to hearings; but it has bogged down on the House side.

There is not much more time for this issue to be considered at this session of Congress. I do not doubt that the opponents of broader pension provisions know this very well. Time is on their side, because time is running out for the veterans of World War I. If the opponents of the pension bill, to do justice to World War I veterans, stall long enough, wait long enough, the problem will automatically disappear through the death of the veterans themselves. But that is an ugly thought, if we will reflect for a moment upon our moral obligation to those veterans.

I ask unanimous consent to have printed at this point in the RECORD the response I have received from the Veterans' Administration in reply to several questions I asked about the number of World War I veterans, the number still living, and their eligibility for compensation and pension.

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

VETERANS' ADMINISTRATION,
OFFICE OF CONTROLLER,
Washington, D.C., September 12, 1962.

The Honorable WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: Your August 29, 1962, letter to Mr. DePrenda of the Congressional Liaison Service has been referred to me for reply.

The answers to your questions on World War I veterans are given in the order in which you asked them.

1. Number who served: 4,744,000.
2. Number living: 2,455,000, June 30, 1962.
3. Number deceased: 2,289,000, June 30, 1962.
4. Number dying every year: 110,000 in fiscal year 1962.
5. Number dying every day: 300, approximately.
6. Number having less than 90 days service: 66,000 of those now living.
7. Number drawing pension: 1,006,533, June 20, 1962.
8. Amount of pension being paid: $79,554,000 monthly, June 1962.
9. Average amount of pension: $79.04 monthly, June 1962.
10. Number drawing compensation: 146,678, June 20, 1962.
11. Amount of compensation being paid: $14,684,000 monthly, June 1962.
12. Average amount of compensation: $100.11 monthly, June 1962.
13. Number drawing more than $100 monthly: 53,000, approximately.
14. Average age: 68.1 years, June 30, 1962.
15. Number who have not applied for benefits: We are unable to establish the number who have not applied. However, of the 2,455,000 living World War I veterans, approximately 1,182,200 are not now in receipt of VA compensation or pension or Department of Defense military retirement benefits.
16. Number denied pension because of income limitation: We currently estimate that approximately 819,700 World War I veterans, who are now employed at full- or part-time jobs and who are not on the VA or Department of Defense rolls, have income in excess of the existing limitation and might be denied pension should they apply at this time.

Please let me know if I can be of any further assistance.

Very truly yours,
J. M. HANSMAN,
Controller.
(For and in the absence of John Shylte).

Mr. MORSE. Mr. President, in its Legislative Newsletter of March 1962, the Veterans of Foreign Wars called my proposal "a modest pension bill for veterans of World War I." That is a very accurate statement about it.

My bill is so modest that I do not believe I can claim the outright endorsement of it by any veterans' organization.

Those backing a general pension for World War I veterans are united behind H.R. 3745, which they do not have a chance to get passed at this session.

My bill does not go as far as that bill, which substantially raises income limits and excludes many forms of income from the computation of income limits.

The other organizations are less interested in World War I veterans, since their membership is now drawn more heavily from younger veterans. Yet I believe this proposal is indeed a modest one. It is fairer to World War I veterans than the present pension system; and I ask for favorable consideration of this measure.

Mr. President, yet I have received many favorable comments and certain other supporting evidence and data in support of my proposal.

I wish to comment briefly on a letter dated October 3, 1962, which I have received from the director of the national legislative service of the Veterans of Foreign Wars of the United States. The letter reads as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
NATIONAL LEGISLATIVE SERVICE,
Washington, D.C., October 3, 1962.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: Your proposed amendment for a separate pension program for the veterans of World War I, which you submitted to the Senate on October 1, is of special interest to the Veterans of Foreign Wars of the United States.

For many years, the VFW has been seeking to have the Congress recognize a separate pension program for the approximately 2,300,000 remaining World War I veterans. Our most recent national convention adopted several resolutions in the pension field. One, which specifically addresses itself to the veterans of World War I, is Resolution No. 246, entitled "World War I Pension." Another, identified as No. 244, entitled "Liberalized Pension Program," would, if approved by the Congress, be extremely helpful to the veterans of World War I. Copies of these two resolutions are attached.

It is noted that your proposed amendment would carry out many of the features contained in these two mandates of the VFW. Not only would your proposal create a separate program, but it is noted it would increase both the rates and income limitations for some World War I veterans. Of particular interest is the provision which states that if the veteran served outside the continental limits of the United States for a period of 30 days or more during the creditable period of service, the monthly rate payable to him shall be increased by 10 percent. The VFW has long held that the length and type of service rendered should be a factor in determining the pension rate in the same manner that servicemen during the war were compensated in accordance with the type of service they rendered.

Without going into all the ramifications of your proposed amendment, it should be pointed out that many World War I veterans are receiving a higher pension under the so-called old pension program and the Veterans' Pension Act of 1959 (Public Law 86-211).

That is the law I discussed in my statement on my bill—

The same holds true for many who are receiving an additional allowance for aid and attendance. A savings clause should, therefore, be incorporated in the amendment in order to preserve the higher rates paid to those already on the pension rolls, and right of election.

It is in there; it provides that they shall have the right of election and of choice. I have seen to it that they are protected.

Then the letter states:

The Veterans of Foreign Wars, however, is very much in favor of and heartily supports the purpose and intent of your amendment which would also increase the rates for some, and in particular, would recognize oversea and combat service by rewarding those veterans, if otherwise entitled, a higher pension payment.

Your amendment and efforts to achieve this purpose would carry out our longstanding mandate for a separate pension program for the remaining World War I veterans and is deeply appreciated by the Veterans of Foreign Wars.

Sincerely,
FRANCIS W. STOVER,
Director, National Legislative Service.

Mr. President, attached to the letter is a copy of Resolution 246, entitled "World War I Pension," and also a copy of Resolution 244, entitled "Liberalized Pension Program, Public Law 86-211."

I ask unanimous consent that the resolutions be printed at this point in the RECORD.

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

RESOLUTION 246—WORLD WAR I PENSION

Whereas the Veterans of Foreign Wars of the United States has for many years been aware of the growing needs of our aging comrades of World War I; and

Whereas the average age of these comrades of the First World War now approximates 68 years; and

Whereas this group constitutes the last major group of war veterans, who due to lack of either public or private retirement programs, will need such type of separate and distinct pension legislation: Now, therefore, be it

Resolved, by the 63d National Convention of the Veterans of Foreign Wars of the United States, That we go on record favoring a separate and distinct pension program for the veterans of World War I, incorporating the following provisions:

1. That the sum of $100 per month be paid to veterans of World War I service, who served a period of 90 days during the period prescribed as World War I service by the various laws and regulations, and such service consummated by a discharge under conditions other than dishonorable.

2. That there be income limitations pertaining to lawful receipt of such pensions of $2,400 per annum for a single veteran without dependents, and $3,600 per annum for the married veteran with one or more dependents.

3. That any retirement or annuities income, either public or private in nature, shall not be considered income in determining the eligibility for such pension.

4. That nothing under this resolution or any legislation that is introduced in the Congress as a result of this resolution by the VFW legislative service, should affect any laws or legislation presently in effect, to the end that any veteran shall suffer reduced amounts of pension as a result of its possible passage by Congress.

5. Monthly rates of pension payments be increased by 10 percent where the veteran served overseas during wartime.

6. This resolution is intended to operate as a guideline for the commander in chief and the legislative service, and they shall be free to support such bill or bills that meet these purposes without regard to the figures specified.

Adopted at the 63d Annual Convention of the Veterans of Foreign Wars of the United States held at Minneapolis, Minn., August 12 through 17, 1962.

RESOLUTION 244—LIBERALIZED PENSION PROGRAM, PUBLIC LAW 86–211

Whereas the average age of the World War I veteran is 68 and thousands of World War II veterans are already in their 60's; and

Whereas there are presently more than 1 million veterans receiving pension payments, of which over 900,000 are veterans of World War I; and

Whereas the pension rates should be increased especially for those with the lowest income who need the most help; and

Whereas widows and children of deceased veterans also are in need of increased pension rates; and

Whereas the great majority of older veterans are over 65 and automatically qualify for total disability with only a handful not being able to meet present disability requirements; and

Whereas there are many cases in which unavoidable expenses occur, such as the burial expenses of a wife or child causing great hardship on the veteran; and

Whereas one of the largest expenditures for veterans is medical, dental, and hospital bills and should be a factor in determining entitlement to pensions since they cut deep into the little income a veteran has; and

Whereas there are many wives who are forced to work in order to maintain the family and home and under present law this earned income is counted as if it were the veteran's income, thereby depriving the veteran of part or all of his pension payment; and

Whereas profits realized from the sale of a home can be counted as income, thereby depriving the veteran of eligibility for pension payments for the year in which the profits are realized; and

Whereas the Veterans of Foreign Wars has always been the leader for more liberalized and generous benefits, especially for our aging comrades: Now, therefore, be it

Resolved by the 63d National Convention of the Veterans of Foreign Wars of the United States, That we seek congressional approval of the following recommendations:

(1) Increase the income limitation with respect to the lowest and middle income groups under present pension laws.

(2) Increase monthly rates of pension for those whose annual income is in the lower income groups.

(3) Increase monthly rates of pension for widows and children whose annual income is in the two lowest income groups.

(4) Eliminate disability requirement for veterans 65 years of age or over.

(5) In determining income, exclude any amount paid for the burial expenses of a spouse or children.

(6) In the case of any veteran, exclude from annual income the cost of any medical, dental, and hospital expenses of the veteran, his spouse and children.

(7) In determining annual income, exclude all earned income of the spouse.

(8) In determining income limitations any profits from the disposition of real property not in course of trade or business shall not be counted.

(9) Monthly rates of pension payments be increased by 10 percent where the veteran served overseas during wartime.

Adopted at the 63d Annual Convention of the Veterans of Foreign Wars of the United States held at Minneapolis, Minn., August 12 through August 17, 1962.

Mr. MORSE. Mr. President, in closing, I wish to state that I said the veterans of World War I are the forgotten veterans of America. They are the forgotten veterans of America, as is evident when we compare the benefits they have received from the Government with the benefits other veterans have received.

GI BILL NEEDED FOR COLD WAR VETERANS

I wish to speak of one benefit for World War II veterans for which I fought hard, along with many other Senators. It is known as the GI bill of rights. We passed that measure, as we should have done, for they were entitled to it. Incorporated within the GI bill of rights for World War II veterans and Korean veterans were the educational features. Many thousands of World War II veterans had the benefit of the educational features of the GI bill of rights. As a result, they obtained an education, and thereby they were placed in a position to earn much more than they could have earned if they had not had the educational benefits of that bill. The evidence submitted by the Veterans' Administration shows clearly that the educational features of the GI bill of rights actually have not cost the American taxpayer a cent, because those educational features have enabled veterans to earn amounts much more than they would have been able to earn if they had not had such education; and thus there is a clear showing, on a mathematical basis, that the educational provisions of that bill are paying for themselves through the increased taxes obtained from increased earnings.

The Senator from Texas [Mr. YARBOROUGH], who was in the Chamber a moment ago, is very much interested in this matter; and he can testify that the hearings which have been held show precisely what I have just now stated. He knows that to be true, because, as chairman of the Veterans Subcommittee he took testimony on that point. That subcommittee has jurisdiction over the subject matter of the Yarborough GI bill.

That is why the Senator from Texas has been fighting in this Congress for the passage of similar legislation, which would give similar educational benefits to the so-called peacetime veterans; and I have stood shoulder to shoulder with him in fighting for the passage of that bill. It is another bill which Congress has not yet passed, but it should be passed if justice is to be done to the veterans. That bill, too, should have a preference priority—a priority as high as the one my bill should have—over some sections of a foreign-aid bill which, in my judgment, will involve nothing but waste and mismanagement, and will not bring commensurate benefits to the American people.

But the veterans bills we are fighting for would bring important benefits to the American people, as a whole, and justice to the veterans, in particular.

Mr. President, when I say the World War I veterans are the forgotten veterans of America, I wish to point out that we did not give them a GI bill of rights or any similar opportunity to make increased earnings, so that in their old age, thousands and thousands of them—who now are in a sorry plight—would have sufficient funds to maintain themselves in health, decency, and comfort.

Mr. President, I ask Senators to come with me to the domiciliary homes for veterans, across America—for example, to the one at Medford, Oreg.—and look at those veterans of World War I; and then tell me, in answer to the dictates of their own consciences, whether they think the people of the United States and those of us who have this legislative responsibility have done justice to the World War I veterans.

Mr. President, my bill seeks to carry out what I consider to be a great moral obligation; and I plead with the Senate to pass the bill or add it as an amendment to the pending appropriation bill, and then send it to the House of Representatives.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

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

Mr. MORSE. My time is up.

The PRESIDING OFFICER (Mr. JORDAN of North Carolina in the chair). The time of the Senator from Oregon has expired.

Mr. ROBERTSON. Mr. President, will the Senator yield me 1 minute for a question? I do not know what is in the amendment.

Mr. MANSFIELD. Mr. President, I yield 1 minute to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, the junior Senator from Virginia served for nearly 2 years in World War I. He is now 75 years old. The amendment offered by the Senator from Oregon a few days ago to the foreign aid bill provided that every veteran of World War I who was 65 and over would be deemed totally and permanently disabled. That

is a little embarrassing to the junior Senator from Virginia. Will the Senator from Oregon accept an amendment that it does not apply to the junior Senator from Virginia?

Mr. MORSE. It does not apply to the Senator from Virginia, because he makes more than $3,000 a year.

Mr. ROBERTSON. I see. I thought I was going to be deemed totally and permanently disabled.

Mr. MORSE. We are not forcing it on anyone, but it would apply to a World War I single veteran who earn less than $1,800 a year or a married veteran who earned less than $3,000 a year. In the name of commonsense and decency, we ought to adopt the proposal.

Mr. MANSFIELD. Mr. President, just to make sure, I wish to ask once again for the yeas and nays on the motion to table which I shall make.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. MANSFIELD. Mr. President, I, too, happened to have served in World War I. I did not achieve much in the way of rank. I was discharged finally from the service as a private first class in the Marine Corps. I am naturally interested in the welfare of the veterans of any war. I know the Senator from Oregon has for many years been attempting assiduously to bring benefits to the veterans of the First World War which he thinks they are entitled to; and to give to them the consideration which he thinks should be theirs in comparison with veterans of other wars.

However, in spite of the fact that the Senator from Oregon has been endeavoring to obtain hearings on the measure, or measures similar to it, no hearings have yet been held by any committee on the proposal. Before any legislation of this kind is considered, I believe it should have the benefit of prolonged, detailed, and exhaustive hearings, because of the amount of money involved.

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

Mr. MANSFIELD. I yield.

Mr. MORSE. I agree that there should be hearings. I have tried for 5 years to get hearings, but the committees will not give the hearings.

Mr. MANSFIELD. I have stated that the Senator from Oregon has tried. I thought it was for longer than 5 years.

Mr. President, I yield back the remainder of my time, and I move that the amendment of the Senator from Oregon be tabled.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana to lay on the table the amendment of the Senator from Oregon. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MUSKIE (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from Colorado [Mr. CARROLL]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Florida [Mr. SMATHERS], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from Alaska [Mr. GRUENING], the Senator from Louisiana [Mr. LONG], and the Senator from Minnesota [Mr. MCCARTHY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Idaho [Mr. JORDAN] and the Senator from New Hampshire [Mr. COTTON] are detained on official business.

The Senator from Colorado [Mr. ALLOTT] is absent by leave of the Senate on official business at the United Nations.

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Indiana would vote "nay."

The result was announced—yeas 53, nays 22, as follows:

[No. 305 Leg.]

YEAS—53

Bartlett	Holland	Mundt
Beall	Hruska	Pastore
Boggs	Humphrey	Pearson
Bush	Javits	Pell
Byrd, Va.	Johnston	Prouty
Byrd, W. Va.	Jordan, N.C.	Proxmire
Case	Keating	Robertson
Cooper	Kerr	Saltonstall
Curtis	Kuchel	Scott
Dirksen	Lausche	Smith, Maine
Douglas	Long, Hawaii	Sparkman
Ellender	Mansfield	Stennis
Engle	McClellan	Symington
Ervin	McGee	Thurmond
Goldwater	Metcalf	Wiley
Gore	Miller	Williams, Del.
Hickenlooper	Monroney	Young, Ohio
Hill	Moss	

NAYS—22

Bible	Hartke	Randolph
Burdick	Hayden	Russell
Cannon	Jackson	Smith, Mass.
Carlson	Kefauver	Talmadge
Church	McNamara	Yarborough
Dodd	Morse	Young, N. Dak.
Fong	Murphy	
Hart	Neuberger	

NOT VOTING—25

Aiken	Clark	Magnuson
Allott	Cotton	McCarthy
Anderson	Eastland	Morton
Bennett	Fulbright	Muskie
Bottum	Gruening	Smathers
Butler	Hickey	Tower
Capehart	Jordan, Idaho	Williams, N.J.
Carroll	Long, Mo.	
Chavez	Long, La.	

So Mr. MANSFIELD's motion to lay on the table the amendment of Mr. MORSE was agreed to.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendment was tabled.

Mr. MCCLELLAN. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MORSE subsequently said:

Mr. President, with reference to my attempt to add a pension for World War I veterans to the appropriation bill for the Departments of Commerce and Justice and related agencies, if I had had the time to do so, I would have included some additional points in my speech. I shall add them now, for the RECORD.

Mr. President, the Senator from Georgia [Mr. TALMADGE] came to my desk after the vote and expressed words of encouragement and appreciation for the position I had taken again this year, as I have previously, in an effort to do justice to World War I veterans. As I said during the debate, I have tried for 5 years to obtain hearings on the bill. I shall never be able to understand why we have not been able to have some hearings held on the pension bill for World War I veterans.

The Senator from Georgia [Mr. TALMADGE] pointed out to me, as did his senior colleague from Georgia [Mr. RUSSELL], who is Chairman of the Armed Services Committee, that under our foreign aid bill we are paying a very generous pension, a much more generous one than World War I veterans are able to collect in the United States, for the superannuated soldiers of the Nationalist Chinese army on Formosa.

Oh, Justice, where is your light? Who blew out the torch of justice in regard to our obligation to World War I veterans? How can we justify a foreign aid giveaway program to provide pensions for Chinese Nationalist soldiers, greater largess than we provide our own World War veterans? I leave that to Senators to answer when they return home.

Mr. YARBOROUGH. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. YARBOROUGH. I understand that while I was absent from the Chamber, the Senator from Oregon made some kind remarks about the GI cold war bill which many of us have been sponsoring for years, and also about my support of the amendment of the Senator from Oregon on behalf of World War I veterans. I voted against the motion

to table the Morse amendment to provide pensions for World War I veterans, and thereby voted for the pensions for World War I veterans.

One of the main reasons why I support pension payments for World War I veterans is that there was no GI bill for World War I veterans. When the World War I veterans returned home, the traditional saying is that they peddled apples on street corners. The good jobs had gone to those who had not entered the military service, but had stayed home and qualified for the new jobs in a changed technocracy.

A farsighted Government, a farsighted Congress, remedied that situation after World War II by passing a GI bill of rights which provided for readjustment training, the purpose of the GI bill being to train for the new civilian life, not to provide a bonus. By that legislation, 15½ million veterans of World War II had available to them various devices for readjustment. One was loans for homes, another provision loans for business, or loans for farms or ranches, or grants for education. Of those 15½ million, 7,800,000 went to school.

Then Congress passed a GI bill for veterans of the Korean conflict. Of the 4¾ million veterans of that war, half of them went to school under a GI bill.

We are now in a "cold war." We have no GI bill to retrain the "cold war" veterans. Are we to make apple peddlers out of them, as we did the veterans of World War I? Are they to face a situation in the future which the veterans of World War I faced?

I think it would be an act of simple justice to provide some benefits for the veterans of World War I, to make up for the failure of the Government to give them educational training after World War I. There was no precedent for such training for veterans at that time. But there is no excuse for failing now to provide pensions for World War I veterans now and to provide readjustment training for the veterans of the cold war, because we have learned by experience with the veterans of World War II and the Korean war the benefits, not merely to the veterans, but also to the Nation, of providing young present-day veterans of the cold war with readjustment training.

With this great example before us, I think Congress is "fiddling while Rome burns," when it lets millions of veterans of the cold war come out of the service untrained, lagging behind the times, while their contemporaries who did not serve have gone on and trained in the new technocracy for jobs, are getting the good paying jobs, and are leaving the cold war veterans behind in the battle of life.

I think the bill to provide a pension for veterans of World War I is an act of economic justice. I regret to say that the greatest economic injustice is to the veterans of the cold war, who are not being trained in such a way as to avoid a repetition of the World War I story, because now we know what happened to the veterans of World War I, and we should not stand by and see it happen again to these cold war veterans.

I thank the distinguished Senator from Oregon for his kind remarks about my work on the GI bill and my support of his amendment. I supported it because I believed it to be an act of justice.

Mr. MORSE. Mr. President, I agree with everything the Senator from Texas has said. If it is our privilege to serve again in this body beginning in January 1963, I shall ask the Senator from Texas to cosponsor with me a World War I veterans' pension bill, because I shall introduce such a bill and try to have early action taken on it next year.

This year, the momentum was behind the bill on the House side. It turned out that nothing came of the bill over there. But we were late in offering it on the floor here because I did not want to jeopardize any chance of discharging it from committee in the other body.

My suggestion is that come next January, if both of us are privileged to continue to serve here, the Senator from Texas and I introduce, in the very first days of the session, a World War I pension bill, that we press for action, and that we wait a reasonable time for the committee to give us a hearing. If we are not to be given a hearing, I propose that we then begin to seek the support of Members of the Senate to move to discharge the committee from the consideration of the bill, for the committee has kept similar bills bottled up for 5 long years. I do not intend to go through another session of Congress with such a bill bottled up in committee. I shall give the committee a reasonable time to hold hearings and make a report on the bill. If the committee does not wish to hold hearings and report on the bill, I shall very early in the next session of Congress avail myself of the privilege to move to discharge the committee from the consideration of the bill. I shall notify the Senator from Texas and hope that he will join with me in that parliamentary move.

The Senator from Texas can count on me to be a cosponsor again, if I am here, of his GI bill, which seeks to provide GI education and training benefits for veterans now coming out of the Armed Forces.

Mr. YARBOROUGH. I thank the Senator from Oregon and congratulate him on his leadership. Come January, if I am here, I plan to reintroduce the cold war GI bill; 51 Senators sponsored the bill this year.

The draft law will expire next July. I wonder if, come next year, Congress will say to the young men who will be pulled out of their normal lives, "We are going to make you serve, but we will not let you go to school when you are discharged." That will be one of the issues in the next Congress.

Mr. JAVITS. Mr. President, I have had printed two amendments, which are at the desk. I have offered neither of them.

One amendment relates to the engraving by the Bureau of Engraving of the portrait of the Chief Justice of the Supreme Court, in accordance with a time-honored custom going back to 1873. I do not feel that this is the kind of measure which should be pressed as an amendment. I feel that the request should properly come from the Bureau of the Budget, following the longstanding tradition in which this has been done for Chief Justices of the Supreme Court. Incidentally, this is a practice which has paid for itself through the purchases of prints of the engraving by the public.

I shall refrain from offering the amendment, but I request the Bureau of the Budget to consider the introduction of such an item into the proposed budget for next year.

Second, Mr. President, I had printed an amendment with respect to increasing the sum allowed by the committee for the informational media guarantee fund from $1 million to $1.5 million. I am satisfied that such an amendment probably would not carry. I am satisfied also that the committee will approach these discussions in conference with the other body with the utmost fairness.

I made a speech this morning in which I pointed out that the big problem in the USIA was that it was altogether too narrowly confined in what we were asking for and in its general design. I said, and I repeat, that I thought powerful Uncle Sam had a pipsqueak voice because we were not asking for all that was needed to do the job commensurate with $50 billion for defense and about $5 billion for foreign aid.

But that problem will not be corrected by what I might or might not be able to do on these small amounts. Therefore, I have decided to leave that question to the conference.

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

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

The bill (H.R. 12580) was read the third time, and passed.

Mr. McCLELLAN. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLELLAN. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McCLELLAN, Mr. ELLENDER, Mr. HAYDEN, Mr. HOLLAND, Mr. FULBRIGHT, Mr. MANSFIELD, Mrs. SMITH of Maine, Mr. SALTONSTALL, Mr. MUNDT, and Mr. HRUSKA, conferees on the part of the Senate.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962—CONFERENCE REPORT

Mr. JOHNSTON. Mr. President, I submit a report of the committee of con-

ference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Oct. 5, 1962, p. 22570, CONGRESSIONAL RECORD.)

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

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSTON. Mr. President, I am delighted to report that the House conferees accepted the Senate bill without major change.

The Senate agreed to a small additional increase on the advertising portion of second class publications subject to zone rates. The additional increase agreed to amounts to two-tenths of 1 cent per pound in zone 1 through 6 to be effective in the final stage of the rate adjustment.

Another change agreed to by the Senate conferees would exempt mail of the third class by nonprofit organizations from the increase called for in the Senate bill.

These changes somewhat offset each other insofar as total additional revenue is concerned. Thus, the additional revenue produced by the bill will remain slightly above $600 million per year when all provisions become fully effective.

The conference was conducted in a most congenial atmosphere. I commend the conferees on the part of the House—Chairman TOM MURRAY, JAMES MORRISON and ROBERT CORBETT—for their attitude and diligence in this connection. Also, I wish to express my appreciation to the Senator from Oklahoma [Mr. MONRONEY] and the Senator from Kansas [Mr. CARLSON] for the tremendous help they were in bringing this matter to a successful conclusion.

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

Mr. JOHNSTON. I yield.

Mr. YARBOROUGH. I commend the distinguished Senator from South Carolina for his leadership on the bill and for the work which he, as chairman of the Committee on Post Office and Civil Service, has performed on various proposed legislation for 18 months.

We now have rolled into one bill a measure to adjust postage rates and another measure to adjust the salaries of Federal classified employees, postal employees, and legislative employees, and to raise by 5 percent the annuities paid to retired Federal employees.

The bill is a good and fair bill. To adjust salaries exactly among 1,600,000 Federal employees is an almost impossible task. In any group we would find someone who could say, "I did not receive my fair share."

The subject is exceedingly complicated. The distinguished chairman heard representatives of publishing companies. He heard representatives of the Federal employees. He heard representatives of the Government. I have never seen a chairman preside with more patience at hearings that took place month after month. The Civil Service Commission experts sat in at the committee meetings. The Senate staff worked with the committee. The Post Office Department had its experts present. All of them worked for many months on the bill in an attempt to bring justice to each employee and justice to the users of the mails, and to report as fair a bill as could be written.

It might be said that the bill is fair to one but is unfair to someone else. Scaling the complicated tables of pay with the complicated charges for postal services was a very difficult problem. It would require a superhuman person to say that the bill provides exact justice to everyone.

I compliment the staff that worked so many months with the committee. I commend the patience of the committee chairman and the other members of the committee who worked with him in bringing to the Senate such a just bill.

Mr. JOHNSTON. Mr. President, I thank the Senator from Texas for his remarks. I point out to Senators that the House did not pass any pay-raise bill. The House of Representatives did not cross a "t" or dot an "i" that had not already been crossed or dotted as passed by the Senate.

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

Mr. JOHNSTON. I yield.

Mr. JAVITS. Mr. President, all is well that ends well. Although the raise in pay is not what the postal workers and the Government employees thought they should have received, the increase given is certainly an earnest expression of the good faith of the Congress to try to do justice for them.

Even more significant is the fact that the workers were very disquieted about joining the pay raise bill with a bill that would raise postal rates. We should congratulate the committee chairman for having carried off that procedure successfully. There was disquietude about it and great worry. Many of us were besieged to bring about a separation of both parts of the bill. The chairman of the committee asked us to go along with his proposal as the way to do it. We did.

The chairman is entitled to the credit that is due for having successfully carried off something which was difficult, and about which many had grave disquiet.

Mr. JOHNSTON. I thank the Senator from New York for his remarks. Before we decided to take that action I took the matter up with the White House. I was told that in view of the lateness of the season, it was thought best that the two measures be combined. The administration agreed with the proposal, and the two measures were considered together.

Mr. JAVITS. I thank the Senator.

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

Mr. JOHNSTON. I yield.

Mr. BUSH. While the committee was considering the postal rate measure, I believe some of the companies which manufacture metered mail equipment solicited the interest of the committee in the matter of rounding out the rates for third-class mail to the nearest mill rate. This is very important to the manufacturers of the metered mail machines, which account for more than half of the mailing that is done in respect to this class of mail. It would not only be a severe handicap to those companies, but also to the users of the metered mail machines, if this were not done. I should like to ask the Senator what the committee's attitude was in this connection, and what I can tell those people.

Mr. JOHNSTON. Mr. President, I am glad to report to the Senator from Connecticut that that subject was not taken up in the committee, nor was it taken up by the members of the committee, even before the bill was passed in the Senate, and we found ourselves in the position of agreeing between the House and the Senate. For the Senator's further information, representatives of the companies came to see me and discussed the subject with me after the conferees were appointed. I am glad to report to the Senator the further fact that they returned later and said they had arrived at an adjustment with the administration so that they could live under the bill.

Mr. BUSH. In other words, the administration and the Post Office Department have given assurance that administrative action can solve this problem. Is that correct?

Mr. JOHNSTON. They can solve the problem to such an extent that it will not cause too much inconvenience to the manufacturers of the machine.

Mr. BUSH. I thank the Senator for that assurance. It is very helpful to the people who have such an interest in the subject. I ask unanimous consent that the schedule showing what they think is necessary in connection with rounding the rate out to the nearest mill be printed in the RECORD at this point.

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

Proposed fractional postal bulk rates rounded to nearest whole mill

[One-half mill and above being taken as 1 mill, and values less than one-half mill being dropped]

FRACTIONS

Regular:	*Nonprofit*
2⅝ cents	1 5/16 cents
2¾ cents	1⅜ cents
2⅞ cents	1 7/16 cents

MILLS

2.6 cents	1.3 cents
2.8 cents	1.4 cents
2.9 cents	1.4 cents

The above proposals do not represent any substantial changes in rates. For example, in the third year the ultimate third-class bulk rate would be only 0.87 percent above the fractional rate proposed. On 200 pieces of mail (the minimum required for bulk use), the added amount is 5 cents—$5.80 for postage as opposed to $5.75. This advances at the rate of only 25 cents (for each $28.75 of postage), for each thousand pieces.

In the first year, there would be a slight reduction in the regular rate—0.95 percent; the second year it would advance by 1.8 percent; then the ultimate rate 0.87 percent, as shown above, but in all cases the change is so slight as to be negligible. This same pattern would be followed in the nonprofit rates, except that in the third year the 1.4 cents would represent a reduction of 2.6 percent.

PITNEY-BOWES, INC.

STAMFORD, CONN.

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

Mr. JOHNSTON. I yield.

Mr. JAVITS. I wanted to be sure that I understood that the conference report carries in it the provision with respect to the youthful survivors, 18 to 21 years of age, and that they will be able to continue their studies under that survivor provision.

Mr. JOHNSTON. The House accepted that provision.

Mr. JAVITS. I am grateful to the chairman. It is a reform that has been long overdue.

Mr. *JOHNSTON*. Very little money is involved. It is an equitable way of handling the problem. It involves students going to school, up to 21 years of age, and some even older, where the families pay more than half, and they are able to deduct that amount from their income tax. We thought it was only the right thing to do.

Mr. MORSE. Mr. President, I join my colleagues in the Senate in commending the Senator from South Carolina [Mr. JOHNSTON] and our other Senate colleagues for the work they did in conference on the postal bill. In my opinion, postal rate increases have no place in the bill. I did my best to try to have the postal rate and postal pay sections separated. I voted for the bill as it passed in the Senate and went to conference. I thought that the features of the bill that provided for long overdue pay increases to Federal employees outweighed the postal rate disadvantages of the bill.

However, even in the debate on the conference report, for which I shall vote, there ought to be legislative history made this afternoon, for future reference to the effect that it is not the intention on the part of the chairman of the committee, as he has told me in our other debate on the subject, to make the tying together of the postal rates and postal pay a precedent in any way. Am I correct in that position?

Mr. JOHNSTON. The Senator is entirely correct. I believe that when employees are justified in having their pay increased, they should have an increase, regardless of whether the postal revenue is enough to give them the raise. I feel the same way about postal employees as I do about any other employees of the Government.

Mr. MORSE. Passage of the bill and the adoption of the conference report relating to the bill, which includes both postal rate increases and pay increases, will nevertheless be argued by some persons in the future as a precedent. I am hopeful that the colloquy between the chairman of the Committee on Post Office and Civil Service and conference committee and the senior Senator from Oregon on the subject of tying the two together will be helpful in the future in rebutting the argument of those who might claim that here was a connection, and that it should be considered a precedent.

We all know that in the determination of legislative intent, whether it is before a governmental agency or before a court, what the chairman of the committee says has great weight with the tribunal that passes judgment on the issue of congressional intent. Therefore, I am pleased to participate in the making of this legislative history at this time.

I will vote for the conference report, as I voted for the bill. I again congratulate the Senator from South Carolina and his colleagues in the conference for doing a remarkably good job with what at best was a rather bad situation because of the fact that both postal rates and pay raises were considered in the same bill. We have helped the RECORD with this colloquy.

Mr. JOHNSTON. I am in accord with the Senator from Oregon. I should like to call one further fact to the attention of the Senator from Oregon. If he will check the RECORD he will see that the House had not allowed any pay increases in its bill. I am not being critical of the House, but I believe some of the figures in the bill frightened them. At any rate, the House had not passed a pay-raise bill. Consequently, we had to tie the pay provision to a bill already in the Senate in order to get any pay increases for Government employees. Only in this manner were we able to obtain pay increases.

I do not want anyone to think that I agree with the fact that we ought to have sufficient money in the Post Office Department, in the form of postal revenue, to offset whatever increases are necessary to give postal employees a pay raise.

We must remember that that money does not go into a separate fund; it goes into the general fund, and is then paid out to the Department. There is no connection whatever between pay increases and rate increases.

Mr. MORSE. I thank the Senator very much. I understood the parliamentary situation completely. The Senator from South Carolina explained it to me in detail when the bill was before the Senate. He was confronted with the situation that if we were to get any pay increases for our employees, it was necessary to do it by way of the route that the Senator traveled. I understood that. That is why, as I have said, I voted for the bill, because I thought the important thing was to assist Government employees who were involved in the pay section of the bill.

Mr. CARLSON. Mr. President, as a member of the conference between the House and Senate on the postal and classified pay and postal rate bill, I support the conference report. I sincerely hope it will be unanimously adopted by this body. It has been my privilege to serve on the Committee on Post Office and Civil Service for many years. I do not believe a piece of proposed legislation has ever been prepared by our committee and reported to the Senate which had more thorough study and received more research than the bill which was reported to the Senate last week.

After having attended many conferences between the Senate and the House, I believe I can say that this was the finest conference which representatives of the Senate ever had with the House. I believe that the chairman of our committee will fully agree with me as to that.

I am pleased that we could return to the Senate with a bill which provides increases in pay for Federal employees generally. I am pleased also that it was possible to provide a postal rate increase which I believe is satisfactory. The committee did much work on the bill during the many weeks of hearings. I know of no bill that has had as much study as has this bill.

I am pleased that it was possible for us to include a provision for increased benefits and payments for Federal retired workers. These two phases with respect to retired workers were accepted without change.

There were some changes in the postal provisions of the bill, but not many. One with which I am pleased, which was made yesterday, provides for the elimination of profits from the third-class rate. This takes care of veterans' organizations, churches, and philanthropic organizations. Previously, the second-class section, dealing with nonprofit groups, was taken care of on the floor of the Senate.

The bill will raise substantial money for the Post Office Department. However, no doubt we shall be confronted with a similar situation within another year or two. I hope that at the next session we can have the benefit of a study made by a commission, and that substantial funds will be made available to it, so that it will make a thorough study of the operations of this Department. It is becoming one of the largest agencies of the Government, second only to the Department of Defense. This Department spends billions of dollars, and has many thousands of employees.

Such a study definitely should be made for the benefit of Congress, so we shall not be confronted with another request for a postal rate increase without having that study before us. I think we have reached about the top of the postal rates which our people should be required to pay; and I hope very much that the study will be made next year.

Mr. President, at this time I wish to pay a tribute to the distinguished chairman of the committee and to the other members of the committee who worked so diligently on the bill. I think it is a high point in legislation dealing with postal rates and pay. Certainly the members of the staff also are entitled to much credit for the fine bill which has been brought before the Senate. I am pleased to support it.

Mr. FONG. Mr. President, as a member of the Senate Post Office and Civil Service Committee I would like to compliment the Senate conferees, the senior Senator from South Carolina [Mr. JOHNSTON], the junior Senator from Oklahoma [Mr. MONRONEY], and the senior Senator from Kansas [Mr. CARL-

SON] on their accomplishments upon meeting with the House conferees on H.R. 7927. I note that the conference report on this bill does not substantially change the bill as passed by this body on September 27, 1962.

The people of the State of Hawaii will be particularly pleased that the conferees saw fit to keep an amendment I made to H.R. 7927 which restores the weight and size limitation of parcel post matter moving between, Hawaii, Alaska, and their sister States.

For 3 years the individuals and business establishments of the States of Hawaii and Alaska have carried a burden imposed by an arbitrary postal ruling. The Post Office Department recognized this and consequently concurred in my amendment. The people of Hawaii are grateful to the Senate for their consideration in this matter.

Mr. President, I voted for this bill when it came out of committee. Although I do not agree with every provision it contains I feel it is an excellent piece of legislation, and am pleased to have had the opportunity to assist in its production. I urge that the Senate vote its passage as now reported by the able Senate Post Office and Civil Service Committee chairman [Mr. JOHNSTON].

The PRESIDING OFFICER (Mr. DODD in the chair). The question is on agreeing to the conference report.

The report was agreed to.

Mr. JOHNSTON. Mr. President, I move that the vote by which the report was agreed to be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 3389) to promote the foreign commerce of the United States through the use of mobile trade fairs, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BONNER, Mr. DOWNING, Mr. CASEY, Mr. MAILLIARD, and Mr. PELLY were appointed managers on the part of the House at the conference.

INVESTMENT BY CERTAIN BANKS IN CORPORATIONS PROVIDING CLERICAL SERVICES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2071, House bill 8874, to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

I make this request because of the fact that agreement has been reached, as I understand, among the Senators involved, in regard to a satisfactory amendment which will be offered, I believe, by the Senator from Wisconsin [Mr. PROXMIRE].

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 8874) to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

Mr. MANSFIELD. Mr. President, I ask that the time available for consideration of the amendment be limited to 10 minutes—5 minutes to be under the control of the Senator from Wisconsin [Mr. PROXMIRE] and 5 minutes to be under the control of the Senator from Virginia [Mr. ROBERTSON].

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I should like to have some time on this measure, too.

Mr. MANSFIELD. Certainly.

UNITED STATES, BRITISH, AND FRENCH RIGHTS IN BERLIN

Mr. JAVITS. Mr. President, on behalf of myself and the very distinguished Senator from Oregon [Mr. MORSE], I submit, and send to the desk, a concurrent resolution, and request its appropriate reference.

The resolution concerns the posture of the United States in regard to Berlin, and is in precisely the same terms as House Concurrent Resolution 570, which was reported today by the Foreign Affairs Committee of the House.

The purpose of the resolution, which I shall read to the Senate, is to make clear that our attention is not being diverted by the situation in Cuba, and that we equate, in terms of importance to the United States, the position in Berlin with the position in Cuba. This resolution is, in substance, along the same lines as the resolution on Cuba which was well nigh unanimously adopted by both the Senate and the House of Representatives.

The PRESIDING OFFICER. The concurrent resolution will be received, printed, and appropriately referred.

The concurrent resolution (S. Con. Res. 97) was referred to the Committee on Foreign Relations, as follows:

Whereas the primary purpose of the United States in its relations with all other nations is and has been to develop and sustain a just and enduring peace for all; and

Whereas it is the purpose of the United States to encourage and support the establishment of a free, unified, and democratic Germany; and

Whereas in connection with the termination of hostilities in World War II the United States, the United Kingdom, France, and the Soviet Union freely entered into binding agreements under which the four powers have the right to remain in Berlin, with the right of ingress and egress, until the conclusion of a final settlement with the Government of Germany; and

Whereas no such final settlement has been concluded by the four powers and the aforementioned agreements continue in force: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress—

(a) that the continued exercise of United States, British, and French rights in Berlin constitutes a fundamental political and moral purpose;

(b) that the United States would regard as intolerable any violation by the Soviet Union directly or through others of those rights in Berlin, including the right of ingress and egress;

(c) that the United States is determined to prevent by whatever means may be necessary, including the use of arms, any violation of those rights by the Soviet Union directly or through others, and to fulfill our commitment to the people of Berlin with respect to their resolve for freedom.

Mr. JAVITS. Mr. President, I am honored to be joined in the sponsorship of the resolution by the distinguished Senator from Oregon [Mr. MORSE].

I believe it most important that the Soviet Union understand that what we say about Cuba, we mean equally about Berlin, and that we will not be diverted from our purpose by either.

Mr. MORSE. Mr. President, this concurrent resolution is most important, because in my judgment it is a corollary of the Cuban resolution.

Furthermore, as chairman of the Subcommittee on Latin-American Affairs, I am very much concerned about some propaganda which is being circulated. In my judgment, it is unfair to the President and to all the people of the United States. It is to the effect that, in some way, somehow, Berlin may be on the bargaining table vis-a-vis action taken in connection with Cuba.

About 10 days ago, I spoke briefly on this subject on the floor of the Senate. My remarks were based upon briefings which I had received from responsible officials of the administration. In those briefings, I was assured that there would be no basis for any bargain or trade in regard to Berlin vis-a-vis Cuba.

Nevertheless, the rumors to which I have referred have begun to circulate.

Therefore, Mr. President, we owe it to the President to adopt this concurrent resolution, in order to strengthen his hand and to make clear that we have no intention to enter into any trade with Khrushchev in regard to Berlin and Cuba; that the same principle of freedom is at stake in both Berlin and Cuba; and that we do not barter freedom; we protect freedom.

Adoption of the concurrent resolution will accomplish two things: First, it will make very clear our answer to the rumor propaganda being circulated; second, it will show the world that we are behind the President in his determination to protect freedom in Berlin.

Mr. JAVITS. Mr. President, I thank the Senator from Oregon for his support.

RACE RELATIONS AND DISCRIMINATION IN MISSISSIPPI

Mr. JAVITS. Mr. President, today the Wall Street Journal has given us a very instructive analysis in regard to the very serious situation in Mississippi. I think every Senator can read with great profit the article the Wall Street Journal has published. It is entitled "Moderates Speak Up—200 Top Mississippians Seek To Bar Defiance of Courts in Future."

The article is a report on a meeting of 200 Mississippi businessmen who are

deeply disquieted by what the defiance of law and the ensuing riots mean to the people of Mississippi and to the businesses in Mississippi. Of course, these businessmen are strongly opposed to such a situation. Mr. President, not only is this the voice of reason of the citizens of Mississippi, with all their pride in their great State; it is also the voice of reason of all citizens of the United States.

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

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

[From the Wall Street Journal, Oct. 3, 1962]

MODERATES SPEAK UP—200 TOP MISSISSIPPIANS SEEK TO BAR DEFIANCE OF COURTS IN FUTURE—BUSINESSMEN STRIVE TO CURB FURTHER VIOLENCE, EXERT PRESSURE ON LOCAL OFFICIALS—AN EYE ON STATE'S ECONOMY

(By Neil Maxwell)

JACKSON, MISS.—At 12:45 p.m. yesterday a meeting broke up in the Crown Room of the King Edward Hotel here. Out poured nearly 200 of the most prominent citizens of Mississippi.

This meeting may affect the future of race relations in Mississippi more than all the strife and disorder reported in headlines the world over since Negro James Meredith arrived at the University of Mississippi campus Sunday. The subject discussed by the group: How to prevent further bloodshed in Mississippi.

Not one political official was invited to this gathering of business and professional leaders from all parts of the State. The meeting marked the first time any sizable group of prominent whites in Mississippi have committed themselves to work publicly for law and order and, in effect, for an end to defiance of the Federal courts, no matter how unpalatable any breaching of Mississippi's rigid segregation might be to them.

In a statement signed by every man at the meeting, the group urged "all our mayors and local public officials in every town, city, and county to advocate forthrightly and immediately the maintenance of law and order."

These white leaders' stand might not seem a bold step in most States, but in Mississippi it is extraordinary. With responsible business and professional elements keeping quiet until now, the public stage has been occupied by extreme and highly vocal segregation leaders and their political allies. Thus Gov. Ross Barnett a week ago was publicly threatening to arrest and jail Federal officials. And no influential voice of moderation was heard in reply here.

[In New York, a leading integrationist group prepared to wage economic warfare against Mississippi. The Congress of Racial Equality said it would threaten boycotts against manufacturers locating new plants in the State, and would challenge in court the State's right to Federal tax exemption on its bonds.]

MODERATE SPEAKS UP

One of the first calming statements from a prominent Mississippian came Monday morning. W. H. "Billy" Mounger, a rising young Jackson businessman who heads Lamar Life Insurance Co. and a radio and television station, went on the air to plead for an end to violence.

"I am not in conflict with the Governor's purpose of trying to test the legal and sovereign rights of our State," Mr. Mounger declared. "But I think it should be done legally, not by violence. And the Governor is the only man who can stop the violence." The executive also urged obedience to Federal laws.

Without exception, it appears, responsible Mississippians were dismayed by the bloody mob scenes in Oxford, home of the university. "Everyone is shocked and sick over the rioting at Oxford," says one Jackson executive.

At least some businessmen in Mississippi believe incendiary statements by Governor Barnett made the violence inevitable. And they fear now that violence has been loosed, it may spread. "When they're frustrated by the troops at Ole Miss, some extremists are apt to turn elsewhere in the State," says a Mississippi attorney. "Some crackpot is apt to try to bomb a Negro school."

BANKERS, LAWYERS PRESENT

Among the prime movers who met here yesterday to figure out ways to prevent such violence were persons whose names carry considerable weight in Mississippi. They included Nat Rogers, president of Deposit Guaranty Bank & Trust Co., the State's biggest bank; R. M. Hearin, president of the First National Bank of Jackson; R. D. "Bob" Morrow, a former State treasurer, and a trio of influential lawyers—Chester Curtis, of Clarksdale; William Barbour, of Yazoo City; and Frank Everette, of Vicksburg.

These men and others at the meeting are powerful in Mississippi. Politicians turn to them for support and advice. Even before yesterday's gathering, they had been pressuring Governor Barnett to adopt a more moderate tone. On Monday a Jackson man who attended yesterday's meeting confided to a friend: "We finally got Ross to issue a statement, though it's not as strong as we wanted." He referred to the Governor's public plea to all outsiders to "go home" and to Mississippians "to remain in your homes."

The business and professional leaders say they intend to try to act as a calming influence in their communities. "We're trying to get businessmen to urge their employees to stay in their hometowns and keep calm," explains one of them. "We'll try to pour oil on troubled waters. We won't blame anyone for what's past. We just want to bind up our wounds and prevent any more violence."

WENT ALONG WITH BARNETT

Why weren't these moderates heard from earlier?

One businessman claims most business elements had gone along with the Governor because they understood he planned only to exhaust every legal defense. "The Governor and his aids gave assurances, accepted in good faith, that no violence would occur," he says. But by last Thursday some business leaders realized violence was in the offing. "By then," this businessman insists, "it was too late for any leader of stature to stand up and say frankly 'this thing is leading us down the road to violence.'"

Whatever the wisdom of their course before the riots broke out, many Mississippi businessmen now appear determined to play a more active and open role in State affairs. Declares W. P. "Pat" McMullan, chairman of Deposit Guaranty Bank: "We think this thing is going to bring forth a leadership from the business community we've never had before in Mississippi."

Businessmen here stoutly maintain the racial troubles won't have any serious impact on business. "It's just one incident, and if it ends there it won't be detrimental," says C. B. Ryan, president of Storkline, Inc., a Jackson producer of TV cabinets and other wood products. But he adds: "If the violence doesn't stop, nobody can tell what the result will be." He reports there is no sign of tension in his plant, where half the 1,800 workers are Negroes. Whites and Negroes will continue to cooperate on the job, he believes, because they know anything that would disturb the company's operations could cost their jobs.

WOOING INDUSTRY

In recent years Mississippi has been wooing new industry with considerable success. Last year alone the State attracted 83 new businesses which provided 7,018 new jobs and represented $155 million in capital investment.

It might be assumed that this drive for industry would be hampered by the events at Oxford. The industrial development effort of Little Rock, Ark., is still feeling the effects of the troubles that accompanied the desegregation of Central High School 5 years ago.

But some Mississippi businessmen insist their State's economy won't suffer because of the current racial crisis. "The basic reasons for economic growth are still here," says Mr. McMullan of Deposit Guaranty. "Essentially people will locate plants where they can make a profit." Among the basic reasons for growth the banker lists plentiful natural resources—water, timber, and oil—plus "a prideful people who are prepared to give 60 minutes work every hour they're on the job. And I mean both white and colored."

A low wage level also induces some industries to locate in Mississippi. And the State legislature has been friendly to business in recent years, shaving personal and corporate income taxes, enacting a stiff right-to-work measure to curb unions and approving a revenue bond plan to finance new industries.

Joe Bullock, head of the Mississippi agency charged with seeking new industry, is optimistic. "We're getting more inquiries now than ever, and I predict this year we'll have more new industries and more expansions than last," he declares.

If Mississippi has made gains, it still has a long way to go. Its per capita income of $1,233 last year was the lowest in the nation; even though it had risen from $733 in 1950, it still trailed the U.S. average by a full $1,000. Its teachers are the lowest paid in the Nation. And in the 1950–60 census decade the State population declined by a few hundred, to 2,178,141, while the U.S. population as a whole rose 18.5 percent. Some 42 percent of Mississippians are Negroes.

Mr. JAVITS. Mr. President, I wish to stress how important it is that Mississippi realize the economic importance of this subject. Obviously it is of great economic importance, because the per capita income of Mississippi is still the lowest in the Nation; it is only $1,233, which is $1,000 less than the average per capita income of the United States. These figures are a clear indication of the harmful economic effects—in addition to all the other harmful effects—of the situation which has developed in that State. The Wall Street Journal article indicates clearly some of the very harmful effects of the situation which has developed there.

Furthermore, Mr. President, Mississippi receives material grants, including grants for aid to education, from the U.S. Government. The University of Mississippi is said to receive more than $1 million of these grants. Again it is inconceivable that these amounts would be paid during a period in which the university would persist in pursuing a policy of discrimination.

I and many others have thought very often that such payments should not be made to institutions pursuing a discriminatory policy. We have felt that the

Department of Health, Education, and Welfare should administer the laws in that way. I think it is high time, just as he acted with proper vigor in enforcing the law and the Constitution in Mississippi, that he give attention to this phase of our outlays of money as well.

Mr. President, much as the situation in Mississippi has deeply troubled Americans, as it has me—it has been a very sad thing for all of us—it may yet demonstrate enough so that even those who now consider themselves intransigent in the South will cease to resist the march of time and of morality and the assertions of the mandates of the Constitution.

AMENDMENT OF THE FEDERAL AVIATION ACT OF 1958

Mr. MONRONEY. Mr. President, I ask the Presiding Officer to lay before the Senate the amendments of the House of Representatives to the bill, S. 962, to amend the Federal Aviation Act of 1958, as amended, to aid the Civil Aeronautics Board in the investigation of aircraft accidents, and for other purposes.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 962) to amend the Federal Aviation Act of 1958, as amended, to aid the Civil Aeronautics Board in the investigation of aircraft accidents, and for other purposes, which were, on page 1, line 8, strike out ", affected by, or involved in," and insert "involved in"; on page 2, line 4, after "accident" insert ": *Provided*, That to the extent consistent with the needs of the accident investigation, provisions of local law protecting religious beliefs with respect to autopsies shall be observed"; on page 2, line 9, strike out ", affected by, or involved in," and insert "involved in"; on page 3, line 5, strike out "(i)" and insert "(o)"; on page 3, line 7, strike out "(i)" and insert "(o)"; and on page 4, line 3, strike out "amended." and insert "amended." ".

Mr. MONRONEY. Mr. President, with one exception, the amendments adopted by the House are of a technical and clarifying nature and do not alter the substance of the bill. The exception referred to would limit the Board's authority to conduct autopsies by requiring it to observe, to the extent consistent with the needs of the accident investigation, provisions of local law protecting religious beliefs with respect to autopsies.

I move that the Senate concur in the House amendments to S. 962.

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

The motion was agreed to.

INVESTMENT BY CERTAIN BANKS IN CORPORATIONS PROVIDING CLERICAL SERVICES

The Senate resumed the consideration of the bill (H.R. 8874) to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

Mr. MANSFIELD. Mr. President, is the limitation of time on the Proxmire amendment now running?

The PRESIDING OFFICER. It is.

Mr. PROXMIRE. Mr. President, the Senator from Virginia [Mr. ROBERTSON], who was to have managed the bill, had to go to an urgent conference, and asked me to put in the RECORD two statements on his behalf.

Therefore, I ask unanimous consent to have printed in the RECORD a statement which the Senator from Virginia would have made today, and also a statement he made on September 29, supporting the bank service corporation bill.

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

STATEMENT BY SENATOR ROBERTSON

The report contains a full statement of the purposes of the bill, and particularly of the way the committee wants the bank agencies to administer the bill.

A fuller statement of my views on the bill, and on various suggestions which have been made about it was printed in the RECORD for last Saturday at page 21311.

After much thought, the sponsors of the bill have agreed to accept an amendment to the bill, Senator PROXMIRE's 9-21-62—D, which would limit the activities of bank service corporations to the performance of services for banks.

Many Senators have received letters from public accountants, or from their State association of public accountants. The acceptance of this amendment will carry out the recommendations of the accountants.

I did not favor this amendment in the committee, and my reasons are set forth in last Saturday's RECORD. But I am willing to accept this amendment in the hope that the bill can be enacted now. If need be, we can expand it next year.

[From the CONGRESSIONAL RECORD, Senate, Sept. 29, 1962]

INVESTMENT BY CERTAIN BANKS IN CORPORATIONS PROVIDING CLERICAL SERVICES

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement about Calendar No. 2071, H.R. 8874, a bill to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

Four Senators—I should say three Senators—are opposed to this bill; and for that reason it cannot be brought up. But I want the RECORD to show that I wish to have the bill brought up. All the banks of the country want the bill enacted, for it would authorize the establishment of corporations which could service the banks, and thus could save them many thousands of dollars. That is especially true of the small banks. All the banks in the country want the bill enacted; but three Members of the Senate say, first, that some of the accountants believe the bill might take business away from them. However, I am willing to make a very strong statement on that subject, insofar as the accountants are concerned.

In addition, the three Senators say that one or two suppliers of bank equipment are opposed to the bill. But I point out that it may cost as much as $150,000 or $250,000 to fully equip a small bank; but many of the banks do not have more than $25,000 or $30,000 to spend on capital equipment. However, three Senators have said, "Oh, no; the banks cannot have this bill."

So, Mr. President, I ask unanimous consent to have my views on the bill printed in the RECORD; and, before Congress adjourns, I will indicate the names of the three Senators who are opposed to the bill and are killing it.

Mr. PROXMIRE. Mr. President, I understand that the request is merely to have the statement of the Senator from Virginia printed in the RECORD.

Mr. ROBERTSON. That is correct, because I do not think the bill will be taken up.

Mr. PROXMIRE. I have no objection to the printing of the statement.

The PRESIDING OFFICER. Is there objection?

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

"STATEMENT BY SENATOR ROBERTSON, OF VIRGINIA, ON H.R. 8874, BANK SERVICE CORPORATIONS

"The purpose of H.R. 8874 is to help small and medium-sized banks compete more effectively with larger banks and give better service to the public, by forming bank service corporations which will make available efficient and expensive equipment the banks individually could not afford to buy.

"I am glad to say that this purpose meets with the unanimous approval of the Banking and Currency Committee. The majority report and the two supplemental views all express strong support for this purpose.

"However, certain relatively minor provisions of the bill have caused a good deal of misunderstanding and confusion and, I regret to say, of opposition.

"On the one hand, it is argued that the bill goes too far and permits banks to engage in nonbank business and compete with other organizations and professions. On the other hand, it is argued that the bill does not go far enough and does not permit savings and loan associations, credit unions, insurance companies, and other lending and financial institutions to take part on an equal basis with banks, waiving all laws—or at least all Federal laws which might prevent such participation.

"On the one hand, it is argued that these bank service corporations may enable banks to engage in monopolistic and anticompetitive activities. On the other hand, it is argued that the bill gives too much power to the Federal supervisory authorities over the banks they supervise.

"These views have led members of the committee to suggest various amendments to the bill. The majority of the committee, however, take the position that no compelling need for these amendments has been demonstrated—that the Federal supervisory agencies can be counted on to administer the act so as to minimize or eliminate the anticipated dangers—and that the matter can be reviewed next year on the basis of reports from the agencies in the light of experience under the present act.

"Nine States—Conecticut, Iowa, Maine, Massachusetts, Michigan, Ohio, Pennsylvania, Virginia, and South Carolina—have enacted statutes specifically authorizing State banks to hold stock in such corporations, and under the general bank codes of New York, and possibly other States, State banks are authorized to do so. But national banks, State member banks, and a few other State Banks are prohibited by Federal statutes from holding such stock.

"H.R. 8874 would waive the prohibitions of Federal laws relating exclusively to banks so as to make it possible for two or more federally supervised banks to hold stock in bank service corporations rendering bank services to them, to other stockholding members of the bank service corporation, and to outside persons and organizations. Not more than 50 percent of the service corporation's activity could be performed for persons or organizations other than banks, whether members or not. Arrangements would be made under the bill for competing banks to

get the benefit of the services of the corporation, either by membership or by contract, unless comparable services were available elsewhere. The right of the Federal supervisory agencies to examine and regulate bank functions performed by others than banks, including bank service corporations, particularly off the bank's premises, would be made clear and explicit.

"H.R. 8874 was introduced in the House on August 23, 1961—more than a year ago. A hearing was held by a subcommittee of the House Banking and Currency Committee on July 19 and 20, 1962, and the House Banking and Currency Committee reported the bill on July 30, 1962, with two members dissenting. The House passed the bill on a voice vote on August 14, 1962. The Senate Banking and Currency Committee held a hearing on August 30, 1962, pursuant to notices given in the CONGRESSIONAL RECORD on August 20 and 27, 1962. On September 13, the full committee met to discuss the bill. By a vote of 10 to 5, the committee refused to amend the bill and it was ordered reported with only one dissenting vote recorded.

"At the meeting, the various problems raised in the supplemental views—the desirability of including savings and loan associations, insurance companies, credit unions, and other lending and financial institutions; the dangers of permitting banks to engage in nonbank business; the question of kinds and methods of automated equipment; and the anticompetitive and monopolistic problems—were discussed at length. These points had been covered in a draft committee report which had been circulated to the committee members the day before the meeting, and the committee agreed on a number of changes to be made in the draft committee report in order to assure the maximum clarification of the purposes of the committee and the maximum protection against the dangers and difficulties which were anticipated.

"In my judgment, the committee's action was sound, well advised, and appropriate. I think that enactment of the bill would result in making it possible for a good many small banks to get the benefits of modern, efficient equipment which they could not themselves afford to buy, and that they will be in a better position to compete with large banks and provide economical and efficient treatment for their customers.

"In my judgment, the committee was right to reject all amendments proposed.

"In the first place, in view of the lateness in the present session, I believe acceptance of any amendments whatever would seriously imperil the bill.

"More important, however, I do not think that a case was made before the committee for any of the amendments suggested.

"The suggestion that savings and loan associations, insurance companies, credit unions, and other lending and finacial institutions should be brought into the bill on the same basis as banks, was not brought to my attention, or, as far as I am aware, to the committee's attention, until the executive session. Certainly no suggestion was made that this was necessary or desirable during the entire year that the bill was pending in the House, and no suggestion that this was necessary or desirable was made during the Senate hearings. In fact, I have yet to receive a letter, telegram, or telephone call from any representative of any of these institutions indicating any interest whatever in the suggestion. It seems unlikely, for instance, that savings and loan associations and credit unions would have the same interest in check-processing equipment as would banks. I do not know what Federal or State statutes would have to be amended in order to carry out this proposal, and I do not know what its advantages or disadvantages would be. Clearly, an entirely new issue would be raised by this proposal, and no doubt new hearings would be necessary.

"The committee made it clear in the report that savings and loan associations, insurance companies, credit unions, and other lending and financial institutions may be nonbank stockholding members or customers of bank service corporations, and they may have work done for them by bank service corporations in either capacity, subject to the overall limitation that not more than 50 percent of a bank service corporation's activity may be performed for persons or organizations other than banks. In addition, the committee recommended in its report that bank service corporations restrict their nonbank customers to savings and loan associations, credit unions, and other lending institutions.

"The suggestion that bank service corporations should not be permitted to perform any work for persons or organizations other than banks was also carefully considered by the committee.

"This suggestion was made by a representative of the National Society of Public Accountants, as a proposed amendment to section 4 of the bill. Since the time of the hearings, members of the committee and other Senators have received letters on this subject.

"The committee agreed fully, and made it clear in its report, that the service corporations' activities could not 'include any professional services of a kind which cannot properly be performed by corporations,' that bank service corporations should not be used as devices or subterfuges to enable banks to get into nonbank activities, and that the nonbank services would have to be incidental and secondary to the bank services performed. This would, of course, be particularly true in the case of nonbank customers, as distinguished from nonbank stockholder members of the service corporation.

"At the same time, it was felt that to restrict bank service corporations to working solely for banks, or solely for certain financial institutions, might in some cases deny the benefits of the bill to very small banks, which even together could not buy necessary pieces of equipment without calling on some assistance from persons or organizations other than banks.

"In considering the suggestion that bank service corporations should not be permitted to perform any work for persons or organizations other than banks, it seems appropriate to take note of the State laws on the subject. There are twice as many State banks as there are national banks, and many of the State banks are among the smallest banks. Consequently, it can be expected that most bank service corporations will include at least one State bank. A bank service corporation having both State and national banks as members must, of course, abide by the more restrictive law, whether State or national. Several State laws—Connecticut, Massachusetts, Ohio, Michigan, and Iowa—limit bank service corporations to which their State banks may belong to corporations performing services exclusively to banks or banks and trust companies. I would expect, therefore, that all, or virtually all, bank service corporations in those States could perform no work for anyone other than banks.

"On the other hand, in Virginia, a State bank may belong to a bank service corporation 'engaged primarily in rendering services * * * to two or more banks,' and in South Carolina, a State bank may belong to a bank service corporation whose primary purpose is to perform services for two or more banks. In Maine, a State bank may purchase the stock of any organization 'operated primarily * * * for the institution or other financial institutions.' In Pennsylvania, it appears that bank service corporations might perform services for a bank, a bank and trust company, a trust company, or 'for one or more institutions, corporations, associations, partnerships or individuals.' So, in Virginia, South Carolina, Maine, and Pennsylvania the suggested amendment would be more restrictive than the State law, and State banks could not take full advantage of the State laws.

"The committee did not adopt the suggested amendment. The committee report, however, went into this matter at considerable length in an effort to make clear the committee's position that bank service corporations were designed primarily to help banks.

"The following excerpts from pages 4, 5, and 6, of the report will, I think, make this clear:

" 'The bill authorizes a bank service corporation to perform similar services for persons or organizations other than banks up to 50 percent of its total activity. The authorization to perform services for others than the owning banks is provided in order to permit full and efficient use of the equipment of the bank service corporation. The bill is not intended as a means to enable banks to engage in nonbank business, and the committee looks to the bank supervisory agencies to make sure that banks do not organize or join bank service corporations for the purpose of entering into businesses other than banking' (p. 4).

" 'The committee urges that bank service corporations restrict their nonbank customers to savings and loan associations, credit unions and other lending institutions' (p. 5).

" 'The bill would prohibit any bank service corporation from engaging in any revenue-producing activity other than the performance of bank services for banks and, up to one-half of its total activity, the performance of similar services for persons or organizations other than banks. As indicated in the description of section 1, organizations other than banks including for example, savings and loan associations, insurance companies, credit unions, and similar financial institutions, or other organizations, might be stockholding members of the corporation. In addition, the bank service corporation's facilities might be made available to nonmembers. But the total of services to all of such nonbank organizations, whether stockholding members or not, could not exceed 50 percent of the total activity of the bank service corporation. In most cases, of course, it is expected that the total activity for nonbank organizations would be relatively small, or there would be no nonbank services' (pp. 5 and 6).

"The suggestion that the bill was designed to encourage any particular variety of check processing equipment instead of any other competing variety was not considered to be raised by the bill and any such intention was expressly disclaimed in the report. Bank service corporations operating under the bill would be authorized to use any kind of equipment, they might find desirable, to perform bank services. The committee did not intend approval of the bill to connote approval or disapproval of any kind, make, or system of equipment, or of any particular process of automation.

"The suggestion that the express recognition of the Federal supervisory agencies' authority to regulate and examine the performance of bank services by anyone other than the bank would interfere with bank operations, particularly in emergency or occasional rush periods, was also carefully considered by the committee. The committee did not intend any such result, and in the report expressly directed the bank supervisory agencies to make sure that bank operations would not be inconvenienced under these conditions.

"This point was raised particularly by the Chase Manhattan Bank in a letter printed in the hearings. After the report was printed, I sent a copy to the bank to show the efforts we had made to prevent the difficulties they anticipated. I was glad to receive the following reply from the bank, indicating that in their case we had succeeded in our efforts:

" 'THE CHASE MANHATTAN BANK,
" '*New York, N.Y., September 26, 1962.*
" 'Hon. A. WILLIS ROBERTSON,
" '*Chairman, Banking and Currency Committee, U.S. Senate Office Building, Washington, D.C.*

" 'DEAR SENATOR ROBERTSON: Thank you for your letter of September 18 accompanied by a copy of your committee's report on H.R. 8874.

" 'After reading the report I feel confident that the supervisory authorities will be guided by the spirit evidenced in your report, and that we shall not be faced with any difficulties with respect to the outside organizations who perform certain services for us. I very much appreciate your having those comments reported, particularly those on page 3.

" 'Sincerely yours,
" 'H. F. MOELLER.'

"The committee considered the suggestion that bank service corporations might be used to weaken independent banking or to injure the competitors of banks owning a bank service corporation. As I have said already, the purpose of the bill is to help smaller banks compete with larger banks which can afford to buy this equipment themselves. Any attempt to misuse a bank service corporation for monopolistic or anticompetitive reasons would be entirely contrary to the purpose of the bill. The committee gave particular attention to this problem in its report, especially in connection with applications by competing banks for membership in a bank service corporation and in connection with the danger of exchange of confidential information through a bank service corporation. The committee looks to the Federal bank supervisory agencies to exercise extreme care to make sure that bank service corporations are not so misused.

"Finally, the committee in its report announced its intention to call for reports from the Federal bank supervisory agencies about the activities of these bank service corporations, and early next year to review their activities in order to see whether abuses have developed and whether any amendments to the law necessary or desirable.

"In my judgment, the committee has made every reasonable effort, and has taken every reasonable precaution, to make sure that the desirable purposes of the bill will be carried out and to prevent any misuse or danger arising from the authority conferred by the bill.

"I urge the Senate to approve the bill."

Mr. PROXMIRE. Mr. President, now I call up my amendment identified as "9-21-62-O," and I ask unanimous consent that, although it is a very brief amendment, it not be read, but be printed in the RECORD at this point, and I will explain it.

The amendment offered by Mr. PROXMIRE is as follows:

On page 4, strike out lines 1 through 4, and insert in lieu thereof the following: "any activity other than the performance of bank services for banks."

(At this point Mrs. NEUBERGER took the chair as Presiding Officer.)

Mr. PROXMIRE. Madam President, this bill permits banks to own and operate a bank service corporation that performs various nonbanking services, particularly computer services, banks and up to 50 percent of total business of such a corporation for persons other than banks. These services would include principally computer services, and related activities. In my judgment, this could become a substantial part of the banks' business.

Generally, banks have been prohibited from carrying on any business other than banking. Our Federal laws has been careful to restrict them.

This year we modified the law to permit banks to put 70 percent but no more of their time deposits into real estate loans. We exclude them from investing in equities. We prevent banks from investing demand deposits in long-term investments. We exclude banks from investment banking.

We are very careful in the regulation of banks. This has principally been done to assure the solvency of the banks by limiting the activities of banks to safe and relatively liquid investments.

The exemption of banks from this kind of limitation would, in my judgment, and in the judgment of other members of the committee, accomplish very little. There were no strong and valid objections to permitting banks to sell this service to other nonbank organizations.

This is particularly true because banks have customer lists, and they could offer their customers, for instance, the service of handling their receivables, which would give the banks a substantial advantage over other legitimate, long established businesses providing this kind of service.

A number of these businesses have informed me and other Senators that this kind of competition would be very unfair. It would be unfair because the bank could use their own personnel charge, merely the out-of-pocket cost, and the unfair competition could drive businesses now offering this kind of service to the wall.

Those are the reasons why I have offered the amendment. My amendment would confine these bank service corporations exclusively to servicing themselves and other banks. I hope the amendment will be adopted. It is my understanding that the chairman of the committee has agreed to accept the amendment.

With the adoption of the amendment, I think we are in a position to have a bill that provides what the banks really want, and what the members of the committee feel is justified, and at the same time safeguard legitimate business enterprises which otherwise might be put out of business.

Before yielding to the junior Senator from Connecticut, [Mr. DODD], I wish to say that if it had not been for the urgings of the Senator from Connecticut on those of us who opposed the bill, the bill would not have been considered and passed.

Mr. DODD. Madam President, I thank the Senator from Wisconsin for that compliment. I do not deserve it. Rather, I would like to compliment him for the statesmanlike way in which he has agreed to facilitate Senate consideration of this bill. I am most grateful to him and to the Senator from Virginia [Mr. ROBERTSON] for their cooperation in working out a way for us to approve this necessary piece of legislation.

A number of small banks in Connecticut are all ready to set up one of these bank service corporations. They can do so under a recent Connecticut law, but it is necessary that the Federal statutes be amended to allow three of the nine banks to participate in this cooperative effort.

The compromise that we have worked out here today brings us a step closer to final approval of this important measure, and I hope the Senate amendment will be acceptable to the House.

I again compliment the Senator from Wisconsin, and the Senator from Virginia for their consideration and their cooperation on this matter.

Mr. BUSH. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. BUSH. I know of no opposition to the bill on the Republican side, in the committee or otherwise. I join with the Senator in supporting the bill. I think the Senator's amendment is well taken. I think it is advisable to try this situation out at the bank level before we authorize banks to go into competition with other service organizations in providing the type of service contemplated here.

I know of no opposition to the amendment on our side, and I personally support the amendment.

Mr. JAVITS. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. JAVITS. The Senator has made the point, but I think it should be pinpointed and driven home.

Will the Senator state for the record that he does not intend the provision to be the final policy, but rather to try it for a time in order to see whether it will or will not bear adversely on those who feel the competition would be unfair?

I told the Senator I would join in his amendment. I think there has been disquiet created by the proposal to include these firms, and quite justifiably. On the other hand, we want to make services available as economically as we possibly can. If this is tried for a year or two, what happens should definitely show whether this regulation is or is not too tight in terms of our economy.

Mr. PROXMIRE. The bill will read as follows with the adoption of the amendment:

No bank service corporation may engage in any activity other than the performance of bank services for banks.

But the committee report states:

In addition the committee intends to call for reports from the Federal supervisory agencies from time to time as to the activities of bank service corporations, and, early next year, to review their activities in order to see whether any abuses have developed and whether any amendments to the law are necessary or desirable.

I think what the Senator from New York has said is very useful, because we should consider whether this bill provides for other financial institutions the same opportunity we are now providing for banks.

Mr. HART. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HART. Will the Senator reread section 4 in the event the amendment, which I support, is adopted?

Mr. PROXMIRE. At the bottom of page 3:

No bank service corporation may engage in—

The next four lines are deleted, and in place thereof is the language—

any activity other than the performance of bank services for banks.

Mr. HART. Madam President, I congratulate the Senator from Wisconsin for making this proposal. The bill, as reported, disturbed some very responsible accounting firms in my State. I think the experience which will be gained by operations under the bill for some time may prove them either right or wrong, but, in any event, we shall not visit upon them harm which can be avoided by this temporary arrangement.

Mr. PROXMIRE. I thank the Senator from Michigan. While I have great respect and admiration for the Comptroller of the Currency, Mr. James Saxon, frankly I am shocked that Mr. Saxon did not see that this would be an opportunity for banks to engage in nonbank business in violation of the very careful safeguards upon which we have zealously insisted in the past, and which are very important for depositors.

Madam President, I hope the amendment will be agreed to. I call for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE].

The amendment was agreed to.

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

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

The bill (H.R. 8874) was read the third time and passed.

Mr. MANSFIELD. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. PROXMIRE. Madam President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Madam President, if the Senator from Tennessee [Mr. KEFAUVER] will bear with me for a few moments, I should like at this time to yield to the Senator from Iowa [Mr. MILLER] who has been patiently waiting for the past 6 hours to make a few remarks.

Mr. MILLER. Madam President, I appreciate the kind remarks by the majority leader.

THE TRUTH ABOUT "THE TRUTH ON THE BATTLE LINE"

Mr. MILLER. Madam President, in the October 1 issue of the CONGRESSIONAL RECORD, at page 21499, appear the remarks by the distinguished Senator from Minnesota [Mr. HUMPHREY] with respect to the September 27 issue of Battle Line, issued by the Republican National Committee. These remarks merit a reply.

Republican Senators, who voted unitedly against the farm bill, and those Democratic Senators who conscientiously voted against it too, are quite willing to let the Democratic leadership take the responsibility for this unwise and costly piece of legislation.

With respect to the charge that the multiple price program for wheat feature of the bill will amount to a bread tax on the consumer, the facts are that during the hearings before the House Agriculture Committee this year, the American Bankers Association, represented by Mr. Joseph M. Creed, testified as follows:

We have analyzed the proposal of the Secretary and its effect on the baking industry's cost. We can only conclude that such a program, by its very design, would add a substantial amount in dollars and cents to the cost of wheat that flows from the farm to the grain handler, the flour miller, and, ultimately, to the baker and housewife, without any assurance that it would reduce surpluses.

At the time of this testimony, the Secretary of Agriculture was talking in terms of a $1.20 per bushel price support for corn and in terms of wheat certificates valued at 60 cents per bushel if the program went into effect in 1963. However, as passed by the Congress, the way is paved for a price support of only 50 percent of parity for corn in 1964, or roughly 80 cents per bushel, coupled with a basic price support for wheat of roughly 92 cents per bushel—using equivalent feed value. With a target price of $2.05 per bushel for wheat, which is the figure generally talked about by the proponents of the farm bill, this would mean wheat certificates valued at $1.13 per bushel—$2.05 target price minus 92 cents basic support price—not 60 cents per bushel, in 1964.

Based on certificates valued at only 60 cents per bushel, the representative of the American Bakers Association said:

One hundred pounds of bread flour makes about 155 pounds of bread—thus, this additional cost of flour results in a direct increase of 1 cent per pound of bread. (P. 83 of hearings, House Agriculture Committee, serial AA, pt. 2.)

He then went on to testify that based on their best information, with a 60-cent certificate, the housewife would ultimately pay 2 cents per pound increase at the retail level, which would mean in excess of 3 cents per pound with $1.13 certificates for 1964.

On the basis of this testimony, I believe it is entirely reasonable to conclude that the wheat certificate plan is, in effect, a bread tax. Processors of wheat food products will be forced to acquire certificates at face value in proportion to their use of wheat. Inasmuch as certificates will be used on the basis of past planting history without regard to grade or quality, processors will likely have to buy one lot of wheat to obtain certificates and then by noncertificate wheat to obtain the type or grade they need. Thus, the cost of acquiring certificates amounts to a tax on the processing of wheat for human food. Naturally it will be passed on to the consumers of bread and other wheat food products.

I note that the Senator from Minnesota speaks of Republican agricultural policies and Republican bread prices during the period 1947–59. As I have said many times, Mr. President, the laws that were put on the books and kept on the books were the product of Democratically controlled Congresses. President Truman was in control of the administration from 1947 through 1952, and President Eisenhower from 1953 through 1960. However, they did not make the laws, any more than President Kennedy is making the laws today. It is the Congress which makes the laws and keeps them on the books. We may criticize the President and his Secretary of Agriculture for the kind of proposals they make to the Congress, but it is the Congress which has the responsibility for the laws, and when the Democrats are in control of Congress, they, and not the Republicans, must answer to the people for these laws. This will not be a "Kennedy bread tax," but it will most assuredly be a Democratic bread tax, because not a single Republican voted for it.

The Senator from Minnesota stated that in 1953 we had only a $2.5 billion stockpile of food and fiber. This is not surprising, if one recalls that we had just gone through the Korean war during which we even had to ration some of our exports of food and fiber. It was not the laws that were on the books which were responsible for the lower stockpile. It was a war that was responsible.

Now we are told that this administration has reduced surpluses by over $2.5 billion since taking office. This is not placing credit where credit is due. The credit goes to the increase in our agricultural exports and our increased domestic consumption of feed grains. The latest Commodity Credit Corporation report discloses a stockpile of nearly $7 billion in food and fiber, with the likelihood of an increase by the end of the current marketing year.

In this connection, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an article from the September 18 issue of the Wall Street Journal, entitled "Soybean Surge—Growers Face Surplus Threat, Blame Boost in Federal Price Prop," which discloses the results of the unfortunate action by the Secretary of Agriculture taken last year, increasing the support price for soybeans from $1.85 to $2.30—this in the face of opposition

by the American Soybean Association, which represents some 6,000 growers and processors.

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

(See exhibit 1.)

Mr. MILLER. Madam President, the Senator from Minnesota says that last year's net farm income of $12.8 billion was 10 percent higher than in the previous year. However, practically all of this merely represented Government payments. The cost was so great that the Secretary of Agriculture did not want the program continued. He estimated that a 1-year extension would cost $2.4 billion. Moreover, practically all of this extra income really represented income that would normally have been received in 1963, being thrown into 1962. Without these Government payments, more crops would have been produced which would have been marketed in 1963. Government payments were made in 1962 in return for the farmers' forgoing this 1963 income. Similarly 1964 income will be accelerated into 1963. That is why the Secretary has stated that there will be no noticeable improvement in 1963 net income over 1962 net income, and when these accelerated Government payments stop, the day of reckoning is going to be severe.

We are told that the 1961 emergency feed grains program has reduced carryover stocks. It would be more accurate to say that increased usage of corn by our livestock industry and increased exports were primarily responsible. The wheat portion of the present program is so bad that the chairman of the Senate Committee on Agriculture, the distinguished Senator from Louisiana [Mr. ELLENDER] said during the debate on the farm bill:

> To authorize the temporary program for 2 more years * * * would cost the taxpayers * * * an estimated $333 million per year to reduce wheat production by 100 million bushels. In other words, it would cost the Government $3.30 per bushel to curtail production of 100 million bushels of wheat per year.

Objection is voiced to the charge by Battle Line that the farm bill constitutes a blackjack to force farmers to accept rigid controls on production in 1964. I would have used the word "squeeze," because farmers, with their increased costs of production and lower prices, are very familiar with this word. Nevertheless, let us review what the bill does. With the right hand, it gives farmers a payment of 18 cents per bushel on bushelage allotments—whether grain is produced or not—and a payment of 60 cents per bushel on acres diverted from production. This is on top of $1.02 per bushel price support. A corn farmer with a 100-acre base and a yield of 75 bushels per acre can divert 20 acres and plant 80 acres and receive a payment of $900 for diverting the 20 acres plus $1,080 in compensatory payments of 18 cents per bushel. This is in addition to the $1.02 price support on his normal—75 bushels per acre—production on the 80 acres.

But then, in 1964, he is faced with the prospect of 50 percent of parity, or 80 cents per bushel, support price and no other payments. He faces disaster—the loss of his farm—unless Congress does something to change the law, and we already know what kind of program the Secretary of Agriculture will recommend: Rigid controls over production and marketing—along with thousands of more USDA employees to enforce them—in exchange for price supports. But the price supports cannot be too high or we will lose our export trade. The combination will inevitably force more farmers off the farms, and unless we give private industry an incentive to expand to provide more job opportunities for our millions of unemployed, these farmers can look forward to becoming another unemployment statistic. Perhaps someone can think of a better word than "blackjack," but our farmers will understand all right when it hits them.

I ask unanimous consent that there be printed in the RECORD at the conclusion of my remarks an article from the Wall Street Journal for October 2 entitled "Freeman Coolly Received in GOP Areas; Crowds Fade When He Explains Farm Bill."

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

(See exhibit 2.)

Mr. MILLER. Madam President, I yield the floor.

EXHIBIT 1

[From the Wall Street Journal, Sept. 18, 1962]

SOYBEAN SURGE—GROWERS FACE SURPLUS THREAT, BLAME BOOST IN FEDERAL PRICE PROP—FARMERS' GROUP TO SEEK CUT IN SUPPORT, SEES DANGER TO FAST-RISING FOREIGN SALES—NOW FOURTH TOP CASH CROP

(By Harlan Byrne)

CATLIN, ILL.—Surveying his sweeping 215-acre expanse of soybeans, farmer Wayne Clark says with quiet pleasure: "Those beans ought to be our best crop ever."

But while Mr. Clark has a farmer's understandable pride in a good crop, many soybean growers are more troubled than pleased as the yellowing of foliage and hardening of beans in fuzzy pods signal a bumper harvest.

The reason is they fear that Federal price-propping is beginning to create surpluses in soybeans such as those that have plagued corn, wheat and a number of other crops. The crop they are worried about is no small matter in U.S. agriculture; soybeans today are the Nation's fourth most valuable cash crop and are used to make things ranging from margarine and synthetic meat to plastics and low-calorie dietary products.

Soybean farmers are concerned that a surplus will mean Federal acreage controls, with their attendant redtape. And some also worry that by holding up prices with supports, the Government may cost the industry export markets built up in the last few years when soybean growing was relatively free of Federal intervention.

HIGH PROPS BLAMED

The center of opposition to the high-propping policy is the American Soybean Association (ASA), headquartered in Hudson, Iowa, which represents some 6,000 growers and processors. Its leaders blame the current surplus threat on President Kennedy's 1961 feed-grain program. To encourage farmers to grow soybeans so as to reduce surplus production of corn, the Department of Agriculture boosted the support price on the 1961 soybean crop to $2.30 a bushel from $1.85 a year before. The idea worked in a sense. Corn output in 1961 dropped 7 percent from 1960. Soybean production jumped to a record 693 million bushels, up 24 percent from a year before.

But as a result of the big acreage harvested last year, the carryover of old beans as the new crop moves to market this month is expected to be 55 million bushels. And this year's crop, now estimated at 670 million bushels, is expected to bring a record 70-million-bushel carryover next year.

The soybean association opposed the 45-cent boost in props on the 1961 crop and asked for a larger cut than the 5 cents the Government was willing to grant on the 1962 props. It plans to argue for a larger reduction in support prices on the 1963 crop in the hope of checking further crop expansion. The support levels for 1963 probably will be set in January or February.

Soybean growers are particularly worried about their markets abroad. "There's no question that the high support price the past 2 years has stimulated plantings of other oilseed crops abroad, although it may take a couple of years yet before we feel any competition from sharply expanded output," declares George M. Strayer, executive vice president of the ASA. He and other association officials contend that this is essentially what happened to U.S. cotton growers when they lost an important share of their markets to Egyptian and other foreign producers several years ago.

EXPORTS RISE SHARPLY

U.S. soybeans have enjoyed a sharp rise in oversea demand. In the crop year ending this month, exports from this country are expected to jump to 160 million bushels, up 23 percent from 130 million a year before and nearly double the 85 million of 5 years ago. Exports of soybean oil and meal also have climbed sharply.

There is little evidence that higher support prices threaten domestic markets. However, Donald B. Walter, a Ralston Purina Co. vice president, says his company has shifted slightly away from soybean meal to synthetic urea in the mixed feeds it manufactures for livestock. Some cattle feeders who do their own feed mixing also have done this, he says.

Cash soybean prices in the Chicago market have been running $2.45 to $2.50 a bushel. In 1958 and 1959, when the lower support levels were in effect, they ranged between $2.09 and $2.34. In early 1961, about the time the support level for that year was announced, prices soared, reaching a peak of $3.35 on April 25 before beginning a decline to the present levels. Significantly, the soybean industry experienced a sharp growth in the late 1950's when supports were being held at relatively low levels.

The gains of the last few years have made soybean growing and processing a major agricultural industry. Originally an oriental crop, the bean was brought to the United States in 1804. But it was largely ignored by farmers for over a century, until agricultural scientists began to seriously consider utilizing its rich supply of protein for feed and food. As recently as 1924 only 5 million bushels were produced, less than 1 percent of today's crop. But today the cash value of the soybean crop is outranked only by cotton, wheat and corn. The annual sales volume of the processing industry is close to $2 billion.

Processors have developed better techniques for converting the beans into two basic materials, meal and oil. They have learned to eliminate objectionable odors from the oil. And they have cashed in on their

product's high food value, low cost and plentiful supply.

Soybean oil last year accounted for 45 percent of all edible fats and oils sold in the United States. It has become the primary oil for making margarine and shortening, largely at the expense of cottonseed oil. Margarine and shortening, in turn, have gained dominance in the American kitchen at the expense of butter and lard. Soybean oil also is being used increasingly in nonfood products such as plastic coatings, printing inks, calking compounds and industrial lubricants. Dr. James Konen, research vice president of Archer-Daniels-Midland Co. of Minneapolis, says that soybean oil is growing in use as a plasticizer to give softness and flexibility to vinyl resins.

Soybean meal has enjoyed most of its growth as a high-protein feed supplement for poultry and livestock, enabling farmers to put weight on their animals more quickly. Many feed men contend that it has been the key to the rapid advance in scientifically mixed feeds. Soybean meal has far outdistanced cottonseed, peanut and other crop meals as well as byproduct meals from meat animals and fish. This year soybean meal is expected to comprise 75 percent of all meals produced in the United States, up from less than 50 percent in 1950 and 15 percent two decades ago.

About 90 percent of soybean meal goes to feed manufacturers and commercial feeders but research on human food uses is being intensified. Derivatives have enjoyed a recent spurt in usage as the base for many of the new 900-calorie-a-day dietary drinks.

Research also has carried some companies experimentally into synthetic meats made from soybean meal. Archer-Daniels-Midland is test marketing a concentrate resembling hamburger meat as a low cost supplement for canned chili and Italian dishes. However, Archer-Daniels researchers as yet have no illusions that synthetic meats will ever replace the real thing in standard American diets. Diet food companies also have been selling some of these synthetic meats.

A handful of processors is expanding work on a whole new family of soybean products known as isolated proteins. Willard C. Lighter, a vice president of Central Soya Co., doesn't think isolated proteins will ever make up a high percentage of total soybean meal markets, but he looks for gains. He is particularly high on the prospects for Promine, which is nearly 90 percent protein and has the ability to stabilize, thicken and form food ingredients. It is being used increasingly by food companies in such things as cake and pie mixes, cereals, baby meats, frankfurters, macaroni products and in a wide line of health foods.

EXHIBIT 2

[From the Wall Street Journal, Oct. 2, 1962]

FREEMAN COOLLY RECEIVED IN GOP AREAS; CROWDS FADE WHEN HE EXPLAINS FARM BILL

(By Joe Western)

WINNER, S. DAK.—Frustration is dogging Agriculture Secretary Freeman as he invades mostly Republican rural areas to campaign for election of Democratic candidates and for support of the complicated farm control bill that just became law.

This morning he returns to Washington after a dozen public exposures during a grueling 5-day swing through Ohio, South Dakota, Minnesota, and Oregon. Except perhaps in his native State, the former Minnesota Governor has apparently had small success in influencing voting plans or in penetrating farmer confusion and shaking rural convictions about Kennedy administration farm control programs.

Coldly courteous farmers at the National Plowing Contest in heavily Republican Clifton County, Ohio, 45 miles southeast of Dayton, listened quietly on Friday afternoon as Mr. Freeman roasted the GOP for its almost solid opposition in Congress to administration farm legislation. Then they drifted away in droves as he launched a detailed description of the new farm law and its grain controls.

Trapped into following on stage the act of TV star Lawrence Welk at Mitchell, S. Dak., Saturday night, Secretary Freeman found a farm crowd of some 3,500 persons melted quickly to about half size as he tried futilely to hold their attention. One man departed from the hall shouting, "I still like Ike."

At a soil conservation cookout near Mission, 50 miles southwest of here, local leaders carried home most of the food they prepared for 3,000 people; far less than a third of that number showed up to hear and see Mr. Freeman.

LACK OF ENTHUSIASM EVIDENT

While nobody pelted Mr. Freeman with eggs in this State as was the fate of his predecessor Ezra Taft Benson in the mid-1950's, neither did his audience display much enthusiasm for what he was saying. One exception did come Sunday at Morris, Minn., where former Governor Freeman helped to found a University of Minnesota branch. But there, too, farmer uncertainty about solutions to surplus problems was evident.

"A lot of us are confused," said Fred Schlattman of Alberta, Minn., who came to hear Mr. Freeman speak at Morris. "Farmers talk against (Freeman's) programs, and then go ahead and sign up."

Outside the gaudy Mitchell, S. Dak., Corn Palace, Donald Swenson of Woonsocket, S. Dak., stood with his wife and children to hear Mr. Freeman urge votes for the Democratic candidate for Senator, George McGovern, onetime food-for-peace director for President Kennedy. Mr. Swenson first said he heartily approved the administration's plan for production and marketing controls on feed grain, but his wife reminded him that what he really meant was that the systems should be voluntary, as they currently are, rather than compulsory, as the administration wants.

Skepticism of Freeman's claims for his programs is apparent, too. At the plowing contest, a young man whose jacket bore the badge of a Future Farmers of America adviser, snorted as Mr. Freeman spoke: "I can't buy that. You're not going to reduce the surplus that much with just those programs alone." Mr. Freeman is claiming the 74-million-ton feed grain surplus may be gone by 1964 and that the 1.2 billion-bushel wheat glut will be cut to desirable levels by mid-1965, mainly as a result of Kennedy administration farm legislation tightening planting controls.

Yesterday, however, in Portland, Oreg., an audience of about 1,500 west coast businessmen, educators and Government employees interrupted Mr. Freeman with applause when he dwelt on 1962 farm bill provisions aimed at creating new nonfarm jobs in depressed rural areas.

Everywhere he goes, Mr. Freeman criticizes the Republicans for their votes, which, with Democratic defections, all but killed administration farm proposals time and again this year and last. "I regret very much having to say this," he asserts solemnly, "but almost every Republican, except two lame ducks, voted against legislation which lifted farm income by $1.1 billion over 1960. I think it's only fair that the rural voters of this State should know this."

POLITICKING FOR DEMOCRATS

However, the real Freeman target this fall is Minnesota. In this foray he stopped there only for a press conference, a TV filming with two Democratic congressional candidates and a speech to a responsive crowd of Farmers Union members. He will be back in Minneapolis next weekend with President Kennedy, and then for 5 more days beginning October 24. The object: To help Democrats capture three Republican-held House seats and the GOP-occupied Governor's chair. Their chances of some success seem fair.

However other voters may respond to Mr. Freeman's courtship, farmers out this way seem as divided as ever after hearing him speak.

At a rally several miles south of Pierre, S. Dak., GOP State Senator James Abdnor of Kennebec, who has a 2,200-acre grain and livestock farm, was scornful: "I don't think Freeman really is familiar with farming or knows our problems. I don't think he's doing what ought to be done. The smaller farmers don't get the benefits."

But Harry Williams, whose 5,000-acre spread lies 15 miles east of Pierre, recalls getting only 26 cents a bushel for wheat in the 1930's, about one-eighth of present farm prices, "and we went broke on it." He declared: "I think it's important that Freeman do what he's trying to do." He plans to sign up to participate in the Government acreage-cutting program on grain in 1963.

HASTE IN MISSISSIPPI

Mr. STENNIS. Madam President, on the 2d day of October 1962, the Washington Star published a column entitled "Haste in the Mississippi Case," by columnist David Lawrence. The article is very timely, instructive, and factual. Since it is so worthy and of such great value, I believe it should have wide circulation. I therefore ask unanimous consent that it be printed at this point in my remarks.

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

HASTE IN THE MISSISSIPPI CASE—FAILURE TO MOVE FEDERAL-STATE ISSUE TO SUPREME COURT CALLED MISTAKE

(By David Lawrence)

Was it worth it? Couldn't the loss of life and the wounding of scores of persons in the rioting at the University of Mississippi have been averted if President Kennedy and his brother, the Attorney General, had permitted the State of Mississippi to exhaust its legal remedies in the normal way before any armed forces were ordered to the scene? What was the reason for haste in such a delicate situation?

Wouldn't it have been better not to have smuggled James Meredith, a Negro student, onto the campus through a back entrance? Wouldn't it have been easier to explain to the people the true basis of Federal action if an opportunity had been afforded first to let the Supreme Court of the United States hear argument on legal questions of an unprecedented nature which were raised last Friday before the U.S. circuit court of appeals in New Orleans, La.?

It is doubtful whether the American people will ever learn the whole story of the Mississippi dispute. Lawyers with many decades of experience in the practice of law say they have never witnessed in their respective careers an exhibition such as occurred when the court of appeals was sitting as a trial court in civil contempt proceedings against Mississippi Governor Ross Barnett.

The main facts as shown in the record are these: A private suit was originally entered in behalf of Mr. Meredith to obtain his admission to the University of Mississippi. The U.S. Government, represented by the Department of Justice, asked permission to enter the case as a "friend of the court." The court granted the request. The State of Mississippi asked for a similar status,

and its request also was granted. Then, after the court had found that the Governor was not present at Friday's proceedings, the presiding judge indicated that the State of Mississippi would be denied its status as amicus curiae—or friend of the court.

The attorneys for the State of Mississippi asked for an opportunity to argue briefly why the State was entitled to be represented. The court made no answer but took a 10-minute recess. When the recess was over, the court, without listening to argument, declared that the State of Mississippi could not intervene as a "friend of the court," even though the United States had been permitted to make pleadings in that manner.

The Constitution of the United States says explicity that in all legal cases in which the Federal Government and a State are in conflict, the Supreme Court must take over. The Supreme Court then sits, not as an appellate court, but as a court of original jurisdiction.

What all this means is that Mississippi, as a sovereign State, has certain rights under the Constitution which cannot be ignored. President Kennedy told a radio and television audience Sunday night that the controversy was simply a matter of obeying laws, even though one might disagree with them. But the Court order to which he had referred was itself invalid, inasmuch as the full Supreme Court of the United States had not heard arguments either on last Friday's conflict of view or on the petition submitted in mid-August by the State of Mississippi. The latter was ruled on by only one Justice, since the Supreme Court itself was not in formal session.

Under circumstances as vague and as legally complex as the foregoing, would it have hurt anybody's cause if the President and the Attorney General had exhibited patience and had waited awhile before trying to force on the University of Mississippi the registration of Mr. Meredith?

Governor Barnett could eventually be adjudged wrong in his legal procedures, but a staff of distinguished lawyers—among them, John C. Satterfield, immediate past president of the American Bar Association—were not permitted to argue for him or for the State of Mississippi in Friday's hearing in the Federal court at New Orleans.

Thus, the picture of "free America" presented before the world today is not an inspiring one. The episodes of the weekend merely proved that unfortunately too often "might makes right," and that when one party—a sovereign State—asked for its day in court, it was rebuffed.

How much better it would have been if the legal questions had first been resolved, and then a proclamation issued by the President with ample time for the people to digest it.

As it was, Governor Barnett called for obedience by the people and deplored any violence. He said that the sovereignty of the State of Mississippi had been "trampled upon," but nevertheless he accepted the presence of Federal troops.

Military force is not a substitute for the processes of law or a means of establishing a voice of reason in the community. In the Soviet Union, they customarily use force to secure obedience to governmental edicts. In America, court orders are almost never resisted. But when any administration takes the law into its own hands, mobilizes armed forces on the scene, and attempts to decide issues that the courts should rule upon, there is bound to be friction and rioting.

It is an example of another tragic era such as America witnessed 94 years ago when Congress ordered the Executive to use Federal troops to compel the legislatures of the Southern States—3 years after the War Between the States was over—to "ratify" the 14th amendment. Yet on this amendment the whole desegregation decision of the Supreme Court in 1954 was based. It is time for a dispassionate look at the facts so that a truly constitutional remedy can be found.

Mr. MANSFIELD. Madam President, if the Senator from Tennessee [Mr. KEFAUVER] who now holds the floor will yield, I ask unanimous consent that the Senate may proceed to consider items on the calendar to which there is no objection.

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

PROVIDING FOR COLLECTION AND PUBLICATION OF FOREIGN COMMERCE AND TRADE STATISTICS

The bill (H.R. 7791) to amend title 13 of the United States Code to provide for the collection and publication of foreign commerce and trade statistics, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

PRESERVE CONFIDENTIAL NATURE OF REPORTS FILED WITH BUREAU OF CENSUS

The Senate proceeded to consider the bill (S. 3631) to amend title 13, United States Code, to preserve the confidential nature of copies of reports filed with the Bureau of the Census on a confidential basis which had been reported from the Committee on Post Office and Civil Service with an amendment on page 1, line 6, after the word "the", to strike out "Secretary of Commerce," and insert "Secretary in carrying out the purposes of this title,"; 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 section 9(a) of title 13, United States Code, is amended by adding at the end thereof the following: "No department, bureau, agency, officer, or employee of the Government, except the Secretary in carrying out the purposes of this title, shall require, for any reason, copies of census reports which have been retained by any such establishment or individual. Copies of census reports which have been so retained shall be immune from legal process, and shall not, without the consent of the individual or establishment concerned, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding."

The amendment was agreed to.

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

AMENDMENT OF SECTION 144, TITLE 28, UNITED STATES CODE

The Senate proceeded to consider the bill (S. 2478) to amend section 144 of title 28 of the United States Code which had been reported from the Committee on the Judiciary, with amendments, on page 2, line 2, after the word "than", to strike out "twenty" and insert "thirty"; and in line 9, after the word "sufficient", to strike out "A party may file no more than two affidavits in any case, and the second affidavit shall be limited to those facts and reasons which were unknown and could not have been ascertained by the party at the time the original affidavit was filed. Each affidavit shall be accompanied by a certificate of counsel of record stating that it is made in good faith" and insert "A party may file only one such affidavit in any case. It shall be accompanied by a certificate of counsel of record stating that it is made in good faith."; 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 section 144 of title 28 of the United States Code is amended so as to read:

"Whenever a party to any proceeding in a district court makes and files a timely and sufficient affidavit that the judge before whom the matter is pending has a personal bias or prejudice either against him or in favor of any adverse party, such judge shall proceed no further therein, but another judge shall be assigned to hear such proceeding.

"The affidavit shall state the facts and the reasons for the belief that bias or prejudice exists, and shall be filed not less than thirty days before the trial or hearing of the proceeding, or good cause shall be shown for failure to file it within such time. An order shall then be entered directing that an authenticated copy of the affidavit shall be forthwith certified to the chief judge for the circuit in which such proceeding is pending, and said chief judge, or any judge designated by him, shall determine whether the affidavit is timely and sufficient. A party may file only one such affidavit in any case. It shall be accompanied by a certificate of counsel of record stating that it is made in good faith."

The amendments were agreed to.

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

GEORGE EDWARD LEONARD

The bill (S. 3375) for the relief of George Edward Leonard was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George Edward Leonard, first lieutenant, Army of the United States, retired, of Kansas City, Missouri, the sum of $4,247.20, in full satisfaction of all claims of the said George Edward Leonard against the United States for compensation for disability retired pay which was withheld from him by the United States on the erroneous grounds that, while employed by the United States in various civilian capacities from July 1, 1950, through December 31, 1954, he was subject to the salary and retired pay limitations prescribed by section 212 of the Economy Act of 1932 (5 U.S.C. 59a): *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MAJOR C. TODD, JR., AND THE ESTATE OF IRA T. TODD, SR.

The Senate proceeded to consider the bill (S. 2450) for the relief of Maj. C. Todd, Jr., and the estate of Ira T. Todd, Sr., which had been reported from the Committee on the Judiciary, with an amendment on page 2, after line 11, to insert a new section, as follows:

SEC. 2. No part of the amount appropriated in this Act in excess of 25 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to (1) Major C. Todd, Junior, the sum of $11,620, and (2) the estate of Ira T. Todd, Senior, the sum of $11,620. The payment of such sums shall be in full satisfaction of all claims of Major C. Todd, Junior, and Ira T. Todd, Senior (deceased), against the United States for the loss of their exclusive right of pound-net fishing off the western shore of Cedar Point, Maryland, as a result of certain regulations issued by the Secretary of War in 1943 establishing restricted and prohibited areas for military purposes arising out of the activities of the Patuxent Naval Air Station.

(b) The total sum appropriated by this Act is the amount found by the Court of Claims, acting pursuant to Senate Resolution 308, Eighty-third Congress, Second Session, to be equitably due the said Major C. Todd, Junior, and Ira T. Todd, Senior, as a result of the action of the Secretary of War referred to in subsection (a) of this section.

SEC. 2. No part of the amount appropriated in this Act in excess of 25 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

G. W. TODD AND THE ESTATE OF LLOYD PARKS

The Senate proceeded to consider the bill (S. 2451) for the relief of G. W. Todd and the estate of Lloyd Parks, which had been reported from the Committee on the Judiciary with an amendment on page 2, after line 9, to insert a new section, as follows:

SEC. 2. No part of the amount appropriated in this Act in excess of 25 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to (1) G. W. Todd, the sum of $8,120, and (2) the estate of Lloyd Parks, the sum of $8,120. The payment of such sums shall be in full satisfaction of all claims of G. W. Todd and Lloyd Parks (deceased) against the United States for the loss of their exclusive right of pound-net fishing off the western shore of Cedar Point, Maryland, as a result of certain regulations issued by the Secretary of War in 1943 establishing restricted and prohibited areas for military purposes arising out of the activities of the Patuxent Naval Air Station.

(b) The total sum appropriated by this Act is the amount found by the Court of Claims, acting pursuant to Senate Resolution 309, Eighty-third Congress, second session, to be equitably due the said G. W. Todd and Lloyd Parks as a result of the action of the Secretary of War referred to in subsection (a) of this section.

SEC. 2. No part of the amount appropriated in this Act in excess of 25 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

DR. JAMES T. MADDUX

The Senate proceeded to consider the bill (S. 3371) for the relief of Dr. James T. Maddux which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 10, after the word "of", to strike out "July 1, 1961" and insert "July 9, 1961"; on page 2, line 4, after the word "from", to strike out "July 1, 1961, to February 1, 1962" and insert "July 9, 1961, to February 17, 1962"; and in line 8, after the word "of", to strike out "July 1, 1961" and insert "July 9, 1961"; 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, (1) in the administration of chapter 73 of title 38, United States Code, as amended, and the rules and regulations promulgated thereunder, Doctor James T. Maddux of Narberth, Pennsylvania, an employee of the Department of Medicine and Surgery, Veterans' Administration, at Philadelphia, Pennsylvania, shall be held and considered to have been promoted from associate grade, Medical Service, to full grade, Medical Service, effective as of July 9, 1961, and (2) the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Doctor James T. Maddux, an amount equal to the difference between the salary received by him as such an employee for the period from July 9, 1961, to February 17, 1962, and the salary he would have received for such period had his promotion from associate grade, Medical Service, to full grade, Medical Service, been made effective as of July 9, 1961.

The amendments were agreed to.

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

LT. COMDR. DAVID V. KYRKLUND

The bill (H.R. 4034) for the relief of Lt. Comdr. David V. Kyrklund was considered, ordered to a third reading, read the third time, and passed.

CLEO A. DEKAT

The bill (H.R. 6386) for the relief of Cleo A. Dekat was considered, ordered to a third reading, read the third time, and passed.

MAJ. CLARA MAY MATTHEWS

The bill (H.R. 8321) for the relief of Maj. Clara May Matthews was considered, ordered to a third reading, read the third time, and passed.

JOSE FUENTES

The bill (H.R. 8662) for the relief of Jose Fuentes was considered, ordered to a third reading, read the third time, and passed.

SGT. ERNEST I. AGUILAR

The bill (H.R. 9128) for the relief of Sgt. Ernest I. Aguilar was considered, ordered to a third reading, read the third time, and passed.

THE 1202D CIVIL AFFAIRS GROUP

The bill (H.R. 9199) for the relief of certain officers and enlisted personnel of the 1202d Civil Affairs Group (Reinf. Tng.), Fort Hamilton, Brooklyn, N.Y., was considered, ordered to a third reading, read the third time, and passed.

CUYAHOGA COUNTY, OHIO

The bill (H.R. 9804) for the relief of Cuyahoga County, Ohio, was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF LORETTA SHEA, DECEASED

The bill (H.R. 9894) for the relief of Loretta Shea, deceased, in full settlement of the claims of that estate was considered, ordered to a third reading, read the third time, and passed.

CIVILIAN EMPLOYEES OF NEW YORK NAVAL SHIPYARD AND SAN FRANCISCO NAVAL SHIPYARD ERRONEOUSLY IN RECEIPT OF CERTAIN WAGES

The bill (H.R. 10002) for the relief of civilian employees of the New York Naval Shipyard and the San Francisco Naval Shipyard erroneously in receipt of cer-

tain wages due to a misinterpretation of a Navy civilian personnel instruction was considered, ordered to a third reading, read the third time, and passed.

THOMAS J. FITZPATRICK AND PETER D. POWER

The bill (H.R. 10026) for the relief of Thomas J. Fitzpatrick and Peter D. Power was considered, ordered to a third reading, read the third time, and passed.

LESTER A. KOCHER

The bill (H.R. 10199) for the relief of Lester A. Kocher was considered, ordered to a third reading, read the third time, and passed.

EARL T. BRILEY

The bill (H.R. 10415) for the relief of Earl T. Briley was considered, ordered to a third reading, read the third time, and passed.

MRS. DOROTHY H. JOHNSON

The bill (H.R. 10423) for the relief of Mrs. Dorothy H. Johnson was considered, ordered to a third reading, read the third time, and passed.

CARL ADAMS

The bill (H.R. 11058) for the relief of Carl Adams was considered, ordered to a third reading, read the third time, and passed.

MARY J. PAPWORTH

The bill (H.R. 11334) for the relief of Mary J. Papworth was considered, ordered to a third reading, read the third time, and passed.

DON C. JENSEN AND BRUCE E. WOOLNER

The bill (H.R. 11578) for the relief of Don C. Jensen and Bruce E. Woolner was considered, ordered to a third reading, read the third time, and passed.

JAMES COMEAU

The bill (H.R. 12090) for the relief of James Comeau was considered, ordered to a third reading, read the third time, and passed.

LESLIE O. COX AND OTHER EMPLOYEES OF THE FEDERAL AVIATION AGENCY

The bill (H.R. 12539) for the relief of Leslie O. Cox and other employees of the Federal Aviation Agency was considered, ordered to a third reading, read the third time, and passed.

CATALINA PROPERTIES, INC.

The bill (H.R. 12701) for the relief of Catalina Properties, Inc., was considered, ordered to a third reading, read the third time, and passed.

KENNETH E. FOUSSE AND OTHERS

The bill (H.R. 12936) for the relief of Kenneth E. Fousse and others was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. That concludes the call of the calendar for the time being.

DRUG INDUSTRY ACT OF 1962—CONFERENCE REPORT

Mr. KEFAUVER. Madam President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1552) to amend and supplement the antitrust laws with respect to the manufacture and distribution of drugs, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

(The legislative clerk read the report.)

(For conference report, see House proceedings of Oct. 4, 1962, p. 22315, CONGRESSIONAL RECORD.)

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

There being no objection, the Senate proceeded to consider the report.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. RUSSELL. Madam President, has the leadership stated what the plan is for the remainder of the day?

Mr. MANSFIELD. The pending business is the conference report on the drug bill.

Then it is the intention of the leadership to take up the bill having to do with the borrowing authority of the District of Columbia, Calendar No. 1775, S. 3313; and Calendar No. 1887, H.R. 11880, the amendment of the Foreign Service Buildings Act, authorizing additional appropriations.

Mr. RUSSELL. Does the Senator intend to finish all of that business this evening?

Mr. MANSFIELD. Yes.

Mr. RUSSELL. Does not the Senator believe that more Senators should be present?

Mr. MANSFIELD. No; they will be coming in gradually. Some are engaged in conferences. We are now considering a conference report which was unanimously approved by the conferees.

Mr. RUSSELL. I shall not object now, but I reserve the right to demand a live quorum after the consideration of the pending conference report.

Mr. KEFAUVER. Madam President, I have been requested by the chairman of the Committee on the Judiciary, the Senator from Mississippi [Mr. EASTLAND], to call up the conference report on the drug bill and to make an explanation of the agreement that was reached by the conferees.

Through a process of give and take, the conferees have worked out their differences on the drug bill, S. 1552. Although in some respects the measure does not go as far as I would wish, it is still a strong and effective bill. I wish to take this opportunity to express my deep appreciation to all the conferees for their hard and diligent labor, which consumed nearly all of October 1 and 2, on what by its nature is necessarily a complex and difficult subject.

STEPS INVOLVED IN LEGISLATIVE HISTORY

Those in the future who attempt to study the legislative history of this measure as it passed through its various stages may be forgiven if they become somewhat confused. In my experience there have been few bills which have had so varied a legislative history. Before describing the results of the conference, I would like to clarify for the RECORD the bill's rather unusual legislative history. In so doing I hope to eliminate or at least reduce misunderstandings and misinterpretations which might otherwise arise.

On the basis of an exhaustive investigation into the ethical drug industry beginning with hearings almost 3 years ago, on December 7, 1959, as well as the consideration of a specific piece of legislation beginning with hearings in July 1961, the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary on March 8, 1962, approved a drug bill which had been cosponsored by the distinguished Senator from Michigan [Mr. HART] and is S. 1552.

The members of the Subcommittee on Antitrust and Monopoly are the Senator from Colorado [Mr. CARROLL], the Senator from Michigan [Mr. HART], the Senator from Connecticut [Mr. DODD], the Senator from Missouri [Mr. LONG], the Senator from Wisconsin [Mr. WILEY], the Senator from Illinois [Mr. DIRKSEN], the Senator from Nebraska [Mr. HRUSKA], and I.

This measure was in turn considerably altered by the full Judiciary Committee, which reported it out on July 19; the general purport of this version of the bill is set forth in Senate Report No. 1744 of that date which, in the light of later events, should be considered as part 1 of that report.

Following the disclosures in other countries of the widespread malformations in babies associated with the use of thalidomide, President Kennedy followed an earlier communication of April 10 with a new letter to Chairman Eastland on August 3 urging that the bill, as reported by the Committee on the Judiciary, be strengthened, and to this end submitted seven amendments.

The Committee on the Judiciary then reconsidered the bill which it had previously reported and strengthened it generally in line with the President's recommendations. The purport of its recommendations may be found in Senate Report No. 1744, part 2, dated August 21, 1962. In view of the fact that the President had recommended not only new provisions but the strengthening of existing provisions in the form in which they

had originally been reported by the committee, there were a number of instances of conflict between the bill as originally reported by the committee on July 19 and as later reported on August 21. In such instances it is the later bill and report which must be regarded as controlling.

In the form reported by the Committee on the Judiciary on August 21, S. 1552 was adopted by a vote of 78 to 0 by the Senate on August 23, and Senators not present indicated that they were in support of the measure.

On the day the bill was passed, August 23, I made a detailed statement of its general points, recited some of the history of the proposed legislation, and complimented the members of the committee and subcommittee staffs, who had worked on the bill. I also paid tribute to Mr. Tom Collins on the full committee staff.

The Senator from Colorado [Mr. CARROLL], the Senator from Michigan [Mr. HART], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Nebraska [Mr. HRUSKA], and other Senators, made extended statements in connection with the bill on that day.

Only two changes in the bill were made on the floor of the Senate, both involving the investigational use of drugs before they are put on the market. The first concerned the patient's consent to the use of investigational drugs, and was presented by the Senator from Colorado [Mr. CARROLL] and the Senator from New York [Mr. JAVITS]. The second amendment related to animal testing and related requirements.

Meanwhile, there had been introduced in the House of Representatives by the chairman of its Committee on Interstate and Foreign Commerce, Mr. HARRIS, a somewhat different drug bill, H.R. 11581. It was this measure, insofar as it applies to drugs, that the House used as its vehicle in the consideration of this legislation. However, by the time the House reported the measure on September 22, the Committee had considerably modified H.R. 11581 as originally introduced, and had indeed incorporated into it a number of provisions taken from the Senate bill. With two major amendments adopted on the floor of the House, one relating to factory inspection and one to advertising, the bill as reported by the House Committee was adopted on September 27. It was this measure and the bill passed by the Senate on August 23 which were the subject of the meetings of the conferees.

The vehicle used in the conference committee in its considerations was the bill as passed by the House. As I have noted, many of the sections of the House bill had previously been taken in whole or in part from the Senate bill.

Mr. President, with this recounting of the steps involved in the legislative history of the bill out of the way, I would now like to proceed to a discussion of the specific provisions of S. 1552, as reported by the committee of conference.

Madam President, I shall cover the specific provisions of the bill briefly.

SECTION 101—REQUIREMENT OF ADEQUATE CONTROLS IN MANUFACTURING

On this subject the language of the Senate and House bills was identical. The objective is to prevent production under insanitary conditions and to require that the methods used in drug manufacture conform to and are operated and administered in conformity with "current good manufacturing practice" to the end that the drug "has the safety and has the identity and strength and meets the quality and purity characteristics which it purports or is reported to possess."

As the Judiciary Committee had stated:

> The committee decided to provide that not only must the requisite methods, facilities and quality controls be established in conformity with current good manufacturing practice, but that these methods, facilities and controls must in fact be operated and administered in conformity with current good manufacturing practice.

SECTION 102—EFFECTIVENESS AND SAFETY OF NEW DRUGS

In this important area the language of the Senate and House bills was again identical, with one minor exception. One of the grounds in this section for withholding or withdrawing approval of a new drug application was if, in the language of the Senate bill, "such labeling is false or misleading in any particular." In the House bill the correlative language was "based on a fair evaluation of all material facts such labeling is false or misleading in any particular." The Senate conferees acceded to the House and the phrase "based on a fair evaluation of all material facts" is contained in the bill reported by the conferees. The grounds of inserting this phrase were stated to be the desire to obviate the possibility that a new drug application would be disapproved or withdrawn arbitrarily or capriciously because of some minor or trivial statement that could be easily corrected but at the same time construed to be false or misleading. This is not a substantive change but an effort to make explicit what would undoubtedly be the case in any event.

SECTION 103—RECORDS AND REPORTS AS TO EXPERIENCE ON NEW DRUGS—APPROVED NEW DRUGS

Both the House and Senate bills added a new provision to the new drug section of the Food and Drug Act requiring drug manufacturers to keep records and make reports as to experience with drugs now on the market. The Senate bill required that in promulgating regulations establishing any recordkeeping and reporting system under this section, the Secretary "shall have due regard for the professional ethics of the medical profession and the interests of patients." In addition the Senate bill authorized the Secretary, where he deemed it appropriate, to furnish drug manufacturers with information on their product that came to the Secretary from sources other than the manufacturer. The House bill contained neither of these provisions. They were accepted by the conferees.

EXPERIMENTAL USE OF DRUGS

Both the House and Senate bills contain provisions empowering FDA to require drug manufacturers to keep records and make reports on clinical experience with regard to experimental drugs prior to the submission of a new drug application for such product. The keeping of these records and making of reports is made a condition precedent to any experimental program conducted by a drug manufacturer. The Senate bill authorized the Secretary to require adequate tests on animals before the drug could be tested on human beings. The House bill contained a similar provision authorizing adequate preclinical tests prior to use of humans. While the House provision was accepted by the conferees, it was specifically provided that "preclinical tests" would include "adequate tests in animals."

The Senate bill also authorized the Secretary to require drug investigators to register with the Secretary. The House bill contained no similar provision and it was not adopted by the conferees. The Senate bill authorized the Secretary to require drug investigators to furnish him with simultaneous copies of their reports to the manufacturer on their experiments with an experimental drug. The House bill, on the other hand, specifically rules out any requirement of direct submission of reports to the Secretary by investigators. The conferees accepted a compromise between the two versions whereby analytical reports made by investigators to the drug manufacturers will be considered as part of the data the Secretary can require drug manufacturers to furnish him prior to the submission of the new drug application in order to enable him to evaluate the safety and effectiveness of the drug in the event a new drug application for it is filed. This new requirement on experimental-use drugs puts a firm legislative and statutory base under FDA's existing regulatory power.

With regard to patient consent the Senate bill required that investigators shall have due regard to the "interest of patients," while the House bill specifically required that regulations on experimental-use drugs must condition the use of such drugs on the patient's consent to such use. The conferees adopted substituted language which requires the Secretary of HEW to include in his regulations an experimental drug provision for obtaining patient consent, "except where obtaining such consent would not be feasible, or in the professional judgment of the investigator would be contrary to the best interest of the patient."

The Senator from Nebraska offered the compromise language, and after some rearrangement, it was adopted. It was satisfactory and solved one of the very difficult problems we had in the conference.

The conclusion reached by the conferees with regard to records and reports on new drugs, including experimental drugs, are also applicable to section 106, Records and Reports as to Experience on Antibiotics.

SECTION 104—NEW DRUG CLEARANCE PROCEDURE

There was only one difference between the Senate and House language with respect to the new drug clearance procedure. Both bills provided that a new drug application cannot become effective automatically under any circumstances but must be affirmatively approved. Both provided that the Secretary initially has 180 days—unless further extended by agreement—in which to decide to approve the application or to give notice of an opportunity for a hearing; that the applicant has 30 days in which to request a hearing; and that the hearing would have to begin within 90 days after such 30 days, or within a total of 120 days after notice of the opportunity of a hearing. The Senate bill did not set forth any time period by which an order would have to be entered following the hearing. The House bill required the order to be issued in 90 days after the completion of the hearing. A compromise was worked out to the effect that the order would have to be issued within 90 days, not after the hearing, but after the date fixed by the Secretary for filing final briefs. This is the last step in the hearing process prior to the final decision of the Secretary.

I personally felt that the Senate bill, which put no limit on the time that the HEW could take after the hearing, was preferable, but I trust that the present provision will be adequate.

The conferees also accepted a House provision which would correct a needless and unintentional inequity in the application of the food additive anticancer proviso to additives for animal feed, while preserving in its full vigor the consumer protection now afforded by that provision.

The provision stipulates that the anticancer proviso of existing law shall not apply with respect to the use of a substance—for example, a veterinary drug—as an ingredient of feed for animals which are raised for food production, if the Secretary finds, first, that, under the conditions of use and feeding specified in proposed labeling and reasonably certain to be followed in practice, such additive will not adversely affect the animals for which such feed is intended; and, second, that no residue of the additive will be found in any edible portion of such animals after slaughter or in any food product of the living animal—such as milk or eggs.

Another amendment would similarly amend the basic act—which is the corresponding anticancer clause contained in the color additive amendment of 1960 to the basic act.

It should be emphasized that where a new drug is involved in these fields and subsequent information and new evidence raise a question as to its safety, it can be withdrawn under the new withdrawal and suspension powers provided for in section 102 of the bill.

SECTION 105—CERTIFICATION OF ALL ANTIBIOTICS

On this matter the conferees adopted the Senate language with, however, one important limitation contained in the House bill; namely, that the requirement for batch certification for antibiotics not included in the present law be limited to those "intended for use by man." In other words, antibiotics not now subject to certification which are solely intended for such uses as veterinary purposes, animal feed, et cetera, will not be required to go through batch-by-batch certification. They will be subject to safety and effectiveness tests under the new drug procedures including the new withdrawal powers provided in section 102.

I strongly urged that there should be batch testing of antibiotics for use by veterinarians in treating animals and in animal feed as well as those used for treating human beings, on the theory that if an impure antibiotic is used on a cow or a steer, the milk or the meat might be infected, but I could not prevail. That may be a subject of legislative consideration in the next session of Congress.

The conferees also agreed to an amendment relating to proof of effectiveness of antibiotics now on the market which have been cleared for safety through the new drug procedure of the act but have not until now been subject to batch-by-batch certification. The purpose of this amendment is to facilitate the prompt certification of those approximately 30 antibiotics that have been approved for safety only under the new drug provisions. Under the certification procedure these antibiotics will have to be both safe and effective for their intended use. In the period of transition, these antibiotics will be approved for certification for the same conditions that have been approved in their new drug application. However, the Food and Drug Administration under this amendment is empowered to review the adequacy of the evidence on effectiveness and if it concluded that there is a lack of substantial evidence to support any or all of the existing claims, it can change the certification to eliminate these unsubstantiated claims. There of course would be public procedure with an opportunity for hearings and judicial review afforded the drug manufacturers before the FDA began this type of action.

SECTION 107—EFFECTIVE DATES

Here, the Senate language was adopted with one insertion from the House bill, which reads as follows:

> The amendments made by sections 101, 103, 105, and 106 of this part A shall, with respect to any drug, take effect on the first day of the seventh calendar month following the month in which this act is enacted.

The effect of the insertion is to delay for 6 months after enactment of the bill the sections relating to quality manufacturing controls—section 101—records and reports on new drugs—section 103—certification of antibiotics—section 105—and records and reports on antibiotics—section 106.

With respect to section 102, effectiveness and safety of new drugs, the Senate language which was adopted by the conference committee provides, among other things, that the new grounds for withdrawing approval of a new drug already on the market under the new authority relating to drug effectiveness would not apply until 2 years after the bill is enacted unless approval of the new drug is withdrawn or suspended earlier on other grounds.

SECTION 111—AUTHORITY TO STANDARDIZE NAMES

On this subject the language of the Senate bill was adopted with one insertion from the House bill—a limitation that "in no event, however, shall the Secretary establish a standard name so as to infringe a valid trademark." The objective of this insertion is the limited one of preventing the Secretary, in determining an official name in the interest of achieving usefulness and simplicity, from using as the official name a valid trademark.

Under the Senate language the grant of authority to the Secretary to establish official names is limited to two conditions: First, where he is requested to do so by the compiler of an official compendium; and, second, when the Secretary makes reviews of official names, which under the section he is required to do.

SECTION 112—NAME TO BE USED ON DRUG LABELING

In this section both the Senate and House versions were identical with one exception. This was a limitation upon the frequency with which the established name should appear in labeling, which among other things includes direct mail advertisements, brochures, pamphlets, and so forth; under the limitation the established name would have had to be printed only "at the first place, and at the most conspicuous place if other than the first place, at which such proprietary name for such drug or ingredient, as the case may be, is used." This limitation was not accepted by the conferees. Thus the established name of a prescription drug must appear in type at least half as large as the trade name wherever the latter is used in drug promotional matter, including package inserts, and so forth.

SECTION 113—EXCLUSION OF COSMETICS

The House bill contained a provision not in the Senate measure to the effect that the bill "shall not apply to any cosmetic unless such cosmetic is also a drug or device or component thereof." This provision was accepted by the conferees.

SECTION 131—PRESCRIPTION DRUG ADVERTISEMENTS

In this area the Senate and House bills differed in only two respects. Both required all advertisements and other descriptive printed material to include among other things information "relating to side effects, contraindications and effectiveness." The House bill provided that this information may be shown "in brief summary," which obviously means a fair condensation of the full disclosure information already required in labeling

by the FDA under regulations. Moreover, the House bill contained an explicit provision not in the Senate measure to the effect that "except in extraordinary circumstances no regulation issued under this paragraph shall require prior approval by the Secretary of the content of any advertisement." With one additional provision, the conferees accepted the House language. This additional language is as follows:

This paragraph (n) shall not be applicable to any printed matter which the Secretary determines to be labeling as defined in section 201(m) of this Act.

The effect of this change is to put printed matter not clearly labeling and not clearly advertisements either under the labeling requirements or under the advertising requirements, as the Secretary determines.

SECTION 201—FACTORY INSPECTION

The language of the Senate and House bills was identical with two exceptions. The House measure omitted from the scope of factory inspection any "consulting laboratories in which prescription drugs are manufactured, processed, packed or held." Although conferees adopted the Senate language, it is to be understood that the consulting laboratories to be subject to this provision are those in which prescription drugs are "manufactured, processed, packed or held" and does not extend to those laboratories, such as those in many universities and colleges, which carry on research on drugs but do not carry on as a business activity the operations of manufacturing, processing, packing, or storing.

The factory inspection provisions approved by the conferees do not include the language of the House floor amendment which was an effort to specify affirmatively what would be subject to inspection. The deletion of this language and the approval of section 201 in its present form means that insofar as prescription drug plants are concerned the Food and Drug Administration is clearly empowered to inspect all things in such a drug establishment bearing on violation of the act, including those records not specifically exempted from inspection by the bill.

In addition, the bill makes perfectly clear that whatever powers FDA now has to inspect food, cosmetic devices, and proprietary drug plants is in no way diminished.

SECTION 202—CONFIDENTIALITY OF INFORMATION OBTAINED BY INSPECTION

The House bill extended the scope of the confidentiality requirements in section 301(j) of the Food, Drug, and Cosmetic Act, but made a special provision to the effect that "nothing in this act shall authorize the withholding of information from the duly authorized committees of the Congress." The conferees decided to strike the confidentiality provision entirely from the bill and to leave the law on this matter as it is.

The Senate Subcommittee on Antitrust and Monopoly has in the past had no difficulty in securing information from the Food and Drug Administration and has never wished to secure information of the type prohibited by the present law; namely, information relating to "any method or process which as a trade secret is entitled to protection." It is expected, of course, that since the Congress is not making the law more restrictive on this matter, the FDA will not make its interpretation and administration of section 301(j) more restrictive. Congress and the public deserve to have access to information in the Food and Drug Administration which is not of the nature of a trade secret and is in the public interest.

SECTION 203—EFFECT ON STATE LAWS

A provision in the House bill relating to the effect on State laws was changed by the conferees to read as follows:

Nothing in the amendments made by this act to the Food, Drug, and Cosmetic Act shall be construed as invalidating any provision of a State law which would be valid in the absence of such amendments unless there is a direct and positive conflict between such amendments and such provisions of State law.

SECTION 302—REGISTRATION OF PRODUCERS OF DRUGS

Among the provisions in the Senate bill which were not contained in the House measure was a requirement for the registration of drug producers. This provision requires every drug producer to register annually with the Secretary his name, place of business, and all his establishments engaged in the manufacture of drugs. A registration number is to be assigned to each establishment. Each registered establishment is to be inspected at least once every 2 years.

This, of course, is intended for the purpose of letting the Secretary of Health, Education, and Welfare know who is in the drug business, to help prevent so-called bathtub operators. By knowing that the pharmaceutical manufacturer's plant was registered and inspected, physician and patients will know that the drugs are pure, sound, and effective.

Exempted from the requirements are pharmacies, licensed practitioners using drugs solely in the course of their professional practice, those using drugs solely in research or teaching or for chemical analysis and not for sale, and such other classes of persons the registration of which is found by the Secretary to be not necessary for the protection of the public health. This section was adopted without change by the conferees.

To these requirements the conferees added several provisions. The first, which is in the nature of a preamble to the registration section, widens the scope of registration and factory inspection. It reads as follows:

The Congress hereby finds and declares that in order to make regulation of interstate commerce in drugs effective, it is necessary to provide for registration and inspection of all establishments in which drugs are manufactured, prepared, propagated, compounded, or processed; that the products of all such establishments are likely to enter the channels of interstate commerce and directly affect such commerce; and that the regulation of interstate commerce in drugs without provision for registration and inspection of establishments that may be engaged only in intrastate commerce in such drugs would discriminate against and depress interstate commerce in such drugs and adversely burden, obstruct and affect such interstate commerce.

The second establishes a means by which the Secretary of Health, Education, and Welfare can be informed by the Secretary of the Treasury of imports from plants in foreign countries not registered under this section. Samples of imported drugs from nonregistered foreign plants are to be delivered to the Secretary of HEW; their owner or consignee is to be notified of this fact; and he may appear before the Secretary of HEW and have the right to introduce testimony. The full provision reads as follows:

The Secretary of Health, Education, and Welfare shall furnish to the Secretary of the Treasury a list of establishments registered pursuant to subsection (i) of section 509 and shall request that if any drugs manufactured, prepared, propagated, compounded, or processed in an establishment not so registered are imported or offered for import into the United States, samples of such drugs be delivered to the Secretary of Health, Education, and Welfare, with notice of such delivery to the owner or consignee, who may appear before the Secretary of Health, Education, and Welfare and have the right to introduce testimony.

Foreign plants may continue to import drugs into this country provided, of course, that their new drug application is approved, and that "adequate and effective means are available, by arrangement with the government of such foreign country or otherwise to enable the Secretary to determine from time to time whether the drugs manufactured" meet the requirements set forth in chapter 8, relating to imports and exports, of the Food, Drug, and Cosmetic Act.

SECTION 308—INFORMATION ON PATENTS FOR DRUGS

The Senate bill contained a provision not in the House measure which is designed to enable the Commissioner of Patents, who has on his staff no physicians or pharmacologists, to obtain information on drugs from the Secretary of Health, Education, and Welfare. At the present time he can secure such information from this or any other Government agency only upon the approval of the patent applicant. Under this section the Secretary is authorized and directed upon request from the Commissioner of Patents to furnish full and complete information to the Commissioner. It is further provided that the Secretary is authorized upon request by the Commissioner "to conduct or cause to be conducted such research as may be required." The conferees accepted this provision in the Senate bill.

This section should be of definite assistance to the Patent Office in handling patent applications for drugs. The Commissioner of Patents has testified that such a provision would eliminate uncertainties and lead to the development of standard operational procedure between the Patent Office and the Department of Health, Education, and Welfare. He indicated that it would be of great assistance in some cases, particularly in making available the advice and counsel of specialists. The Patent Office should now feel free to consult and

discuss questions arising in particular drug applications with the appropriate Government specialists or to request more formal reports.

Madam President, in the original bill as reported by the Antitrust and Monopoly Subcommittee there was a provision which would have required the filing with the Commissioner of Patents of all agreements in connection with interference cases, for consideration and review by the Federal Trade Commission and the Department of Justice. This would help these agencies in determining whether the antitrust laws were being violated. We have found many cases in connection with interference agreements, which have been secret, in which there were violations of the antitrust laws; indeed, the Department of Justice has brought two cases, and the Federal Trade Commission has brought one case based upon the information disclosed in our investigation involving agreements in interference proceedings. Last August I had planned to offer an amendment to put this section relating only to drugs, back in the bill, when it reached the floor of the Senate. A few days earlier, however, a similar bill, applying to all products sponsored by the administration passed the House of Representatives. Hearings were held before the Patent Subcommittee of the Judiciary Committee, headed by the Senator from Arkansas [Mr. McCLELLAN], of which I have the privilege of serving as a member. Commissioner Ladd and others testified. The bill was approved, with some amendments, by the subcommittee and by the full committee, and a short time ago it was passed in the Senate. It is now in the House. I believe it will become law. It has to do with all interference proceedings and all patents. It is almost identical with what I had intended to offer with respect to drugs, but it is infinitely broader in that it applies to products and processes of all kinds.

There are some provisions not contained in the conference report which I had hoped would be included. One would have required the Food and Drug Administration to furnish package inserts to physicians, in convenient and readable form, so that physicians could have the official information from the Food and Drug Administration as to what the drugs would do, what the side effects would be, and so forth. This provision was stricken, largely on the ground of what it might cost. I offered a variation in conference giving the Secretary discretion as to which physician would receive which package inserts, according to their specialties. It would have reduced the cost, but this, too, was rejected. Undoubtedly, this will be the subject of a legislative proposal in the next session of Congress. A few other provisions which I favored also were not accepted, which I will introduce in separate bills in the next session of Congress.

On the whole, we have obtained a good, strong, fair drug bill, needed by the people of the Nation. Prescription drugs are big business. The drugs sold by manufacturers to pharmacists and to hospitals totals $3,200 million a year. That is more than is involved in medical fees.

Among other things the bill will insure that drugs will be properly made; that they will be made with good control procedures; that sanitary provisions will be enforced; that factories will be inspected; that drugs will be safe; that advertisements will contain accurate information on side effects and efficacy; that excessive claims as to a drug's efficacy will not be stated; that generic names will be established which will be simple and useful; that all antibiotics for human use will be certified; and that the Patent Commissioner will be able to obtain needed information on drugs.

These provisions will be of great help to the people of the United States, to the Food and Drug Administration, to those who take drugs, to physicians, and indeed, to the pharmaceutical manufacturers, who, I believe, will realize, more and more, that it is to their benefit, also. Whereas the drug industry had been opposed to our activity in the beginning, it came to see, of itself, that some reforms and changes were needed. I am happy that we have finally been able to obtain such a good bill.

As I have said before, the bill is the result of hard work on the part of all members of the subcommittee—the majority members and the minority members. They have all given it much consideration and much thought.

I have previously taken occasion to express my appreciation to the members of the staff of the Antitrust and Monopoly Subcommittee, both majority and minority members of that staff, who worked so diligently, intelligently, and ably in the investigation and in the conduct of the hearings and in the preparation of the proposed legislation. I spoke about them, as did the Senator from Illinois [Mr. DIRKSEN] and the Senator from Nebraska [Mr. HRUSKA], in our speeches on August 23. I again wish to thank all of them.

In connection with the conference, I wish especially to express my appreciation to the members of the staff of the Antitrust and Monopoly Subcommittee, particularly Horace L. Flurry, Dr. John M. Blair, Dr. E. Wayles Browne; and the minority staff members, Peter Chumbris, and Ron Raitt; also I wish to pay tribute to the ability and the work of Tom Collins on the full committee staff.

In conclusion, Mr. President, this bill constitutes something of a tribute to the Founding Fathers for their wisdom in creating the legislative branch as a separate branch of government. The separation of the legislative from the executive branch has long been criticized by proponents of the parliamentary form of government. But I doubt whether under a parliamentary system the investigation would ever have been made of new and original remedies conceived. I cannot stress too greatly that most of the provisions of this omnibus bill are not only the outgrowth of an investigation by the legislative branch, but the solutions embodied in the bill were conceived of by the legislative branch.

This was not one of the all too frequent situations in which the role of Congress was merely that of passing upon a proposal developed by the executive branch, nor did it involve merely taking an old bill which had been rejected, updating it and inserting some new touch to make it current. The bill involved new thinking, new ideas. They came from a legislative committee. At the outset of the investigation, we were actually discouraged by top officials of the Food and Drug Administration. Not only had they no remedies for most of the problems with which we were beginning to be concerned; they did not even recognize them as problems.

Since World War II, the drug industry has undergone phenomenal growth, giving rise to a host of new problems affecting not only prices, but also the safety of drugs and the quality of information reaching doctors. It was the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary which through almost 3 years of the most arduous labor disclosed what the problems were. It was the same subcommittee which conceived the legislative proposals to deal with these problems. The bill now before the Senate consists in large part of those proposals, or adaptations thereof.

What has taken place, therefore, has been achieved only in the legislative branch, in a manner envisioned by the framers of the Constitution: First, investigate to determine the nature of the problem; second, devise appropriate legislative remedies; and third, enact them. The role of the executive branch is properly that of seeing to it that they are enforced.

As the economy has grown and our problems have multiplied and become increasingly complex, the legislature has found itself more and more in the position of merely passing on legislative proposals offered by the executive branch. This was not the intent of our Founding Fathers.

The moral of the drug bill is that even on an exceedingly complex issue the legislative branch can perform in the manner originally intended. With only a small staff of competent professional personnel the Congress can prove itself to be just as able as the vast bureaucracy of the executive branch, if not more so, to assume leadership in the legislative process.

Madam President, I yield the floor.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The question is on agreeing to the conference report.

The report was agreed to.

During the delivery of Mr. KEFAUVER'S speech,

Mr. CARROLL. Madam President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield to the Senator from Colorado, a distinguished member of the Subcommittee on Antitrust and Monopoly, who worked long and hard on the bill and whose labors we all appreciate.

Mr. CARROLL. Madam President, I desire to pay tribute to the long and arduous work of the Senator from Tennessee [Mr. KEFAUVER] and the Senator from Michigan [Mr. HART], and to the excellent work done by the staff over a period of some 3 years, led by Dr. John

Blair, which has led to the bill which is before the Senate today for passage. No one can really fully appreciate the scope of the bill unless he has read the record or has attended the hearings which took place through many years.

S. 1552, a bill to amend and supplement the laws with respect to the manufacture and distribution of drugs, is the result of 3 years of investigation and research undertaken by the Antitrust and Monopoly Subcommittee of which I am proud to be a member. During much of this time we of the subcommittee had very little support and many obstacles were placed in our path. It did not look as though we could obtain a meaningful bill. During all of this period, I am pleased to say that our chairman, the Senator from Tennessee, never once was dissuaded from his purpose.

As a result of the work done by our committee members and by our committee staff—and unhappily because of the great and tragic experience in Europe with the experimental drug thalidomide—we have before us today a measure which marks a major strengthening of the Federal drug controls.

I am especially pleased that the bill before the Senate, as approved by the conference committee, embodies within it the so-called Carroll-Javits amendment, which requires for patient prenotification before experimental drugs can be prescribed.

When we first presented this amendment we were told that it was not feasible. We persisted with our amendment, however, because we felt that when a man or his loved one consults his family doctor, he has the right to be assured that only safe and proven medicines will be administered.

In the Senate version of the bill, Senator JAVITS and I were successful in obtaining an amendment—not all that we sought, it is true—which would insure that patients' rights would be considered in the promulgation of regulations for the use of experimental drugs.

Fortunately, happily, the House was able to go even further in this respect with the result that the bill before us today provides that a doctor must obtain a patient's permission to be treated with an experimental drug. The only exceptions to the this lie in those cases where a doctor feels obtaining such permission would not be feasible or in the patient's best interest.

Madam President, I am proud to have worked shoulder to shoulder with the Senator from Tennessee [Mr. KEFAUVER] in this endeavor. I urge the Senate to give this conference report its speedy approval.

Madam President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Conferees Vote Real Tightening Control of Drugs," published in the Wall Street Journal of today, October 3, 1962.

The PRESIDING OFFICER. Is there objection?

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

CONFEREES VOTE BILL TIGHTENING CONTROL OF DRUGS—COMPROMISE MAKES FIRMS REGISTER WITH AGENCY; FINAL PASSAGE LIKELY SOON—SOME KENNEDY CLAUSES EASED

WASHINGTON.—A Senate-House conference approved a bill tightening Federal controls over the manufacture and marketing of prescription drugs. Both Chambers are expected to approve the measure by tomorrow and send it to the White House.

The conferees accepted the Senate bill's requirement that drug manufacturers register with the Government and a House provision that side-effect information to be included in drug advertisements need only be "in brief summary." But they rejected a Senate proposal that the Government publish and distribute to doctors, clinics, and libraries copies of the printed material that the Government requires be included in drug packages, containing detailed information on the use and effects of the drug.

The bill's controls are not as tight as those proposed by the Kennedy administration, and the measure omits some administration provisions: New controls over barbiturates, amphetamines, and biological drugs, and authority for thorough Government inspection of factories producing nonprescription drugs.

PROVISIONS LISTED

These are the other major provisions of the bill:

Thorough Federal inspection is authorized for factories producing prescription drugs.

Drugs must be turned out under good manufacturing practices, must be safe, and meet the quality and purity characteristics claimed for them.

New drugs can't be marketed until specific approval is granted by the Food and Drug Administration, and a manufacturer must show "substantial evidence" that a new drug will have the effect claimed for it. The FDA is given 180 days in which to consider a new-drug application; an applicant has an additional 30 days to request a hearing if the FDA refuses to approve the drug; the agency has 90 days after that to hold a hearing, and the agency has 90 days after the date set for filing final legal briefs to issue a decision.

The Government may withdraw from the market any drug believed to present an "imminent hazard" to the public.

Government controls over the manufacture of certain antibiotics are extended to all of them.

Manufacturers must keep records of side effects and other experience with drugs and make these records available to the FDA.

The common or official name of a drug must be printed on the label prominently and in type at least half as large as that of the brand name. The FDA is authorized to determine a drug's official name when the industry cannot agree.

EXPERIMENTAL DRUGS

In addition to these legal requirements, the bill authorizes the FDA to include certain specified provisions in its regulations governing the use of experimental drugs, those not yet approved for general public sale. Thalidomide, the widely publicized German sleeping pill that was linked to deformities in newborn babies, was distributed in this country as such an experimental drug and was not approved by the FDA. The bill's suggested new regulations, largely similar to those proposed recently by the FDA itself, would require doctors to:

Obtain a patient's permission to be treated with an experimental drug, except when the doctor feels obtaining such permission wouldn't be feasible or in the patient's best interest.

Report to manufacturers and indirectly to the Government on the results of experimental drugs.

And administer experimental drugs only to patients under their personal supervision.

Although the bill doesn't require the FDA to issue these regulations, members of the conference committee said it assumed the agency would agree to the recommendations.

Mr. KEFAUVER. Madam President, I am grateful to the Senator from Colorado for his kind remarks.

As I have said before, he has worked hard, long, most diligently, and most faithfully on this legislation. For 3 years he has devoted himself to it, and his contributions to it have been of great importance. I am most grateful for what he has done.

Mr. JAVITS. Madam President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. JAVITS. First, I pay my respects to the chairman of the subcommittee, the Senator from Tennesssee [Mr. KEFAUVER]; and I express my admiration of him and the pleasure I have had, particularly in working on this amendment, which the Senator from Colorado [Mr. CARROLL] has described.

As I understand the conference report, it requires that the Secretary of Health, Education, and Welfare shall include in his regulations a provision to the effect that experimental drugs may be used only after the patient's consent is obtained. I point out, in that connection, the importance of the use of the word "shall" at that point in this measure. The use of the word "shall" definitely imposes this responsibility on the medical profession, with the result that the doctor will have, in addition to his responsibility under his Hippocratic oath and under the canon of ethics, the clear responsibility of finding, if he decides not to obtain the consent of the patient, that to obtain his consent would not be "feasible" or in the professional judgment of the investigator would be "contrary to the best interests" of the patient.

I believe that provision supports very definitely the contention we have made. I should like to have the Senator from Tennesse, who has been in charge of the bill, confirm my understanding of this part of the report.

Mr. KEFAUVER. The Senator from New York has correctly stated the meaning of that provision. He and the Senator from Colorado [Mr. CARROLL] worked diligently to have such a provision included. On the Senate floor an amendment was offered and accepted to the effect that in giving experimental drugs physicians shall consider the best interest of their patients. In the House of Representatives, the Friedel amendment, which was along the same line but somewhat tighter was adopted. In the conference, an amendment in line with these two amendments—suggested by the Senator from Nebraska—was submitted. I proposed some rearrangement of the language, but there was no change

in the meaning. The resultant language requires the patient's consent, except in instances—as the Senator from New York has said—in which it is deemed not feasible or, the doctor's best judgment, is contrary to the best interests of such human beings. The decision must be according to the best judgment of the doctors involved. There will be no interference with the doctor-patient relationship. But the responsibility for not obtaining the patient's consent will clearly rest with the physicians.

Mr. JAVITS. I was seeking to establish the point that it will be the professional responsibility of the doctor in both cases—both as to the determination of feasibility and as to the determination of the effect on the patient. The inclusion of that provision imposes a greater sanction than merely the use of the word "feasible."

As professional men, the Senator from Tennessee and the Senator from Colorado and I understand that one will not assume that responsibility except on the basis of the greatest exercise of conscience. That is what the conferees have provided for.

I also congratulate the Senator from Tennessee [Mr. KEFAUVER], with whom I worked on another aspect of this bill, a provision with respect to stopping the experimental use of drugs on humans in the event they are deemed to be unsafe. I am pleased to note that that provision also is in the bill as reported by the conferees.

So, Madam President, I congratulate the principal proponents and sponsors on our side, the Senator from Illinois [Mr. DIRKSEN] and the Senator from Nebraska [Mr. HRUSKA], and also the principal proponents and sponsors on the other side of the aisle, the Senator from Tennessee [Mr. KEFAUVER], and also the Senator from Colorado [Mr. CARROLL], for the provisions they have proposed, which now have been included in the conference report.

Mr. KEFAUVER. I thank the Senator from New York. He has correctly stated the intention of the conferees.

Mr. JAVITS. I thank the Senator from Tennessee.

Mr. CARROLL. Madam President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. CARROLL. I wish to say that in my opinion this is one of the most important measures in the domestic field to be passed at this session. It is of great importance to the family life of the Nation and to the protection of our people. I think it will also be of great help to the pharmaceutical profession and the medical profession. But, above all, it will be helpful to the American people.

That is why I pay special tribute to the Senator from Tennessee and the excellent committee staff who have worked so hard for so many years on this measure.

Mr. KEFAUVER. Madam President, the Senator is correct when he says this is one of the most important measures in the domestic field which has been passed either at this session or in many other sessions.

Mr. HART. Madam President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I am glad to yield to the coauthor of the bill, who has been my fellow worker on it.

Mr. HART. Madam President, I, too, wish to express the pride I have because of my association with the Senator from Tennessee [Mr. KEFAUVER] and the other members of the Subcommittee on Antitrust and Monopoly, whose labors have culminated in bringing us to this point, which I hope is just immediately preceding adoption of the conference report on this bill.

I suggest that those who may be interested in observing the legislative process from the time of the inception of a bill to the point of its enactment will do well to study this bill. I unhesitatingly recommend, in that connection, that, they study the bill from the time of its enactment up to this point. I believe an important lesson is to be learned from reviewing, as the Senator from Tennessee now is doing, the events preceding this moment.

Not long ago I was asked by a member of the press who was interested in the drug legislation whether I believe our society is the kind which must encounter a disaster before it will take any definite or significant action on a domestic issue. He made the point that if it had not been for the thalidomide incident, this bill would never have gotten out of the committee. I reminded him that I felt a bill would have gotten out of the committee, but certainly not this bill. In fairness to our system, I think the correct answer to such a question is that a disaster helps, provided there have been at work concerned men and women who have developed a position on which the legislative body can quickly take a stand when disaster confronts it. That is exactly what the Senator from Tennessee was doing over a period of almost 3 years. Painstakingly, and while subject to much buffeting and many pressures, the Senator from Tennessee and the subcommittee were developing a record, drafting a bill, and buttressing it with arguments; and, as a result, the Judiciary Committee was able to respond promptly to the disaster which developed in connection with the use of thalidomide.

The Senator from Tennessee and a few other Senators were trying to point out the weakness of the earlier legislation and were trying to indicate that an incident similar to the one which developed in connection with the use of thalidomide could occur unless the law was changed. When it did occur, there was a great expression in the committee and in the entire Senate of willingness to take action on this legislation.

I think perhaps the greatest tribute which could be paid the chairman of the subcommittee, the Senator from Tennessee [Mr. KEFAUVER], is again to make the point that long before the danger of using thalidomide became apparent, and long before legislation of this type was popular, he was urging the development of legislation to protect against the occurrence of disasters of the type of the one which resulted from the use of thalidomide. He suggested that such disasters were definitely a possibility, and he suggested the necessary safeguards. This is why I am particularly glad to take this much of the time of the Senate—late though it is—to pay my tribute to him.

From my own experience, I know that in the course of the 3 years during which we have been studying the operations of the drug industry, there have been some rather weird suggestions as to what motivated us. The suggestions ranged from an intrinsic distrust of profits to the intolerable desire to eliminate success. That, of course, was so much hogwash.

I think time will be kind to the subcommittee in its conduct, but I know that its chairman, more than any of the rest of us—and all of us indeed, were subjected to it—were subjected to some pretty harsh questioning, as we sought to make the record and then to write the bill. I am delighted and proud that the Senate bill is the Kefauver-Hart bill. If my name were to stand on only one piece of legislation for so long as I was permitted to be here, I would select this one, because as the Senator from Colorado [Mr. CARROLL] has said, on the domestic scene there is as much long-term good in this bill as in any the Congress will enact. It is due almost entirely to the courage and devotion of the Senator from Tennessee, and I salute him.

Mr. HRUSKA. Madam President, will the Senator yield, so that I may comment on the suggestions made by the Senator from Michigan?

Mr. KEFAUVER. I will yield in just a moment, but, first, I would like to thank the distinguished Senator from Michigan [Mr. HART]. I am sure that during the last 3 years he has spent more time on this legislation and in this subcommittee than in perhaps all of his other committee assignments put together.

He has shown great interest and tremendous knowledge of the problem. He has stood up valiantly for the provisions of the bill. He has been a hard worker, whose steadfast support has been most encouraging to me throughout this difficult undertaking.

Many Senators have contributed to the final product. The Senator from Michigan [Mr. HART] made a great contribution, as did the Senator from Colorado [Mr. CARROLL], and other members of the committee. The Senator from Nebraska [Mr. HRUSKA], with his keen mind, helped clarify many issues. The Senator from Nebraska has been very diligent in his efforts throughout the consideration of the bill, although we have not always agreed, and have frequently disagreed, as to the approach that should be taken.

I yield now to the Senator from Nebraska.

Mr. HRUSKA. Madam President, this is an instance in which we can well apply the old proverb or classical saying that "All's well that ends well."

The bill before us is a good bill. It is sound, and workable. It is acceptable to those who will be in charge of its administration and enforcement and it is acceptable to industry.

Most of all, it is very acceptable to the public which has the greatest stake of all. It wants good drugs; not just now but tomorrow and next year.

The Senator spoke of many having joined in the bill. That is correct. It is the joint product of many minds.

I would not want to minimize for a moment the monumental work done by the Senator from Tennessee. I do not want to detract from the credit given to him, or the members of the committee, or the staff, or the Congress. However, I think we ought to keep the record straight as to the terrible tragedy of the thalidomide and how much it may have contributed to the enactment of this bill.

I have lived with this bill as long as any Senator, with the exception, perhaps, of the Senator from Tennessee. I submit that, with one exception, and some small refinements the bill that was before us on July 19, before thalidomide formed the essential framework and details of this bill.

That exception is the provision which calls for suspension of drugs from the market on an immediate basis. Beyond that, and some subsequent refinements all of the limitations in this bill, are to be found in the bill of July 19.

The further fact is that the law as it presently exists was sufficient to deal with the thalidomide episode. I do not say the enforcement of the law will not be more effective under this bill. But, at the same time, to say that the July 19 bill, was a creature of limited and inhibited powers, is simply in accord with the record.

I am glad the bill went back to the Judiciary Committee after July 19 and that it ripened into the seasoned product of August 21. I am glad it was taken to conference with the House of Representatives, where a lot of good was done.

But I want the record straight that the thalidomide incident, although it resulted in some refinements and good points, was not necessary to achieve this legislation.

I do not want work of the Committee on the Judiciary derogated or downgraded in any way. The efforts leading up to the introduction in this Chamber of the bill of July 19 were of no small moment. They were in keeping with the highest legislative traditions. As a result of those efforts we got a bill that eventually provided the framework and much of the substance of the legislation which I hope will be passed by the Senate shortly.

Mr. HART. Madam President, if the Senator from Tennessee will permit me to make a response to the Senator from Nebraska, I think my remarks caused the Senator's statement.

Mr. HRUSKA. That is why I suggested that the remarks should not be printed at that point in the RECORD.

Mr. HART. Of course, I shall wish to reread my statement, but I will say that I think a bill would have been reported by the committee without the thalidomide incident. However, I repeat my statement that it is a much better bill because of the thalidomide incident.

I suggest to the distinguished Senator from Tennessee that we should have printed in the RECORD at this point the minority views which accompanied the bill which was reported July 19. We could look at that, and look at the final document, and then we would have the answer. I think that would balance the record.

Mr. HRUSKA. It would balance the record. We could also have printed the material on page 17391 of the CONGRESSIONAL RECORD, in which there is an outline of the July 19 bill on a comparative basis. That would balance the record, too. That would bear out the statement made by the Senator from Nebraska.

Again I do not want to imply that less credit should be given to various members of the committee or to anyone on the staff for the work they have done.

At the same time, I would not want the record to stand in such a way as to imply that the Committee on the Judiciary, or the staff of the committee, or any portion thereof, did not act in its full responsibility or in the full discharge of conscientious duties in the action taken on the July 19 bill. That bill substantially complied with all the content of the President's April 10 letter prescribing what he felt was necessary to achieve good legislation.

There was an exception which was reserved for additional legislation. The Senator from Connecticut [Mr. DODD], who is in the Chamber, has introduced a bill to cover that situation. With that exception the President's letter of April 10 was substantially complied with in the July 19 bill.

The President sent another letter in August and said, "Because of the thalidomide incident we think these additional things should be done." The Judiciary Committee, to a man, approved what the President prescribed in the second letter. So you can see, this bill is the product of the minds and activities and best judgments of many, many people.

Mr. KEFAUVER. Madam President, I do not think any useful purpose would be served by arguing about the July 19 bill or the bill originally reported by the Subcommittee on Antitrust and Monopoly which was changed in almost every respect by the full Committee on the Judiciary in the bill finally reported after the thalidomide incident. It is true that the July 19 bill may have covered most of the points. The question is not whether it touches in these problems but how it dealt with them. I thought it was very weak in many respects.

The Senator from Colorado [Mr. CARROLL], the Senator from Connecticut [Mr. DODD], the Senator from Michigan [Mr. HART], the Senator from Missouri [Mr. LONG] and I pointed out its weaknesses in the minority views we filed.

In the minority views we set forth six amendments we proposed to offer, all of which were incorporated in the seven recommendations suggested by the President.

I think the better way to handle this problem is to ask unanimous consent to make the views a part of the RECORD, along with the comparison referred to by the Senator from Nebraska. Would that be satisfactory?

Mr. HRUSKA. The comparison of the two bills, referred to a few minutes ago?

Mr. KEFAUVER. It is already in the RECORD.

Mr. HRUSKA. Certainly. That would be agreeable with the Senator from Nebraska.

Mr. KEFAUVER. Very well.

Mr. HRUSKA. Because it would demonstrate, Madam President, that many of the provisions mentioned in the minority views were not adopted either by the Judiciary Committee, by the House, or by the Senate, and still are not in the bill before us.

Mr. KEFAUVER. Anyway, it will all be in the RECORD. I ask unanimous consent that the minority views, beginning on page 33 of the committee report, and the comparative analysis to which the Senator from Nebraska referred may be printed in the RECORD at this point.

Mr. HRUSKA. Madam President, if the Senator will yield, the comparative analysis appears on several pages. I would prefer to have that compiled in one statement. It would be difficult to take only one page and to get the comparative analysis.

Mr. KEFAUVER. Madam President, I ask unanimous consent to have it included, when it is prepared.

Mr. HRUSKA. I thank the Senator.

Mr. KEFAUVER. And to further aid in the understanding of the legislative history, my statement of August 20, 1962.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Tennessee?

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

VIEWS OF SENATORS ESTES KEFAUVER, JOHN A. CARROLL,[1] THOMAS J. DODD, PHILIP A. HART, AND EDWARD V. LONG

The undersigned voted to report favorably S. 1552 as rewritten by the full Judiciary Committee because it does contain some provisions which are improvements in the present law. Moreover, in view of the great interest in the subject, we felt the Senate as a whole should have the opportunity of acting on certain amendments which would strengthen the bill.

In the form in which it was originally introduced on April 12, 1961, as well as the form in which it was reported out by the Subcommittee on Antitrust and Monoply on March 8, 1962, S. 1552 had three objectives:

1. To bring about reductions in the present high prices of drugs.

2. To provide physicians with better and more adequate information about drugs and correlatively to reduce the dissemination of information which is false and misleading.

3. To insure that all drugs are of adequate and acceptable quality.

In the form in which it was reported out by the full Judiciary Committee, S. 1552 will have only a very limited effect on prices,

[1] Senator CARROLL concurs in all except amendment No. 5 (see further individual views).

confined to the minority of drugs which are not patented. It will also have only a very limited effect in improving the quality of information reaching physicians. Its major result will be to improve the quality of drugs.

While improvement in the quality of a product is always desirable and S. 1552 should be enacted for this purpose alone, the record is clear that by any test and under any standard the prices of most drugs are excessive and unreasonable. The record is also clear that physicians are regularly inundated with a great mass of advertising and promotional material, much of which is misleading and some actually false.

That the accomplishments of S. 1552 are relatively modest where the need is greatest is apparent from an examination of its provisions. In its present form the bill contains 12 major provisions, 9 of which represent additions to the existing law.

Section of S. 1552:

2. Authorizing the Commissioner of Patents to secure information on drugs from the Department of Health, Education, and Welfare.

3. Requiring drug producers to register their name and place of business.

4. Granting the HEW stronger powers to inspect drug plants.

5. Requiring drug plants to conform in their operations to "current good manufacturing practice."

6. Making a slight extension of the period in which new drug applications automatically become effective unless action is taken by the Food and Drug Administration.

7. Requiring companies seeking approval of new drug applications to keep records and reports relating to clinical experience and other data.

10. Authorizing the Secretary of Health, Education, and Welfare, under specified circumstances and after a hearing, to establish the "official" or generic name for drugs.

11. Requiring the HEW to publish in convenient and readable form and distribute to physicians copies of the package insert (i.e., the document approved by the FDA setting forth information on a drug's uses, side effects, dosages, etc.).

12. Extending the certification procedure to all antibiotics and providing standards for the consideration of their exemption.

Mr. KEFAUVER. Madam President, in addition, the bill contains three other provisions, two of which are in effect mere restatements of current law or regulations, while the force and effect of the third is virtually destroyed by failing to make a correlative change in the definition of "new drugs."

9. Requiring official names to appear "prominently" on labels. (This is merely a restatement of sec. 502(c) of the Federal Food, Drug and Cosmetic Act.)

11. Requiring drug companies to send to physicians who request information about a drug the package insert. (This is merely an explicit incorporation into the statute of a regulation already adopted by the FDA (§ 1.106).)

8. Providing that claims as to the effectiveness of drugs must be supported by substantial evidence. (For this to have any real force, "effectiveness" must be added to the definition of new drugs contained in sec. 201(p) of the Federal Food, Drug, and Cosmetic Act. Otherwise the requirement would only apply to the initial claims made for a drug and not to later claims made after the initial new drug application had been approved.)

All of the bill's nine provisions representing additions to current law should contribute in one way or another to the improvement of the quality of drugs. For this reason alone, they are desirable and should be enacted.

In contrast, they will have no effect on the prices of the majority of drugs, which are patented, and only a limited, long-range, and indirect effect on the prices of nonpatented drugs. The failure of the bill to have any effect whatsoever on the prices of patented drugs is a serious limitation. When a drug is patented and the patent holder licenses none or only a very few other firms, the price will usually be the same whether the prescription is written in terms of its generic name or its trade name. For example, the buyer will pay the same price for Parke, Davis' patented antibiotic regardless of whether the physician writes out the prescription for Chloromycetin, the trade name, or chloramphenicol, the generic name.

A market survey conducted for Nationwide Insurance Co. disclosed that not less than one-half and perhaps as much as two-thirds of all prescriptions are for drugs that are patented. In presenting the results of the survey, Mr. Glenn Wilson, manager of its medical care research stated:

"The patented items, regardless of the number of distributors, tend to have identical or similar prices. The consumer will derive scant economic benefit when his physician writes a generic prescription as contrasted to a trade name if the product is patented."[2]

Thus we are confronted with the hard and unpleasant reality that prices for over half of the prescriptions can be reduced only by imposing price control or by restricting the scope of the patent monopoly and thereby injecting price competition into the market.

Requiring drug plants to register their names and addresses with the FDA, granting the agency stronger inspection powers and requiring drug plants to conform to current good manufacturing practice should tend to give physicians greater confidence that, if they prescribe by official or generic names, their patients will receive drugs of adequate and acceptable quality (secs. 3, 4, and 5 of S. 1552). Similarly, the provision granting the Secretary of Health, Education, and Welfare authority under certain conditions to establish the official names should make for shorter and less complex generic names that physicians can remember, pronounce, and spell (sec. 10). Because of these changes it would be hoped that with the passage of time more and more physicians will come to prescribe by generic names. This should mean lower prices for the patients of such doctors for drugs which are not patented and are not already sold on a generic-name basis, such as phenobarbital, digitoxin, and others. The drugs in which consumers can benefit from generic-name prescribing probably represent less than a fifth of all prescription sales.

Likewise, only three of the nine provisions will contribute to providing physicians with better information about drugs and reducing the volume of misleading information. There is, first, the requirement that HEW publish the package inserts in convenient and readable form and distribute them to physicians (sec. 11). Second is the provision authorizing the Commissioner of Patents to secure information on drugs from the Department of Health, Education, and Welfare (sec. 2). Presumably, if the Patent Office, which has no physicians or pharmacologists on its staff, is able to secure information from HEW on the therapeutic properties of drugs—which it is now able to obtain only with the consent of the patent applicant—fewer patents may be issued. This in turn should tend to reduce the number of products which could be the subject of high-pressure blitz advertising and promotional campaigns aimed at the doctors. Third is the provision requiring the keeping of records and reports on clinical testing, which should assist the FDA in keeping off the market unsafe and ineffective drugs or in prescribing proper and appropriate warnings to guide physicians in their use (sec. 7).

If S. 1552 is to meet its three intended objectives, certain provisions should be added. Amendments along the following lines are required:

1. To make the bill's provisions relating to effectiveness of drugs meaningful "effectiveness" should be included in the definition of new drugs.

2. To facilitate prescribing by generic names and to help prevent physicians from being misled by deceptive advertising, each advertisement should show the official name printed prominently and in type half as large as the trade or brand name, and should contain statements, or summaries thereof, approved by the Secretary of Health, Education, and Welfare on the drug's efficacy and side effects.

3. To give the medical officers of the FDA adequate time to appraise the possible side effects and efficacy of a new drug, no new drug application should automatically become effective in the absence of action by the FDA to the contrary; applications should become effective only when the safety and claims for efficacy of the drug have been approved by the FDA.

4. To prevent the use of license agreements as a means of fixing prices, establishing international cartels or otherwise restraining trade, license agreements under patent applications and issued patents should be filed with the Patent Office to be available for inspection and use by the antitrust agencies.

5. To bring about price reductions of those patented drugs, whose prices are excessive, patents should be licensed after 3 years to qualified applicants upon a payment of a royalty of up to 8 percent where it is found that the price to druggists is 500 percent or more of the factory cost (including research).

The principal effect of the first three amendments referred to above would be to improve the quality of information reaching physicians and to result in better and safer drugs. The principal effect of the last two would be to reduce drug prices.

The purposes of each of the amendments and the reasons for their adoption are set forth below:

AMENDMENT NO. 1—EFFECTIVENESS

The statement of justification presented at the Judiciary Committee in support of the amendment to strike "effectiveness," or "efficacy" as it is often termed, from the definition of new drugs said, "For example, if aspirin in its normal dosage were to be newly recommended as efficacious for acne, it should not have to go through the elaborate new drug procedure."[3] Assuming aspirin to be a prescription drug (which of course it is not), the example strikingly illustrates the anomalous situation which will arise if this loophole is not closed. If Orinase is approved for the treatment of diabetes, should it be permitted to be promoted as a remedy for infectious diseases? If Miltown is approved as a mild tranquilizer, should it be permitted to be promoted for the treatment of diabetes?

On what logical basis can one possibly argue that the initial claim for a drug, say the relief of headaches, should be supported by "substantial evidence," but that successive claims, for instance the cure of acne, need not be so supported? That considerations which would warrant examination and approval of the initial claim would be just as appropriate and compelling for successive

[2] U.S. Senate Subcommittee on Antitrust and Monopoly, hearings on S. 1552, 87th Cong., 1st sess., pt. 3, p. 1325.

[3] Cf. CONGRESSIONAL RECORD, June 11, 1962, p. 10108.

claims. Likewise, if successive claims for effectiveness need not be supported by "substantial evidence," why should this obligation be required for the initial claim?

With the benefit of this loophole the expectation would be that the initial claim would tend to be quite limited, which, of course, would expedite approval of the new drug application. Thereafter, "the sky would be the limit" and extreme claims of any kind could be made, subject only to the very cumbersome power of the FDA to seize a single specific shipment of the drug as misbranded. It takes months or years to go through the legal steps leading to an injunction—for contempt of court—against the company to prevent continuing marketing in interstate commerce. In the past 2 dozen years, FDA has invoked its seizure powers against not more than two or three prescription drugs.

The present law requires only proof of safety before the Food and Drug Administration allows a new drug to be marketed. The new drug application must be approved once the requirements of safety have been met, even though the FDA has reason to believe that the drug is not effective for the purposes claimed. During his testimony, Secretary Ribicoff of the Department of Health, Education, and Welfare cited a number of specific examples of ethical drugs which the FDA was forced to approve for general distribution because they were shown to be safe under conditions proposed for their use in the labeling, despite the fact that the agency's medical officers knew of no evidence to support some of the therapeutic claims made by the manufacturers.[4]

Leading physicians testified that it is impossible to keep currently informed of the state of medical knowledge to be found scattered in hundreds of medical journals on the 400 new drugs introduced each year. Moreover, they stressed that the marketing of a safe but ineffective drug may well be positively injurious to the public health. When an ineffective drug is prescribed, it is usually in place of an older but effective drug.[5] The problem is compounded by the fact that usually a considerable period elapses between the time when a highly advertised new drug is put on the market and when knowledge becomes widely disseminated among the medical profession that its performance falls seriously short of its claims.

In addition to numerous examples of claims which, according to the testimony of medical authorities, were extreme and misleading, the record contains evidence that what is occasionally involved is not merely the normal "puffery" inherent in all advertising but a deliberate intent to mislead. Extreme assertions which have been specifically rejected by the Journal of the American Medical Association and other "restricted" journals are incorporated in advertisements appearing in widely circulated "nonrestricted" medical journals, which make little or no effort to screen out unsupportable claims.[6] Quotations from articles and papers appearing in advertisements have been taken out of context.[7] There have been mailed to physicians X-ray photographs clearly designed to contrast a patient's condition "before" and "after" use of a drug, even though the X-rays were of different persons and neither used the drug.[8] However, regardless of whether made with an intent to deceive, or merely as the result of the natural enthusiasm of the advertising agency, the result is the same.

This provision was strongly supported before the subcommittee by Secretary Ribicoff. Pointing out that under present law the FDA evaluates the claims for efficacy of antibiotics and insulin, he testified that "over a considerable period of time and for a number of important drugs the Department has in fact been determining drug effectiveness. In the light of this background of experience, it is difficult to understand the position of those who oppose extending the efficacy requirement to all drugs."

Referring to this background of experience, he stated that "we have had no case in which an effective drug has been kept off the market because other drugs were effective for treating the same disease.[9]

Section 8 of S. 1552 gives the appearance of adding the test of effectiveness to the law by granting the Secretary of Health, Education, and Welfare the authority to reject a new drug application if "there is a lack of substantial evidence (including substantial clinical evidence) supported by investigations of experts qualified by scientific training and experience to evaluate the effectiveness of drugs, that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended or suggested in the proposed labeling thereof."

But this is appearance only since it applies merely to the initial claim. It can be given substance by taking the logical step of making it applicable to all claims, regardless of whether they are made when the new drug application is initially filed or at any time thereafter.

AMENDMENT NO. 2—ADVERTISEMENTS

As originally introduced and as approved by the Antitrust Subcommittee, the advertising provision of S. 1552 required all advertisements to include, regardless of the media employed, (a) the official or "generic" name printed in type as large and as prominent as that used for any trade or brand name, (b) a warning or summary thereof as to any dangerous or harmful property or effect thereof, and (c) a full and correct statement of the drug's efficacy.

Despite the compelling need for these modest requirements, as summarized below, the entire advertising provision was striken in committee from the bill.

The need for a more specific requirement as to the size of official names is illustrated by examples of advertisements in the record containing no generic names whatever or generic names in type so small as to be virtually illegible. The record also contains examples of explicit instructions from drug companies and advertising agencies not to use generic names except where absolutely necessary, as in the Journal of the American Medical Association.[10] The record also contains continuous correspondence from the JAMA to a drug advertising agency from 1953 to 1960 in which the attention of the latter is repeatedly directed to the necessity of including generic names and the minimum size of type required.[11] It also reveals that a drug company failed to designate any generic name, with full knowledge that this violated requirements of the American Medical Association.[12] S. 1552 should be amended to put an end to the nondisclosure of generic names in advertisements, whether the result of inadvertence or intent, by requiring all advertisements and labels to show the official name printed prominently and in type at least half as large as that used for any trade or brand name thereof.

As has been noted, the FDA, in its current work of passing on new drug applications, reviews and approves the wording of package inserts or brochures, which among other things contain information on "side effects" or "contraindications." A summary thereof, also to be approved by the Secretary, can be substituted if their length appears to be excessive for use in an advertisement.

Again the requirement stems from the failure of most drug advertisements to give anything approaching adequate information, even on this critical matter of injurious side effects. At the request of the subcommittee, the Library of Congress made a survey of drug advertisements appearing in six leading medical journals during the 9-month period July 1958 through March 1959. The survey covered 34 important trade-name products, with varying side effects from mild to serious, in the principal categories of ethical drugs. In the survey the Library noted each page in which an advertisement for any of these drugs appeared in each of these journals. There were 2,033 such pages. In no fewer than 89 percent of these pages, the advertisement contained no reference to side effects at all or only a short dismissal phrase which was typically less of a warning than a reason for prescribing.[13]

Eminent medical authorities testified that much of the drug advertising is misleading and some is false. They further emphasized that when a doctor is misled his patient's health is endangered. For 3 years one medical college included in its course work for second-year medical students an evaluation of drug advertising. According to Dr. Solomon Garb, who conducted the course:

"In all 3 years it was found that the majority of the mailed ads were unreliable, to the extent that a physician trusting them could be seriously misled."

Part IV of the Antitrust Subcommittee's report contains excerpts of testimony from leading medical authorities criticizing the quality of drug company advertising and giving specific examples of misleading claims.

One large drug company, in introducing its new antidiabetic drug, withheld from the medical profession a report addressed to the president by its own medical officer who was in charge of clinical testing of the product. His summary report showed that of a total of nearly 2,000 clinical cases tabulated, no fewer than 27 percent reported 1 or more side effects. These side effects included not only minor irritations but adverse effects upon the central nervous system, serious skin disorders, and jaundice. Although this information was in the possession of the company, the original package insert first sent out in 1958 began with the statement, "Side effects are generally of a transient and nonserious character." [14]

The Antitrust Subcommittee has received hundreds of letters from physicians from all parts of the country denouncing the flood of advertising with which they are inundated. Many report that they destroy the direct-mail advertising immediately upon arrival, denouncing these advertising claims as extreme and unsupported.

In addition to the statement on side effects, the advertisements should also include a statement or summary thereof, approved by the Secretary, of the drug's effectiveness.

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[4] Hearings on S. 1552, pt. 5, pp. 2584–2585.

[5] 87th Cong., 1st sess., S. Rept. No. 448, report of the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary, "Administered Prices: Drugs" (1961), pp. 150–154 (hereafter referred to as "report").

[6] Hearings on S. 1552, pt. 7, pp. 3395–3402; pp. 3403–3412; pp. 3634–3647.

[7] Hearings on S. 1552, pt. 7, pp. 3413–3438.

[8] Ibid., pp. 3301–3310.

[9] Ibid., pt. 5, pp. 2588, 2589.

[10] Hearings on S. 1552, pt. 7, pp. 3390, 3547.

[11] Ibid., pp. 3374–3394.

[12] Hearings on S. 1552, pt. 7, p. 3506.

[13] Report, pp. 199–200.

[14] "Hearings on Administered Prices, Drugs," pt. 20, pp. 11296, 11344, 11370.

The Department will be in a position to review and approve such statements since under section 9(a) of S. 1552 it is to receive information on a drug's effectiveness as part of a new drug application.

AMENDMENT NO. 3—NEW DRUG CLEARANCE PROCEDURE

Under the present law a new drug application becomes effective automatically in 60 days unless it is disapproved or the Secretary postpones its effective date "to such time (not more than 180 days after the filing thereof) as the Secretary deems necessary to enable him to study and investigate the issue." Under S. 1552, as reported by the Antitrust Subcommittee, no time limit is imposed; the application would not become effective until the Secretary had determined that the drug is "safe for use and is efficacious in use under conditions prescribed, recommended, or suggested in the labeling thereof." Under the bill as reported by the Judiciary Committee the 60-day provision of the present law is extended to 90 days, and if a hearing is held, action pursuant to the hearing need not be taken within the 180-day period, as is required by regulation under the current law.

The need to give the physicians of the FDA adequate time to appraise the safety and effectiveness of drugs is dramatically illustrated by the recent case example of thalidomide. This drug, developed by the German firm, Chemie Grunenthal, was extensively sold in Western Europe, England, Canada, Brazil, Japan, and other countries as a sedative. Since it produced a deep sleep and did not have the "hangover effects" of other sedatives, it achieved great popularity and was manufactured literally by the ton. Unfortunately, it also happens to have horrible side effects. When given to expectant mothers in early pregnancy, their babies may be born with assorted malformations, particularly with a condition called phocomelia, or "seal limbs," because the hands and feet are attached close to the body like flippers, with little or no arms or legs. Medical authorities estimate that from 3,500 to 5,000 malformed babies resulting from the use of this drug will have been born in Europe by this fall.

By the fall of 1961 the incidence in Europe of these malformations, hitherto an exceedingly rare phenomenon, had reached epidemic proportions. In September 1961 four German universities set up a cooperative study which was reported at a conference on November 18, 1961. Dr. Widukind Lenz, a pediatrician with special interest in genetics, discussed the possible role of thalidomide (Contergan) in the deformity of infants called seal limbs. Drs. R. A. Pfeiffer and W. Kowenow reported a high statistical significance connecting seal limbs with thalidomide.

As the studies continued, irrefutable evidence developed. In the February 3, 1962, issue of the Lancet, Dr. Lenz wrote: "I have conclusive evidence that Contergan (thalidomide) is teratogenic (monster producing) in man." This evidence was based on studies of mothers who disclosed before delivery that they had taken thalidomide and in which the infants showed typical malformations; 55 cases in which the exact date of the prescription coincides with the time of development of the malformed organs; 5 series of consecutive cases collected in hospitals by gynecologists and pediatricians. Dr. Lenz continued to receive reports connecting the deformed babies with the prescription of the drug for the mothers at the rate of 3 to 10 per day.

Dr. A. L. Spiers, a Scottish physician, searched the prescription records of mothers of deformed babies to determine whether and when the expectant mothers had taken thalidomide. Reporting his findings in the Lancet of February 10, 1962, he stated:

"During the past year 10 babies with major limb defects were born in Stirlingshire maternity units. At least eight of the mothers had thalidomide prescribed for them in the early weeks of pregnancy. This confirms a similar association found in Europe and elsewhere."

The drug was withdrawn from the German market on November 27, 1961, and from the British market on December 2, 1961. It was not withdrawn from the Canadian market until March 2, 1962, and some druggists were still selling their shelf supplies in April. It was taken off the market in Belgium on June 14, 1962, after one distraught mother in Liege had been charged with infanticide for destroying her malformed baby.

Meanwhile, well before there was any basis for associating the drug with any particular side effects, the American licensee for the product, Wm. S. Merrell, filed its new drug application on September 12, 1960. It was to be sold in the United States under the trade name, Kevadon. Ironically, the proposed labeling stressed the value of the drug in combating nausea in pregnancy.

A few months later there appeared in the British Medical Journal of January 14, 1961, a communication from the clinical research department of the British licensee, Distillers Co., reporting instances of patients receiving thalidomide who had developed "symptoms and signs suggestive of peripheral neuritis" (i.e., inflamation of the nerves in the feet and hands). Noting this report and other reports of damage to adult nervous tissue, which is notably resistant to injury, the medical officer of the FDA handling the application, Dr. Frances Kelsey, suspected the likelihood of more serious damage to embryonic nervous tissue. Accordingly, she kept delaying approval of the application on the grounds that the application was incomplete and that new information was required.

This resistance was in the face of strong pressure by the company. The following synopsis, submitted by HEW, reveals more graphically than could any general description, the types of tactics employed to get a new drug application approved, and the difficulties under which the medical officers operate under conditions where approval is automatic within a given time period unless FDA acts to the contrary:

"The new drug application was received on September 12, 1960. FDA medical officers found it incomplete and inadequate to demonstrate safety on November 10, 1960.

"Between that date and February 23, the firm contacted FDA medical officers 11 times and submitted additional information intended to establish safety of the product.

"On February 23, 1961, FDA again found the application incomplete. By this time it had learned from the medical literature of reports of neuorological toxicity from the drug. FDA called this to the firm's attention.

"The firm made 11 more contacts with FDA medical officers between that time and May 11, 1961. On April 19, 1961, Mr. Murray of the firm advised Dr. Ralph Smith of FDA that he (Murray) thought some pressure should be asserted. Murray said he wanted a "yes or no" decision. On May 9, 1961, Mr. Murray called Dr. Ralph Smith and referred to a letter from Dr. Frances Kelsey, an FDA officer, as somewhat libelous.

"On May 11, 1961, Mr. Murray of the firm met with three of FDA's medical officers. They advised him that FDA needed evidence that the drug would be safe during pregnancy. FDA felt that the evidence in the petition before us was inadequate to support labeling which stressed the value of the drug in pregnancy.

"The firm made 14 contacts with FDA medical officers between this time and September 7, 1961, designed to expedite clearance of its new drug application.

"On September 7, 1961, Mr. Murray of the firm arranged a conference with FDA medical officers at which some clinicians who had investigated the drug for the firm reported their experience with it. FDA medical officers again pointed out the inadequate evidence on safety of the drug in pregnancy.

"The firm made 10 more contacts with FDA between this time and November 30, 1961, designed to get the drug cleared for marketing.

"November 30, 1961, Mr. Murray of the firm advised FDA that the drug had been withdrawn from the German market because of reports that it caused birth defects in infants whose mothers had been taking the drug.

"On March 8, 1962, the firm withdrew the new drug application.

"Between September 12, 1960, when the application was first submitted and November 30, 1961, when the firm advised of the birth abnormalities, William S. Merrell contacted FDA's Bureau of Medicine 50 times in an effort to get this drug on the American market and a number of the efforts to get the new drug application approved were very vigorous."

The fact that thalidomide was not approved for sale in the United States was due in part to the insight and courage of FDA's medical officer and in part to the coincidence that just about the time that the grounds on which the application could be held to be incomplete were being exhausted, the reports began to appear in the European medical journals associating the drug with the malformed births. Had these reports appeared only a few months later, there is a strong probability that the drug would have been released for sale in the United States in 1961.

It could then, of course, have been ordered off the market, but what of the damage that would have been done in the interim? It is this very practice under which the FDA approves the marketing of a drug, only to have to take it off the market later, that constitutes one of the most serious weaknesses of the present law—a weakness which will only be slightly relieved under the bill reported by the committee. The very fact that a drug is new usually means that there is little in the way of independent and objective clinical studies to guide the FDA physicians in their work. Because of this lack of information and also because of the pressures engendered by the automatic approval requirement, the FDA has released too many drugs for sale only to have to take them off the market later as new information concerning side effects develops. Under this procedure it is the American people who unknowingly serve as guinea pigs for experiments by the drug companies.

The seriousness of the problem is indicated by the table presented below which lists the new drugs whose new drug applications were suspended or withdrawn after mid-1958. Particularly to be noted are those drugs with side effects which can lead to death—blood dyscrasias, carcinogenic effects, liver damage, and hepatitis. The table should constitute conclusive evidence that the medical officers of the FDA, who are trying to protect the American people from drugs with dangerous side effects, should have an adequate time period in which to assure themselves that the drug is safe, and that applications should not become effective automatically during any time period. If a drug company feels that the delay in his application is arbitrary or capricious, it, of course, has recourse to the courts.

List of new drugs taken off the market (human)

Product	Firm	Reasons
Sandostene	Sandoz	Blood dyscrasias (agranulocytosis).
Sandostene Space Tabs	do	Do.
Furadantin i.v.	Eaton Laboratories	Attributed to polyethylene glycol solvent. Metabolic acidocis when used in cases of renal impairment.
Inferon	Lakeside	Carcinogenic effects when injected into rats and mice in large doses. Risk involved outweighed therapeutic need for the drug when used as recommended in the labeling.
Pre-creatin	Mercury Pharmaceuticals, Inc	Applicant did not abide by commitments in the NDA regarding the manufacture, control, and labeling of the drug.
Cor Tyzine 0.1 percent solution and 0.05 percent pediatric nasal drops.	Chas. Pfizer Co	Prednisolone component found to be unstable.
Neo Cor Tyzine 0.1 percent solution and 0.05 percent pediatric nasal drops.	do	Do.
Neo-Medrol eye-ear drops, 0.1 percent	The Upjohn Co	Eye irritation.
Medrol eye-ear drops, 0.1 percent	do	Do.
Marsilid	Hoffmann LaRoche, Inc	Drugs with similar therapeutics usefulness but with greater safety were available (liver damage).
Catron [1]	Lakeside Laboratories	Low sale of drug with restrictive precautionary labeling required.
Flexin	McNeil	Hepatitis.
Flexilon	do	Do.
Flexilon HC	do	Do.
Triurate	do	Do.
Dornwal	Maltbie	Blood dyscrasias (agranulocytosis).
Entoquel Syrup	White Laboratories	Atropine-like reactions; also illegal labeling.
Entoquel with Neomycin	do	Do.
Monase tablets	The Upjohn Co	Blood dyscrasias (agranulocytosis).
Mer-29 [1]	Wm. S. Merrell	Cataracts and adrenocortical-hypofunction and skin disorders, including loss of hair.

[1] Withdrawn from market without suspension.

AMENDMENT NO. 4—THE FILING OF LICENSE AGREEMENTS

In its original form S. 1552 made it a per se violation of the Sherman Act for drug producers to enter into any "contract, combination, or conspiracy" under which they would agree to withdraw a patent application, to concede priority of invention or to refrain from granting licenses under issued patents.

During the course of the hearings by the Antitrust Subcommittee this was changed to a simple requirement that such agreements be filed with the Commissioner of Patents to be available to the antitrust agencies. This change as it applies to patent applications involved in interference proceedings was proposed by Judge Lee Loevinger, Assistant Attorney General in charge of the Antitrust Division, and Mr. David L. Ladd, Commissioner of Patents. It has also been endorsed by the Pharmaceutical Manufacturers Association. Testifying for that association on December 7, 1961, Mr. Eugene Deesley, president of Eli Lilly & Co., stated:

"Mr. Loevinger and Mr. Ladd have suggested an alternative course, under which patent interference settlements would be available for inspection at the Patent Office. This seems to us a far better approach, provided, of course, that public inspection should not be permitted until a patent is issued. By making the facts readily available for antitrust enforcement purposes, this alternative would help prevent any improper agreements while still preserving the opportunity for settlements in the public interest." [15]

More recently, in testifying before the House Judiciary Committee on May 24, 1962, Mr. William B. Graham, also speaking for the Pharmaceutical Manufacturers Association, again placed his organization on record in support of the proposal as it applies to patent applications involved in interferences:

"Mr. GRAHAM. It will be brought out that we have no objection, however, to a substitute provision for section 2 that would require the filing of all patent interference settlement agreements with the Patent Office." [16]

Despite the acceptance of the provision by the industry's own trade organization, it was rejected by the majority of the Senate Judiciary Committee.

The need to require applicants for a patent to file their license agreements stems from the practice of private settlements among rival applicants for a patent—a practice which has been shown to be quite widespread in the drug industry. These settlements are often made during the course of an "interference" proceeding in the Patent Office, which in essence is an administrative hearing on the claims of the various parties. These hearings, however, are secret, as are the names of the applicants, the patent applications, and the supporting documents. With or without a formal "interference," the private settlement in effect transfers the function of determining priority of invention from the Government to the rival private parties. While undoubtedly useful to the Patent Office in that it constitutes an easy way of reaching a settlement of complex issues with a minimum of time expended by the agency's overburdened staff, these settlements in the drug industry have been found to contain agreements which may restrain trade in violation of the antitrust laws. In addition to indicating who is to receive the patent, these agreements typically provide that, as a condition to withdrawing from the contest, the other applicants will become licensees, and, indeed, they may begin to pay royalties even before the patent has been issued. The settlements usually contain restrictive provisions under which the parties agree not to sell to outsiders, to refrain from selling in bulk form, and to accept other limitations on their marketing activities.[17] It usually happens that all of the parties to the agreement sell their products at identical prices.

In recognition of their usefulness to the Patent Office, the proposed amendment of S. 1552 does not prohibit private settlements. It merely requires that any agreements involved therein be filed with the Patent Office and made available to the Department of Justice and the Federal Trade Commission.

The requirement for the filing of agreements by those to whom patents have been issued also stems from the existence in the record of agreements which may be in violation of the antitrust laws. Restrictive provisions of doubtful legality have been found in both domestic licensing agreements and in licensing agreements with foreign firms.

These latter agreements often contain an unusual variety of restrictive provisions. The patentee grants to a single company in each of a related group of countries the exclusive right to sell in that market. Strict geographic limitations upon his marketing area are usually imposed. He usually agrees not to export the product. All of his sales are to be made in packaged or finished form. Sales in bulk powder form are prohibited since it is through such sales that "outsiders" might secure supplies which could disrupt the established price structure. The licensee often agrees to use all means, including litigation, to prevent reselling of his product outside of his territory. He may even agree to police the sales of his buyers in order to prevent any of them from securing supplies "notoriously above its needs." Through restrictions such as these, international cartels have been established and prices both at home and abroad have been stabilized at high and noncompetitive levels.

The existence and nature of the agreements under both patent applications and issued patents are generally unknown to the antitrust agencies. It may be of interest to note that following the publication by the Antitrust Subcommittee of such agreements on corticosteriods [18] and antibiotics,[19] the Department of Justice has initiated grand jury inquiries in both fields.

The proposed amendment differs from the recommendation of the Pharmaceutical Manufacturers Association in only two respects. In the first place, it would not go as far as their recommendation in that the agreements are not to be made available to the public but only to the representatives of the antitrust agencies for their inspection and use. In the second place it would go somewhat further in that it would apply to agreements under issued patents as well as to those entered into during the course of an interference procedure before a patent is issued. If agreements under patent applications are to be filed, it is only logical to make the requirement apply also to similar agreements entered into under issued patents, particularly since the more serious restrictions appear to be contained in the latter.

AMENDMENT NO. 5—RESTRICTING THE PATENT MONOPOLY

As noted earlier, the majority of prescription sales have been found to be for patented drugs. For such products, prescribing by generic names will not result in savings to the consumer since the buyer pays the same price regardless of whether the prescription is written in terms of its generic name or its trade name. Thus only through direct price control or through restricting the

[15] Hearings on S. 1552, pt. 4, p. 2005.

[16] 87th Cong., 2d sess., House Judiciary Committee, hearings on H.R. 6245, transcript, p. 657.

[17] Hearings, "Administered Prices," pt. 24, p. 14168.

[18] Hearings, "Administered Prices," pt. 15, pp. 7918–8458.

[19] Hearings, "Administered Prices," pt. 24, pp. 14226–15263, 15331–15881, 15939–15961, 16031–16251, 16244–16399.

patent monopoly can the price of most drug products be brought down.

The need for preventing unreasonable prices in this industry is inherent in the nature of the product itself, which is quite different from "shoes and ships and sealing wax." Its unique character has long been recognized by most foreign countries whose policies toward drug patents are rooted in the moral belief that no one should have the right to withhold from the public, products which relieve suffering and may spell the difference between life and death. Out of 77 countries for which information was obtained by the Antitrust Subcommittee, only 28 grant product patents in the pharmaceutical field. Of the foreign countries for which the State Department secured price information 11 do not grant product patents on pharmaceuticals, and of the 6 which do, all but 2, Belgium and Panama, require compulsory licensing under specified conditions. Thus, only the United States, Belgium, and Panama grant product patents on drugs without imposing any limitations to protect the public welfare.

It might be expected that the American drug companies, mindful of the unique nature of their product and their almost unparalleled freedom to charge what the traffic will bear, would lean over backward to avoid charging excessive and unreasonable prices. Such, however, has not been the case. In 1961, for example, the "Fortune Directory" showed that among the 500 largest industrials those classified in the drug industry had the highest median profit rate of any manufacturing industry, this was true of both profits as a percent of invested capital and as percent of sales. According to the First National City Bank drugs and medicines in 1961, as in several preceding years, led all other manufacturing industries in terms of profits as a percent of investment, with a return on net assets of 19.7 percent after taxes, as compared to only 10.1 percent for total manufacturing. In terms of margin on sales its figure of 10.6 percent was exceeded only by cement, and again was about twice that of total manufacturing, 5.4 percent.

But this does not tell the full story of profits in drugs. The above compilations reflect the profits which the drug companies make not only in drugs but in other industries as well. It happens that 11 of the 22 major drug companies are also engaged in other industries. Profits for drug operations alone are not regularly published for such multi-industry or "conglomerate" corporations, but were secured by the Antitrust Subcommittee for the year 1958. For the 11 companies as a group their total profits after taxes averaged 9.8 percent of sales; in their drug operations only they averaged 13 percent; in their nondrug operations 4½ percent.

Although figures were not obtained on profits as a percent of investment, it is obvious that the published profit rate of around 20 percent understates the true profit rate by several percentage points. Since taxes absorb about half of pretax earnings, a 20-percent profit rate on investment, after taxes, in all fields would probably represent about a 50-percent profit rate, before taxes, in drugs alone. It can be safely said that a profit showing of such a nature, sustained over a 6-year period and with every prospect of continuing into the future, is unequaled by the performance of any other American industry.

These unmatched profit showings are made possible by margins between factory costs and price which can only be regarded as "extraordinary." A few examples will demonstrate the magnitude of these margins, which include selling and distribution costs as well as profits.

Prednisone is extensively used by arthritics to relieve their pain and discomfort. It is uniformly sold to the druggist by the major companies at 17 cents a pill, while the consumer pays around 28 cents. The average dose is three a day, which means a total cost to the consumer for the trade-name product of around $30 a month; this happens to be a half to a third of the total monthly pension of a great many older people who are victims of this crippling disease. Based on the prices at which the major drug companies buy and sell the drug itself from each other in bulk powder form (not the raw materials) plus a generous allowance for tableting, bottling, and packaging charges, the Antitrust Subcommitte estimated that the factory or production cost of prednisone was no more than 1.4 cents a pill. Since that time the Nation's largest wholesale house, McKesson & Robbins, has entered into the manufacture of this and other prescription drugs. Inasmuch as the patent on prednisone is tied up in an interference proceeding, there is as yet no patent restriction on the sale of this drug. McKesson's production costs, which do not include its costs of distribution and overhead (including research) or profit, turn out to be only 0.9 cent a pill, or considerably lower than our estimate—as was true, incidentally, of all of the subcommittee's cost figures. McKesson sells this product to the druggist for 2.1 cents a pill—a price which is made possible by not using detailmen, by minimizing advertising expenditures, and by being content with a reasonable profit. It can be purchased in drugstores for less than 3.5 cents a pill.

The difference between the subcommittee's cost figure and McKesson's actual cost is due partly to the fact that our estimate included profits on the bulk sale and on the tableting, bottling, and packaging operation, whereas theirs excluded all profits. Also, since a bulk sale, like any other sale, bears its proportionate share of research costs (which are rarely allocated by the companies to individual products), research costs were in effect included in our cost figure but not in theirs.

Another example is reserpine, used as a tranquilizer and for hypertension. It is sold to the druggist by its patent owner, Ciba, for $39.50 per 1,000, while the consumer pays $65.83. Because it is a derivative of a plant, rauwolfia serpentina, which has been used for this purpose in India for over a thousand years, the patent is rather weak and Ciba widely licenses it to others. The subcommittee's estimate of the factory cost was $2.47 for a thousand pills. McKesson's actual costs are only $0.63, and its price to the druggist is $2.75.

A final illustration is tetracycline—the largest selling wide-range antibiotic. The product, which is manufactured by American Cyanamid, Pfizer, and Bristol, costs the druggist around 30 cents a capsule and is sold to the consumer for 50 cents. The price received from all sources by Bristol averaged 25 cents a capsule. The subcommittee's estimate of Bristol's production costs, excluding royalties which are paid to the product's other manufacturers, was 2.9 cents. Bristol's actual costs, subpenaed by the subcommittee, were only 1.7 cents a capsule.

In defense of these extraordinary profits and margins the drug industry has advanced only one real rationalization—the research defense. Any curtailment of their patent protection, they argue, will reduce their expenditures on research and thus impede the discovery of new drugs. However, since pretax profits in 1958 constituted 25.5 percent of the sales dollar of the 22 major drug companies, and selling costs comprised 24.8 cents, there is no reason why a reduction in prices resulting from compulsory licensing must necessarily be at the expense of research, which represented only 6.3 cents of the sales dollar. Moreover, only part of this went for what is regarded as basic research, a large part going for such expenses as the cost of market surveys, fees for patent attorneys, expenditures in developing imitative products which are only slight variants of drugs already on the market, etc.

This "me too" type of research, which is usually carried out on modifications or combinations of drugs, is particularly undesirable in that it results in a waste of scarce scientific personnel, yields an unending supply of duplicate products which become the subject of excessive and misleading claims of superiority over the parent drug, creates confusion in the treatment of patients, and does not result in lower prices to patients.

The "research defense" is also refuted by the experience of foreign countries which have had outstanding records in the development of new drugs but which grant far less effective patent protection in this area than does the United States and, incidentally, have far lower prices. Actually, the patenting of drugs is handled in four different ways by the countries of the world. As has been noted, the United States, Belgium, and Panama grant unrestricted patent protection to both products and processes without requiring compulsory licensing. At the opposite extreme is Italy, which grants neither product nor process patents. A number of countries, such as Great Britain and Canada, grant product as well as process patents but provide for compulsory licensing, which is often supplemented by direct price control.

In the major European countries the method historically followed is that exemplified by West Germany, which does not grant patents on drugs products per se, but does grant them on drug processes, with the protection extending to the product as long as it is manufactured by that process; i.e., the patent protection on the product disappears upon the discovery of an alternative process, which frequently takes place in the drug industry; in testimony before the Antitrust Subcommittee Mr. P. H. Federico, examiner in chief of the Patent Office, acknowledged that the manufacture of drugs is particularly susceptible to the development of alternative processes.[20] Incidentally, it should be noted that the special treatment long accorded drug patents in these countries has not spread to other industries.

From the experience of Germany and of other countries which have similar methods of patent protection for drug products, it is obvious that an excellent record of performance can be achieved in the development of new drugs[21] under a patent system which grants much weaker patent protection than is accorded in the United States. Mr. George E. Frost, patent counsel for the Pharmaceutical Manufacturers Association has conceded that "patent rights in Germany * * * are considerably less effective than U.S. patent rights in the drug industry" and that "the German law, overall, has a lower order of effectiveness than the U.S. law".[22]

To bring down the prices of patented drugs, S. 1552, as reported out by the Judiciary Committee, should be amended to require compulsory licensing. Inasmuch as the major drug companies extensively cross-license each other, the issue is not the feasibility of licensing. Rather, it is whether licenses are to be obtained by smaller companies who might inject price competition into the industry and thus break down the established structure of unreasonable and usually identical prices charged by the large companies.

In the form in which it was reported out by the Antitrust Subcommittee, S. 1552 provided that after 3 years, during which time

[20] Hearings on S. 1552, pt. 3, pp. 1234, 1235.

[21] Cf. 87th Cong., 1st sess., S. Rept. 448, "Administered Prices: Drugs," report of the Subcommittee on Antitrust and Monopoly, pp. 115–126.

[22] Hearings on S. 1552, pt. 4, pp. 2544–2548.

he will hold the exclusive rights, the holder of a drug patents is to be required to license qualified applicants to make and sell the product in finished form at a royalty not to exceed 8 percent on gross sales of the licensee. A qualified applicant for a compulsory license would be any drug firm registered with HEW.

The 3-year period of exclusive rights would begin to run from the date of issuance of the patent. Inasmuch as from 1 to 2 years usually elapses between the approval of a new drug application and the issuance of a patent, the period of exclusive rights will in most cases actually run from 4 to 5 years. It is anticipated, however, that the Patent Commissioner will exercise due care and diligence to prevent the further extension of the period of actual exclusive rights.

Some contend that this proposal would destroy a property right long held to be essential to stimulate invention in this country. But this overlooks the fact that the 17-year patent grant would remain in effect, during 3 years of which the patentee would hold exclusive rights. The royalty of up to 8 percent on the licensee's sales for the remaining 14 years would, in itself, constitute a valuable property right.

The thrust of the amendment is directed against the prices of those patented drugs which are excessive. Presumably, it would be products with the widest profit margins which would constitute the most inviting attraction to firms interested in securing compulsory licenses. At the same time it is possible, though not likely that licenses might be sought for products whose prices are not excessive.

To meet this possibility, it is now proposed to modify the original amendment in such a way as to limit compulsory licensing to those patented products whose prices to druggists are more than 500 percent of their factory costs (including a provision for research). After a 3-year period in which the patent owner would hold exclusive rights, the Federal Trade Commission, which is presently empowered to obtain such data, would, upon request, make an investigation to determine whether the price to druggists is more than 500 percent of the cost of production in finished form and packaged for sale. If such is found to be the case, the Commission, after a hearing, would issue an order requiring the patentee to grant an unrestricted license to any qualified applicant to make, use, and sell the drug in finished form. As in the original form of S. 1552 a qualified applicant would be any firm registered with the HEW, and the royalty would be up to 8 percent on the licensee's drug sales. As long as what is being determined are factory costs, this is a workable amendment, since the problem of allocating overhead to different products would not arise.

Today important patented drugs are being sold to druggists at prices which represent markups of 800 to 1,200 percent of their factory costs. Since nonpatented drugs are widely and profitably sold at prices representing markups of only 200 to 300 perecnt of their factory costs, a markup to 500 percent of factory cost should be more than sufficient to cover selling and distribution expenses (much of which in the drug industry is unnessary and wasteful) as well as provide a more than reasonable profit.

ESTES KEFAUVER.
JOHN A. CARROLL,[23]
THOMAS J. DODD.
PHILIP A. HART.
EDWARD V. LONG.

[23] Senator CARROLL concurs in all except amendment No. 5. (See further individual views.)

[From the office of Senator ESTES KEFAUVER, Democrat, of Tennessee, Aug. 20, 1962]

SENATOR KEFAUVER HAILS JUDICIARY COMMITTEE ACTION IN ADOPTING STRENGTHENING AMENDMENTS TO DRUG BILL

Senator ESTES KEFAUVER today hailed the action by the Senate Judiciary Committee in adopting strengthening amendments to S. 1552, the drug industry bill, as "a great step forward." "The passage of this bill," he stated, "should go a long way toward assuring the American people that drugs are not only safe but will do what is claimed for them.

"By adopting most of the substance of the President's strong recommendations sent to Chairman EASTLAND on August 4," the Senator said, "the committee has reported out a bill which should not only result in better, safer and more effective drugs, but in addition should provide physicians with honest information concerning their properties and prevent the dissemination of false and misleading information to doctors."

The Senator pointed out that the bill will thus accomplish two of the three objectives which he had in mind in introducing the measure on April 12, 1961, following an extensive 2-year investigation of the industry. In addition to providing for safer drugs and better information to doctors, he had hoped to bring about price reductions. By making it easier and safer for physicians to prescribe by generic names, the present bill should result in lower prices for nonpatented drugs. "But", he pointed out, "there is nothing in the committee's bill to reduce the present high and excessive prices of patented drugs, which constitute about 60 percent of all prescription sales. I hope to achieve this objective by offering amendments on the floor of the Senate to require compulsory licensing of prescription drugs where the price to the druggist represents a markup of more than 500 percent of the factory cost (including research) and to require that patent and license agreements on drugs be filed with the Commissioner of Patents to be available to the antitrust agencies."

In addition, the Senator stated that he intended to introduce an amendment explicitly granting the FDA authority to require animal testing on drugs before they are given to humans, either in clinical testing or through sales on the market.

"Aside from the patent provisions," Senator KEFAUVER stated, "the action by the Judiciary Committee today, following the recommendations of the President, substantially accomplishes what was intended by the drug bill, S. 1552, in the form in which I introduced it more than a year ago."

The principal difference, he went on to point out, is in the method of enforcement. The bill in its original form required that all drug plants receive licenses which, upon a failure to meet certain requirements, could be suspended or revoked. The burden of proof was on the company to demonstrate that in its operations it met certain minimum standards. In its present form the bill relies principally upon the existing form of enforcement—the seizure of drugs as misbranded or adulterated, and the burden of proof is on the Government. Certain additional grounds are specified which would permit the withdrawal of approval of a new drug application. The Senator stated that, "While I still prefer licensing as a better and more effective method of enforcement, the FDA prefers the present method, as supplemented by the current bill." At the same time, he noted, the present measure includes a strong provision requiring records and reports, which is an important addition to the original bill.

"But on nine specific points," the Senator added, "S. 1552 as amended in general accordance with the President's recommendations is generally the same as the bill in its original form, as introduced on April 12, 1961. These nine points are: efficacy, advertising, new drug clearance procedure, determination of generic names, certification of antibiotics, package inserts, labeling requirements, factory inspection, and quality manufacturing controls. A listing comparing the original with the present version of S. 1552 on these points is attached.

PROVISIONS IN S. 1552 (AS SUPPLEMENTED BY THE COMMITTEE AMENDMENTS) SIMILAR IN SUBSTANCE TO S. 1552, AS INTRODUCED ON APRIL 12, 1961

1. Efficacy

The present and the original version of S. 1552 require the FDA to pass not only on safety (as at present) but on claims for efficacy. This applies not only to the initial claims proposed with the new drug application but to later claims as well. The present bill specifies that the appraisal of the claims is to be based on "substantial evidence," the nature of which is then specifically defined.

2. Advertising

Both the original and the present version require that advertisements show the generic name in large type and carry information on the drug's side effects and effectiveness.

3. New drug clearance procedure

Although the Committee amendment does not go as far as S. 1552 in its original form, which would have eliminated the time limit altogether for approval of a new drug application, it does away with the automatic approval feature of the present law and greatly extends the time period from the present 60 to 180 days, plus 120 more if the applicant seeks a hearing.

4. Determination of generic name

Except for providing for a hearing, S. 1552 is now identical with the bill in its original form: The Secretary of HEW is empowered to establish generic names which will be "simple and useful" and this power is to be exercised (a) upon request from a compiler of the compendium and (b) upon reviews which are to be made by the Secretary.

5. Certification of antibiotics

As in its original form, S. 1552 extends the certification requirement to all antibiotics; it differs only in that it establishes certain standards which the Secretary is to take into consideration in deciding whether to decertify an antibiotic.

6. Package inserts

Both the original and the present bill require the Secretary to publish in convenient and readable form and distribute on a current basis to physicians information about usage, side effects, effectiveness, dosages, and so forth approved by the FDA and contained in the package inserts.

7. Labeling requirements

Both the original and the present versions require the label to show the manufacturer's name and place of business, an accurate statement of the contents and the generic name printed in large type.

8. Factory inspection

As in its original form, S. 1552 extends the authority of the FDA to inspect drug plants. The major difference is that in the original version, the items and types of data which could be inspected were specifically delineated, whereas the present bill broadly extends the inspection authority, but specifically exempts from inspection certain types of data (e.g. certain types of personnel and research data).

9. Quality manufacturing controls

Both versions establish standards which all drug plants must meet in their manufac-

turing operations. Under the original version, the standards were those necessary to insure the continued "chemical structure, strength, quality, purity, safety, and efficacy." Under the present version, they are whether the product is produced under insanitary conditions "contaminated with filth or injurious to health," or the facilities or controls used for its manufacture "do not conform to or are not operated or administered in conformity with current good manufacturing practice" to assure that the drug meets requirements as to "safety, identity, strength, quality and purity." The principal differences are: (a) Under the original version, the burden of proof was upon the manufacturer to demonstrate, in order to secure a license, that he met the standards, whereas under the present version it is on the FDA to prove that he does not; and (b) under the original bill, if he failed to meet the standards, his license would be suspended or revoked, whereas under the present version his product would be seized.

Mr. HRUSKA. Mr. President, on July 19, 1962, the drug bill, unanimously passed by the Judiciary Committee, was reported to the Senate and it contained certain amendments to the original Kefauver bill. It was a good drug bill and has been so admitted by many Members of the Senate. However, due to the thalidomide episode, the President suggested additional amendments, some of which were not contained in any version of the Senate bill. After deliberation the Senate Judiciary Committee again unanimously voted the suggested amendments to the Senate floor. On August 23, 1962, the Senate unanimously passed the drug bill and as I pointed out in my remarks on the Senate floor on that date, although the amendments of August 21 were unanimously passed by the Senate Judiciary Committee, there were few significant changes from the drug bill reported on July 19. Briefly and chronologically this is the drug bill story:

First. In 1906, the first drug bill was passed under President Theodore Roosevelt.

Second. In 1938, the Food, Drug, and Cosmetic Act was enacted into law.

Third. In 1953, under the Eisenhower administration and a Republican Congress, the Food, Drug, and Cosmetic Act was strengthened.

Fourth. Under 8 years of President Eisenhower, the Food and Drug Administration officials admitted their budget had doubled during those 8 years to aid and better regulate.

Fifth. In 1957, Congressman BLATNIK conducted congressional investigations into the drug industry and some of the significant matters brought out at that time were rehashed during the drug hearings which began December 7, 1959.

Sixth. In January 1959, the Senate subcommittee considered investigation into drugs.

Seventh. On December 7, 1959, drug hearings actually began, almost 3 years after Congressman BLATNIK's revelations in his hearings.

Eighth. On December 7, 1959, in the opening statement of Senator DIRKSEN, he said as follows:

I am sure that a completely objective hearing in this field of drug pricing and practices can prove extremely fruitful and useful, and I hope, therefore, that the entire hearing, both now and what additional hearings will be held after the turn of the year, will be held on an objective basis.

So, Mr. President, from the very beginning the minority were cooperative in the drug hearings.

Ninth. From December 7, 1959, to May 2, 1961, or a total of 17 months, there were hearings on the investigation phase of the drug issue. This, without a doubt, is one of the longest sets of hearings, without even a bill being offered until April 12, 1961—16 months after the hearings began.

Tenth. On July 5, 1961, hearings on the drug bill, S. 1552, began and ended February 7, 1962, thereby bringing a total period of exactly 26 months of hearings on the drug matter. Since the majority, Democrat members, control the setting of the dates of hearings and the number of witnesses, one might say that the Democrats were obstructing their own investigation and their own bill by conducting 26 months of hearings—probably the longest record of hearings on one such matter in the history of the Senate. Since time was of the essence to improve the regulations of certain drug practices, a bill could have been introduced on the findings of Congressman BLATNIK, whose hearings were held in 1957, or after several months of hearings in the Senate in early 1960.

Eleventh. After the hearings terminated in February 1962, the Committee on the Judiciary moved quickly.

On March 8, 1962, the Antitrust Subcommittee reported to the full committee.

On March 14, 1962, the Judiciary Committee reported patent and other provisions to the Patent Subcommittee.

On April 10, 1962, President Kennedy sent a message to the Judiciary Committee.

On April 11, 1962, the Patent Subcommittee reported back to the full committee, retaining jurisdiction over patent provisions only and sent the food and drug amendments to the Judiciary Committee.

The vote on drug bill in Judiciary Committee was bogged down because of unlimited debate by Chairman KEFAUVER in trying to reinsert the patent provisions of the bill.

The Chairman of the Judiciary Committee, Senator EASTLAND, after conferring with the White House, told the members of the Judiciary Committee that they must resolve their differences and report a bill to the Senate floor.

On June 7, 1962, Chairman EASTLAND called a meeting for June 8, bringing together representatives of the Department of Health, Education, and Welfare—who were representing the administration; a staffman representing the chairman and the majority of the Senate Judiciary Committee; two staffmen representing the minority of the Senate Judiciary Committee; and several representatives of the drug industry that was affected. No Senators took part on this staff study to see what compromises could be reached so that the bogged down bill might be reported out of committee to the Senate.

At the request of the chairman, Senator DIRKSEN and I offered most of the compromised amendments that were reached after the meetings on June 8 and 9. The chairman had announced that there would be a meeting from day to day to pass these 13 sections of the bill. However, due to the pressure on the Senate floor and the several long debates and filibustering on the communications satellite bill, the Judiciary Committee was prevented from having the day-to-day sessions; and it was not until July 19, 1962, that a good drug bill unanimously passed by the Judiciary Committee, including Senator KEFAUVER, was sent to the Senate floor.

Then the thalidomide episode became public and the President of the United States on August 3, 1962, sent another message to the Judiciary Committee and submitted certain recommendations, some of which were not contained in either the original Kefauver bill or in the bill reported to the Senate on July 19. Again the chairman called for continuous executive sessions of the Judiciary Committee, but again the committee was faced with the filibuster on the Communications Satellite bill.

During the week or so of filibustering, the chairman requested the staff of the Judiciary Committee; the staff representing the minority members of the Judiciary Committee; Senator KEFAUVER's assistants; staff men from the Department of Health, Education, and Welfare; and representatives of the prescription drug industry and the proprietary drug industry to meet and work out the necessary language that would meet the objective of the July 19, 1962, bill reported to the Senate and the suggested amendments made by the President on August 3. At some of these meetings, Deputy Attorney General Nicholas Katzenbach and Assistant Secretary of Health, Education, and Welfare, Wilbur J. Cohen, attended. The compromise reached on August 21, 1962, as reported to the Senate, was unanimously adopted by the Senate Judiciary Committee.

August 23, 1962, began the Senate debate on the drug bill as reported on July 19, 1962, and as amended on August 21, 1962.

Twelfth. Briefly, here is a comparison of the July 19, 1962, amendment as reported to the Senate to the amendments of August 21, 1962:

Section 2, information on patents: No change.

Section 3, registration: No changes except for provision for grandfather clause and transitional period.

Section 4, factory inspection: No significant changes other than to provide for limited information on personnel.

Section 5, quality manufacturing controls: Provided limited information on personnel; however, deleted the provision for regulations by the Secretary of Health, Education, and Welfare.

Section 6, new drug clearance procedure: It removed an automatic effective date for new drug application at end of 180 days. It provides for hearing and

judicial review. However, even if this amendment had not been passed this past week, the Food and Drug Administration could hold up a new drug application after 180 days by merely asking for more information, which was done in the thalidomide case, which was held up 1½ years.

Section 7, records and reports: No changes.

Section 8, effectiveness and safety of new drugs: First, definition of a new drug amended by adding the word "effectiveness" to safety; second, classifying what constitutes substantial evidence; third, only Secretary may take a drug off the market if there is imminent hazard with right to immediate hearing; fourth; additional grounds for removal of application or suspension of a drug.

Section 9, conspicuousness of official name: Relates only to prescription drugs as to quantity and generic name must be one-half size of trade name and prominently displayed.

Section 10, review and designation of official names: No changes.

Section 11, information to physicians: Paragraph "o," no change; Paragraph "p" amended so that size of generic name one-half size to brand name and prominently displayed; and, also, provides a grandfather clause.

Section 12, certification of antibiotics: Deleted section 301(1); deleted provision for exemption of drugs for antibiotics for animal use.

Section 13, definition: No changes.

Thirteenth. It is evident from the above that most of the sections of the bill were not changed whatsoever and a few were changed to meet certain technical aspects, such as, the grandfather clause and the transitional period, and that the most significant changes in the August 21 version of the Senate bill are found in section 8, that if the Secretary of Health, Education, and Welfare found a drug to be imminently dangerous to the public, he could take it off the market immediately and then give the drug manufacturer a hearing. This provision was not contained in the original Kefauver bill or the bill sent to the Senate July 19. The second amendment was that it provided additional authority for the removal of the application of a new drug or the suspension of a drug on the market.

Therefore, it is further self-evident that the July 19, 1962, version of the drug bill reported was a good bill and as was reiterated by Chairman EASTLAND and other Senators on the Senate floor. Although Chairman KEFAUVER has criticized the July 19 version of the drug bill, this is what he had to say about the August 21 version—CONGRESSIONAL RECORD, page 17367:

Mr. KEFAUVER. Madam President, the speech by the distinguished Senator from Mississippi [Mr. EASTLAND], the chairman of the Judiciary Committee, has accurately defined the provisions of the substitute which was reported on August 21. This measure constitutes a genuine effort on the part of the majority and the minority of the Judiciary Committee, on the part of the President, the Food and Drug Administration, and the staff of the committees—to whom I pay the very highest tribute—and on the part of the industry itself to bring the food and drug law up to date and make it effective and modernized.

In my opinion, the bill now before us will assure the people of the United States safer, more effective and better prescription drugs; that physicians will have more accurate information as to drugs; that false and misleading statements as to the efficacy and side effects in advertising and promotion material will be eliminated, that physicians will receive recent and accurate information about drugs, and that prescribing by generic names will be made simpler and safer.

I want to compliment all who have had anything to do with bringing out this bill. There has been give and take. There has been an honest effort to bring out a good bill so far as the food and drug provisions of the bill are concerned. I endorse it. I think it is in the public interest. I think it should be passed immediately, for the protection of the public.

The chairman of the full committee immediately instituted hearings, day after day, for the consideration of the President's recommendations. They were considered seriously on their merits, with the aim of getting the best possible bill.

There was some give and take. Concessions were made by all sides. Some recommendations were weakened, but not fatally so. Others were even strengthened.

Thus, the bill is the product of a fine, genuine, and cooperative effort. I want to compliment every Senator who has had anything to do with this bill since the President's recommendations of August 3 came to the Judiciary Committee.

Fourteenth. Since Senator DIRKSEN and I were two of the Senators who not only sat through 26 months of hearings but also worked with Chairman Eastland in order to reach a compromise to meet the recommendations of the President, I believe that we are included in the compliment that Senator KEFAUVER made to all those who made the new drug bill—passed unanimously by the Senate—possible.

Fifteenth. Before closing, Mr. President, on August 25, 1962, Senator KEFAUVER placed into the CONGRESSIONAL RECORD an article published in the Washington Post with the headline "Senate Drug Measure Would Reduce Prices." Quoting from the article, he states, as follows:

EFFECT ON PRICES

KEFAUVER, who is chairman of the Senate Antitrust and Monopoly subcommittee, and Horace L. Flurry, its chief counsel, summarize their explanation of the relationship between the bill and drug prices this way:

By itself, the common-name provision might have a limited effect on consumers. The reason is that physicians want to be certain that the drugs they prescribe are of the highest quality.

But other provisions of the bill, such as tougher factory-inspection and quality controls, are intended to assure physicians and the public that cheaper generic-name products meet safety, purity and other standards.

The expectation is that the combination—common names more readily available to physicians, and greater assurances of quality—will cause an upsurge of common-name prescriptions.

Mr. President, taking the words of Senator KEFAUVER himself, then it must be argued effectively that the drug bill of July 19, 1962, that we helped to send to the Senate floor by offering the compromised amendments to the original bill, would help to reduce prices of prescription drugs, because the tougher factory inspection and quality control sections of the bill to which Senator KEFAUVER referred to above were practically the same in the July 19, 1962 version of the bill as they are now contained in the bill passed by the Senate on August 23, 1962. We are very happy to have Senator KEFAUVER's endorsement on this vital point to refute my critics who contended that I was not interested in a good drug bill to protect the public. After reviewing the above, all of which is a matter of public record in the printed hearings, in reports, in debates on the Senate floor, one must come to the conclusion that we cooperated during the hearings, that we cooperated in seeing that the President's recommendations were given judicious and expeditious attention. The facts are facts and we are happy to have the facts to support our position rather than the fancies our critics chose to use.

Mr. KEFAUVER. Madam President, I am very happy to yield to my distinguished colleague from Connecticut [Mr. DODD].

Mr. DODD. I thank my friend, the great Senator from Tennessee. I am happy to say on the floor of the Senate this afternoon, in company with my colleagues from Colorado, Michigan, and Nebraska, that the chairman of the subcommittee [Mr. KEFAUVER] deserves the greatest credit for the achievement which we shall soon see take place in the Senate by the adoption of the conference report.

I have an idea that the Senator from Tennessee will be remembered long after all of us in this Chamber at this hour are gone for the many great things he has accomplished. He will be remembered by many for his fight against crime. He will be remembered and loved by many for what he has done in the field of juvenile delinquency, where he has pioneered in this important work. But, I think, perhaps, in the long run, a grateful nation will revere his memory most for the passage of this particular piece of legislation.

As the Senator from Colorado and the Senator from Michigan said, this is really a public interest bill. It is a people's bill. It is legislation for the protection of the American people. That is why I say without any hesitancy that the memory of the great Senator from Tennessee will be revered for what he has done.

We have been reminded of the long, hard path it has been necessary for him to tread to reach this point. Fortunately for our country, he is of the stuff that knows how to endure great difficulty and to remain sturdy for the long pull.

I am reminded, as I speak briefly about this subject, that in my own State of Connecticut there is a substantial pharmaceutical industry. Representatives of that industry called on me on more than one occasion. In fairness to them, they were always fair and reasonable about this proposal. I thought they were mistaken about it. I think so now.

It is my conviction that in time they will praise this legislative measure, which I am confident the Senate is about to pass. I think they will understand better as a little time passes that this bill had to be passed in the public interest. I am confident that, though they

may have misgivings today, the misgivings will soon disappear and they will accept the legislation and be happy about it.

This is why I am proud to have been privileged to serve at the side of the Senator from Tennessee. I hope to do so in the future. I cannot think of anything better I would wish to have said about me in this body than to have it said that I was at his side in this battle, and in others as well. He deserves the credit and the praise we have all spread on the RECORD this afternoon.

Mr. KEFAUVER. I hardly know how to start expressing my gratitude for the words of my esteemed colleague.

Mr. DODD. The Senator is a modest man. I do not expect him to do so.

Mr. KEFAUVER. I would be rewarded for any difficulties which may have been encountered by the remarks and the statement made by the Senator from Connecticut. Throughout all this effort the Senator has taken a great interest in the legislation. He has stood up against efforts to diminish the bill, to cut it down, to impede the investigation. He has been one of the great pillars of strength in favor of this legislation.

I agree with the Senator that as time goes on the pharmaceutical industry itself will be gratified that the bill has been passed. In fact, although to start with the industry was opposed to everything in the bill, as time went on they themselves saw that many of the reforms proposed were needed. Today the enlightened members of the pharmaceutical industry feel that the provisions of the bill are very much in their interest. As time goes on they will be grateful that we fought the bill through to a final conclusion.

I am grateful to the Senator from Connecticut. I am happy to be a sponsor with him of an important bill that might have been included in the bill about which we have been speaking, but it dealt with a different subject; that is, tighter control of narcotics, barbituates, and other habit-forming drugs. We will work together on that legislation next year.

Mr. DODD. I thank the Senator.

Mr. HRUSKA. Madam President, the adoption of the conference report is satisfying. It brings to a conclusion an extended and thorough legislative effort.

When consideration of the bill started no basic legislation had been enacted in this field since 1938—virtually a quarter of a century. Everyone concerned, including interested Government agencies, the medical and scientific community, and the pharmaceutical industry itself, recognized that the laws relating to prescription drugs needed to be revised. This bill is that revision. It is a workable and well-balanced bill. It is workable from the standpoint of the Government agencies, which are in charge of its administration and enforcement. It is workable from the standpoint of the industry which manufactures the medicines and drugs of today and which will invent and discover the drugs of tomorrow. And it is well balanced because, while the bill helps keep bad drugs off the market, it will not stifle or discourage the present use of good products or the introduction and use of new products.

There was good cooperation throughout the extended consideration of the bill: The members of the Committee on the Judiciary, on both sides of the aisle, were painstaking and patient. They had to be, because the hearings were voluminous. The staff representing both sides of the aisle were helpful.

At this point I wish to make particular mention of the efforts of the members of the professional staff, especially Mr. Tom Collins. He was exceptionally dedicated to the successful completion of the task, and I commend him most highly.

On several occasions it appeared that no bill would be forthcoming. At those critical times, the efforts of the chairman of the Committee on the Judiciary [Mr. EASTLAND] and of the Senator from Illinois [Mr. DIRKSEN] were a particularly steadying influence. Had it not been for them, progress might have come to a standstill, and success not been attained.

There were some unhappy situations during the subcommittee's consideration of the bill. Efforts were made to revise the law completely, to impair the benefits of the patent system, and to put the pharmaceutical industry under a licensing system which would have put it in a virtual straitjacket.

These propositions and similar propositions were advanced with the alleged idea of lowering the prices of drugs. They failed because they were not based on sound principles. They were rejected by the entire Committee on the Judiciary; they were rejected by the Senate; by the House Interstate and Foreign Commerce Committee; and by the House itself. They never received the support of the President or of the Food and Drug Administration. They are not to be found in the July 19 bill, the August 21 bill, or the bill in final form which has just been approved by the Senate. It is well that those proposals are behind us, because they were a disruptive influence and would not have been for the good of anyone concerned.

So I rejoice with the rest of the Senate at the passage of the bill and the approval of the conference report. I am confident that the House will act on the report quickly and favorably.

I pay particular and special tribute to the members of the conference committee from the other body. They were most helpful and cooperative.

Madam President, as the saying is, "All's well that ends well." I think the entire Congress and the Executive can look back upon a job well done.

Mr. HUMPHREY. Madam President, I commend the conferees who reported the conference report on the drug bill for their excellent work. To my mind, the bill is one of the singular accomplishments of this session.

I believe it represents a milestone in the legislative field of human welfare and the protection of the public interest.

I wish to commend particularly the chairman of the committee, the Senator from Mississippi [Mr. EASTLAND], the minority members—the Senator from Illinois and the Senator from Nebraska; the Senator from Alabama [Mr. HILL], the Senator from Wisconsin [Mr. WILEY], the Senator from Tennessee [Mr. KEFAUVER], and any and all members who were on the conference committee, and also the Food and Drug Administration officials who cooperated as technicians and advisers, the U.S. Public Health Service officials, and others.

VETERINARY DRUG PROVISION

I am particularly gratified to note that the conferees have accepted the House amendment clarifying the anticancer clause of the food additives amendment and the color additive amendment of the Federal Food, Drug, and Cosmetic Act, by making this clause inapplicable to chemicals such as veterinary drugs when used in feed for food-producing animals, if—I emphasize—if, the Secretary finds:

First. That under the conditions of use and feeding specified in the proposed labeling and reasonably certain to be followed in practice, such additive will not adversely affect the animals for which such feed is intended, and

Second. That no residue of the additive will be found—by methods of examination prescribed or approved by the Secretary by regulations—in any edible portion of the animal after slaughter or in any food, such as milk or eggs, yielded by or derived from the living animal.

This corrects a needless and unintentional inequity in the application of the food additive anticancer proviso to additives for animal feed, while preserving in its full vigor the consumer protection now afforded by that provision.

I reiterate—consumer protection is assured.

NO TOLERANCE OF CANCER-INDUCING CHEMICALS

The basic principle of the anticancer provision, which would remain unimpaired, is that no tolerance for the addition of the carcinogenic chemicals to food shall be granted in any amount, because in the present state of scientific knowledge, no one can tell how much or how little of a carcinogen would be required to produce cancer in any human being. I need not remind the Senate of the effort which others, including myself, have made to combat the terrible scourge of cancer down through the years.

I believe this particular amendment deserves commendation and mention here, in making the legislative record; and I want it to be noted at this point.

GREAT MILESTONE OF 87TH CONGRESS

As I have said, when the history of the 87th Congress is written, I believe the present amendments to the Food and Drug Act of 1962 will be regarded as one of the most important milestones.

I wish to repeat that many persons have contributed to this achievement; and certainly the Senator from Tennessee [Mr. KEFAUVER] has made a very distinct contribution.

PAST, PRESENT, AND FUTURE INTEREST

I should like to mention several additional points which I believe should be recorded as part of the legislative history of this measure. I say "history" but I am really looking forward, not backward; I am particularly concerned with what happens from now on.

Ever since I have been a Member of Congress, I have been interested in food and drug legislation. At one time I served on the Committee on Labor and Public Welfare. I am the author of what is known as the Humphrey-Durham Act—the Prescription Drug Act. I have been interested in these matters, both as a private citizen and as a public official; and during recent years, as chairman of the Subcommittee on Reorganization and International Organizations. Pursuant to successive Senate resolutions, our subcommittee has conducted a number of studies in the field of medical research. We have published 17 volumes during the last 4 years bearing on broad fields of coordination of Federal scientific activities, particularly in areas of health. In fact, our subcommittee has concentrated on the problem of Government-wide coordination in regard to medical research and physical science research, both at home and abroad. We have been engaged in this work pursuant to special Senate resolutions since August 1958. I believe the findings made by the subcommittee have definitely been in the public interest. It is my view—and the record will bear out—that the work of the subcommittee has been helpful in bringing about numerous necessary reforms and changes in the Government agencies. This includes recommendation of changes in existing law, so as to provide better scientific yield as well as improved enforcement and regulation.

FUTURE ADMINISTRATION OF THE LAW

Now, on FDA, I base my concern as to what will happen in the future on our subcommittee's analysis of the record of drug administration to date.

My comments do not relate to any particular person. In fact, from time to time I have paid personal tribute to Commissioner Larrick, who is a faithful and dedicated public servant.

But when a subcommittee spends much time in examining into the activities of Federal Government bureaus, agencies, and departments, I believe it is the duty of the chairman of the subcommittee on occasion to report to the Senate some of the subcommittee's findings and observations. And I shall be very frank.

THREE SUBCOMMITTEE HEARINGS IN LAST 2 MONTHS

The Senate Reorganization and International Organizations Subcommittee held hearings on Federal drug policies on August 1 and August 9, 1962.

On September 21, 1962, we received supplementary testimony in the course of a hearing on overall Federal information policies. The hearings lasted many hours; they were not perfunctory hearings. They were intensive and extensive.

Both hearing volumes are being readied for final publication. Each will contain numerous exhibits.

STAFF STUDIES OF AGENCIES

Furthermore, the subcommittee staff has been permitted and encouraged to make staff investigations and studies of numerous Government agencies, the Public Health Service, including the National Institutes of Health, the medical research activities of the Veterans' Administration and, of course, the scientific, regulatory activities of the Food and Drug Administration. No less than 10 Federal agencies, I might add, support Federal and health related research.

SEVENTY EXHIBITS IN DRUG HEARING VOLUME

The forthcoming volume containing the transcript of the August 1962 drug hearings will offer over 70 newly compiled exhibits.

This information has been furnished at my request by the Food and Drug Administration, as well as other sources I have mentioned.

I had held the hearing-exhibit record open until a well-rounded, reasonably complete volume could be issued.

Some of the exhibits compiled within just the last few days are, I believe, the most significant of all.

LAXITY IN SCREENING OF THOUSANDS OF NEW DRUGS

Most of the exhibits, as well as most of the original testimony, relate to the handling of new drugs.

The more we have examined the handling of the new drugs by the Food and Drug Administration, the more we have been surprised, shocked, and disappointed at certain conditions which have been existing for years.

The magnitude, the complexity, beneficence, or potential harm of these drugs is incalculable.

In 13 years, the Food and Drug Administration made effective 3,183 new drug applications for human use.

For tranquilizers alone, it made effective 70 new drug applications in 4 years. In the same period, it made effective applications for 55 antihypertension drugs.

However, in 7 years, 20 new drug applications have had to be suspended, because of substantial evidence which required withdrawal of the approval of commercial marketing and the use of the drug itself.

NO DATA ON MANY SHELVED DRUGS

A key point: nobody knows how many thousands of drugs have been tested, have caused harm, have been shelved and never reported, never discussed.

Most of the iceberg—in effect, the most dangerous part of the iceberg—has lain below the surface.

THE GREAT VALUE OR POSSIBLE HARM OF DRUGS

The overall drug situation has been characterized by extremes. This is most regrettable. On the one hand genuine "breakthrough" drugs have saved lives, have brought individuals back from the edge of death, have performed what might have been regarded as medical miracles but a few short years ago. Drug research has helped lengthen the lifespan, has given hope to the afflicted, relief to those in pain, has restored institutionalized patients to wholesome living in the community, has wrought a virtual revolution in fields such as tuberculosis and mental illness. I mention only two of the more serious afflictions of mankind.

LITTLE DONE TO REDUCE AVOIDABLE HAZARDS

But, all this while, in a certain number of cases, an opposite extreme has taken place.

Although all new drugs involve a certain degree of unavoidable hazard—and we must face up to that; it is a necessary part of experimentation and progress—in quite a few instances far too little has been done to minimize the avoidable hazard.

Often, testing has been going on in a manner which should have sent shivers down the spine of the medical profession.

Madam President, I speak from the intimate knowledge and a personal review of correspondence, official files on applications, and findings on hundreds of drugs which have been tested under inadequate medical-pharmacological supervision.

SO-CALLED SCIENTIFIC CONTROLS A MOCKERY

The testing has often not been phased, that is, not performed in stages, first in various species of animals, then in small groups of humans, under strict control conditions, then in larger groups under ambulatory conditions, and so forth.

Instead, the whole process has often been "telescoped."

So-called scientific controls have often been a virtual mockery of genuine scientific standards.

But a few short years ago, drugs intended for use by victims of chronic disease—day after day, year after year—were released by FDA even before—I repeat, before—chronic toxicity tests had been completed on animals.

What was the result? The human being has served as the guinea pig.

Meanwhile, shocking reports of injuries and deaths to test patients, as received by drug companies, have often gone unreported to FDA, or have been downgraded by skillfully contrived half-truths, or have been reported accurately to FDA, but virtually ignored by FDA.

NEWSPAPERS MIGHT HAVE BEEN FILLED WITH SHOCKING STORIES

They are strong word, but they are true. In fact, as I said to my staff, had I wanted to claim headlines, I could have filled newspapers for weeks with scandal-pointing statements on shockingly inadequate standands and on a huge volume of adverse effects on the public health, because of the inexcusable marketing of dangerous new drugs without adequate prior testing.

This is in the past. This is what the legislation is designed now to prevent. But we cannot forget what has been going on for years. "Weasel"-worded so-called warning letters have often gone out; they have been phrased so slyly that it has often been difficult for even a specialist to understand their true significance.

FDA'S OWN ADMISSIONS

Drugs have been approved which FDA now admits should never have been approved. Drugs have been kept on the market long after FDA admits they

should have been eliminated from the market.

INDIFFERENCE TO COMMUNICATION PROBLEM

Meanwhile, few people, particularly public officials, seem to have wondered how the overworked clinician has been able to collect, absorb, index, file, remember, and use the avalanche of drug information which has poured in on him.

Certainly, FDA seems to have wondered little or cared little whether the busy M.D. was finding the myriads of package labels, warning letters, and so forth, genuinely useful and accessible to the practicing physician.

And there have been other circumstances which impel one to ask: "Who has been minding the store?" "Who has been aware of what has been going on all these years?" "Who has cared?" "Why was not something done about communications so clogged, testing practices so lax, abuses so blatant, inefficiency so intolerable as to almost shout for remedy?"

I reiterate, it is a matter of record that communications between agencies of the Government on new drugs were literally nonexistent. Furthermore, the volume of paperwork going to the Food and Drug Administration was beyond the ability of any group of workers assigned to that agency to take care of, under the existing inadequate system of files and communication.

Furthermore, communications with relation to testing and reporting back by investigators were so lax that there was, in effect, no real regulation at all.

BRING THE NEW FRONTIER TO FDA

The plain fact which I, for one, call attention to is that the administration has made only a beginning as regards meeting the challenge of drug safety. I speak of this administration as well as previous administrations; if there is anything bipartisan it is in this field, in terms of regrettable neglect.

The President has soundly fought for a strong bill and he has succeeded. Secretary Celebrezze has moved with commendable speed for stronger regulations. A deficiency request has come up for increased appropriations which will mean, in effect, more men.

This is good.

But the New Frontier has yet to make its mark on this 54-year-old Food and Drug effort.

I do not have the slightest doubt that we are going to see a New Frontier in FDA.

I do not have the slightest doubt that we shall see this new frontier in FDA because of the legislation passed today and because of the findings that have been developed as to the laxity of past administration.

I for one will do everything I can for the improvement of administration, regulation, and better cooperation between the FDA, the other Federal agencies, the pharmaceutical manufacturers, and the medical profession.

I want the agency to know that I intend to follow through on the Reorganization Subcommittee's work and on my own deep interest in the public safety.

The legislative history of the drug legislation should reveal, beyond a shadow of a doubt, certain points as to my personal attitude toward FDA's past and future administration.

A WARNING TO FDA

Mr. President, we cannot relive the yesterdays, but as one Member of the Senate, as a member of the Appropriations Committee, as a member of the subcommittee that deals with appropriations for Federal research, I give warning that I am going to watch the administrative practices in the Food and Drug Administration.

I ask unanimous consent that a memorandum I prepared relative to the Food and Drug Administration and what its policies should be for the future be made a part of the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

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

MEMORANDUM BY SENATOR HUMPHREY

TWO PREVIOUS STATEMENTS

These comments supplement my statements in the Senate on August 6, 1962 (available as reprint, code No. H8-6—62), and September 12, 1962 (available as reprint H9-5—62).

WORK BY RESPECTIVE SUBCOMMITTEES

In the present memorandum, I should like, first, to congratulate the Senator from Tennessee, Mr. KEFAUVER, for the outstanding contribution which he made to this legislation, including the years of patient, preparatory study by the Subcommittee on Antitrust and Monopoly, of which he is chairman.

It has been my pleasure, in turn, as chairman of the Senate Subcommittee on Reorganization and International Organizations, to have sought to contribute to those phases of the legislation which came within our subcommittee's cognizance; namely, areas of interagency administration, coordination, and communication.

I should like to submit the following observations with respect to these latter areas.

FDA'S LONG SILENCE ON THE NEED FOR NEW REGULATIONS

1. In the first place, it is clear that the effectiveness of the drug amendments—or of any other law—is dependent upon these laws' administration.

In the past, the law has not been administered in an efficient and effective way.

Consider these facts: Relatively blatant abuses have existed for years and years; these abuses could have been corrected at least in part by administrative regulations. Only within the past few months did FDA show some signs of life toward promulgating stronger new regulations.

The question is: Why this long FDA silence? Why the long inactivity?

Why did FDA sit by, "tying its own hands," so to speak, while it had the power to free itself by suggesting new regulations?

MR. WILBUR COHEN'S FRANK STATEMENT

Mr. Wilbur Cohen, Assistant Secretary, Department of Health, Education, and Welfare, and one of our great public servants, frankly told Science Service that the FDA has definitely had authority under the law since 1938, to fully regulate and limit clinical investigative use of drugs. He stated, and I quote him verbatim:

"Until now, the FDA has not used this authority adequately or effectively. But better controls will be instituted in the near future." (Science News Letter, Aug. 18, 1962, vol. 82, No. 7.)

DEFICIENCY FUND IS JUST A DOWNPAYMENT

2. In the second place, there is no "bargain basement" way of administering the new law and regulations.

It would not be fair to expect FDA to do the job, now that its high officials seem to be taking their obligations more seriously, unless they get adequate resources.

The new deficiency appropriation is, in my judgment, only a "downpayment" on what will be needed next year.

Let the Congress not hesitate to provide every dollar necessary to get the job done in the right way.

Let the Congress raise executive and scientific salaries so as to attract and retain the highest caliber of personnel.

Pennypinching gets us nowhere except into government by mediocrity.

Let the Congress assure adequate facilities for all of FDA—modern offices, equipment, materiel—instead of the humiliating conditions under which top scientists are now required to work, as for example in the New Drug Division.

SCIENTIFIC EXCELLENCE NEEDED IN FDA

3. In the third place, the cure for what ails the FDA scientific program is not just more men and more resources, or a tougher law and regulations; it is scientific excellence.

There are numerous able scientists in the FDA—men and women who are dedicated civil servants and whose scientific skills and attainments would do honor to any organization.

But I say, based upon evidence from within FDA's own files, as well as from expert outside observers, that the FDA has not established standards of scientific excellence, at least in the Bureau of Medicine.

The Bureau has unfortunately not been a part of the mainstream of scientific advances.

Despite the deep interest of a few extremely talented M.D.'s and pharmacologists, high officials have apparently been content to leave the Bureau stagnate as a scientific backwater.

By contrast, a small nucleus of dedicated FDA scientists have sought to vitalize the Bureau. They have sought to place the Bureau in an organic relationship with—

Official and private medical research.

Universities' clinical pharmacology and other programs.

The most advanced practice of medicine, as spearheaded by medical specialty boards and others.

But, regrettably, the pleas of the nucleus of able scientists have been ignored.

Instead, scientific decisions have often been made on an incredibly casual basis—through mere study and shuffling of applications and other papers—in a near vacuum, in many instances. This, I may say, is the manner for behavior by chief clerks, but it is not a manner for scientists.

Until not so long ago, some reviewers in the New Drug Division did not even bother to write scientific summaries, showing the actual standards of evaluation on which they based their judgment.

This is poor science; it is poor administration; it is poor regulation.

Why is there not a training program for new physicians in the New Drug Division? How can you expect scientists to evaluate research if they have not performed research themselves? How can you expect reviewers to evaluate clinical experiences if they have had no—or virtually no—clinical experience themselves, particularly within the past few years?

Why is there not a psychiatrist there to handle the flood of applications and changes, relative to psychotropic drugs? Literally millions of Americans are now taking these drugs.

I could ask a dozen more questions like the above.

The answers to these questions provide little reason for confidence in the policy echelons of FDA.

COORDINATE WITH NIH

4. Next, the FDA must coordinate its programs with other Federal agencies. One of the most incredible and lamentable conditions which our subcommittee has brought to light has been the fact that two organizations within the same department have lived almost in a world apart.

I refer to FDA and the Public Health Service, particularly the National Institutes of Health.

When we called NIH to account before our subcommittee, we ascertained that:

(a) NIH was soundly spending $5.2 million in support of various forms of training in the field of pharmacology, involving 550 individuals at predoctoral and postdoctoral levels.

(b) It was spending—no doubt for perfectly good reason—for drug and drug-related research $70.9 million out of the $391 million for extramural grants and $70 million for intramural work in fiscal year 1962.

Yet, incredibly enough, NIH has had only the most sporadic contacts with FDA and on the most casual, haphazard, ad hoc, irregular basis.

Where consultation has occurred, it has only come about because some talented scientist like—and here I shall name three scientists highly praised in expert reports to us—Dr. Frances Kelsey, Dr. Irving Siegel, or Dr. John Nestor—was enterprising enough, dedicated enough, to seek it.

But so far as NIH is concerned, it has been following an attitude of "call-me-if-you-want-me, but don't expect to hear from me otherwise."

NIH has never even bothered systematically to evaluate drug reactions across the board for all seven of its own categorical Institutes and for the extramural program—for its own use, much less anybody else's.

The Psychopharmacology Service Center of the National Institute for Mental Health has tended to be one welcome exception. It does have a comprehensive drug evaluation program; it does have a deep interest in cooperation; it does appreciate the community of interest. It does evidence that it knows that a drug tested for mental illness may affect all sorts of other systems in the human body.

NEW ACTION BY NIH

Its approach has, however, been a relative rarity in Bethesda.

At long last, at our subcommittee's hearing on September 21, Dr. James Shannon announced the beginnings of a remedial program. Under this program, NIH will begin to use its vast resources, starting with its great Clinical Center, then with five cooperating hospitals, and later others, to coordinate the evaluation of drug reactions. This is only the beginning. The hour is late.

Moreover, in a memorandum of September 20, 1962, to the Surgeon General, as furnished to us by Dr. Shannon and to be published as an exhibit in our subcommittee volume, NIH indicated establishment of—

A new NIH Committee on the Management of Drug Information.

A new formal pattern of relationships with FDA.

This news is welcome, albeit long overdue.

NIH is finally getting around to doing things which our subcommittee has been urging year after year—by letter, by interview, by staff memorandum, by my own statements in hearings and on the floor.

POOR OVERALL REPORTING OF DRUG REACTIONS

5. Next, I should like to state that the whole program of collecting drug reactions throughout this country and the world is hopelessly obsolete.

It is a miracle that we learn as much as we do about drug reactions in view of the pitifully haphazard way in which clinical reactions are compiled.

All sorts of sources do attempt to compile reactions—pharmaceutical companies, the FDA, hospitals, the VA, NIH, and other sources.

None particularly talks with the other; none cooperates to any real extent with the other. One might just as well try to scoop out the Atlantic Ocean with a leaky Dixie cup as to collect drug reactions in the hit-or-miss manner which has been going on for so long.

The key to reporting is the individual clinician. But he tends to be so busy that often his reports are a fraction of what they might be. Negative results often go largely unreported. This is a crucial point; it explains in part a tendency to overvalue fragmentary favorable reports.

FDA itself has had a microscopic adverse reaction reporting program; we have yet to find anyone who has substantially used this program or anyone at the reporting end who has received useful "feedback" from it.

LITTLE USE OF OUTSIDE CONSULTANTS

6. My next point is an extension of the observations I made with respect to NIH. It is incredible but FDA has made little systematic use of outside consultants. It has made virtually no use of the NIH; it has made almost no use of the speciality boards, or of the National Academy of Sciences.

FDA did send, at my request, a list of alleged outside consultations. The list is nominally long. The only trouble with it is that it gives a completely misleading impression. It pretends that an isolated telephone call or letter or short visit for a curbstone—I emphasize—curbstone judgment represented consultation. That is not really consultation. What is real consultation? Any scientist will give you the answer—a full-day meeting, a 2-day symposium, an expert full-time or at least a part-time panel which meets over an extended period of time for a thorough exchange of professional views. That is what we mean by consultation. But that is not what has occurred in or for FDA.

I am surprised to see in a letter to the House Commerce Committee, that FDA states that consultation has "routinely" occurred. That is definitely not the case. The men who know it best are the men inside the agency who have fought and begged for professional consultation, but whose efforts have been discouraged at worst, or ignored, at best, from above.

Sometimes consultation has taken place after the fact—after a drug has been on the market and reports of a flood of serious side effects have started to pour in. But the damage at that stage has already occurred.

NEED FOR INFORMATION SYSTEM

7. The Food and Drug Administration is going to be confronted with a mass of paperwork, the like of which it has never previously encountered.

As I stated at the hearings, it would be ironic to require the completion of a "mountain" of reports by outside sources if nobody in FDA knows what to do with the "mountain," how to handle it, how to use it.

The Food and Drug Administration has not done a satisfactory job with respect to the sizable paperwork which has accumulated over the years. Its internal reporting and communication system has been totally inadequate.

It has had under so-called study for a number of months an expert National Bureau of Standards analysis of system needs. There is little sign that the agency as yet has the drive and determination to accept NBS recommendations and install a modern system to store, retrieve, index, abstract, evaluate and disseminate scientific information.

GIVE SCIENTIST PERTINENT DATA

Right now, for example, a considerable amount of information, which would be invaluable to reviewers in the New Drug Division, never gets to those reviewers.

Or if it gets to them, it is only because a few dedicated scientists go out of their way to seek it out.

But they should not have to go out of their way. They should receive pertinent information automatically and systematically—for whatever use they may wish to put it.

I refer to:

Pertinent abstracts of the up-to-the-minute world literature, including proceedings.

Reports of foreign drug agencies, such as that of the Netherlands.

Reports on other agencies' research, such as NIH scientists' and grantees' work on MER/29 or on hundreds of other drugs studied with U.S. taxpayers' funds—letters and reports from medical practitioners, and yes, from the general public if adverse reactions are described.

POOR COORDINATION WITH BUREAU OF MEDICINE

Generally speaking, the scientific units of the Food and Drug Administration appear to have functioned largely in a vacuum. The Bureau of Medicine, for example, has had little or nothing to do with the medical responsibilities of the agency's work on vitamins or pesticides or food additives or other phases which crucially affect the public health.

Separate, unrelated, uncoordinated file systems sprawl all over the agency.

This is not the way to run a railroad; it is not the way to run what should be one of the most modern scientific-management establishments in the country.

CONCLUSION—THE NEED FOR SCIENCE OF THE 1960'S

I do not want to be unduly critical. All the blame for the past does not lie on FDA alone. The public has often been somewhat indifferent. The Congress has definitely not given the agency adequate resources.

Yet, here is an agency which has a more profound impact on the public health than any other agency of the U.S. Government except the U.S. Public Health Service. Yet it is an agency with 19th century organization, early 20th century science, confronting medical problems which would baffle even the greatest medical geniuses of the 2d half of the 20th century.

The New Frontier faces many challenges. I regard few, if any, as more significant than that of putting new life into the FDA.

A FEW KEY POINTS IN THE MEMORANDUM

Mr. HUMPHREY. Madam President, I note in this memorandum certain new actions and policies that I believe are required of the National Institutes of Health. I particularly point out the inadequate overall reporting of reactions to NIH-supported drug research.

I comment on FDA's too little use of outside consultants. The great body of scientific personnel capable of helping the Government is outside the Government. The "cream of the crop" of such consultants should be used and brought into the service of the Government on an advisory basis.

I emphasize once again something that has been a theme and a part of my public work for years—the need for adequate communications and an information system within our Government,

which is growing bigger and bigger every year.

The Food and Drug Administration will be confronted with a mass of forms, reports, and other paperwork under the new law, the like of which never was encountered—and it is still trying to walk out from under the old paperwork. It would be ironical to require a "mountainous" complex of additional outside reports if nobody knew what to do with the "mountain" when it arrives.

FDA—A STEPCHILD OF PUBLIC HEALTH

Some persons think that when we enact new laws we have completed our work. The fact, I reiterate, is that no law is any better than its administration. The Food and Drug Administration has been a stepchild of public health activities. The Food and Drug Administration has been looked upon as a "police" department, rather than as an agency of scientists and other professionals with a broad variety of health related skills.

I pay my respects to some of the professional workers in the Food and Drug Administration who have given of themselves beyond the call of duty, who have given of their life's blood to keep abreast of their responsibilities.

THE CONGRESS OWN RESPONSIBILITY

Let the record be clear that not only has the Food and Drug Administration not been able to keep up with all they are doing, not only has there been laxity in regulation, but for years the Congress of the United States has failed to provide the tools, the resources, for the Food and Drug Administration to do the job to protect the public interest.

SUFFICIENT PRIOR STUDY POINTS TO NEED FOR ACTION

We do not need any more studies. Whenever there is a problem in Government, it is suggested that there be another study. I can assure the Senate, as one who has had a long interest in this subject, long before this legislation came before us, that the Food and Drug Administration and the National Institutes of Health have been studied until they almost have degrees from every known institution of higher learning, so far as study is concerned.

BRING IN NEW BLOOD

What is needed now is definitive attention by the Department of Health, Education, and Welfare to the Food and Drug Administration. The Food and Drug Administration should be upgraded. There should be some new blood, some new endeavor, some new action, some new spirit.

In my service as a Senator and in my duties as chairman of the Reorganization Subcommittee, I respectfully serve notice that I shall be watching to see what happens under the terms of the new legislation in respect to interagency coordination and stronger administration, which the legislation requires. I am hopeful it will all work for the public good.

SUCCESSFUL ORBITING BY COMMANDER SCHIRRA

Mr. HUMPHREY. Mr. President, I know that every Member of the Senate is pleased and gratified by the great achievement of Comdr. Walter M. Schirra, who has just successfully completed six orbits in space, coming down at the exact predetermined spot, with every aspect of the operation being, in the language of the astronauts, "AOK. Go." It was a splendid achievement.

I desire to have the RECORD note the gratification, the excitement, and the pleasure of all of us concerning this remarkable accomplishment of the National Aeronautics and Space Administration, Project Mercury, and all those associated with it, especially Comdr. Walter M. Schirra. We congratulate and hail him as another of America's outstanding men and great heroes.

Mr. HUMPHREY subsequently said: Mr. President, I add, on a pleasant note, that I have just been informed that our astronaut, Comdr. Walter Schirra, has been placed aboard the carrier, healthy, well, safe, and sound. As I understand, he will be there some 72 hours, for the necessary observations and briefings or debriefings with respect to his historic flight.

YET GEE MOY (TSZE WOO LAI) AND MEE SEN MOY (SAU MING LAI)

Mr. DIRKSEN. Madam President, I ask the Presiding Officer to lay before the Senate the message from the House of Representatives on S. 3279.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3279) for the relief of Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai), which was, to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai) may be classified as eligible orphans within the meaning of section 101(b)(1)(F) of the said Act and a petition may be filed by Mr. and Mrs. Suey Lung Moy, citizens of the United States, in behalf of the said Yet Gee Moy (Tsze Woo Lai) and Mee Sen Moy (Sau Ming Lai) pursuant to section 205(b) of the Immigration and Nationality Act subject to all the conditions in that section relating to eligible orphans.

Mr. DIRKSEN. Madam President, the amendment of the House of Representatives is technical in nature. I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Illinois.

The motion was agreed to.

MRS. LEE MA CHIN-YING

Mr. DIRKSEN. Madam President, I ask that the Presiding Officer lay before the Senate a message from the House of Representatives on S. 3240.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3240) for the relief of Mrs. Lee Ma Chin-Ying, which was, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Mrs. Lee Ma Chin-Ying. From and after the date of the enactment of this Act, the said Mrs. Lee Ma Chin-Ying shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

Mr. DIRKSEN. Madam President, this is a technical amendment, also. I move that the Senate concur in the amendment of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Illinois.

The motion was agreed to.

DESIGNATION OF NATIONAL CULTURAL CENTER WEEK

Mr. DIRKSEN. Madam President, I ask the Presiding Officer to lay before the Senate the message from the House of Representatives on Senate Joint Resolution 214.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the joint resolution (S.J. Res. 214) authorizing the President of the United States to designate the period from November 26, 1962, through December 2, 1962, as National Cultural Center Week, which was to strike out the preamble in its entirety.

Mr. DIRKSEN. Madam President, this relates only to the designation of National Cultural Center Week.

I move that the Senate concur in the amendment of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Illinois.

The motion was agreed to.

INCORPORATION OF AMERICAN SYMPHONY ORCHESTRA LEAGUE

Mr. DIRKSEN. Madam President, I ask the Presiding Officer to lay before the Senate the message from the House of Representatives on S. 3338.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3338) to incorporate the American Symphony Orchestra League, which was, to strike out all after the enacting clause and insert:

That the following persons—

Harold Gregory, Salt Lake City, Utah;

Samuel R. Rosenbaum, Philadelphia, Pennsylvania;

Mrs. Harry Fagg, Beaumont, Texas;

Frank E. Joseph, Shaker Heights, Ohio;

John D. Wright, Phoenix, Maryland;

Doctor George Szell, Cleveland, Ohio;

Henry Denecke, Cedar Rapids, Iowa;

Harry Levenson, Worcester, Massachusetts;

Theodore C. Russell, Jackson, Mississippi;

Stanley Williams, Milwaukee, Wisconsin;

Oliver M. Clegg, Magnolia, Arkansas;

R. Philip Hanes, Junior, Winston-Salem, North Carolina;

Mrs. Ben Hale Golden, Lookout Mountain, Tennessee;

Miles F. Portlock, Junior, Orkney Springs, Virginia;

Mrs. B. H. Littlefield, Bradenton, Florida;

Cecil W. Slocum, Omaha, Nebraska;

Max Rudolph, Cincinnati, Ohio;

Mrs. Ward T. Langstroth, Billings, Montana;
Elden Bayley, Springfield, Ohio;
George Barati, Honolulu, Hawaii;
Mrs. Albert C. Olsen, Buffalo, New York;
John Edwards, Pittsburgh, Pennsylvania;
Mrs. Mignonne P. Ladin, New York, New York;
Leslie C. White, Doraville, Georgia;
Mrs. Fitzgerald Parker, Nashville, Tennessee;
Doctor Peter Paul Fuchs, Baton Rouge, Louisiana;
R. Wilton Billstein, Woodbury, New Jersey;
Mrs. Elizabeth S. Greene, West Hartford, Connecticut;
Gibson Morrissey, Roanoke, Virginia;
Alfred C. Connable, Kalamazoo, Michigan;
Mrs. Holmes Frederick, Greenville, South Carolina;
William Steinberg, Pittsburgh, Pennsylvania;
Virginia Wartman, Allentown, Pennsylvania;
Robert L. Conn, Springfield, Illinois;
Paul O. Grammer, Essex Fells, New Jersey;
Henry Janiec, Spartanburg, South Carolina;
Charles B. Stacy, Charleston, West Virginia;
Doctor James Christian Pfohl, Charlotte, North Carolina;
Frederick I. Moyer, Castle Rock, Colorado;
Thomas D. Perry, Junior, Hingham, Massachusetts;
Carlos Moseley, New York, New York;
Mrs. G. Robert Herberger, Scottsdale, Arizona;
James P. Robertson, Wichita, Kansas;
Myron Levite, Brooklyn, New York;
Mrs. Leo R. Pflaum, Wayzata, Minnesota;
and their successors, are hereby created and declared to be a body corporate by the name of American Symphony Orchestra League (hereinafter referred to as the corporation) and by such name shall be known and have perpetual succession and the powers, limitations, and restrictions herein contained.

COMPLETION OF ORGANIZATION

SEC. 2. A majority of the persons named in the first section of this Act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws not inconsistent with this Act, and the doing of such other acts as may be necessary for such purpose.

PURPOSES OF THE CORPORATION

SEC. 3. The purposes of the corporation shall be to—

(1) serve as a coordinating, research and educational agency and clearinghouse for symphony orchestras in order to help strengthen the work in their local communities;

(2) assist in the formation of new symphony orchestras;

(3) through suitable means, encourage and recognize the work of America's musicians, conductors, and composers; and

(4) aid the expansion of the musical and cultural life of the United States through suitable educational and service activities.

CORPORATE POWERS

SEC. 4. The corporation shall have power—

(1) to have succession by its corporate name;

(2) to sue and be sued, complain and defend in any court of competent jurisdiction;

(3) to adopt, use, and alter a corporate seal;

(4) to choose such officers, managers, agents, and employees as the business of the corporation may require;

(5) to adopt, amend, and alter a constitution and bylaws, not inconsistent with the laws of the United States or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(6) to contract and be contracted with;

(7) to take by lease, gift, purchase, grant, devise, or bequest from any private corporation, association, partnership, firm, or individual and to hold any property, real, personal, or mixed, necessary or convenient for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of property which may be held by, or (B) otherwise limiting or controlling the ownership of property by, a corporation operating in such State;

(8) to transfer, convey, lease, sublease, encumber, and otherwise alienate real, personal, or mixed property; and

(9) to borrow money for the purposes of the corporation, issue bonds therefor, and secure the same by mortgage, deed of trust, pledge, or otherwise, subject in every case to all applicable provisions of Federal and State laws.

PRINCIPAL OFFICE: SCOPE OF ACTIVITIES; DISTRICT OF COLUMBIA AGENT

SEC. 5. (a) The principal office of the corporation shall be located in Charleston, West Virginia, or in such other place as may be later determined by the board of directors, but the activities of the corporation shall not be confined to that place, but may be conducted throughout the United States, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

MEMBERSHIP; VOTING RIGHTS

SEC. 6. (a) Eligibility for membership in the corporation and the rights, privileges, and designation of classes of members shall, except as provided in this Act, be determined as the constitution and bylaws of the corporation may provide.

(b) Each member of the corporation, other than honorary, sustaining or associate members, shall have the right to one vote on each matter submitted to a vote at all meetings of the members of the corporation.

BOARD OF DIRECTORS; COMPOSITION, RESPONSIBILITIES

SEC. 7. (a) Upon the enactment of this Act the membership of the initial board of directors of the corporation shall consist of the following persons:

R. Wilton Billstein, Woodbury, New Jersey;
Igor Bukeoff, Fort Wayne, Indiana;
Mrs. Ronald A. Dougan, Beloit, Wisconsin;
Mrs. J. W. Graham, Sioux City, Iowa;
Howard Harrington, Detroit, Michigan;
William Herring, Winston-Salem, North Carolina;
Harold Kendrick, New Haven, Connecticut;
Robert MacIntyre, Birmingham, Alabama;
Thomas Perry, Junior, Boston, Massachusetts;
Mrs. H. W. Roberts, Dallas, Texas;
Mrs. Jouett Shouse, Washington, District of Columbia;
Alan Watrous, Dallas, Texas;
John S. Edwards, Pittsburgh, Pennsylvania;
Mrs. Fred Lazarus III, Cincinnati, Ohio;
Charles W. Bonner, Fresno, California;
Alfred Connable, Kalamazoo, Michigan;
Victor Feldbrill, Winnipeg, Manitoba, Canada;
Mrs. Gerald S. Greene, West Hartford, Connecticut;
Mrs. G. Robert Herberger, Scottsdale, Arizona;
Thomas Iannaccone, Rochester, New York;
Dr. Richard Lert, Hollywood, California;
Mrs. Fitzgerald Parker, Nashville, Tennessee;
Mrs. Leo R. Pflaum, Wayzata, Minnesota;
Miss Helen Ryan, Orlando, Florida;
George Szell, Cleveland, Ohio;
Jackson Wiley, Springfield, Ohio;
George Irwin, Quincy, Illinois;
R. H. Wangerin, Louisville, Kentucky.

(b) Thereafter the board of directors of the corporation shall consist of such number, shall be selected in such manner (including the filling of vacancies), shall serve for such term as may be prescribed in the constitution and bylaws of the corporation.

(c) The board of directors shall be the governing board of the corporation and, during the intervals between the meetings of members, shall be responsible for the general policies and program of the corporation and for the control of all contributed funds as may be raised by the corporation.

OFFICERS; ELECTION AND DUTIES OF OFFICERS

SEC. 8. (a) The officers of the corporation shall be a president, one or more vice presidents (as may be prescribed in the constitution and bylaws of the corporation), a secretary, and a treasurer, and one or more assistant secretaries and assistant treasurers as may be provided in the constitution and bylaws.

(b) The officers of the corporation shall be elected in such manner and for such terms and with such duties as may be prescribed in the constitution and bylaws of the corporation.

USE OF INCOME; LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 9. (a) No part of the income or assets of the corporation shall insure to any of its members, directors, or officers as such, or be distributable to any of them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation in amounts approved by the board of directors of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any director who votes for or assents to making of a loan or advance to an officer, director, or employee of the corporation, and any officer who participates in the making of such a loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation, and its officers and directors as such, shall not contribute to or otherwise support or assist any political party or candidate for public office.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having any authority under the board of directors; and it shall also keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member entitled to vote, or his agent or attorney, for any proper purpose, at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. (a) The accounts of the American Symphony Orchestra League shall be audited annually in accordance with generally accepted auditing standards by independent certified public accounts or independent licensed public accountants, certified or li-

censed by a regulatory authority of a State or other political subdivision of the United States. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than March 1 of each year. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. Such report shall not be printed as a public document.

USE OF ASSETS ON DISSOLUTION OR LIQUIDATION

SEC. 15. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets, if any, of the corporation shall be distributed in accordance with the determination of the board of directors of the corporation and in compliance with the constitution and bylaws of the corporation and all Federal and State laws applicable thereto.

EXCLUSIVE RIGHT TO NAME, EMBLEM, SEALS, AND BADGES

SEC. 16. The corporation shall have the sole and exclusive right to the name "American Symphony Orchestra League" and to have and to use in carrying out its purposes distinctive insignia, emblems and badges, descriptive or designating marks, and words or phrases as may be required in the furtherance of its functions. No powers or privileges hereby granted shall, however, interfere or conflict with established or vested rights.

TRANSFER OF ASSETS

SEC. 17. The corporation may acquire the assets of the American Symphony Orchestra League, Incorporated, a corporation organized under the laws of the States of Virginia and Michigan, upon discharging or satisfactorily providing for the payment and discharge of all of the liability of such corporation and upon complying with all laws of the States of Virginia and Michigan applicable thereto.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 18. The right to alter, amend, or repeal this Act is expressly reserved.

Mr. DIRKSEN. Madam President, this bill deals with the incorporation of the American Symphony Orchestra League. I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Illinois.

The motion was agreed to.

WORLD FOOD CONGRESS IN THE UNITED STATES IN 1963

Mr. HUMPHREY. Madam President, I move that the Senate proceed to the consideration of Calendar No. 2226, S. 3679.

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

The LEGISLATIVE CLERK. A bill (S. 3679) authorizing an appropriation to enable the United States to extend an invitation to the Food and Agricultural Organization of the United Nations to hold a World Food Congress in the United States in 1963.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments on page 3, line 7, after the word "in", to strike out "Washington, District of Columbia" and insert "the United States"; at the beginning of line 13, to strike out "Washington" and insert "the United States"; and on page 4, line 2, after the word "in", to strike out "Washington, District of Columbia" and insert "the United States"; 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 there is authorized to be appropriated to the Department of State, out of any money in the Treasury not otherwise appropriated, a sum not to exceed $300,000 for the purpose of defraying the expenses incident to organizing and holding the World Food Congress in the United States. Funds appropriated pursuant to this authorization shall be available for advance contribution or reimbursement to the Food and Agriculture Organization of the United Nations for certain costs incurred by the Organization in holding the World Food Congress in the United States and shall be available for expenses incurred by the Department of State, on behalf of the United States as host government, including personal services without regard to civil service and classification laws; employment of aliens; printing and binding, without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 11); travel expenses; rent of quarters by contract or otherwise; hire of passenger motor vehicles; and official functions and courtesies.

SEC. 2. The Secretary of State is authorized to accept and use contributions of funds, property, services, and facilities for the purpose of organizing and holding the World Food Congress in the United States.

Mr. HUMPHREY. Madam President, I ask unanimous consent that a pertinent portion of the report on the bill (Rept. No. 2263) may be printed in the RECORD at this point.

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

SUMMARY OF THE BILL

S. 3679 was introduced in the Senate by Mr. FULBRIGHT, by request, and therewith received and referred to the Senate Committee on Foreign Relations.

The bill authorizes an appropriation of a sum not to exceed $300,000 for the purpose of defraying the expenses incident to organizing and holding a World Food Congress in the United States from June 4 to June 18, 1963.

The funds authorized to be appropriated would be used for expenses incident to organizing and holding the Congress in the United States and advance contribution or reimbursement to the Food and Agriculture Organization for certain costs incurred by the Organization in holding the Congress here.

BACKGROUND

Resolution No. 13-59 of the 10th session of the Food and Agriculture Organization Conference authorized the Director General of the Food and Agriculture Organization, as part of the freedom-from-hunger campaign of the Organization, to make preparations for a World Food Congress in 1963. This will coincide with the 20th anniversary of the Hot Springs Conference, which led to the creation of the Food and Agriculture Organization.

The World Food Congress will focus attention on current and future problems in nutrition as well as food supply and distribution and will recommend international measures for combating hunger and malnutrition. It will undertake to assess current and future food and nutritional needs for the world as a whole and for specific regions and recommend measures of international cooperation for the purpose of meeting these needs.

The United States has shared its abundance of food and its agricultural knowledge with the less developed areas of the world through its food-for-peace program under Public Law 480, through technical assistance programs, and through support of the Food and Agriculture Organization of the United Nations. The FAO currently operates in more than 50 countries and is this year spending approximately $35 million on technical assistance and agricultural research and development.

The FAO holds a biennial conference, generally in Rome. As a result of consultations in 1961 between the Department of State and the Director General and Board of Governors of the FAO, it was agreed that, subject to appropriate authorization by Congress, the FAO would hold its regular meeting in the United States in 1963 and combine it with a World Food Congress.

The FAO Conference in 1959 unanimously adopted a resolution authorizing an international freedom-from-hunger campaign extending from 1960 to 1965 and authorizing the Director General of the Food and Agriculture Organization to make preparations for a World Food Congress in 1963, when the freedom-from-hunger campaign will be at its halfway point. In October 1960 the United Nations General Assembly unanimously adopted a resolution calling upon all members of the United Nations and its specialized agencies to support the freedom-from-hunger campaign in every practicable way.

It is anticipated that some 1,200 individuals from approximately 100 countries will attend the World Food Congress. It is expected that about 400 of the participants will be from the United States and about 400 from the underdeveloped countries.

COMMITTEE ACTION

The committee received testimony on the bill on October 1 from the Honorable Harlan Cleveland, Assistant Secretary of State for International Organization Affairs, and from C. R. Eskildsen, Acting Administrator, Foreign Agricultural Service, Department of Agriculture. The hearing is printed as an appendix to this report.

Meeting thereafter in executive session, the committee adopted, the following amendment offered by Mr. HUMPHREY:

Wherever they appear, strike out the words "Washington, District of Columbia" and insert in lieu thereof the words "the United States".

It was understood by the committee that for reasons of economy and availability of conference facilities it would probably prove most practical and desirable for the World Food Congress to be held in Washington, D.C., but that, should the Secretary of State find it feasible to do so, he should be at liberty to designate another place for the Congress to be held.

The committee unanimously reported the bill, as amended, favorably to the Senate.

CONCLUSION

The Committee on Foreign Relations believes that the meeting of a World Food

Congress in the United States in 1963 is desirable and appropriate because of the established policy of the United States of sharing its abundance of food and agricultural knowledge with the less-developed countries of the world. Both the food-for-peace program of the United States and the freedom-from-hunger campaign of the Food and Agriculture Organization make important contributions to the alleviation of hunger and malnutrition. The convening of a World Food Congress in the United States will contribute to the realization of this objective by allowing agricultural leaders from the developing countries to become more closely acquainted with the highly productive techniques of American agriculture.

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

The amendments were agreed to.

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

The bill (S. 3679) was read the third time, and passed.

The preamble was amended, so as to read:

Whereas the President, in giving his full endorsement and support of the United States Government's food-for-peace program and for the freedom-from-hunger campaign of the Food and Agriculture Organization of the United Nations, recognized the necessity for emphasizing the willingness of the United States Government to share its food abundance and agricultural knowledge; and

Whereas the Food and Agriculture Organization of the United Nations pursuant to a resolution of the tenth FAO Conference authorized the Director-General to make preparation for a World Food Congress in 1963 to mark the midpoint of the five-year worldwide freedom-from-hunger campaign and the twentieth anniversary of the Hot Springs Conference, which resulted in the establishment of the FAO; and

Whereas the freedom-from-hunger campaign in the United States is sponsored by the American Freedom From Hunger Foundation, Incorporated, and by the American Food for Peace Council through its Freedom-From-Hunger Committee; and

Whereas the United States food-for-peace program and the FAO's freedom-from-hunger campaign are both directed toward the promotion of international cooperation and good will through the alleviation of hunger and malnutrition; and

Whereas the Congress will bring together a wide cross section of participants in these activities, review the progress of the campaign, focus attention on current and future problems involved in providing adequate food to meet the needs of the world's rapidly expanding population, and consider and recommend measures and policies necessary for this purpose; and

Whereas it is particularly fitting that the United States of America should cooperate with the FAO to convene a World Food Congress to further the programs of both the food-for-peace program and the freedom-from-hunger campaign; and

Whereas the United States of America as the inviting government is expected to provide the conference facilities and to pay certain expenses not borne by the FAO: Therefore

LT. COL. GUSTAVE M. MINTON, JR.

Mr. HUMPHREY. Madam President, I move that the Senate proceed to the consideration of calendar No. 2227, S. 3124.

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

The LEGISLATIVE CLERK. A bill (S. 3124) for the relief of Lt. Col. Gustave M. Minton, Jr., U.S. Air Force.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That Gustave M. Minton, Junior, lieutenant colonel, United States Air Force (A0915777), is relieved of all liability for repayment to the United States of the sum of $2,822.85, representing the amount of overpayments of basic pay received by him for the period from August 22, 1952, through December 31, 1961, while he was serving as a member of the United States Air Force, such overpayments having been made as a result of administrative error.

SEC. 2. The Comptroller General of the United States, or his designee, shall relieve disbursing officers, including special disbursing agents of the Army, Navy, and Air Force from accountability or responsibility for any payments described in section 1 of this Act, and shall allow credits in the settlement of the accounts of those officers or agents for payments which are found to be free from fraud and collusion.

SEC. 3. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Gustave M. Minton, Junior, the sum of any amounts received or withheld from him on account of the overpayments referred to in section 1 of this Act.

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

The amendment was agreed to.

The bill (S. 3124) was ordered to be engrossed for a third reading, was read the third time, and passed.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. HUMPHREY. Madam President, so that Senators may know the plans for tomorrow, I ask unanimous consent that when the Senate concludes its business tonight it stand in adjournment until 10 a.m. tomorrow.

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

Mr. MORSE. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. Is it the understanding that S. 3313 will be considered this evening?

Mr. HUMPHREY. Yes. We will come to it in just a moment.

FEDERAL TELECOMMUNICATIONS FUND

Mr. HUMPHREY. Madam President, I move that the Senate proceed to the consideration of Calendar No. 2223, H.R. 11899.

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

The LEGISLATIVE CLERK. A bill (H.R. 11899) to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for a Federal telecommunications fund.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 11899) which was ordered to a third reading, was read the third time, and passed.

GENERAL FUND OF THE DISTRICT OF COLUMBIA

Mr. HUMPHREY. Madam President, I move that the Senate proceed to the consideration of Calendar No. 1775, S. 3313.

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

The LEGISLATIVE CLERK. A bill (S. 3313) to authorize an increase in the borrowing authority for the general fund of the District of Columbia.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Minnesota.

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

ORDER OF BUSINESS

Mr. MORSE obtained the floor.

Mr. HUMPHREY. Madam President, will the Senator from Oregon yield to the Senator from New Jersey [Mr. WILLIAMS]? I have been holding the Senator off for quite a while.

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from New Jersey?

Mr. MORSE. I yield to the Senator from New Jersey.

ANOTHER VICTORY OVER SPACE

Mr. WILLIAMS of New Jersey. Madam President, I am grateful to the distinguished Senators from Minnesota and Oregon.

A few moments ago the distinguished majority whip in his discussion applauded the successful orbiting of the globe on a 6-orbit flight by Walter Schirra, Jr. While he was speaking we were all deeply pleased to learn that this brave man had been brought to the deck of the carrier.

Madam President, we are most pleased to receive the word that Astronaut Walter Schirra, Jr., has safely arrived on board a vessel in the Pacific after his successful mission through space. I am sure that the entire Nation and friends throughout the world rejoice at this news. Another step has been taken forward in man's exploration of space. Another pioneer has joined those who have broadened man's experience and man's knowledge.

Although this is a victory for all mankind, we in New Jersey have special rea-

son for great personal satisfaction. Commander Walter Schirra was born in Hackensack, N.J. He grew up just a few miles away in Oradell, a pleasant suburban town only a few miles away from the George Washington Bridge. His teachers at Englewood High School remember him with affection. His instructors and professors at Newark College of Engineering have good reason to be proud of the student they turned out. We are looking forward to a great celebration in New Jersey to greet this hero; we plan to express our admiration and affection directly to the modest, capable man who orbited our globe today.

I think that today's mission once again has called the attention of the world to the hopes that we in this Nation have for peaceful exploration and ultimate conquest of space. We know that mankind can learn much if we work in the open and permit the world to understand our progress and our problems. Today's triumph is all the greater because it was done in the full glare of public attention. A democracy has once again proven that it has faith in itself and in the men who have volunteered to explore the pathways that lead to the moon and beyond.

(At this point Mr. BARTLETT assumed the chair as Presiding Officer.)

REPLY TO READER'S DIGEST ARTICLE ON URBAN RENEWAL

Mr. WILLIAMS of New Jersey. Mr. President, the Reader's Digest, in its October issue, has just reprinted an article from a publication called The Freeman sharply attacking the urban renewal program.

Mr. President, I must say that I thought the kind of thinking reflected in this article had gone out with Adam Smith. But apparently not, and therefore, I would like to take a few moments to comment on some of the irresponsible criticisms that have been made here.

Perhaps the antiquity of this "period piece" can best be illustrated by the opening paragraph:

> A new kind of socialistic innovation called urban renewal is now threatening to lull local governments and civic-minded citizens into embracing economic fallacy.

Where can the author have been for the last 13 years since the enactment of this new socialistic innovation in 1949, whose leading sponsor was, incidentally, the highly respected Republican Senator of Ohio, Mr. Robert Taft?

The charge that this program is socialistic is one of the most amusing ironies I have seen in some time. The fact is that the urban renewal program represents one of the most brilliant reconciliations between the public interest and the interests of private enterprise.

The dilemma that led to the urban renewal program was very simple. The public interest demanded an effort to eliminate the misery of our slums, the deterioration and decay of our cities. The public interest demanded that something be done to make our cities—where most of the people of our society now live—a livable, healthy, and attractive environment. Since it was manifestly impossible for profit-motivated private enterprise to do the job unaided, we were faced with the choice of letting the deterioration eat away our cities or taking public action to rebuild our cities as fit places for human habitation and enterprise.

Since the choice was clear, we could have taken the road of "socialism" by having the Federal Government replace private enterprise in the rebuilding of our cities. But we did not. Instead we chose the course of aiding private enterprise, of making it financially possible for private enterprise to do the job, and we did it basically by reducing the cost of land to the point where it would become economically feasible for private enterprise to serve the public interest and still make a reasonable profit.

Mr. President, I shall ask unanimous consent that a list of just some of the major private firms and associations participating in and endorsing the urban renewal program be included in the RECORD at the conclusion of my remarks.

Mr. President, the article, after dropping the charge of "socialism" without further explanation, then wanders off into charges that the urban renewal somehow disturbs the laws of the marketplace. The answer to that is, of course it does. That, to some extent, is what it was meant to do.

Just as the building of a federally aided highway, or a federally aided airport, or the location of a defense installation disturbs the marketplace by stimulating certain kinds of related economic activity where they are located, so will urban renewal.

This does not mean, however, that the laws of the marketplace are thereby suspended. No one is forced to live in housing in an urban renewal area if they prefer to live "farther out." No one is forced to patronize the commercial activities stimulated by urban renewal.

And most important, no one is unfairly taxed to subsidize the competition, so to speak, as the author implies when he states that "among those forced to contribute via the tax route—to bail out the skidding downtown businesses—are the very suburban merchants who are gaining first place in the consumer's heart."

Aside from the fact that the downtown businesses contribute via taxes to the building of highways that make it possible for the suburban merchant to exist, it should be apparent by now that the fate of the central city and the suburb are inseparably linked, and that anyone who attempts to fan the flames of conflict between them is doing a profound disservice to the city, the suburb and the Nation.

Among the other accusations made by the article is the charge that urban renewal is a program carried out by "political planners" at the Federal level who go about seizing private properties. To point out the obvious, the Congress, representing the people of the United States, authorized the program and established how it is administered. And it is a local program in every sense of the word. An urban renewal project is locally conceived, locally planned, and locally administered. Procedures have been carefully developed to guarantee public review of project plans and to pay fair value for properties and relocation costs of families and businesses. Properties are never seized. Obviously any program can be improved, and the author of the article would have performed a much more useful service had he suggested constructive improvements, rather than leveling unsubstantiated charges.

Finally the article calls the program wasteful of public funds, yet it has been the almost universal experience of our cities that through urban renewal they have increased their tax revenue and decreased welfare costs in the project areas.

Mr. President, I ask unanimous consent that a portion of the November–December 1961 Urban Renewal Notes, published by URA and listing examples of actual returns on urban renewal investment in various cities, be included in the RECORD at this point, together with the article from the Reader's Digest, which I have been discussing, along with the list previously referred to.

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

LIST OF PRIVATE FIRMS SUPPORTING URBAN RENEWAL

Travelers Insurance Cos.
Phoenix Mutual Life Insurance Co.
Hartford National Bank.
Connecticut Bank & Trust Co.
Public Service Electric & Gas Co., Newark, N.J.
John Hancock Mutual Life Insurance Co.
Cabot, Cabot & Forbes, Boston, Mass.
Bessemer Securities Corp.
Greater Boston Chamber of Commerce.
Turner Construction Co., New York, N.Y.
Reynolds Aluminum.
Prudential Insurance Co. of America.
Mutual Benefit Life Insurance Co.
Raymoud Rebsamen, Little Rock, Ark.
Alumimum Co. of America (Alcoa) Pittsburgh, Pa.
Woodward & Lothrop Department Store, Washington, D.C.
Julius Garfinckel & Co. Department Store, Washington, D.C.
The Hecht Co. Department Store, Washington, D.C.
Portland Cement Association, Chicago, Ill.
Southern New Engand Telephone Co.
Allegheny Conference on Community Development, Pittsubrgh, Pa.
Draper & Kramer, Inc., Chicago, Ill.
James W. Rouse & Co.
Sears, Roebuck & Co.
J. C. Penney & Co.
Crown Zellerbach Corp.
National Gypsum Co.
Republic Steel Corp.
Time, Inc.
Safeway Stores, Inc.
Macy's Department Store.
Allied Stores Corp.
Sheraton Corp. of America.
Hotel Corp. of America.
Hilton Hotels, Inc.
New York Life Insurance Co.
Metropolitan Life Insurance Co.
Henry J. Kaiser Co.
General Electric Co.

Atlantic & Pacific Tea Co. (A&P.)
Holiday Inns.
Marriott Motor Hotels.

[From Urban Renewal Notes, November–December 1961]

URBAN RENEWAL PAYS DIVIDENDS

Urban renewal produces very tangible dollars-and-cents benefits to local communities. New structures in renewal areas ordinarily result in a substantial increase in tax revenues to the city. At the same time the value of properties adjacent to the former slum tends to increase as the blighting influence is removed, and investment in rehabilitation and in new buildings begins to take place.

Equally important, slums have typically required a very high level of fire, health, police, and welfare services, compared with better neighborhoods. With the elimination of slums, the cost of providing these services ordinarily goes down very sharply.

There are also less direct benefits. For example, urban renewal will enhance the economic base of the entire community as a result of construction activity, new business coming into formerly deteriorated areas, and the consequent increase in employment and payrolls.

Many reports have been received from communities containing evidence of these benefits. A few instances are:

Hartford, Conn. (1960 population 162,178): New privately financed construction generated by urban renewal in the city, principally in the Constitution Plaza project, is over $25 million. Construction has started on the $7.5 million home office building of a large insurance company; steel has begun to arrive for a $6.5 million bank structure; another bank costing $5.5 million had been started earlier; a $2.8 million broadcasting building and two parking garages totaling $3.5 million are also underway, along with over $200,000 in site improvements.

Little Rock, Ark. (1960 population 107,813): The 80-acre livestock show project area was badly blighted, but local officials felt it could respond to rehabilitation and spot clearance; 153 buildings out of 321 were retained, and new streets, playgrounds, and drainage were provided. New homes in the $9,000 to $22,000 range were built, and total private spending for new housing and rehabilitation was about $1 million. The total real estate assessment is now 6½ times the figure before work was started in 1958, even though one-fifth of the land was switched from private residential to public use.

Cambridge, Mass. (1960 population 107,716): Initial construction will begin shortly on a $20 million research and development center known as Technology Square. The center will occupy a 14-acre tract adjacent to Massachusetts Institute of Technology, formerly occupied by an industrial plant employing 1,000 people. The new facilities will ultimately employ about 3,000 people.

Norfolk, Va. (1960 population 305,872): Local authorities estimate that this city's three redevelopment projects will mean millions of extra dollars for wages, building materials, utilities, and professional services. Norfolk's economy is getting a long-term lift from private, Federal, State, and municipal expenditures that will total more than $182 million. Private investment includes new stores, office buildings, industrial plants, apartment houses, a new hotel, and other structures; public expenditures include a civic center and public housing. The private and public investment is as follows:

Federal grants	$25,962,575
Local share	12,324,747
Public projects	71,715,000
Housing	25,000,000
Private investment	47,620,000

Before redevelopment, the 165-acre downtown project had 947 buildings; only 14 of these had been erected after 1925 and 85 percent were blighted. Two-thirds of the residential structures violated the building code; the tuberculosis rate was 6 times the citywide average; police calls were 5 times more frequent; venereal disease was more than 20 times as common. If taxes had been paid on every property—and they rarely were—revenue would have been $165,650 a year. Taxes from the privately owned buildings in the redeveloped area are expected to be $375,000 annually. Norfolk's urban renewal activity has had another unexpected and pleasant effect. Urban renewal has slashed fire losses by eliminating thousands of potential conflagration hazards. Fire insurance rates have come down, saving the city's property owners at least a half million dollars.

The largest bond issue ever offered in the South—and one of the ten largest of its types in the country—was sold recently by the Chesapeake Bay Bridge and Ferry Commission. This was a $200 million issue to finance the construction of a new bridge and tunnel complex across Chesapeake Bay from Norfolk to the eastern shore of Virginia. Underwriters placed great emphasis on the urban renewal activity underway in Norfolk in advertising the bonds to the investing public.

Calexico, Calif. (1960 population 7,992): In June this city became the first in the State to officially complete an urban renewal project. The 21-acre project area contained 68 dwellings, 65 too deteriorated that they needed to be demolished. Now 72 new privately built single-family residences and 10 duplexes have been erected. Before the project was undertaken, the project area paid $4,400 in taxes to the city, county, and school district. At the present time the same area is contributing approximately $16,400 in taxes.

Philadelphia, Pa. (1960 population 2,002,512): Since the old Broad Street Station and its "Chinese wall" were demolished in 1952 $150 million has been invested in the city's central area, including the Penn Center development, which has been widely acclaimed for its striking architecture and which was accomplished without Federal participation. The city has benefited financially as well as esthetically. The tax yield from this area is now $1.5 million annually compared with $400,000 before the improvements began.

Nashville, Tenn. (1960 population 162,178): Nashville's Capitol Hill project has received national attention for what it has done to the appearance of the city and the approaches to the State Capitol. The 36.7-acre project area yielded $47,188 annually to the city and county before redevelopment. Even with 8.2 acres now tax-exempt, and 16.1 still unsold, the tax return will be $236,487. After all the land in the project has been sold, the estimated yield will be $455,000, if no additional land is sold for tax-exempt purposes. Another interesting byproduct is reported by Nashville. Thirty-five businesses were displaced from the project area and have relocated in other parts of the city. Some have built modern buildings to replace their previous antiquated and deteriorated structures. The total assessed valuation of the new quarters occupied by the displaced business is $1 million higher than before displacement.

East Orange, N.J. (1960 population 77,259): The local cost of the downtown project will be $966,000. The increased tax reveune will be nearly $200,000 more than is presently received. Within 5 or 6 years the city's investment will be amortized.

Fargo, N. Dak. (1960 population 46,662): In the 28-acre Fourth Street project, new construction will total $6.9 million including four new privately financed buildings, a public library, and a city hall and auditorium building.

Birmingham, Ala. (1960 population 340,887): The 59-acre medical center project area was declared to be one of the this city's worst slums before clearance. Within the area is a new complex of medical and related buildings, with construction of $8,355,918 already partially or fully completed. On the drawing boards are an additional $6 million of structures. The University of Alabama, the sponsor of the medical center development, has received over $1 million in gifts from individuals and local foundations without solicitations.

Erie, Pa. (1960 population 138,440): Ninety percent of the 26 disposable acres in the Peach-Sassafras urban renewal project area have been sold. On this tract, formerly occupied by 431 dwellings—383 of them substandard—7 new privately financed buildings are underway; 2 wholesale fruit and produce structures totaling $400,000; a restaurant and motel, representing a $1.5 million investment; and a shopping center, costing $2.25 million. Two proposed developments on the remaining land are soon to start—a $1 million structure containing bowling lanes and related facilities.

Buffalo, N.Y. (1960 population 532,759): A brochure entitled "Waterfront—Buffalo's Opportunity," has recently been issued by the Greater Buffalo Development Foundation. It calls Buffalo's downtown waterfront today, for the most part, a wasted asset and a neglected strip of land at the western fringe of the city's business center—a remnant of a historic era that was dominated by the Erie Canal. Says the report, "These vacant lands, outmoded docking facilities, and deteriorating buildings have become a public eyesore and an economic waste. At the same time, this strip of land at the city's doorstep presents the greatest opportunity for regeneration that Buffalo has ever known. Here is a jewel waiting to be cut and polished and set in the crown of a reviving metropolis. Here the people of Buffalo can create the basis of a new and more prosperous downtown, a symbol of renewed pride in our city, a legacy for coming generations whose future depends upon the kind of city we transmit to them."

The waterfront area is to become part of the waterfront-crossroads renewal project, which will have a variety of high-type land uses. New private construction is estimated to be between $150 and $200 million. The increase in property values is expected to bring the city $2 million in new taxes annually. The new apartment towers and town houses will provide living quarters for approximately 15,000 persons in a lakefront setting of natural beauty. New commercial and public uses will be developed along the downtown fringe, where a new $5 million State Office Building will be built. Other apartments, a marina, an amphitheater, and recreational facilities are planned.

This is what Buffalo's waterfront—tarnished by obsolescence and decay—will become, regenerating the city's whole downtown.

THE FALLACY OF URBAN RENEWAL

(By John C. Sparks)

A new kind of socialistic innovation called "urban renewal" is now threatening to lull local governments and civic-minded citizens into embracing economic fallacy.

Urban renewal is the redesign and rebuilding of a city or a section of a city by its planners, aided with ideas and finances from Washington. It is not necessarily slum clearance, although parts of the planning program may include removal of some "blighted" residential areas. The Federal laws on urban renewal, enable a city government to seize, via the right of eminent domain, private homes and business properties for the purpose of fulfilling the public good as determined by the political planners. In general, the condition of the prop-

erty does not determine whether or not it can be razed. Perfectly good buildings may be condemned and removed if the property does not fit into the scheme of the planners.

After the land is cleared, it is sold to private developers or public agencies who agree to use it according to the specifications of the master plan. The Federal Government picks up from two-thirds to three-fourths of the difference between the cost of buying and clearing the properties and the receipts from their sale; the local community pays the balance. This expense represents the bulk of the wasteful cost of the Federal urban renewal program.[1]

Like other Federal grants-in-aid schemes, this one undermines self-reliance, encourages financial bankruptcy, opens communities to Federal control, and accomplishes these undesirable results through bribery of the citizen with his own money. The Federal urban-renewal device has a further claim to infamy: its supporters ignore completely the natural law of economics—the selectivity of the marketplace.

Each person selects certain things in preference to other things—including where to live, where to work, where to attend church, where to shop. At one time most families chose to live in the city if the breadwinner worked there. In recent years, however, city dwellers have been rapidly emigrating to the suburbs and countryside.

This choice to live outside the city has many economic effects on the lives and businesses of those left behind in the city. Downtown stores are no longer visited by as many customers, now that attractive modern shopping centers with free parking are easily accessible to the suburbanite. Consumers are coldly logical in their selection of where to shop, and the entrepreneur who meets their wants wins the day.

This does not mean that the downtown merchant must surrender without a struggle. He may adjust to the new demands made by the public. But when he supports the planners' attempts to bring back a downtown commercial area by artificial aid rather than natural selection, the results may prove quite costly.

Those who seek Federal urban-renewal aid undoubtedly recognize that voluntary private investment in an uneconomic situation will not be readily forthcoming. They are willing, however, to take advantage of improper, but legal, means to force taxpayers to bail out the skidding downtown businesses. And among those forced to contribute via the tax route are the very suburban merchants who are gaining first place in the consumer's heart. Furthermore, the consumer himself, having elected to patronize the suburban merchant, must also contribute via taxes to help subsidize the downtown merchant.

It is tempting to downtown owners to proclaim noble objectives to justify their request for Federal aid. They wish to preserve the so-called core of the city. They hope to increase tax values of the main business section and surrounding area as promised by the planners. Little or no mention is made of the fact that the chief objective in the minds of the downtown owners and merchants is a subsidy by funds taken from others.

When buggy whips were on the decline as the automobile industry began to grow, the innovation of pearl handles on buggy whips (even if subsidized by government) would have done nothing to rescue the industry from the choices being registered in the marketplace. Neither will subsidized rejuvenation of downtown commercial and business property change the choice of the consumer. Nor will apartments, townhouses and other residential buildings constructed on land formerly occupied by slums or dilapidated apartments change the minds of those who prefer to live "farther out." Experience has already shown that many of the investors in new apartments erected on urban-renewal land regret the day they ignored the decision of the marketplace.

In a series of articles for the Cleveland Plain Dealer, Eugene Segal reported on residential apartments built there in 1957 and since under the Federal urban renewal program: "The occupancy rate is too low for the projects to pay their own way. Most of them are delinquent in mortgage or tax payments. The owners are losing money. The projects have nothing that will persuade investors to build more."

If wrong decisions are made by investors with their own funds and property, no general harm is done. But when civil leaders and city officials combine to encourage waste of the funds of others through the Federal urban renewal program, harm is heaped upon all, including the subsidized merchants and the real-estate developers.

"The market," says Ludwig von Mises in Human Action, "makes people rich or poor, determines who shall run the big plants and who shall scrub the floors, fixes how many people shall work in the copper mines and how many in the symphony orchestras. None of these decisions are made once and for all; they are revocable every day." Communities that ignore the verdict of the free marketplace, and attempt to repeal the individual decisions and judgment of consumers and investors, are bound to reap ill results. No benefits will derive from embracing the fallacy of political urban renewal.

[1] In New Haven, Conn., the proposed renewal program will ultimately cost $150 million, with the State and local governments contributing their share of $23,100,000.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ROONEY, Mr. SIKES, Mr. CANNON, Mr. BOW, and Mr. TABER were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7283) to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution:

H.R. 1616. An act for relief of Rickert and Laan, Inc.;

H.R. 4094. An act to amend the act of July 15, 1955, relating to the conservation of anthracite coal resources;

H.R. 8113. An act to amend the act of August 9, 1955, for the purpose of including the Southern Ute Indian Reservation among reservations excepted from the 25-year lease limitation;

H.R. 8983. An act to authorize the Secretary of the Interior to participate in financing the construction of a bridge at Cape Hatteras National Seashore, in the State of North Carolina, and for other purposes;

H.R. 9747. An act to amend section 514 (1) of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended;

H.R. 10613. An act to eliminate the requirements for certain detailed estimates in the annual budgets;

H.R. 10652. An act to amend the Administrative Expenses Act of 1946 to provide a more reasonable allowance for transportation of house trailers or mobile dwellings by certain governmental officers and employees upon their transfer from one official station to another;

H.R. 11049. An act to amend the Mineral Leasing Act of February 25, 1920;

H.R. 11378. An act to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus personal property to schools for the mentally retarded, schools for the physically handicapped, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations, and public libraries;

H.R. 11543. An act to authorize the Secretary of the Interior to convey certain lands adjacent to the Suitland Parkway in Prince Georges County, Md., to Suitland Lodge No. 1856, Loyal Order of Moose;

H.R. 11551. An act to authorize the Secretary of the Interior to convey certain lands in the State of Maryland to the Holy Cross Lutheran Church, Greenbelt, Md., and for other purposes;

H.R. 11590. An act to provide for the disposition of judgment funds of the Cherokee Nation or Tribe of Indians of Oklahoma;

H.R. 11793. An act to provide criminal penalties for trafficking phonograph records bearing forged or counterfeit labels;

H.R. 12164. An act to provide for the establishment of the Fort Saint Marks National Historic Site;

H.R. 12688. An act to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes;

H.R. 13044. An act to amend the Home Owners' Loan Act of 1933 and the Federal Home Loan Bank Act; and

H.J. Res. 659. Joint resolution granting consent of the Congress to a compact entered into between the State of Maryland and the Commonwealth of Virginia for the creation of the Potomac River Compact of 1958.

BORROWING AUTHORITY OF THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (S. 3313) to authorize an increase in the borrowing authority for the general fund of the District of Columbia.

Mr. HUMPHREY. Mr. President, so that the Senators may be advised, is the pending question the bill relating to the general fund of the District of Columbia?

The PRESIDING OFFICER. The pending bill is S. 3313, to authorize an increase in the borrowing authority for the general fund of the District of Columbia.

Mr. HUMPHREY. I believe the Senator from Oregon has an amendment to offer.

Mr. MORSE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

That subsection (b) of the first section of the Act entitled "An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City", approved June 6, 1958 (72 Stat. 183), is amended by striking out "$75,000,000" and inserting in lieu thereof the following: "$230,000,000, of which $120,000,000 shall be available for educational purposes only".

SEC. 2. Subsections (d), (e), and (f) of the first section of the Act of June 6, 1958, are amended to read as follows:

"(d) Loans made under this section (other than loans made for educational purposes) during any six-month period (beginning with the six-month period ending December 31, 1958) shall be at a rate of interest determined by the Secretary of the Treasury as of the beginning of such period which, in his judgment, would reflect the cost of money to the Treasury for borrowings at a maturity approximately equal to one-half of the period of time the loan is outstanding. Loans made under this section for educational purposes shall be made without interest.

"(e) Any loan advanced pursuant to this section shall be repaid to the Secretary of the Treasury in substantially equal payments, including interest (in those cases where interest is charged), within a period of thirty years beginning on July 1 of the second fiscal year following the date on which each such advance is credited to the general fund.

"(f) No loans shall be advanced pursuant to this section after June 30, 1972."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. MORSE. Mr. President, the Senator from Massachusetts [Mr. SMITH], in charge of the bill, wishes to make an explanatory statement with regard to the bill. I yield to him now. When he concludes, I shall explain my amendment, which has been read.

Mr. SMITH of Massachusetts. Mr. President, the enactment of S. 3313 would authorize the District of Columbia to increase the limit of borrowing for the general fund from $75 to $150 million, the purpose of which is to finance very much-needed capital construction projects.

In order to provide adequate public services in the District of Columbia, many school and institutional projects, Police and Fire Department facilities, estimated to cost $142 million, are urgently needed. Obviously a program of this magnitude cannot be met within the time required from increased general revenue sources and increased Federal payment. Therefore, the additional loan authority as provided in this bill must be obtained to provide a large portion of the financing required. The additional $75 million borrowing authority would be included as a part of the $142 million.

The amount of these requirements is determined by very careful public works planning by which the needs of the city are systematically analyzed. The Commissioners each year review the proposed public works and revise the plan to reflect the most essential requirements for the next 6 years. If these critically needed facilities are to be provided, it is necessary that the borrowing authority for the District of Columbia be increased by $75 million.

The present loan authorization, and incidentally the first for the general fund, was established by the act of June 6, 1958 (Public Law 85-451). With this initial loan authority of $75 million, plus general revenues, much progress has been made in meeting a great many essential capital projects on a year-to-year basis.

Of prime concern to the Commissioners for the District of Columbia in capital outlay projects is the continuing need for more elementary and junior high school capacities occasioned by constantly increasing enrollments.

Significant accomplishments have been made in constructing new school facilities since fiscal year 1959. It should be noted that a total of 13 elementary schools and junior high schools in the District have been authorized for construction. Also, authorization has been granted for additions to 22 other District schools. When these authorized construction projects are completed, there will be increased capacity in the District schools for 18,295 pupils.

The Commissioners' continuing public works plan—1964 to 1968—in large part to be financed through the $75 million borrowing authority requested in this bill, will include three new elementary schools, two replacement elementary schools, and seven additions to elementary schools. In connection with junior high schools, the plan proposes three new schools, two replacements, and two additions to junior high schools. These projects will increase the capacities in elementary schools by 8,692 and by 4,316 in the junior high schools.

Other essential projects in the projected $142 million plan for the 1964-68 time period includes three branch libraries, one police precinct replacement, one new firehouse and one replacement, two new recreation centers, one new health center in the Northeast, heating plant replacement at the workhouse, two additional dormitories at the reformatory, three new cottages at Junior Village—replacement—new heating plant at Junior Village, continuation of the street lighting program, continuation of the stormwater-sewer construction program, and construction of the West Administration Building.

The cost of this continuing program through fiscal year 1968 approximates $142 million. The Commissioners of the District of Columbia have informed the committee that the increased general revenues anticipated as a result of the enactment of Public Law 87-408, which raised the sales tax and other taxes in the District of Columbia, will amount to $11.9 million in 1964. However, this increase in revenues will be applied to the general fund, and henceforth it will be necessary to utilize all of it to offset operating costs. None of it will be available to finance capital outlay projects. The Commissioners maintain that efforts to keep pace with the continuing public works needs of the Nation's Capital will be seriously, if not wholly curtailed unless additional resources are found. The additional loan authorization proposed herein, together with an increased Federal payment, and increased general revenues must provide these resources.

None of the $75 million loan authority that is requested will be used for construction of highways and water and sanitary sewage facilities, as these particular projects are financed through other funds.

Mr. President, I have tried to stress the importance and vital need for this legislation, and I would respectfully hope and urge that my colleagues join with me in passing this bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. MORSE. Mr. President, my amendment proposes to increase the borrowing authority for the District of Columbia by $155 million. The District Commissioners have requested an additional $75 million. My amendment would provide that $120 million of the $155 million increase in borrowing authority shall be available for school purposes only, and that the $120 million borrowed from the U.S. Treasury for school purposes be interest free.

I wish to make in the next few minutes the following case in support of my amendment.

Mr. President, any community that is conscious of its own needs and of its responsibilities to its children must provide its children with an environment conducive to the development of sound physical and mental health and a sense of social well-being. The District of Columbia does not have such an atmosphere and the people of the District are paying a high price for this condition.

We cannot expect to herd people into noisome, crowded slums or even into segregated middle-class areas, which become prisons from which the occupants cannot escape, regardless of their wishes or their economic resources. We cannot force them to endure poverty by refusing to allow them to hold positions that pay well, regardless of their mental endowments and other qualifications. We cannot interpose, between admittedly hungry children and relief, stringent conditions that have nothing to do with need. We cannot adopt, as a primary standard of measurement in appropriating funds, the element of cost to taxpayers with only incidental concern for the conditions requiring alleviation. We cannot provide second-class education in obsolete and obsolescent buildings, occupied beyond their limits in both space and facilities; in classes so large that the teacher becomes a custodian; on part-time schedules of instruction; with insufficient special education services to remove from regular classes children who are either educationally or culturally retarded; and with little opportunity to give adequate attention to any of the special needs of the culturally different central-city child such as language difficulties, malnutrition, illness, emotional insecurity, economic want, or domestic disturbances; and still expect to produce first-class law-abiding citizens. We cannot under such circumstances, be sur-

prised when we encounter rebelliousness expressed in violent ways.

Members of Congress criticize the high rate of violence in the District of Columbia but more often than not vote against legislative measures which would help alleviate many of the underlying festering problems causing crime.

One of the basic elements of any community, including the District of Columbia, is its school system. Citizens must be made to realize that a concern for their own best interests and a sense of their responsibility to their children requires that every child be provided with full-time instruction in adequate schools; in classes capable of being properly taught by qualified teachers; and furnished with supplementary services that, in this day and age, are considered essential to a sound education, to the end that each may achieve this maximum potential as a productive citizen and contribute to the strength, security, and capacity for leadership which must be the destiny of this Nation.

The District of Columbia Board of Education, Dr. Carl Hansen, Superintendent of Schools, and other school authorities in the District of Columbia are aware of the need to achieve this objective. However, they have not been able to even approach this objective. In fact, in some instances, they have had difficulty in even making a beginning toward the accomplishment of this task.

As a member of the Senate District of Columbia Committee and the chairman of the Subcommittee on Education of the Senate Labor and Public Welfare Committee, I become pretty sick and tired of Members of Congress, the District Commissioners, the District Budget Office, the District of Columbia General Administration Office, and others, talking to me only about the dollars and cents involved in establishing a sound public school system in the District of Columbia. I say this because these so-called economizers on education are false economizers. They are doing a great disservice to present and future generations of District of Columbia boys and girls and through them to this city and this Republic.

I have never known of Dr. Hansen and other school authorities in the District of Columbia to propose a program of frills or waste. They have proposed a sound program for schoolchildren in the District of Columbia that will prevent the wasting of brainpower, which means wasting of dollars and cents, as well as the wasting of a lot of cultural and human values.

In my discussion this afternoon I intend to identify some of the crippling inadequacies in plant and personal services in the District of Columbia public schools and the no less than desperate budgetary requests aimed at a program of correction, earnestly offered by school authorities year after year for the consideration of the District Commissioners and the Congress.

Even a casual survey of the rudimentary facts about the public schools of the District of Columbia during the school year just completed shows how far they fall short of the prerequisites I just enumerated. It is a shocking fact that we are in a very serious school crisis in the District of Columbia, the Nation's Capital.

Mr. President, there were 1,969 pupils on part-time instruction in the elementary schools this past school year. There were 797 children excluded from kindergarten classes whose names were placed on the waiting lists of 36 schools for lack of teachers. There is no way of knowing how many children were turned down when they were offered for registration without being enrolled on waiting lists or how many were not presented because available space was already exhausted. It is not known to what extent children, otherwise eligible for admission to kindergarten, are not applicants for enrollment because their parents fail to understand the importance of kindergarten experience in the subsequent education of their children.

During the past school year there were 4,918 children in 18 elementary school buildings that, in 1948 to 1949, were judged to be so unsatisfactory that they were recommended for replacement, but have still continued in use without any appreciable change.

Note this date, Mr. President—1948 to 1949. That was 14 years ago—14 years ago these 18 elementary school buildings in the District of Columbia, now housing 4,918 little boys and girls, were declared unsatisfactory. Congress has sat on its haunches, to use the politest term I can think of, and has done little to seek to protect the vital interests of the youth of the District of Columbia. Nevertheless, politicians stand on the floor of Congress and attack the District of Columbia because of its shocking crime rate. What do they expect? Congress deserves just what it is getting out of the social problems it permits to continue to exist in the District of Columbia. I propose in the speech this evening to place the responsibility on the shoulders of the District of Columbia government and the Congress.

I am not one who is going to cover up or alibi for the dereliction of its duty by Congress. I am not going to cover up and alibi for the dereliction of the public and civic responsibilities on the part of certain selfish economic interests in the District of Columbia who are perfectly willing, in the name of false economy, to let this shocking school condition continue to exist.

We hear a great deal from a great many politicians about what we ought to do for the schoolchildren of America. I say, "Pay no attention to whatever any politician says unless he squares what he says with his votes in Congress."

Politicians in Congress cannot square their votes on the District of Columbia's needs with all their professions about what ought to be done to help solve the crime and other problems in the District of Columbia. In my judgment we are not going to solve our problems on any permanent basis until we do something about improving education in the schools of the District of Columbia, until we do something about providing personnel and facilities needed to meet the great social problems that confront us.

Let us be frank about it. The population of the District of Columbia is more than half Negro. It is a Negro population that is discriminated against to a shocking degree in regard to its economic rights. It is out of such suppression that crime springs. It is in such failure to provide adequate educational services for the District of Columbia that crime is nurtured.

Until Congress is willing to appropriate the funds, or at least enact legislation for the borrowing of funds to meet this critical educational need in the Disrtict of Columbia, we will not to any great degree check the problems that disturb many of us in the District of Columbia.

Mr. President, not only are 4,918 children attending 18 elementary schools that were declared unsafe as far back as 1948–49, but there were also 19,103 more children in 33 structures that were recommended for major improvements in 1948 to 1949, which have not had any substantial attention in the intervening years. What this means is that 28.8 percent of all the elementary school pupils in the District of Columbia school system were in substandard buildings.

I ask unanimous consent to insert at this point in my remarks a table showing the comparative ages of school buildings in the District.

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

Comparative ages of school buildings [1]

Less than 10 years old, 1953–62	26
10 to 19 years old, 1943–52	26
20 to 29 years old, 1933–42	18
30 to 39 years old, 1923–32	38
40 to 49 years old, 1913–22	8
50 to 59 years old, 1903–12	27
60 to 69 years old, 1893–1902	23
70 to 79 years old, 1883–92	27
80 to 89 years old, 1873–82	[2] 2
90 to 99 years old, 1863–72	[3] 4

[1] The term "school buildings" means separate structures.

[2] Peabody Elementary School, 1879.
Grant Elementary School, 1882.

[3] Stevens Elementary School, 1868.
Franklin Administration Building, 1869.
Seaton Elementary School, 1871.
Sumner Elementary School, 1871.

Mr. MORSE. Mr. President, the table shows that four of these buildings were built in the period from 1863 to 1872. They are 90 to 99 years old. Some or all of them are potential firetraps. It is only because of the grace and mercy of God that there has not been a catastrophe in one of the elementary schools in the District of Columbia.

Senators know that several years ago I warned the Senate on this subject, following an investigation that my subcommittee of the District of Columbia Committee conducted in regard to some of the sordid conditions in the District, including a condition in which we found many scores of little boys and girls living out of garbage cans, their sole source of food being what they got in the filthy alleys of the District by scavenging food.

In the course of that investigation, my subcommittee pointed out that the Hines School was such a serious potential firetrap that it ought to be closed immediately. We did not succeed in having it closed. The record shows that a brief time thereafter, a fire broke out in the Hines School. If it had not been

for the teachers and the wonderful discipline that had been developed in fire drills, that fire might have turned into a horrible human catastrophe. The damage was partially repaired. The building should have been torn down, but the Hines School continues to exist and is still a firetrap.

I shall have something to say about alternatives with regard to saving money in respect to other District of Columbia expenditures that can be postponed, including many items in the committee's report for which it is proposed to spend $75 million. It is much more important that there be a postponement of the expenditure for those items than to postpone the expenditure for the educational facilities in support of which I raise my voice and plead this evening.

There were 60,575 pupils last year in 77 elementary school buildings that were occupied in excess of their designated capacities—16,799 in 19 plants that were overpopulated by at least 25 percent.

How in the world can we expect teaching to be done in a school which has at least 25 percent overpopulation from the standpoint of its physical capacity? That is why I said earlier in this speech that many of our teachers are not acting as teachers, but as custodians. In a very real sense the school buildings are becoming merely places for extended care during school hours, but not for educational purposes. Shall we provide facilities where children can be taught, or shall we merely keep the children in custody during the years of compulsory education, and then turn them out uneducated, with serious behavior problems, and then listen to politicians rise on the floors of both Houses of Congress and deplore juvenile delinquency in the District of Columbia? Such speeches, for the most part, must be characterized as pure hypocrisy, unless they are delivered by men and women in Congress who voted in support of what they say.

The statistics I have just cited show that 72.5 percent of all elementary school children in the public school system were in structures that were overpopulated to some degree—20.1 percent of them by 25 percent or more.

I am informed that last year there were 47,121 pupils in classes, grades 1 through 6, that exceeded the Board of Education standard of 30 pupils per teacher. Thus, it is easy to see that 70 percent of all pupils in grades 1 through 6 were in classes of more than 30.

On the elementary school level, of 2,545 teachers assigned to classes in specific schools last year, 928 or 36.5 percent were of temporary status. One reason for this inordinately high percentage is the existing salary schedule which makes it impossible for the public school system to compete with suburban systems or the Federal Civil Service for prospective teachers. Another reason why it is difficult to get teachers in the District of Columbia is poor teaching facilities and poor teaching aids. If we are to attract good teachers into the District they must be given more adequate salaries, better teaching facilities, and the necessary tools with which to teach.

Mr. President, it is commonly accepted, I believe, in large cities such as Washington having a considerable number of educationally, culturally, and mentally retarded pupils, that counselors are necessary at all school levels. It is generally recognized and regarded that the sooner these defects are identified, and nutritional, health, and psychological problems are discovered and dealt with, the better the chance of developing the child into a normal, productive citizen. To accomplish this end, it is generally considered desirable that counselors, qualified to recognize the factors that impede a child's educational capacity, be assigned to elementary schools. I am sure that the Senate will be surprised to learn that there were, during the 1961–62 school year, only eight counselors in all of the District elementary schools. In my judgment, there should be a minimum of 125 in the elementary schools, and probably a strong case could be made for more.

A great school superintendent in the District of Columbia is pleading for this kind of assistance, but he is met with parsimony on the part of Congress and the District Commissioners. The argument is that we cannot indulge in that kind of investment. My answer is that we cannot afford not to do so. Yet a people who have no self-governing rights, who are denied first-class citizenship, are at the mercy of Congress, which owes them no political obligation. We really cannot be considered to be their political representatives, so they get inaction, postponement, and a sweeping under-the-rug attitude toward many of their problems.

Just as in the case of counselors, professional opinion generally considers that a library is an essential unit of an elementary school without which it is difficult, if not impossible, to fully develop reading habits, vocabulary and effective understanding. There are no librarians in the District of Columbia elementary schools paid from funds appropriated by Congress. In the District of Columbia, experts advise me that there should be at least 1 librarian for each administrative unit of 500 or more pupils. Thus, by using simple arithmetic, 45 librarians were needed during the 1962 fiscal year. The District of Columbia Board of Education asked Congress for two librarians for fiscal year 1963, but the item was deleted by the House of Representatives. I am pleased to learn that the Senate Appropriations Committee provided the money deleted by the House to pay for two librarians.

The committee report states that three branch libraries will be built, if the committee recommendations are adopted. I should like to have those three branch libraries provided. But libraries in the school system are much more important. Adults can go to other libraries. Adults have at least been taught to read, and an interest in books has been aroused in them. But we are dealing with little boys and girls. It is important that we instill in them a love for books. When they are attending a school in which there is not even a library, to say nothing of a librarian, we ought to be ashamed of ourselves, for that is not the way to build an enlightened America.

Worthy as the three branch libraries are, I should much prefer that the money be spent first to build and develop libraries in the school system, for, after all, adults in the District of Columbia can move around and can reach the existing libraries; but all of us know that little children in the elementary schools will not do that.

So I stress the importance of the library program as an essential part of the District of Columbia educational program. When I plead for $120 million for educational purposes, by way of loaning authority, I am thinking in part about the library needs of the District of Columbia schools.

Mr. President, the attention of the Senate should also be called to the fact that there are no assistant principals in the elementary schools, no matter how many children are enrolled in such schools. School experts consider it necessary to have an assistant principal in any elementary school administrative unit of 1,000 or more pupils. At that rate, 18 assistant principals should have been assigned to elementary schools in the District of Columbia system during the 1961–62 school year. I am informed that the Board of Education did not request any assistance in this area. I think it is unfortunate that it did not make such a request. My guess is that after having had its requests on some of its other proposals turned down so many times, the Board was reluctant to venture a request in this area. Yet, Mr. President, this program exists in the outstanding school programs in this country, in cities comparable in size to Washington, D.C. If it is proper there, what is wrong with providing it in the Nation's Capital?

Just as in the case of assistant principals, with respect to administrative work, the burden of clerical work in a school with over 1,000 pupils is too much for a single clerk. Because of the serious school budget situation, I am informed that the current practice has had to be to assign one clerk to each elementary school principal. In my judgment, Mr. President, a request for 18 or 20 additional clerks would be an extremely modest one. The Board of Education has repeatedly sought funds for additional clerical help, but without success.

In the junior high schools, 22,926 pupils were taught by 860 teachers, although they needed a minimum 952 teachers, according to the Board of Education standard for adequate instruction. This shortage of 92 teachers was entirely in the academic subjects, where the classes in science ranged from an average of 31.5 pupils, in one school, to an average of 40.5 pupils, in another. Throughout the public schools the classes are large. In the last school year, in mathematics, averages ranged from 31.3 to 39.9 pupils; in English, from 30.8 to 37.7; in the social studies, from 33.1 to 37.1 and in the foreign languages, from 25.1 to 40.4 pupils.

In the senior high schools, with an enrollment of 12,905, there were 520 teachers, instead of the 535 which the school authorities contended they needed. As

in the junior high schools, the academic shortage was reflected in the range of the average class sizes, by schools. In science classes, the averages ranged from 26.3 to 34.8 pupils; in mathematics, 24.4 to 34.5; in English, 24.5 to 31.6; in social studies, 29.1 to 32.6; and in languages, 25.7 to 32.9.

The oversize classes at both junior and senior high school levels make it almost certain that not all pupils wishing to take a specific subject can be served, because of the lack of class accommodation. A class of 25 average and above average learners is considered by professional standards to be the maximum size for efficient teaching and effective learning.

Of vital importance to the motivation of a youth and to the selection and provision of an educational career suited to his interests and aptitudes, is the provision of adequate guidance service. In terms of well-established minimum ratios, the counseling service provided in the secondary schools is strikingly inadequate. This must relate to his full development as an informed and productive citizen actively promoting the health of the community and the Nation, through his share of contributions to community well-being and the gross national product.

As we all know, Mr. President, one of the basic obstacles to learning on the part of students is a reading handicap. During the 1960–61 school year, a report on special education and related services indicated a need for 37 remedial reading specialists. I was shocked to learn recently that during the 1961–62 school year, there was a waiting list, in the reading clinic, of 293 children who were not reached; and principals stopped referring children, since it was obvious that they could not be given any attention. This is a very shocking situation to be permitted to continue to exist in any school system.

Speech correction problems also require much more attention than they have received so far. I am informed that during the school year recently completed, 4,505 children were serviced, of whom 1,444 were corrected. At the end of the school year, there were 3,635 children on the so-called waiting list. These children would have required the services of at least 70 speech therapists. There were only 30.

I am advised that local school authorities have particularly acute difficulties in respect to teaching positions. In the 1963 budget estimates approved by the Board of Education in July, 1961, the Superintendent of Schools requested 159 teachers for regular grades 1 through 6, kindergarten, basic and social adjustment and sight-conservation classes.

These were considered necessary in order to meet the estimated increase in enrollment during fiscal year 1963, to bring the pupil-teacher ratio in regular classes down to the Board of Education standard of 30 to 1, and to allow children needing such instruction to be assigned to special education classes. For the junior high schools, 141 positions were sought; and for the senior high schools, salaries were requested for 24 teachers. The District Commissioners reduced the requests to 135 elementary school teachers, approved 141 junior high school teachers, and reduced to 21 the number of senior high school teachers. The House of Representatives reduced these further to 90 in the elementary schools, 89 in the junior high schools, and 14 in the senior high schools. The Senate Appropriations Committee was requested by school officials to restore 95 of the 104 positions deleted by the House of Representatives. I am informed that the Senate Appropriations Committee provided enough money to hire 41 additional teachers. This is a modest step in the right direction.

In the field of capital outlay, the Board of Education requested authorizations for construction totaling $18,388,110. The District Commissioners approved expenditures of $7,951,000 for this activity. The House of Representatives allowed the items approved by the District Commissioners and added some funds for the Hine Junior High School replacement. Anyone who has ever inspected the Hine Junior High School knows what a potential firetrap it is, as I have already pointed out earlier in this speech. District of Columbia authorities have perennially been plagued with space shortages. Backlogs that developed during the depression of the 1930's were augmented by the shortages of critical materials during World War II and the Korean conflict. The pay-as-you-go policy imposed upon the District of Columbia aggravated the situation. Now school authorities and the Board of Education are faced with the herculean task of trying to catch up with these deficiencies and to cope with the needs of a school population that has been growing steadily for 13 years.

So, merely meeting the new demands of a rapidly growing school population—which probably will continue its current upward trend well into the decade of the 1970's—will not solve all the problems of the District of Columbia public schools. During the 1948–49 school year, the Strayer survey discovered that a very considerable number of buildings required major improvements, and that others were so far below any reasonable standards, that the only economical remedy was replacement. In 1970–71, if the school authorities were allowed to borrow $120 million, as my amendment would permit them to do, to give effect to their present building plans, there will still be in use—22 years after the Strayer survey recommendations—25 buildings proposed for major improvements and 15 specified for replacement that have not undergone any major change, unless it be further deterioration.

From the following, it is perfectly clear that my amendment of $120 million earmarked for school purposes is a very modest one and should have the support of the District Commissioners. Even my amendment would not meet the Board of Education's school housing needs projected to 1970–71.

In 1961–62, the senior high schools housed 14,584 pupils and had surplus space for 2,500. If the loan I am seeking is secured and a new senior high school constructed, it is estimated that by 1970–71 the school system will have a space shortage of 1,000. The following year, despite completion of two additions the space deficit will rise to approximately 1,500. At the junior high school level, the school population in 1961–62 was 26,715—5,206 more than the total capacity available. By 1970–71, 10 new schools, 5 additions, 2 replacements, and a conversion are expected to reduce the enrollment that exceeds capacity by about one-half. However, there will still remain a need for more than 2,500 additional pupil facilities.

In the elementary schools, the population pressure will be more severe. In 1961 to 1962, there were 6,058 more pupils than proper quarters. In 1970 to 1971, if the plan for 17 new structures, the replacement of 8 plants, the construction of 16 additions, and the conversion of 1 vocational high school—with a combined capacity of 26,600—is consummated in its entirety—and at this point I would like to point out to the Senate that this phenomenon has never happened before—the net space shortage will amount to about 9,500 pupil stations. To put it another way, it will be about half again as large as the 1961–62 space deficit.

This inventory which I am giving to the Senate does not exhaust the list of capital outlay deficiencies. In 1948 to 1949, Dr. George D. Strayer surveyed the Teachers College of the District of Columbia and recommended that it be replaced. This has not yet been accomplished, in spite of the fact that in, 1958, the District of Columbia Teachers College accreditation was threatened, largely because of the inadequacy of its physical plant. The problem presented by the teachers college is not solely one of physical facilities, however. Equally important are the educational services it could render the community if it were permitted to do so.

In the first place, it could help to meet the local demand for teachers if it were given a modern plant and increased capacity. Its curriculum could be expanded and broadened to embrace a 4-year liberal arts course, plus a year of professional work. I can see no reason why this should not be done.

Secondly, a junior college could be added if current facilities were supplemented. In the past few years, I have consistently favored the establishment of a junior college in the District of Columbia. This would make possible vocational programs at the post-high-school level for the training of technicians in various fields; provide an opportunity for further education in the liberal arts or public affairs; and, indeed, open up the road to continuing education to the many young citizens of the Nation's Capital to their advantage, and to the social and economic health of the city and the Nation.

Mr. President, we are on the threshold of one of the most dramatic movements that has occurred in American higher education. As we debate the question this afternoon, and as I make my plea

for support of a junior college in the District of Columbia, I point out that Senators will find almost unanimity of opinion among the educators in this country, particularly those engaged in the training of teachers, that 10 years from now more students will be attending junior and community colleges in America than will be attending all of the so-called standard universities combined, which include State universities and colleges, and private universities and colleges.

There are many reasons for that, but automation is a major one.

What are we going to do with the young people of this country in 10 years, with the great shrinkage in job opportunities in the so-called unskilled and semiskilled areas of employment? Jobs are not going to be available, and we had better see to it that these tens of thousands of young people get an adequate education, or we will have social, crime, welfare, and economic problems that will make the present serious condition look like no problem at all.

So we procrastinate. We talk about economy. Politicians squeeze the eagle on the American coin, until it seeks to really fly away, with their specious, false economy arguments of: "You cannot afford adequate educational facilities." Mr. President, we cannot afford not to have them. We cannot afford not to see to it that the money is appropriated for the establishment of a junior college in the District of Columbia—a junior college that will provide facilities for training the new teachers that the District of Columbia sorely needs; a junior college that will provide for the vocational programs I have just mentioned.

The social, political, and economic fabric of this Republic cannot withstand the damage that will be caused by the tens of thousands of school dropouts if we do not take the necessary preventive measures now to see to it that such a situation does not arise.

When the senior Senator from Oregon is pleading for this kind of educational support for the District of Columbia, he is pleading for a sound economic action, and not for the false economic action represented by the action of a majority of the Senate District Committee.

I do not intend to adopt the argument of expediency, that this is supposedly all we can get. We do not know what we can get until we try.

We do not know whether we can get what we ought to have until the House acts upon the measure and we take it to conference.

But I do not propose to sell the House short. I do not propose to take the position that we cannot have this bill passed by the House. I propose to ask the Senate to answer the question on its merits. Is the Morse amendment sound?

Mr. President, many Senators tell me it is sound, but that they do not think there is any chance to have it adopted by the House. My answer is: "We will not know until we try."

I am satisfied that the evidence I am putting into the RECORD this evening leaves no room for doubt as to whether it is sound, because the evidence makes perfectly clear the crying need for the expenditures. The $120 million I ask for the years immediately ahead must be spent in order to provide a minimum adequate school system for the District of Columbia.

If that premise is sound, the amendment ought to be adopted by the Senate, and we ought to let the RECORD prove which body it is that is seeking to cheat the boys and girls and young men and women in the District of Columbia out of the educational opportunity which the best interests of this Republic demand they should receive.

In the third place, the foundation for a municipal liberal arts school would be established. In view of the limited economic resources of our current population, it would help to develop a core of academically skilled young people who could fill the growing number of positions available in the Federal and District civil service and lift the average income of the community to a point where it could support the reasonable demands of a modern municipality.

Lastly, a new college building would provide the physical plant for a graduate school at which our teachers could qualify for positions in the secondary schools.

I have emphasized only the major requirements in capital investment and funds for operation to give the Nation's Capital a school system of which we can all be proud. Anyone who has followed the activities of the Board of Education must realize that never in its recent history has it been able to meet its needs or fulfill its responsibility to the community. This is because it has never been furnished the resources of facilities and services required to run a first-class school system. It is just as apparent that current fiscal provisions for school operations are utterly insufficient. And it cannot be denied that without a wholesale change in the policies that govern the actions of the Congress and the District Commissioners, the facilities and services furnished—to say nothing of the opportunities made available to the children of the community—will be far short of the needs. No city in our country can afford the resulting waste in our brainpower, which is our most valuable resource, by permitting a school crisis to continue to exist such as we are doing in the District of Columbia.

The District Commissioners and Congress must do a better job in providing the wherewithall to run a first-rate school program as far as providing the facilities and opportunities for an education are concerned. Congress and the District Commissioners must come to grips with the problem of financing the local school system now, as it cannot continue to exist without serious repercussions.

I do not buy the argument advanced by the District Building and by some of my colleagues in the Senate when they say: "We cannot afford a first-rate school system in the District of Columbia." My answer to them is that we cannot afford not to give support to the kind of educational improvement program I have just outlined for the District of Columbia. We have got to stop the waste of potential brainpower of our students.

I am opposed to continuing a congressional program that, in my judgment, is characterized by both parsimony and just neglect and thoughtlessness.

We have to win the battle for freedom in the decades immediately ahead. In order to do this, it will have to be done with the manufacturing of brainpower missiles and not nuclear missiles. In my judgment, we are badly in need of putting the educational needs of our community and Nation in perspective.

There is no doubt, Mr. President, that a serious school crisis exists in the District of Columbia.

Mr. President, I ask unanimous consent that a table entitled "School Needs, 1963: Needs on the Basis of Schools in Operation, October 19, 1961," may be printed in the RECORD.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Is there objection?

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

FACT SHEET ON SCHOOL NEEDS, 1963

Needs on the basis of schools in operation Oct. 19, 1961, for improved services in fiscal year 1963 [1]

	Board of Education ratios	Additional number needed	Cost
Counselors:			
Elementary schools	750 to 1	113	$720,149
Junior high schools	400 to 1	38	242,174
Senior high schools	do	15	95,595
Vocational high schools	do	1	6,373
Total		167	1,064,291
Assistant principals:			
Elementary schools (for schools over 1,000)		18	131,264
Junior high schools (2d for schools over 800)		15	139,995
Total		33	271,259

See footnote at end of table.

FACT SHEET ON SCHOOL NEEDS, 1963—Continued

Needs on the basis of schools in operation Oct. 19, 1961, for improved services in fiscal year 1963 [1]

	Board of Education ratios	Additional number needed	Cost
Librarians:			
Elementary schools	1 for each school of 500 or larger	45	$96,345
Junior, senior, vocational high schools	1 for each school	18	38,535
Sharpe Health School			
Clerical service	1 day per week for each librarian	12	57,816
Total		75	192,696

[1] These estimates do not include amounts needed for supplies, textbooks, library books, reduction of class sizes to Board of Education ratios, special teachers for music and art, school social workers, psychologists, elementary cafeteria services, and staffing the central administrative offices.

Mr. MORSE. Mr. President, I ask unanimous consent to have incorporated in the RECORD as a part of my remarks several tables with subheadings which, in my judgment, contain material and data to support the arguments I have made in defense of my amendment. The tables were prepared by the District of Columbia Board of Education.

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

DISTRICT OF COLUMBIA SCHOOL NEEDS THROUGH 1969

TO MAINTAIN PRESENT SERVICES

[In millions]

1. Construction: *Cost*
   Amount needed through fiscal year 1969 [1] $120,000

   Amount needed to complete all projects initiated through fiscal year 1969 is $125,240,000. See attached summary for details.

2. Operating costs:
   Annual increase based on current levels of service [2] $15,828
   Salary increases (annual cost): A $5,000 to $10,000 salary range proposed for teachers; additional cost estimated on present staffing 7,100
   Total increase in annual operating costs for fiscal year 1969, based on existing service levels 22,928

[1] This does not include the obsolescence factor. 83 school buildings are 50 to 91 years old.

[2] This estimate makes no allowance for changes in salary schedules or in commodity prices. Neither does it include amounts needed to reduce class sizes to current Board of Education standards. The present pupil-teacher ratios and standards are as follows: Elementary standard, 30 pupils to 1 teacher; October 1961 ratio, 31.7 to 1. Junior high school standard, 25 to 1 in academic classes; October 1961 ratio 27.9 to 1.

For improved services in fiscal year 1969 [1]

	Board of Education ratios	Additional number needed	Cost
Counselors:			
Elementary schools	750:1	134	$955,000
Junior high schools	400:1	67	478,000
Senior high schools	400:1	27	192,000
Vocational high schools	400:1	5	36,000
Subtotal		233	1,661,000

	Additional number needed	Cost
Assistant principals:		
Junior high schools (2d for schools over 800)	18	168,000
Vocational high schools	3	29,000
Subtotal	21	197,000
Librarians:		
Elementary schools	107	643,000
Board of Education goals: 1 for each school of 500 or larger.		
Librarians—Continued		
Junior, senior, vocational high, and Sharpe Health Schools	38	$230,000
Board of Education goals: 1 for each school.		
Clerical service	33	159,000
Board of Education goals: 1 day per week for each librarian.		
Subtotal	178	1,032,000
Clerks for principals' offices:		
Elementary schools (2 per school over 1,000 or with 2 schools in 1 administrative unit)	62	299,000
Junior high schools (2 per school over 1,000)	20	96,000
Subtotal		395,000
Total annual cost of improved services: Counselors, assistant principals, librarians, clerks		3,285,000
Total additional annual operating cost: Fiscal year 1969 based on existing level of service		22,928,000
Grand total increase in operating costs, fiscal year 1969		26,213,000

[1] These estimates do not include amounts needed for supplies, textbooks, library books, reduction of class sizes to Board of Education ratios, special teachers of music and art, school social workers, psychologists, elementary cafeteria services, and staffing the central administrative offices.

Summary of school public works program, 1964–69

Schools	Number of projects	Number of classrooms	Estimated cost
Elementary schools:			
New buildings	13	316	
Additions	14	182	
Replacements	8	[1] 120	
Conversion (Burdick)	1	24	
	36	642	$41,361,000
Senior high schools:		*Capacity*	
New buildings	1	[2] 1,800	
Additions	3	1,248	
Replacements			
Stadium	1		
	5	3,048	10,362,000
Vocational high schools:			
New buildings	1	[1] 492	
Additions	1	350	
Replacements	2	[1] 842	
	4	[1] 1,684	9,036,000

Schools	Number of projects	Number of classrooms	Estimated cost
Junior high schools:			
New buildings	8	11,387	
Additions	4	804	
Replacements	2	[1] 351	
Conversion (DCTC-Wilson)	1	700	
	15	[1] 13,242	$43,859,000
General:			
New building, District of Columbia Teachers College.			7,852,000
Sharpe Health School addition			450,000
New administration building			5,120,000
Permanent improvements			7,200,000
Total			[3] 125,240,000

[1] Net.
[2] Extensible.

[3] This is the complete cost of all projects completed or initiated in the fiscal years 1964–69. The amount needed to be spent during the 6 years is $120,000,000.

Funds requested by the Board of Education and funds appropriated by the Congress for capital outlay for the fiscal years 1953 through 1962

Year (1)	Amount requested by Board of Education (2)	Amount appropriated (3)
1953	$13,088,000	$1,451,000
1954	10,381,000	3,313,000
1955	[1] 11,511,000	7,375,000
1956	7,931,350	4,471,326
1957	9,178,900	6,181,700
1958	14,963,000	10,642,722
1959	14,033,125	8,920,300
1960	15,596,389	6,911,000
1961	14,397,497	6,944,000
1962	12,316,366	8,886,000

[1] This does not include $294,700 requested for the construction of a television station.

Mr. MORSE. Before I close, Mr. President, I would have the Senate take a look at the report made by the Senate District Committee and its justification for the inadequate loan program it recommends to the Senate.

I have already commented upon the proposed three branch libraries.

The committee also recommends one police precinct replacement. I should like to support the police department, but if I have to make a choice between this police precinct building replacement and the elimination of an elementary school firetrap, I shall have no difficulty. I shall eliminate the firetrap.

It is proposed that there be one new firehouse and one replacement. If I have to make a choice between eliminating a school firetrap or building a new firehouse, I am going to choose to eliminate the firetrap, because as a member of the Committee on the District of Columbia for a number of years, I wish to say there is pretty good fire protection in the District of Columbia. In my judgment, it is more important that we take care of the school needs than that build a firehouse, although I am for both.

Under the Morse amendment we would not have to reduce any of these items. I am simply seeking, by this analysis, to bring out the relative importance of the recommendations of the committee and the recommendations of the senior Senator from Oregon.

Two new recreation centers are suggested. I have no difficulty in making the choice, Mr. President, if the choice is to be made. I choose to dispense with the recreation centers for the time being.

There is proposed one new health center in the Northeast. I know of no crying need for that health center at the expense of a needed school, although I am for both.

A heating plant replacement at the workhouse is recommended. I do not know what is the condition of the heating plant, but I would be the first to say that if the workhouse does not have enough heat it had better get a heating plant.

There are proposed two additional dormitories at the reformatory. I should like to see the evidence which shows that the dormitory situation is more crowded than the schoolrooms of the District of Columbia. I should have to consider that evidence—and the committee report does not give it to me—before I could decide that we should build the dormitories at the reformatory rather than do something about the overcrowded conditions in the schoolrooms of the District of Columbia.

There are three new cottages proposed for Junior Village. Junior Village is in need of some replacements.

A couple of years ago I conducted a survey and investigation of Junior Village. The plight of schoolrooms in the District is worse than the plight of Junior Village although both situations are bad. A new heating plant ought to be installed at Junior Village.

The next item is a continuation of the street-lighting program. I would like to have the street-lighting program improved, but I would have no difficulty in making a choice, because it is not a question of providing lights where we do not have lights. It is a question of providing a better lighting system. I will take the new schoolrooms if I must make a choice.

The next item is a continuation of the stormwater sewer construction program. Quite a case could be made for that, but it does not follow that the adoption of my amendment would mean that we could not do any of those things. To the contrary, adoption of my amendment would not affect any of that program. I am calling attention to these comparative values because they are the things which the committee is recommending, instead of recommending an adequate school system that the amendment of the senior Senator from Oregon would provide.

Lastly, the projects would include the construction of the West Administration Building. I have no difficulty with that, either. I will take the education facility.

In today's newspapers I read that apparently a stop order has been put on by the House with respect to the monstrosity that has been proposed as a monument to the incomparable Franklin Roosevelt. But it is symbolic of the point I raise. We can get monuments, statues, and a great many other projects that fall in the field of nonessentiality. But when we make a plea for the kind of amendment that would provide $120 million of borrowing power for the schools of the District of Columbia, we are told that we cannot afford it. We are told that the District Commissioners are against it. But the Board of Education is for it. The Superintendent of Schools is for it. If the children of the District and their parents could vote, they would be for it.

So what do I propose? I propose a borrowing authority to the tune of $120 million earmarked for school purposes.

I am asked: "How is it to be paid back? We do not see any foreseeable chance of Congress increasing its appropriation."

Mr. President, I say quite frankly that it would be pretty good to run up that debt of $120 million and build valuable monuments in the District of Columbia in the form of school buildings. If the Senate wished my recommendation for a Franklin Roosevelt Memorial, I would state what it would be. I would name the proposed educational program as his memorial, and thereby we would pay the greatest honor we could pay him.

Mr. President, how I would like to hear the golden words that would flow from Franklin Roosevelt's lips if he were with us to make the choice tonight. I do not think anyone can deny that he would much prefer such a memorial than such a memorial as, to my inartistic eyes, would closely resemble a graveyard tombstone arrangement rather than a fitting memorial for Franklin Roosevelt.

I am proposing what could be called a living memorial to that great American, for the schoolchildren never had a better friend. Franklin Roosevelt recognized the importance of the Federal Government assuming its share of responsibility for educational support.

It would be a pretty good strategy to run up the debt of $120 million and then let Congress decide, on the basis of the educational results, whether or not it was a pretty good investment. I have a hunch that that would be a pretty good way to get the allotment of Congress to the District of Columbia budget up from its present $30 million to a minimum of $40 million or $45 million.

Counsel has pointed out to me that the Federal Government is very much interested in getting better housing conditions for the sea elephants, manatees, bears, moose, and scores of other animals out at the Zoo. It is very much interested in getting money for a building program at the Zoo, though we cannot get sufficient and adequate buildings for schoolchildren. I am at a loss to understand such false values.

I have made my case. I now have a question to ask my good friend from Massachusetts. We are all indebted to the Senator from Massachusetts [Mr. SMITH] for the wonderful work that he has performed on the District of Columbia Committee. He has been one of our most conscientious members. I fully realize that he is in a position in which he must support the position of the committee.

I fully realize that there is no better friend of education in the Senate. It grievously pains me to find myself in disagreement with my friend from Massachusetts, although I wish to say good naturedly that I would take my chances with him, if he were not chairman of the subcommittee, as to his position on the merits of my amendment.

But I beg of him—figuratively on bended knee I plead with him—to accept the amendment. I want him to know that I would reject immediately an argument, if it should come from his lips, that he would hope not to go to conference, and that he would hope to get a bill passed without going to conference.

I do not believe the responsibility for failure to adopt my amendment, in light of the supporting data that I presented here this afternoon, should rest with the Senate. If it must rest with anyone, it ought to rest with the House. At least, the Senator from Massachusetts ought to give the amendment a run for its money. He ought to take it to conference if necessary and force the con-

ferees to try to find some arguments in answer to the amendment other than merely arguments of political expediency, legislative expediency, the lateness of the session, or the fact that we might not get any bill at all. I am not so sure that it would not be all right to defer it until January.

That would result in a great deal of education. That would make people talk about the merits of the proposal I am making. I have seen that happen before on the District of Columbia Committee, as we have seen proposals go over until the next session of Congress. There was the revenue bill during the last session of Congress. Let us consider the much better revenue bill we got at this session of Congress than we would have obtained if we had yielded to the pressure then to take what people wanted to give us, on the ground that it was that or nothing. I said it would be nothing. They knew that I was in a position to carry out my prediction. As a result we ended with a better revenue bill this year.

I have assured the Senator from Massachusetts of my cooperation in regard to obtaining a vote on the bill in this session of Congress. However I do not believe he should take advantage of my generosity in regard to my parliamentary position. I am a reasonable man. I know that he knows there is great merit in my amendment. I know he is disturbed by the fact that the Commissioners oppose my proposal. I ask him not to let that bother him. I have seen them oppose a great many good things many times.

I close with fervent plea to him to take the amenment if necessary to conference and see what luck he will have with it in conference. If he makes the kind of fight in conference that I know he will make, and he is licked, I will take my licking there. However it seems to me quite unfair to ask me to take my licking on the floor of the Senate when there is so much merit in the position I have taken.

Mr. SMITH of Massachusetts. Mr. President, first I wish to commend the senior Senator from Oregon for his excellent review of the educational problems not only of the District of Columbia but also of the entire country.

What the senior Senator from Oregon has said applies to all our cities in many respects. From working closely with him on the District of Columbia Committee, I know that he is sincere in his remarks. During the time that I have worked with him on that committee, I have found him always to have in mind the best interest not only of the schoolchildren of the District of Columbia, but also people of the District.

I know that he means every word of what he has said. It is true that over the years he has done a great deal for the District of Columbia.

I should like to explain why the proposed amendment offered by the Senator from Oregon [Mr. MORSE] to S. 3313 was not adopted by the full Committee on the District of Columbia during its executive meeting of July 24, 1962, and why I recommend that the Senate enact this bill without the proposed amendment.

Senator MORSE's proposal would increase the borrowing authority for the District of Columbia by $155 million—to a total of $230 million, rather than an additional $75 million—to a total of $150 million, as now provided in the pending bill. The Morse amendment also provides that $120 million of the $155 million increased borrowing authority will be earmarked for educational purposes and that such portion so designated shall be borrowed from the U.S. Treasury without interest.

The proponents of the amendment to the pending bill contend that such proposed increase in the borrowing authority is needed to construct facilities that will provide the District of Columbia with a modernized educational program.

Mr. President, it is readily apparent that the Morse amendment has the effect of increasing the borrowing authority more than twofold over that which the Commissioners for the District of Columbia have requested in the pending bill. It is the view of the District Commissioners that any increase in excess of $75 million in the borrowing authority, and as is now provided in the pending measure, could impair what has been determined to be the safe debt limit for the District of Columbia. During the public hearings on S. 3313 held by the Fiscal Affairs Subcommittee, the subcommittee was informed that the request for additional $75 million loan authority is within the limits of debt which may be safely incurred by the District. It was also pointed out that generally, debt limits are to be gaged by the amount and quality of the resources of the city and its practical ability to draw upon these resources for payment.

The District Commissioners informed the committee that their policy in regard to limit of indebtedness provides that the aggregate of indebtedness should not exceed 12 percent of the average assessed value of the taxable real and tangible personal property of the District of Columbia as of July 1 of the 10 most recent fiscal years. This is the equivalent of a rate of 6.6 percent based on full valuation of taxable real and personal property. The average assessed valuation of taxable real and personal property in the District of Columbia for the last 10 fiscal years is approximately $2.4 billion, and 12 percent of this valuation would set the limit of indebtedness at about $288 million.

At the present time, the unliquidated authorized indebtedness of the District, including Federal obligations of $28 million, amounts to $219 million. The Commissioners advise that an additional $75 million authorized indebtedness as is now proposed in the pending bill would not exceed 12-percent limit of indebtedness when consideration is given to the fact that the assessed valuation is steadily increasing and debt service payments are steadily decreasing the amount of indebtedness.

It is perfectly clear that under the Commissioners' formula an increase of $155 million in the borrowing authority as proposed in the Morse amendment would far exceed the 12-percent limit of indebtedness which the Commissioners consider to be the safe limit to the District's borrowing authority.

In addition to the proposed amendment possibly causing an overextension of the borrowing authority, the status of the District's educational facilities coupled with what has been programed for construction does not indicate a need for new construction of the scope that would call for borrowing authority to the extent of $120 million.

The committee has been informed that since 1959, 13 elementary schools and junior high schools have been authorized for construction in the District of Columbia. Six of these schools are now actually completed and in use, four are under construction, and three are in the planning stage. In addition to the new construction, there has been authorized 22 additions to other Dstrict schools, 16 of which are now in use, 3 are under construction and 3 are in the planning stage. When this school construction is fully completed, there will be increased capacity in the District schools for 18,295 pupils.

I ask unanimous consent that there may be printed in the RECORD at this point a list of new projects included in the Commissioners' public works plan for the fiscal years 1964–68.

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

DISTRICT OF COLUMBIA

LIST OF NEW PROJECTS INCLUDED IN THE COMMISSIONERS PUBLIC WORKS PLAN FOR THE FISCAL YEARS 1964–68

These projects are to be financed from the proposed additional loan authorization, increased general revenues, and increased Federal payment.

PUBLIC SCHOOLS

Elementary school

New

Elementary school, 17th and E Streets, NE., area 7, capacity 1,076.

Elementary school, 47th and Blaine Streets NE., area 8, capacity 1,106.

Elementary school, specific site undetermined, area 6, capacity 668.

Elementary school, specific site undetermined, area 12, capacity 1,076.

Elementary school, Wheeler Road and Mississippi Avenue SE., area 14, capacity 866.

Replacements

Brent, Third and D Streets SE., area 20, net capacity 268.

Seaton, I between Second and Third Streets NW., area 12, net capacity 676.

Additions

Bunker Hill, area 4, capacity 366.
Powell (2d), area 2, capacity 388.
Keene, area 1, capacity 608.
Slowe, area 4, capacity 450.
Smothers, area 8, capacity 428.
Burrville, area 8, capacity 388.
Nalle, area 8, capacity 336.

Junior high schools

New

Junior high school, North Dakota and Kansas Avenues, NW., group 2, capacity 1,473.

Junior high school, 50th and Grant Streets NE., group 6, capacity 1,498.

Junior high school, 16th and Irving Streets NW., group 3, capacity 1,498.

Replacements

Hine, Seventh and C Streets SE, group 5, net capacity 20.

Shaw, Seventh and O Streets NW., group 3, no increase in capacity.

Additions

Browne, group 4, capacity 25.

Randall, group 5, capacity 25.

PUBLIC LIBRARY

New

Southwest branch, adjacent to Town Center, southwest urban renewal area.

West end branch, Pennsylvania Avenue and 24th Street NW.

Chevy Chase branch, Connecticut Avenue and McKinley Street NW.

POLICE

Replacement: Precinct No. 13, 1600 block of V Street NW.

FIRE

New: Engine Co. No. 33, 13th Street and Whittier Place, NW.

Replacement: Engine Co. No. 18, 414 Eighth Street SE.

RECREATION

New: Randall Recreation Center, First and I Streets, SW.; Fort Reno Recreation Center, Nebraska Avenue and Fessenden Street, NW.

HEALTH

New: Northeast Health Center, 40th and Clay Streets, NE.

CORRECTIONS

Heating plant replacement at workhouse, two additional dormitories, reformatory.

WELFARE

Replacement of three cottages, Junior Village, and new heating plant.

SANITARY ENGINEERING

Continuation of the stormwater sewer construction program.

HIGHWAYS AND TRAFFIC

Continuation of the street lighting program.

Mr. SMITH of Massachusetts. Mr. President, in furtherance of this progressive school construction program, the Commissioners have approved a continuing public works plan in 1964–68, which will provide for the construction of additional school facilities at both the elementary and secondary grade levels. The Commissioners have programed $142 million for this proposed work, a large part of which will be financed through the $75 million borrowing authority that has been requested in the pending bill. The school facilities to be constructed by the works program will include three new elementary schools, two replacement elementary schools, and seven additions to elementary schools. In connection with junior high schools, the construction program proposes three new schools, two replacements, and two additions. Upon completion, these educational facilities will increase the pupil capacities in elementary schools by 8,692 and by 4,316 in the junior high schools.

It seems perfectly clear that the total effect of the school construction projects will be to provide the District with improved and modernized educational facilities at both the elementary and secondary grade levels.

Mr. President, I have endeavored to provide a cursory outline of the progressive school building program that is and will continue to take place in the District, and which if it is to be completed is dependent upon the $75 million increased borrowing authority provided for in the pending bill. I have also tried to explain that the borrowing authority of the District of Columbia as in the case of any other municipality is not unlimited and, if excessive, could impose an undue burden on the financial posture of the city government.

With due consideration to all the arguments and contentions that have been made for the Morse amendment, it seems perfectly clear that $155 million increased borrowing authority is excessive, and that the $75 million as provided in the bill is reasonable and will provide without placing an undue strain on the District government the financial means to continue with the construction of elementary and junior high school facilities.

Only yesterday the Senate passed a bill to provide pay increases for the teachers of the District of Columbia. I am happy to say that this increase would bring the pay of District of Columbia teachers up to second position in the entire country. Only New York City remains ahead of the District of Columbia, under the provisions of the bill.

It is fine to have new schools for all our pupils; but I think the important thing is to have good teachers, well qualified teachers, teachers who are well paid. I think that is the important point in this respect.

Mr. President, I respectfully urge Senators to join with me in passing the bill without amendment.

Mr. MORSE. Mr. President, my rebuttal to the Senator from Massachusets will be brief. We have just heard the dollar-sign argument. It is the position of the budget officials and of the District of Columbia Commissioners. It is not the position of the Board of Education. It is not the position of the Superintendent of Schools. It is not the position of the educational authorities of the area.

All the buildings that the Senator from Massachusets talked about in his explanation of the contemplated program are included in the data which the senior Senator from Oregon presented to the Senate this evening. They are all a part of the program of the Board of Education and the Superintendent of Schools. They are all included; and by including them we would end with the deficiency that I outlined. The choice is whether we are willing to accept the money argument, the economy argument, the dollar-sign argument, over the educational needs of the boys and girls of the District of Columbia.

There is no question that if the funds for which I have asked are not provided, the District of Columbia will not have the educational facilities which are needed by the year 1971. What should the choice be?

It is said by the Senator from Massachusetts that if the borrowing authority is increased, we shall be confronted with unsound fiscal plans in the District of Columbia with respect to the tax base and the borrowing liability. Whose fault is that? That is the fault of Congress because of its long program of parsimony toward the District of Columbia. Congress has walked out on what was clearly the understanding and the agreement which the Constitutional Fathers entered into with the District of Columbia when this area was set aside as the location for the National Capital. I have brought this out time and again over the years in our discussion of home rule and of various proposals to increase the Federal payment. I merely summarize with this statement tonight.

The data is replete in the CONGRESSIONAL RECORD over the years. This subject is a matter of history. It was the promise of the Constitutional Fathers, it was the understanding entered into when the District of Columbia was established, that the Federal Government would contribute 50 percent of the cost of operating the city. That was the historic understanding.

The ratio slipped down to 40 percent for many years. Then the toboggan ride began. I believe the last figure is approximately 11 percent.

The imbalance which the Senator from Massachusetts talks about is caused by Congress. In my judgment, the responsibility must be placed squarely on the shoulders of the Federal Government. The schoolchildren of the District of Columbia should not be penalized for the dereliction of Congress and the District Commissioners.

The issue is drawn: Is the school program for the District of Columbia for the next 10 years, as submitted by the Board of Education and endorsed by the Superintendent of Schools, Dr. Hansen, a program which is necessary to provide the educational standards we know a boy or girl ought to be able to enjoy if he or she is sent to a public school in the District of Columbia?

What is the colored population in the public schools of the District of Columbia? It is in the neighborhood of 73 percent. I wonder if I would have so much trouble with my amendment if the population of the District schools were 73 percent white.

I think Congress should take a course of action that would make impossible even a suspicion that that might make a difference. A great problem exists in this country to see to it that the educational opportunities for the colored people of America are improved, for I think the race problem in this country will be solved to a considerable extent when the educational problem which confronts the colored people of America is solved. It is not only a question of integration, important as that is. It is important to see to it that when a little colored boy or girl goes to a public school in America, that boy or girl gets a good education; for with a well-educated Negro population in America, we will find a great source of power for the solution of our civil rights problems.

I think Congress has an obligation to make a model of the public school system in the District of Columbia. I took part in the integration fight a few years

ago. I recall all the things that we were told would happen if the public schools of the District of Columbia were integrated. We stood up against all the pressure to keep the schools segregated; and the schools were integrated.

Mr. President, all the calamity howlers were proved to be dead wrong. Not one serious incident developed in that whole integration process. It was a great step forward.

But, Mr. President, the step needed now is to provide adequate facilities and adequate teachers—the necessities to which I have referred in my speech this afternoon—which are required in order to remedy all the inadequacies of plant and service, teachers, facilities, and special training—inadequacies which the records show now exist in the District of Columbia. But, Mr. President, in my judgment nothing in the bill of the committee will solve that problem, in any great degree, unless Congress permits the District of Columbia to have sufficient borrowing power to enable it to borrow—until such time as Congress is ready to repay it—the money needed in order to be able to provide these necessary facilities, Mr. President, that is why my amendment should be adopted.

I say respectfully that I think the committee's program is grossly inadequate; and we should place our trust in the educators and the Board of Education for the District of Columbia, and we should underwrite this program. It will be underwritten if my amendment is adopted.

Mr. SMITH of Massachusetts. Mr. President, I think the Senator from Oregon is speaking now of the proposed increased Federal payment. I stand with him on that score. I do not think the argument is in regard to increasing the borrowing authority.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The question is on agreeing to the amendment of the Senator from Oregon.

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

Mr. HUMPHREY. Mr. President, will the Senator from Oregon withhold that suggestion for a few minutes?

Mr. MORSE. Yes; I am willing to do so.

Mr. MILLER. Mr. President, I rise to request that certain newspaper and magazine articles dealing with other subjects be printed in the RECORD. I ask that my remarks in connection with these requests be printed in the RECORD at a later point.

The PRESIDING OFFICER. Without objection it is so ordered.

(Mr. MILLER'S remarks and requests for printing in the RECORD appear at a subsequent point in the RECORD, under the appropriate headings.)

The PRESIDING OFFICER. What is the will of the Senate?

Mr. HUMPHREY. 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. HUMPHREY. 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. HUMPHREY. Mr. President, as I understand, the Senator from Oregon wishes to have a yea-and-nay vote taken on the question of agreeing to his amendment. I wish to suggest that the Senate temporarily lay aside the further consideration of this bill; that in the morning, after the Senate convenes at 10 a.m., 5 minutes to a side be allowed on the amendment—if this course will be agreeable to the Senator from Massachusetts, as well as to the Senator from Oregon—and that at the conclusion of the morning hour, the Senate proceed to vote, on the basis of the understanding I have just announced—namely, 5 minutes to a side. I so request, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object, I wish to say to the acting majority leader that I deeply appreciate his cooperation in connection with this matter, and I also deeply appreciate the cooperation of the Senator from Massachusetts [Mr. SMITH].

I wish my colleagues to examine my position for just a moment: I never engage in parliamentary gestures. I never make a pro forma speech in support of an amendment. All of us know the difficulty with which we probably would be confronted if we attempted to obtain a quorum tonight; but in my judgment this amendment is one of the most important proposals for which I have fought on the District of Columbia Committee. I believe the amendment should be adopted. I have made a good-faith fight in my attempt to have it adopted. I want the amendment either voted up or voted down; and I do not want the amendment to be voted on tonight, by a voice vote, with only half a dozen Senators present to participate in the vote.

I appreciate very much the suggestion of the Senator from Minnesota that 5 minutes be allowed each side in the morning. I have made my case, and at least it will be a matter of record; and then no one can say I did not make a good fight for the adoption of my amendment.

Mr. HUMPHREY. Mr. President, all of us know that the Senator from Oregon [Mr. MORSE] always makes good-faith fights for the amendments in which he believes.

Mr. President, I now ask unanimous consent that tomorrow, following the morning hour, there be 5 minutes to a side, and that then the Senate vote on the question of agreeing to the amendment of the Senator from Oregon [Mr. MORSE]; and I also ask that at this time Calendar 1775, House bill 3313, to authorize an increase in the borrowing authority for the general fund of the District of Columbia, be temporarily laid aside, and that the Senate return to its consideration, as the pending business, tomorrow, following the morning hour.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HUMPHREY subsequently said: Mr. President, while the Senator from Arizona [Mr. GOLDWATER] is still in the Chamber—and I know he must leave shortly—and while I have the attention of the senior Senator from Oregon, with respect to Calendar No. 1775, S. 3313, on my request there has been a unanimous-consent agreement. I also ask unanimous consent that no further amendment to the bill be in order.

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

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Thursday, October 4, 1962, at the conclusion of routine morning business, during the further consideration of the bill (S. 3313) to authorize an increase in the borrowing authority for the general fund of the District of Columbia, all debate on the pending amendment by the Senator from Oregon [Mr. MORSE], and on the bill, be limited to 10 minutes, to be equally divided and controlled by the mover of the amendment and the majority leader: *Provided further*, That no further amendment to the bill be in order.

THE MONROE DOCTRINE

Mr. MILLER. Mr. President, in the November 24 and October 1 issues of Newsweek magazine there are two excellent articles on the Monroe Doctrine by the distinguished columnist, Mr. Raymond Moley. Mr. Moley clearly points out the fallacy in arguments that the Monroe Doctrine is extinct because of our commitments in Europe. He well distinguishes between the use of our bases there to prevent aggression and the use by the Soviets of bases in Cuba to promote aggression. I ask unanimous consent that these two articles be printed in the RECORD.

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

[From Newsweek magazine, Sept. 24, 1962]

MONROE DOCTRINE TODAY—I

(By Raymond Moley)

In a characteristic campaign outburst, Harry S. Truman said 2 weeks ago: "The reason we're in trouble in Cuba is that Ike didn't have the guts to enforce the Monroe Doctrine." It will serve no purpose in the crisis that we face in Cuba to reply that until Castro had deliberately proclaimed himself to be a Communist any application of the Monroe Doctrine would have been quite inappropriate. It is true that Castro's allegiance to the Communist system should have been known to the Eisenhower administration well before he gained undisputed control of the island Republic. Our two Ambassadors there learned about it, but were not permitted by the State Department bureaucracy to tell their story to Secretary Dulles and President Eisenhower. But even then it would have been difficult legally to sustain the assertion that an alien system had been imposed from without. The Soviet takeover has been consummated since President Eisenhower left the White House.

Without in any way presenting an excuse for the paralysis which has characterized the Kennedy administration since the Bay of Pigs affair, a number of considerations qualify the direct application of the doctrine proclaimed nearly 140 years ago.

CHANGED CONDITIONS

My space here does not permit a detailed account of the nature and various applications of the principle established by President Monroe and his Secretary of State, John Quincy Adams. The reader is referred to the easily accessible and brilliant article by Charles Evans Hughes in the Encyclopedia Britannica.

A considerable number of Americans believe, with Khrushchev, that the Monroe Doctrine is dead. This belief is based upon several developments since World War I.

The Monroe Doctrine asserted this as a major premise: "In the wars of the European powers in matters relating to themselves we have never taken a part, nor does it comport with our policy so to do." The argument follows that we have within half a century participated in two European wars and that, as the aftermath of the most recent one, we have powerful military installations in Europe designed not only to protect Europe from Soviet aggression but also to serve as a means of defending the United States itself.

Another point urged against the unilateral application of the Monroe Doctrine to Cuba is that we have involved ourselves in treaties and other obligations which act as legal restraints—NATO, the Organization of American States, and also the United Nations. In the light of these changed conditions, it is suggested that in our efforts to establish collective security we have seriously exposed our own security as sovereign state.

LIVING PRINCIPLES

These considerations are, of course, well known to the Soviet, and that is why they can act so boldly in their Cuban takeover. They also realize that our Anglo-American heritage forces us to provide plausible legal justifications for every move we make to protect our security and interests. The Soviet, like the Nazi regime, and even the German Empire which invaded Belgium in World War I, have not been bound by a respect for law.

In replying to the assertion that the Monroe Doctrine is dead, several vital points can be made. One is that the Monroe Doctrine specifically said that we should regard as an unfriendly act any further colonization in the New World; also, that we should resist any introduction of an alien system in this hemisphere. We have repeatedly denied our desire for territorial gain, nor do we have any intention to colonize anywhere. Our bases in Turkey and Spain have nothing to do with the internal affairs of those nations. The Communist takeover in Cuba is a barefaced operation designed to establish a Communist- and Soviet-dominated state in the center of the Western Hemisphere.

What is needed is a revised doctrine, based upon the realities of the present day, which is not merely a restatement of what was said in 1823 but centered in an international principle older than the Monroe Doctrine and upon which Monroe and Adams based their own historic decision. I shall discuss that next week.

[From Newsweek magazine, Oct. 1, 1962]

MONROE DOCTRINE TODAY—II

(By Raymond Moley)

In answer to those who would invoke the Monroe Doctrine in dealing with the Soviet takeover in Cuba, several objections are raised. Each of these deserves examination.

One is that since we have established airbases in Turkey and elsewhere in Europe and the Middle East, we have abandoned the major premise of Monroe's proposition that the United States would keep hands off European affairs "in matters pertaining to themselves." Last week I replied to that by pointing out that our airbases over there have been installed with the full consent of the countries involved and that we have not in any way interfered with their internal affairs nor with their relations with their neighbors. Our installations are there for the defense of those nations and ourselves.

Another objection is that we agreed to supplant the Monroe Doctrine with a multilateral system at the Inter-American Conference at Caracas in 1954. In the agreement made there, Secretary Dulles secured the declaration that the control of an American nation by international communism would be regarded as a threat to the American continents and would be followed by inter-American consultation and action. This, however, did not tie our hands, because if such consultation should be futile and no collective action could be secured, we could still act on our own.

THE INHERENT RIGHT

It is most important to understand that while the Monroe Doctrine has been inserted as a reservation in many international agreements at our instance, such as in the Hague Convention of 1907, it is not a matter of international agreement. It rests upon the inherent right of a sovereign state to protect its own security and interests by whatever power that state can summon.

One of our greatest Secretaries of State, Elihu Root, when he was Secretary of War in 1901 insisted that the Platt amendment be made a part of the terms under which Cuba was given its independence. This gave the United States the right to intervene in Cuba to maintain a stable government there and also to permit us to have the Guantánamo base on Cuban soil. One of the first of our major mistakes since then was the abrogation of the Platt amendment by President Roosevelt in 1934.

In 1919, after we had participated in the war in Europe, Root commented at length on the principles surrounding the Monroe Doctrine. He justified our participation in that war on European soil to help prevent another war which would embroil the whole world. On another occasion, Root said that the Monroe Doctrine rested "upon the right of self-protection and that right is recognized in international law." Another great Secretary of State and lawyer in his own right, Charles Evans Hughes, quoted this statement of Root with approval.

PREVENTIVE MEASURES

In short, international law is unlike domestic law, which rests upon the consent of the governed and upon the enactments of representative bodies. Until there is a real international community—and we are far from such an ideal—those who have the power to do so must act as suits their concept of their security, their commitments to weaker nations, and in their long-term national interests.

It is a pity that this Soviet military buildup has not been dealt with forcefully sooner than this. But now we should take such action as will prevent it from growing further.

We should take our stand on the high seas around Cuba and prevent the export of materiel elsewhere in our hemisphere. We should make far stronger representations to European countries and other nations of the free world, to prevent ships of their flags from carrying equipment from Communist countries to Cuba. If that appeal fails, there is plenty of pressure available to force action by those nations. If any hostile actions come from Cuba, either against our base at Guantánamo or our ships and planes at sea, we should declare a state of war with Cuba and impose an immediate and complete blockade. Presumably, consultation with the OAS should precede these actions, but there is no time now to wait for full agreement before the foregoing actions are taken on our own account.

THE CUBA PROBLEM

Mr. MILLER. Also, Mr. President, in the September 30 and October 1 and 2 issues of the Washington Evening Star, there appeared a series of three articles on the Cuban problem, written by the noted playwright, our former Ambassador to Italy, and former Congresswoman from Connecticut, Clare Boothe Luce. She is sharply critical of the administration's mishandling of the problems posed by peneration of the international Communist conspiracy in Cuba; and I believe it is highly significant that a member of the gentler sex calls for stronger measures on our part in order to maintain our security. I ask unanimous consent that these articles be printed in the RECORD.

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

[From the Washington (D.C.) Star, Sept. 30, 1962]

UNITED STATES CUBAN PERFORMANCE PROFILE IN INDECISION

(By Clare Boothe Luce)

NEW YORK, September 29.—"The President feels that Cuba is a bone in his throat." So spoke one of President Kennedy's aids soon after the abortive invasion of the Bay of Pigs.

Since then the obstruction has become a large bone of national and international contention.

How did it get stuck there in the first place? How big, how dangerous is it? Can it be dislodged short of war?

The President naturally wants to keep these awkward questions out of this fall's congressional elections. But the failure to ask them and to answer them honestly is fraught with danger to the Nation.

Castro began as a bone in the throat of the Eisenhower administration 4 years ago. Two years later, Candidate Kennedy did his eloquent best to get Mr. Nixon to strangle on it. Picking the decline of American safety and prestige as his theme, Mr. Kennedy pointed to the rise of Castro as prime evidence that "our security and our leadership are both slipping away."

His Cuban policy was to "let the Cuban people know our determination that they will someday again be free," to "let Castro know that we do not intend to be pushed around any longer," to "let Mr. Khrushchev know that we are permitting no expansion of his foothold in our hemisphere," and especially to "end the harassment * * * of liberty-loving anti-Castro forces in Cuba and in other lands."

"Thus far," Candidate Kennedy said, "these fighters for freedom have had virtually no support from our Government." And, "the way to put the ideals of the American Revolution into significance is to act on them, not to talk about them." Hopefully," he said, "events may once again bring us an opportunity to [act] on behalf of the cause of freedom in Cuba."

Hopefully, events did bring the newly elected President this opportunity. In April 1961, President Kennedy authorized the Cuban invasion. But at the last and fateful hour he ordered withdrawal of decisive American air support, abandoning 1,400 liberty-loving, anti-Castro fighters for freedom to Castro's tanks, jails, and firing squads. His profile in courage suddenly turned into a profile in indecision.

At his nationally televised press conference on September 13, 1962, President Kennedy had no kind words for those who are saying today, as he himself so often did during the 1960 campaign, that the "bone" is plenty big and dangerous. "Rash talk is cheap," he said, "especially with those who do not have the responsibility [for decision]."

In 1960, addressing himself to the military aspect of the Cuban situation, Senator Kennedy said, "I think Castro is a source of maximum danger. A Communist menace has been permitted to arise under our very noses, only 90 miles from our shores. Castro's transformation of Cuba into a Communist base of operations by jetplane, missile, or submarine is an incredibly dangerous development." Thus, he warned, "the whole Western Hemisphere security system is drastically threatened."

But 2 years later, at his press conference, the President, referring again to Soviet shipments to Cuba, said that these "do not constitute a serious threat to any other part of this hemisphere." He strongly denied that the Communist buildup is such as "to endanger or interfere with our security," or that Cuba is "an offensive military base of significant capacity."

In view of Candidate Kennedy's profound alarm about the military threat of Cuba in 1960, what are the facts which leave the President so relatively calm today about Castro's present military capacity?

Today, Castro's Cuba, still only 90 miles off our shores, has the second strongest ground army in our hemisphere. Estimated at 400,000 men, including militia, it has received, since the failure of the invasion, over $175 million in military aid and supplies from Communist bloc countries. Communist-made jeeps, jets, tanks, radar and electronic equipment are almost daily arrivals in Cuban harbors. According to State Department and intelligence reports, 4,500 Russian soldiers, sailors, and technicians are in Cuba helping Castro. They are training new pilots, ground crews, and artillery men.

Just last week Castro announced construction of a "fishing base" on the Cuban coast for use by the Russians. Sites for guided missiles and rockets, and bases for submarines and submarine detection are possible. Cuba will be capable of inflicting great damage on the U.S. naval installation at Guantánamo. And behind these beefed-up forces stands the military might of the U.S.S.R., openly pledged to support them, with its atomic power if necessary.

Whatever the military capacity of Cuba when Mr. Kennedy took office, it is now vastly greater.

In his September 12 press conference, Mr. Kennedy indicated that his hopes of a peaceful solution of the Castro problem lie partially in the deterioration of the Cuban political and economic situation. Dangling the prospect of a convenient collapse before this Nation's eyes, he said, "Castro (is) in trouble * * * his own followers are beginning to see that their revolution has been betrayed."

UNPOPULARITY UNQUESTIONED

What are the chances of a successful rebellion by Castro's disillusioned people? His unpopularity with a great section of his oppressed populace can no longer be questioned. The 1,200 captured in the disastrous Bay of Pigs invasion and the thousands of political prisoners now rotting in Castro's jails certainly hate his guts.

But the unjailed remnants of the Cuban underground no longer have the means or the will to challenge the ruthless authority of Castro's Soviet-armed firing squads. Like the Hungarians before them, the Cuban people have learned the bitter lesson of resistance; that Soviet Russia will spring to the aid of Soviet dictators wherever they may be, but the United States will not always go to the aid of men fighting for their freedom.

Cuban radio and television are doing a typically crack Communist job on Cuban youth. The rising generation is being vigorously indoctrinated with antidemocratic, anti-American, and pro-Russian ideas. It is being taught to think of itself as the vanguard of the Communist liberation in our hemisphere.

President Kennedy assures the Nation that "in the last year Castro's regime has been increasingly isolated in this hemisphere. His name no longer inspires the same fear of following in other Latin American countries."

BASE FOR SPIES

The bitter truth is that Cuba today is a far more effective base of Communist activity than it was 2 years ago. It is now a bustling, well-organized jumping-off point into all its neighboring countries for Spanish-speaking spies, provocateurs, propagandists and secret military agents.

Radio Cuba tells their underprivileged masses throughout Latin America that their economic and political freedom depend on booting out all pro-American politicians, and elevating officials who stand ready to join the dynamic ranks of Communist republics. The United States, Radio Cuba claims, is lending billions of economic aid to its southern neighbors for one reason only: fear of Khrushchev and Castro. American aid, it warns, will die on the vine the day Castro is defeated.

The argument is a powerful one. Probably all Latin American governments view Castro and communism at least in part as a dollar-generating program. It would explain why even pro-American leaders are reluctant to take action against him or against their own domestic Communists.

The rapidly growing forces of the Communist left elsewhere in Latin America (especially in Haiti, Bolivia, the Dominican Republic, Mexico, Brazil, and Venezuela), and the rise of new military dictatorships in Argentina and Peru, are tragic proof that the influence of Castro has not been politically isolated. Since the failure of the invasion, there has been a massive outflow of private Latin American capital into European countries. Today, South American entrepreneurs who might otherwise be investing in domestic enterprise are sending their capital to safety abroad, with a consequent weakening of the Latin American economy and a further drain on the Alliance for Progress funds.

IN HOCK TO MOSCOW

Time is running out in Latin America, and the cold war is still being lost there.

It is hard to see why the President and his advisers have constantly failed to understand that the same ideological, political, and military necessities which make it essential for the United States to maintain Berlin as a "showcase of democracy" on Russia's borders, are operating today from Moscow, to maintain Cuba as a "showcase of communism" on our shores.

Today, Castro and his country are in total hock to Moscow. If Castro should balk at this, or in any other way become a liability or a nuisance, the Kremlin will quickly dispose of him, and install a handpicked successor. Unless Russian power is evicted from Cuba, it is there to stay—and to grow.

[From the Washington (D.C.) Star, Oct, 1, 1962]

ECONOMIC SANCTIONS, OAS, BLOCKADE CAN'T END CASTRO

(By Clare Boothe Luce)

NEW YORK, October 1.—President Kennedy reportedly feels that Fidel Castro's Cuba is "a bone in his throat." The "bone" has grown sharper and more dangerous to him—and to the Nation—with every passing hour.

Political expediency requires the President to belittle its size on the eve of the congressional elections. So far, he has not entirely succeeded. The American people are pressing the Cuban question hard: How, short of war, they demand, can the Cuban bone be removed? Or, to put the question another way: What has been done so far to dislodge it?

Such economic sanctions as the United States can unilaterally apply to Cuba are already in effect: American shipments to Cuba now consist almost entirely of medical supplies and food. Cuba's trade with our allies has nosedived also, but this is less because of their unwillingness to sell than because of Cuba's inability to buy.

About 15 percent of Cuba's trade is still with non-Soviet bloc nations, including NATO members. Cuba has been receiving machinery, electrical goods and engines from Canada, and certain vital imports from England, Japan, Norway, France, Germany, and other NATO countries.

Many of the President's critics insist that some way can be found to stop this trade, as well as Soviet trade—including strategic war material—carried in vessels chartered from allied nations.

WANT PROFITABLE TRADE

Just last week Secretary of State Rusk stepped up efforts to persuade our allies to abandon their profitable Russo-Cuban charters. Significantly the response was less than enthusiastic.

A hard-nosed amendment to the foreign aid bill rammed through the House on September 20 prohibits economic aid to any country sending goods of any kind to Communist Cuba. Chances are it will not pass the Senate. The attempt to enforce this provision would throw the whole foreign aid program into a state of administrative chaos.

Moreover, to punish democratic, allied and neutral governments for the activities of private businessmen and shippers is manifestly unfair. And even if successful, the final result would be to tie Cuba's military, political and economic lifeline more closely to Moscow.

Although the effort would be a big one, Premier Khrushchev can probably make good his boast that Soviet-bloc countries can supply all Cuba's economic needs and, if necessary, in their own bottoms.

Can the administration, then, working through the Organization of American States, achieve anything more than it has already achieved—which is practically nothing—to collapse Mr. Castro and exclude Russian power from this hemisphere?

OAS STILL INEFFECTUAL

So far, the Organization of American States has proved to be a futile piece of machinery for coping with Mr. Castro. There is considerable sentiment on the part of some Latin American governments supporting United States military intervention in Cuba in the hemisphere's interest.

Many who would condemn such action publicly, privately would applaud it. But there isn't a prayer that the OAS will undertake multilateral action of any effective kind against Mr. Castro. OAS nations have not even imposed economic sanctions, although their total trade with Cuba comes to a mere $10 million a year.

The informal conference of Latin American ministers, called by Mr. Kennedy for tomorrow in Washington, is not likely to produce more than empty condemnations of Russia's ideological exports into Latin America.

And what, for example, can any of the OAS members do to close down Radio Cuba, which pours Communist propaganda around the clock into every Latin American home that boasts a radio? Moreover, many of these governments are so riddled by native Communists that even for those minded to

do so, "Communist baiting" can be political suicide.

BRAZIL AN EXAMPLE

One example of the Communist problem in Latin America will suffice: Brazil, which is geographically one-half the area of Latin America, has, since World War II, received over $1 billion from the United States in economic aid.

Nevertheless, today Brazil's President Joao Goulart is anti-United States and pro-leftist. Currently he is seeking to elect his brother-in-law, Leonel Brizola, to the Brazilian Congress.

Mr. Brizola's campaign is based on anti-United States diatribes. On a TV program he demanded that the U.S. Embassy be closed, and that our Ambassador, Lincoln Gordon, be sent home.

It is safe to say that the OAS will act in no effective way against Mr. Castro.

In the absence of forceful OAS action, is there, then, any unilateral action the United States can take, short of direct invasion of Cuba, which might be effective? The action most people are urging is a "peaceful" naval blockade.

Former President Eisenhower is quoted as having said recently that he had heard the term "peaceful blockade," but he didn't know what the term meant.

FULL ENFORCEMENT NEEDED

A naval blockade, if it is to succeed, must be continuously maintained and enforced on vessels of all flags. Allied and neutral, no less "enemy," vessels must be intercepted and cargoes dumped or returned to home ports.

International law defines such a blockade as "an act of war carried out by the warships of a belligerent, detailed to prevent access or departure from a defined part of the enemy's coast."

Americans will remember that Kaiser Wilhelm's harassment of American shipping in 1917 was construed by Woodrow Wilson as an act of war on the part of Germany against the "neutral" United States. A naval blockade led directly to our entrance into World War I.

Consequently, the establishment of a formal U.S. naval blockade against Cuba could be construed as an act of war by any nation whose vessel it so intercepted. It is, of course, reasonable to assume that however much a naval blockade against our allies would gum up our relations with them, they would not war against America.

What is certain is that Cuba would declare a naval blockade to be an act of war, and that the U.S.S.R. would endorse that declaration.

No peaceful action that the United States can presently take can be counted on to stop the Soviet buildup in Cuba.

[From the Washington (D.C.) Star, Oct. 2, 1962]

THE 1961 INVASION FAILURE IN CUBA PERILS U.S. GLOBAL POLICIES

(By Clare Boothe Luce)

NEW YORK, October 2.—At his nationally televised September 13 press conference, the President said, "I would like to set (the Cuban situation) in perspective." This is precisely what the President has failed to do.

He has insisted that Castro's Cuba constitutes no political or military threat to the United States or "to any * * * part of this hemisphere," that "Castro is doomed," that "he is no longer feared in Latin America" and that consequently "unilateral intervention on the part of the United States of America cannot currently be either required or justified."

By resting the case against U.S. intervention on a shockingly erroneous estimate of the Cuban situation, the President has evaded a desperately urgent task—to alert the people of this Nation to the grave dangers we face if we go to war against Cuba now, or at any time in the future.

DANGEROUS CONSEQUENCES

Putting the Cuban situation in its true perspective would have required the President to make an excruciatingly painful admission; that the failure to carry through the Cuban invasion in April 1961, has already had dangerous, and perhaps disastrous, consequences for American global policies:

1. This failure has permitted—indeed encouraged—Russia to get a firm military and political foothold in the Western Hemisphere. All Mr. Kennedy's protests to the contrary, this is a growing danger to our security. In the words of Ambassador Adlai Stevenson, addressing the United Nations on September 21, "The threat (to peace) in Cuba arises from the extraordinary and unnecessary flood of Soviet arms and military personnel pouring into Cuba," which "is creating grave concern, not only in this country, but throughout the hemisphere." (This view, if it be the correct one, is at total variance with the view expressed just 1 week earlier by the President.)

2. The unchallenged entrance of Soviet power into the Western Hemisphere has done grave damage to the "image" of the United States in Latin America, and consequently has accelerated the political slip, drift, and drive to the Communist left in this hemisphere.

USEFULNESS DESTROYED

3. Whatever usefulness or validity the historic Monroe Doctrine may have had before the invasion, the failure of that invasion and subsequent events have destroyed them.

The Monroe Doctrine, proclaimed by President James Monroe on December 2, 1823, warned the European powers that "we should consider any attempt (on their part) to extend their system to any portion of this hemisphere as dangerous to our peace and safety." (It is an irony of history that what inspired this doctrine was the attempt of Imperial Russia to penetrate "peacefully" into the American Northwest.)

Mr. Truman, always willing and ready to quarrel over old political bones (especially old Republican bones), recently said, "We're in trouble in Cuba because Ike didn't have the guts to enforce the Monroe Doctrine." Mr. Eisenhower's reason for not implementing the Monroe Doctrine by use of unilateral force were (A) that the Monroe Doctrine, as updated by the Rio pact, required the United States of America to wait for multilateral or OAS approval of United States action against Cuba, and (B) that Russian military power was not clearly present in Cuba during his administration.

By April 1961 Castro was clearly under the Soviet wing. On the other hand, OAS approval of U.S. support to an invasion had not been secured. Nevertheless, Mr. Kennedy gave the invasion the go light. But when he withdrew U.S. air support at the last moment, one reason apparently was his consideration for the multilateral concept of the Monroe Doctrine.

NEW KENNEDY DOCTRINE

Certainly the President no longer believes either the old unilateral or the new multilateral Monroe Doctrine relevant to the Cuban situation.

Despite frequent lipservice to the Monroe Doctrine, both old and new, the President (currently using the voice of Senator HUMPHREY) now wishes to supplant it with the "Kennedy Doctrine."

What, it may be asked here, is the Kennedy Doctrine? An analysis of the President's hard-core position on Cuba shows it to be this:

The United States will not initiate any military action against a peaceful extension of power in our hemisphere or a defensive Soviet military buildup in Cuba, but it will consider an offensive buildup to be dangerous to our safety. And, in the event of an armed attack by satellite Cuba against the United States or any of its neighbors, the United States is determined not to wait for other OAS nations to take action—it will unilaterally counterattack the attackers.

THE OLD CONTAINMENT POLICY

Upon even closer examination, this Kennedy doctrine looks quite familiar. And so it is. The Kennedy doctrine proves to be the 15-year-old Truman-Eisenhower doctrine, designed to contain Soviet Russia in areas outside the American hemisphere. The essential feature of that doctrine is, and always has been, nonaggression while maintaining the military capacity to retaliate in kind against Communist military initiatives. Its informing principle is the military tit for tat or retaliation—the ultimate tit for tat being, of course, massive retaliation. The rationale behind the doctrine of containment was the realistic acceptance of the European satellite states as legitimate zones of Russian concern and influence.

Stripped of its doubletalk, the Kennedy doctrine plunks for the application of this old Truman-Eisenhower containment doctrine to our own hemisphere. Apparently so long as the U.S.S.R. does not use Cuba as an offensive base, it is now to be considered as a legitimate zone of Russian power.

UNITED STATES IN A TRAP

4. Most serious of all, the flubbing of the Cuban invasion and the subsequent buildup of Castro's satellite island as a Russian military base within easy striking distance of Guantanamo, Cape Canaveral, and the Panama Canal, have now placed the United States in a global double bind.

If America should now intervene in Cuba, it must do so at the risk of exposing all its military bases and positions in Europe, the Near East, and Asia to the threat of a Russian or Communist flanking attack. But, if it does not intervene and should serious trouble—short of ultimate nuclear war—begin in Berlin, Turkey, Iran, Laos, Vietnam, Formosa, or Korea, the United States now risks exposing the Western Hemisphere not only to constant Soviet reconnaissance but also to flanking attacks from Cuba.

ALTERNATIVES

The United States is now faced with two dismaying alternatives: To challenge Russian power in our hemisphere now, at the risk of war breaking out on other global fronts and (unless diplomatic concessions are made quickly there) escalating into world war III; or to sit and wait while Soviet military power builds up, with the very real possibility that communism will take over large areas of Latin America.

It is in this grim global perspective that the people of this Nation must now debate the question of whether or not intervention is "required or justified" in Cuba.

In concealing the extent of our present dilemma from the American people, the President is denying them the right of a free people to debate crucial national issues with all the relevant facts before them.

Short-range political astuteness may indicate the need to play down the size of the present crisis. But long-range statesmanship solemnly demands that the truth be told.

What is now at stake in the decision for intervention or nonintervention in Cuba is the question not only of American prestige but of American survival.

If the decision is not to intervene, then that means the United States accepts the existence of Soviet military and political power in the Western Hemisphere.

Postponing the decision to intervene will not make it any easier. The same arguments which are used against intervention today could and would be used when Russia has control of half a dozen hemisphere countries.

If the United States deems that Russian military power in this hemisphere is intolerable, it would be the part of wisdom to say so clearly now, and to act accordingly. The vast majority of the American people, including most of the President's critics and opponents, will support the President when he takes action.

PHILOSOPHY OF THE KENNEDY ADMINISTRATION IN ITS TREATMENT OF COMMUNIST AGGRESSION

Mr. MILLER. Finally, Mr. President, in the September 1961 issue of Fortune magazine there appeared a knowledgeable article entitled "Cuba: The Record Set Straight," by Mr. Charles J. V. Murphy, senior staff writer. The article discloses the philosophy which has characterized this administration in its treatment of Communist aggression, and I believe a rereading of this article today would be most helpful in formulating a judgment of the policies now being followed with respect to the takeover of Cuba by the international Communist conspiracy. I ask unanimous consent that this article be printed in the RECORD.

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

CUBA: THE RECORD SET STRAIGHT

(By Charles J. V. Murphy)

Not long ago, at President Kennedy's daily staff meeting, the special assistant for national security affairs, McGeorge Bundy, opened the proceedings by noting, "Sir, we have four matters up for discussion this morning." The President was not in a zestful mood. "Are these problems which I inherited?" he asked. "Or are they problems of our own making?" "A little of both," was Bundy's tactful answer.

The exchange revealed a new and saving humility. Some days after this incident, Kennedy addressed the Nation on the subject of Berlin. The ebullience, the air of self-assurance that marked his first months in office had gone. He spoke earnestly to his countrymen but his words were also aimed at Premier Khrushchev, who up to this point had appeared not to be listening. This time Kennedy did get through to Moscow; and any lingering doubt about the American determination to defend Berlin was dispelled by the response of the American people. The President's will to stand firm was clear, and the Nation was with him.

Nevertheless, in any full review of John Kennedy's first months in office, there must be reported a failure in administration that will continue to inhibit and trouble American foreign policy until it is corrected. This failure raises a fair question: whether Kennedy has yet mastered the governmental machinery, whether he is well and effectively served by some of his close advisers, and whether they understand the use of power in world politics. The matter is of vital importance; in the crises that will inevitably arise around the world—in the Middle East, in Africa, in the Far East, in Central Europe—the U.S. Government must be in top form, and possibly even, as Kennedy himself suggested, act alone.

Administrative confusions came to light most vividly in the Cuban disaster. That story is told here for the first time in explicit detail. It is told against the background of the U.S. reversal in Laos, which in itself should not be underestimated: Laos, once in the way of becoming a buffer for its non-Communist neighbors, is all but finished; now, in South Vietnam, Ngo Dinh Diem, a stout friend of the United States, is under murderous attack by Communist guerrillas; the U.S. loss of face is being felt from the Philippines to Pakistan, and in the long run the damage may prove to be even more costly than that caused by Cuba.

Let us turn back then to the train of events, beginning with Laos, that culminated in the disaster in the Bay of Pigs. Fortune is publishing the account for one purpose—to set the record straight for concerned Americans.

Kennedy, from the day he took office, was loath to act in Laos. He was confident that he understood the place and use of power in the transactions of the Nation, but he was baffled by this community of elephants, parasols, and pagodas. Then, too, he brought to office a general surmise that our long-range prospects of holding the new and weak nations of southeast Asia in the Western camp were doubtful in the extreme. In this respect, he was leaning toward the Lippmann-Stevenson-Fulbright view of strategy. This school holds that U.S. power is overcommitted in southeast Asia, and that the proper aim for U.S. diplomacy there should be to reduce local frictions by molding the new states as true neutrals.

The U.S. position in Laos had become acute while Dwight Eisenhower was still in office. Eisenhower must therefore bear a considerable part of the blame for the U.S. failure; he let a situation go from bad to worse, and indeed he apologized to Kennedy for leaving "a mess," and that it might take the intervention of U.S. troops to redeem it. There had been a moment when the struggle in Laos had turned in favor of the pro-U.S. forces under Gen. Phoumi Nosavan, the former Defense Minister. In a series of small but decisive engagements, more by maneuver than by shooting, Phoumi eventually took the capital, Vientiane, early in December, but at this point the Russians intervened openly on the side of the Communist faction, the Pathet Lao. In concert with a large-scale push by well-trained troops from North Vietnam, they introduced a substantial airlift into northern Laos (an operation that still is continuing).

The collapse of the Royal Laotian Army then became inevitable unless the United States came in with at least equal weight on Phoumi's side. One obvious measure was to put the airlift out of business. The job could have been done by "volunteer" pilots and the challenge would at least have established, at not too high an initial risk for the United States, how far the Russians were prepared to go. Another measure would have been to bring SEATO forces into the battle, as the SEATO treaty provided.

In the end, Eisenhower decided to sheer away from both measures. The State Department was opposed to stirring up India and the other Asian neutrals. Secretary of State Christian Herter agreed in principle that the independence of Laos had to be maintained, yet he was unable to bring to heel his own desk officers and the policy planners, who were apprehensive that even a limited military action would wreck the possibility of some kind of political accommodation with Moscow. The policy shapers, especially in State, hung back from any sequence of actions that might have committed U.S. policy on the central issue: that Laos was worth fighting for. Even the modest additional support that the Defense Department tried to extend to Phoumi's U.S.-equipped battalions in the field during the last weeks of the Eisenhower administration was diluted by reason of the conflict between Defense and State. Under Secretary of Defense James Douglas was later to say, "By the time a message to the field had been composed in Washington, it had ceased to be an operational order and had become a philosophical essay." And a vexed Phoumi was to exclaim that the reasoning of the American Ambassador, Winthrop Brown, was beyond his simple oriental mind. "His Excellency insists that my troops be rationed to a few rounds of ammunition per man. He tells me that I must not start a world war. But the enemy is at my throat."

After the responsibility passed to Kennedy in January, Phoumi's position was still not completely hopeless, if he had been able to get adequate help. But early in March a sudden Communist descent drove him off a position commanding the principal highway in northern Laos. That unfortunate action was the turning point in his part of the war. For the relative ease with which it was done raised in Washington the question of whether Phoumi's troops had the will to fight.

By then Kennedy was committed to the Cuba operation. He therefore now had to reckon with the very real possibility, were U.S. forces to become involved in Laos, of having to back off from Cuba.

At this juncture Kennedy's foremost need was a clear reading of Soviet intentions. For this he turned to his "demonologists," the New Frontier's affectionate term for its Soviet experts. The most influential among them—Charles E. Bohlen, State's senior Sovietologist, and Ambassador Llewellyn Thompson at Moscow—were agreed that Khrushchev personally had too much respect for U.S. power to stir it into action, as Stalin had carelessly done in Korea. Yet, while Khrushchev was plainly indulging his preference for "salami" tactics, it was impossible to judge how big a slice he was contemplating, or whether he was being pushed by Mao Tse-tung. The only reading available to Kennedy was, in a word, ambiguous. Maybe Khrushchev was moving into a vacuum in Laos just to keep out Mao. If so, then the least chancy response for the United States was to assume that Khrushchev would be satisfied with a thin slice in Laos, and to maneuver him toward a compromise—a neutral government in which, say the Pathet Lao would have some minor representation.

This course was urged by Secretary of State Dean Rusk and also was being pressed by Prime Minister Macmillan in London. It came to be known as Track Two. It was intended to lead to a cease-fire followed by negotiation. Oppositely, the Joint Chiefs of Staff still believed, as they did under Eisenhower, that the military challenge demanded a military showdown: action by the Southeast Asia Treaty Organization, under which a mixed allied force, including Americans would move into Laos and take over the defense of the important cities, thereby freeing the Royal Laotian Army to move into the field without risk of being sapped by subversion in the rear. This option was labeled Track One, and it was favored as well by Defense Secretary Robert S. McNamara and his Deputy, Roswell Gilpatric.

While Kennedy favored Track Two and supported a conciliatory note that Macmillan sent to Moscow, he decided he also had to make a show of starting down Track One, in case the political gamble failed. He permitted himself a dramatic gesture. At his televised press conference on March 23, he addressed himself somberly to a map of Laos—a country "far away" but in a world that is "small." Its independence, he went on, "runs with the safety of us all," and in language that all but told Khrushchev that he was in for a fight, he implied that the United States was preparing to go to its defense. There was, meanwhile, a tremendous deployment of U.S. forces in the Far East, involving the 7th Fleet and Marine combat

units on Okinawa. The Army's strategic-strike units in the United States were made ready. A belated effort was made to buck up Phoumi's forces with an increased flow of fighting gear. U.S. military "advisers" went into the field with his battalions. Against this background, on March 26, Kennedy went to Key West and met Macmillan, who was on a visit to the West Indies. The Prime Minister made it clear that Britain considered Laos hardly worth a war, and wanted no part in a SEATO action. (De Gaulle, in a separate exchange, had told Kennedy flatly that France would not fight in Laos.)

From that point on, the idea of a military showdown in Laos looked less and less attractive to the President. He did issue one warning to the Russians that might have been construed as having a military tone. Soviet Foreign Minister Andrei Gromyko called at the White House and Kennedy took him into the rose garden, beyond earshot of his staff, and said, "The United States does not intend to stand idly by while you take over Laos." But that was the last run along Track One.

By then, Rusk was in Bangkok for a meeting of the SEATO powers, still hoping to extract from the meeting at least a strong statement that would condemn the Soviet intervention in Laos and reassert the determination of the SEATO powers to defend the new nations of southeast Asia. In this mission Rusk failed. None of the ranking Democratic Congressmen, or Republican, spoke up in favor of intervention. Moreover, when Kennedy pressed the military chiefs for specific recommendations, he got divided answers. Gen. Thomas White, then Air Force Chief of Staff, and Adm. Arleigh Burke, then Chief of Naval Operations, were both confident that the Communist penetration could be defeated and Laos saved. They said that since the Communists could throw far more manpower into the battle, the U.S. war plan would have to include the possible use of tactical nuclear weapons on a limited scale. They maintained, however, that a clear U.S. resolution to employ nuclear weapons, if there was a need, might in itself discourage further Communist penetration. Gen. Lyman L. Lemnitzer, the Chairman of the Joint Chiefs of Staff, and Gen. George H. Decker, Army Chief of Staff, had much less confidence in the U.S. ability to stop the Communists. Lemnitzer expressed the apprehension that U.S. military action in Laos might be matched by Red China and Russia in a fast reopening of the war in Korea. Two such wars, by his calculation, might require no fewer than 20 U.S. divisions, more than the Army had in its entire order of battle, as well as general mobilization to support them.

"In effect," Kennedy demanded, "you are telling me that I cannot do anything—without starting a nuclear war?" This, he swore, he'd never do, which by itself was a startling reversal of a fundamental premise of the Eisenhower strategy: that U.S. forces would have recourse to nuclear tactical weapons on whatever scale the pursuit of U.S. objectives required. The White House, while conceding to the Communists the option of uninhibited escalation, would not tolerate even a limited escalation on the nuclear side by our own forces. Any military move in Laos therefore seemed hopeless.

The fear of the nuclear escalation factor became the sanction for the policy that was pursued thereafter. In light of this, the scene of Kennedy addressing himself to the map of Laos, in his first public appearance as commander-in-chief, is now memorable for its fleeting revelation of a spirited man who was eager to present himself as a strong President, but who all too quickly turned unsure of his principal resource of power.

The Chiefs, although they took different views of the risks of the Laos situation, were fundamentally agreed on a central point. And that was the United States had to be prepared to employ tactical nuclear weapons. But Kennedy and his civilian strategists moving away from the nuclear base of the Eisenhower strategy, read into their professional differences a bankruptcy of means and doctrine. The low esteem in which Kennedy began to hold the military leaders whom he inherited from the Eisenhower administration has not been concealed.

Secretary of Defense McNamara is rewriting the Eisenhower strategic doctrine, in collaboration with the political scientists at the White House and State. The backing away from nuclear strategy, which ended in the U.S. retreat in Laos, is now being formalized by McNamara. (His prescription will call for a conventional base for NATO strategy in the defense of Berlin.)

So there was, by early April, even as Laos was slipping farther and farther below Kennedy's horizon, a breakdown of communication between the political and the military sides of the Government, and this would contribute largely to the failure of Kennedy's next venture.

The Cuba affair has been called the American Suez. In the sense that Suez, too, was an utter fiasco, the bracketing is wryly accurate. There is, however, a clear difference between the two operations. Ill-managed as it was, the Suez invasion would have succeeded had not Eisenhower used the influence of the United States to bring three allies—Britain, France, and Israel—to a humiliating halt. (It should be recorded that neither Britain, France, nor Israel made any critical comment on the U.S. excursion in Cuba.) In Cuba the defeat was wholly self-inflicted. Even as the expedition was creeping into the Bay of Pigs, just before midnight of April 16, the political overseers back in Washington were in the process of knocking out of the battle plan the final, irreducible element needed for victory.

If the U.S. military are without a peer in any one technique of warfare, it is in putting forces ashore across a hostile beach. For the Bay of Pigs, all the necessary means were at Kennedy's hand. It was, by the standards of Gen. David M. Shoup's marines, an elementary amphibious operation in less than battalion strength. And, indeed, as a tactical exercise, it was well devised and daringly and successfully led. But after the strategists at the White House and State had finished plucking it apart, it became an operation that would have disgraced even the Albanians. When Kennedy looked around for the blunderer, he found him everywhere and nowhere. Practically everybody in his inner group of policy movers and shakers had been in on the planning. Only after the disaster was upon them did he and his men realize that a venture which was essentially a military one had been fatally compromised in order to satisfy political considerations. One not unfriendly official who also served under Eisenhower was later to observe: "Cuba was a terrific jolt to this new crowd because it exposed the fact that they hadn't really begun to understand the meaning and consequences of action—the use or misuse of power, in other words. They had blamed Ike's apparent inaction on indecision and plain laziness. Cuba taught them that action, any kind of serious action, is hard and certainly no safe business for amateurs."

The idea for the invasion had taken root during the early summer of 1960. By then, thousands of defectors from Castro's Cuba were in the United States. Many of them were professional soldiers. The job of organizing and training them was given to the Central Intelligence Agency, as the Government's principal mechanism for mounting covert operations of this sort. It became and remained to the end the specific responsibility of one of the CIA's top deputies, Richard M. Bissell, a former economist who is also a highly practical executive. Among his other first-class accomplishments, Bissell had masterminded the U-2 operation, which was, until it finally missed, as one day it had to, the most economical and comprehensive innovation in espionage in modern times.

Training camps for the exiles were set up in a district in western Guatemala offering some privacy. The original idea was to feed the recruits back into Cuba, to reinforce the several thousand anti-Castro guerrillas already established in the mountains. Toward the autumn, however, a more ambitious and riskier project came under tentative consideration. Castro was organizing large formations of militia and was obviously bent on crushing the counterrevolutionary movement before the Cuban populace caught fire. With a view to saving the movement, it was proposed to build up an invasion force big enough to seize and to hold on the Cuban shore a beachhead sufficiently deep for the expedition to proclaim a provisional government, and so provide a rallying base for the discontented. By this time, too, the rudiments of an anti-Castro air force were in training nearby. The planes, however, were all obsolete—mostly propeller-driven B-26's, twin-engine bombers of World War II vintage that had been redeemed from the Air Force's graveyard. Associated with them was a troop-carrying squadron with which a small detachment of paratroopers was training.

During the summer and fall of 1960, Eisenhower, from time to time, personally reviewed the scheme. In late November, the last time it came up for his comprehensive review an operational plan had not yet crystallized; no timetable for action had been set. Across the Potomac at the Pentagon, Under Secretary of Defense Douglas, who was charged with quasi-military operations under the noncommittal category of collateral cold-war activities, was keeping a watchful eye on the project, and releasing such military talent and gear as the CIA requisitioned. Neither he nor the Joint Chiefs of Staff (whose connection with the project remained informal at this stage) believed that much good would flow from an attack made by Cubans alone. For one thing, the resources then available permitted the training of only 300 men or so, and the air unit had but a dozen planes. This was hardly enough to bring down a tough, well-armed regime, and Douglas repeatedly counseled more realism in the planning. Indeed, it was taken for granted by Douglas and the others directly concerned that a landing in force could not possibly be brought off unless the expedition was shepherded to the beach by the U.S. Navy (either openly or in disguise), and covered by air power in whatever amount might be necessary. Eisenhower, the commander of Normandy, understood this well enough.

YOU MAY HAVE TO SEND TROOPS IN

It became obvious toward the end of 1960 that Ike would be out of office well before an effective force would be ready. So the decision as to how big the show should be, and how conspicuous should be the U.S. share, and in what role, was no longer his to make. Given the relaxed attitude at the White House, the military chiefs also relaxed; military concern for the enterprise sank to the "Indians"—from the four-star level to the colonels on the Joint Staff who had been advising the CIA in such matters as training and tactics. Bissell was encouraged, on the one hand, to go forward with preparations for an invasion, but he was cautioned to be ready to fall back to the more modest objective of simply generating a supply of reinforcements for the anti-Castro forces in the mountains.

Before Eisenhower was fully rid of his responsibility, however, a number of disquieting developments combined to impart to the enterprise an air of emergency. It

was established that Castro was to start receiving, early in 1961, substantial deliveries of Soviet jet fighters, and that pilots to man them were already being trained in Czechoslovakia. From all indications, these would provide him, by early summer, with an air force that would be more than enough to extinguish the last chance of a successful invasion by Cuban exiles; it would be by all odds the most powerful air force in Latin America. Two other developments were scarcely less worrisome. Castro was making progress in his systematic destruction of his enemies in the mountains, upon whose cooperation the invasion counted, and there was no way, save by an overt air supply, to get guns and ammunition to them. The stability of the exile movement itself was, moreover, coming into question. Warring political factions threatened to split their ranks, and men who had trained long and painstakingly were impatient over the failure of their American advisers to set a sailing date. The feeling took hold of them and their American sponsors that it was to be in the spring or never.

After his election, Kennedy had been briefed fairly frequently on the Cuba situation, along with that in Laos. As his hour of authority approached, the question of what to do about Cuba was increasingly on his mind. The problem had a personal angle. In his fourth television debate with Richard Nixon, he had sharply blamed the Eisenhower administration for permitting communism to seize a base there, "only 90 miles off the coast of the United States." He discussed Cuba, along with Laos, at length in both of his pre-inaugural talks with Eisenhower, and by his stipulation. Ike was inclined to rank Cuba below Laos in terms of urgency, but Cuba clearly worried him. In their second conversation Ike said: "It's already a bad situation. You may have to send troops in."

THE FIRST NECESSITY: CONTROL OF THE AIR

On taking office, Kennedy at once called for a detailed briefing on the condition and prospects of the U.S.-fostered operation. This information was supplied by Allen W. Dulles, the Director of the CIA, and by Bissell. After Kennedy had heard them out he decided that he had to have from the Joint Chiefs of Staff a technical opinion of the feasibility of the project. It is at this point that the locus of responsibility begins to be uncertain.

The operation was not a Department of Defense responsibility. Only once before, in early January, had the chiefs formally reviewed the plan, at Eisenhower's invitation. Now they were asked only for an appreciation of its validity. The enterprise, moreover, had expanded considerably in scope and aim in the past few months. With more than 100,000 Cuban refugees in the United States, recruiting had stepped up, and the organizers were at this point aiming at a landing force of about 1,000 men. An operational plan for a landing on the south coast of Cuba, near the town of Trinidad, was finally beginning to jell. There the country was open, with good roads leading into the Escambray Mountains and the needed linkup with the indigenous guerrillas. Also cranked into the plan were ingenious schemes—a barrage of radio broadcasts from nearby islands and showers of pamphlets from airplanes—intended to galvanize the anti-Castro Cubans in the cities and villages into demonstrations as the invaders struck. It was never explicitly claimed by the CIA that a general uprising was immediately in the cards; the intention was to sow enough chaos during the first hours to prevent Castro from smashing the invasion on the beach. Once the beachhead was consolidated, however, and if fighting gear went forward steadily to the guerrillas elsewhere in Cuba, the planners were confident that a mass revolt could be stimulated.

Finally, the plan still assumed that U.S. military help would be on call during the landing. Castro's air force consisted of not quite twoscore planes—a dozen or so obsolete B-26's, plus about the same number of obsolete British Sea Furies, also slow, propeller-driven airplanes. But in addition there were seven or eight T-33 jet trainers, the remnants of an earlier U.S. transaction with the Batista government, so the force was not the pushover it appeared at first glance. Armed with rockets, these jets would be more than a match in a battle for the exiles' B-26's. The scheme was to destroy them on the ground in advance of the landing, by a series of attacks on Castro's airfields; should the T-33's escape the first surprise blow, there would be ample opportunity to catch them later on the ground while they were being refueled after an action. In any event, a U.S. carrier would be close by, below the horizon, and one or two of its tactical jets could presumably supply whatever quick and trifling help might be required in an emergency.

It stood to reason that, considering how small the landing party was, the success of the operation would hinge on the B-26's controlling the air over the beachhead. And the margins that the planners accepted were narrow to begin with. The B-26's were to operate from a staging base in a Central American country more than 500 miles from Cuba. The round trip would take better than 6 hours, and that would leave the planes with fuel for only 45 minutes of action, for bombing and air cover, over Cuba. In contrast, Castro's air force could be over the beachhead and the invaders' ships in a matter of minutes, which would increase his relative air advantage manifold. Hence the absolute necessity of knocking out Castro's airpower, or at least reducing it to impotence, by the time the ground battle was joined.

This, in general terms, was the plan the chiefs reviewed for Kennedy. The assumptions concerning the possibilities of an anti-Castro uprising not being in their jurisdiction, they took these at face value. They judged the tactical elements sound and, indeed, they accorded the operation a high probability of success. They were allowed to appraise the training and the equipment of the forces. A team of officers was sent to Guatemala. On the basis of its report, the chiefs made several recommendations, but again their assessment was favorable.

Late in January, Kennedy authorized the CIA to lay on the invasion plan, but he warned that he might call the whole operation off if he had a change of mind as to its wisdom. D-day was tentatively fixed for March 1 but this proved impossible to meet. For one thing, it took some time to organize the quarrelsome exiles in New York and Miami into a workable coalition that would sponsor the expedition. For another, it was decided that a battalion of about 1,400 men was needed to secure a beachhead, and that the force, which called itself the Cuban Brigade, should be beefed up generally. In consequence of these developments, the target date kept slipping until it finally came firm as April 17.

It has since been reported that the President was inwardly skeptical of the operation from the start but just why has never been clear—whether he judged the force too small to take on Castro, or because he was reluctant to take on so soon a nastry job that was bound to stir up an international rukus, however it came out. Some of his closest advisers, in any case, were assailed by sinking second thoughts. What bothered them was the "immorality" of masked aggression. They recoiled from having the U.S. employ subterfuge in striking down even so dangerous an adversary as Castro, and they were almost unanimously opposed to having the U.S. do the job in the open. Even with the best of luck, there would certainly be a flutter among the six leading Latin-American states, which, with the exception of Venezuela, had refused to lend themselves to any form of united action against Castro. And the repercussion would scarcely be less embarrassing among the neutralists of Asia and Africa, whose good opinion Kennedy's advisers were most eager to cultivate. And so the emphasis at the White House and State began to move away from a concern with the military considerations—the things needed to make the enterprise work—and to become preoccupied with tinkerings they hoped would soften its political impact on the neutral nations.

THE DISMEMBERING BEGINS

The immorality of the intervention found its most eloquent voice before the President during a meeting in the State Department on April 4, only 13 days before the date set for the invasion. (Stewart Alsop told part of the story in a recent issue of the Saturday Evening Post.) The occasion was Bissell's final review of the operation, and practically everybody connected with high strategy was on hand—Secretary of State Rusk, Secretary of Defense McNamara, Secretary of the Treasury Douglas Dillon, General Lemnitzer, CIA Chief Allen Dulles, as well as Bundy, Paul Nitze, Kennedy's specialist on strategic planning at the Pentagon, Thomas Mann, then Assistant Secretary of State for Latin American Affairs, and three of Kennedy's specialists in Latin American matters—Adolf Berle, Arthur M. Schlesinger, Jr., and Richard Goodwin. There was also one outsider, Senator William Fulbright, chairman of the Senate Foreign Relations Committee, who had been Kennedy's favorite choice for Secretary of State, and whose support he wanted. After Bissell had completed his briefing and Dulles had summed up the risks and prospects, Fulbright spoke and denounced the proposition out of hand: it was the wrong thing for the United States to get involved in.

Kennedy chose not to meet this issue. Instead, he quickly noted certain practical considerations and then, going around the table, he asked various of his advisers whether they thought the operation should go forward. Without exception, the answer was, yes. Berle was particularly outspoken. He declared that "a power confrontation" with communism in the Western Hemisphere was inevitable anyhow. As for this enterprise, "Let 'er rip" was his counsel. Mann, who previously had been on the fence, now spoke up for the operation. Rusk, too, said he was for it, in answer to the President's direct question, but as would presently be manifest, he privately had no heart for it. Two other men among the President's senior foreign policy advisers, not present at the meeting shared Fulbright's feelings: Under Secretary of State Chester Bowles, and Adlai Stevenson, with the United Nations in New York, who soon came to know in a general way that something distasteful was afoot. In deference to these views, Kennedy—either at the meeting or soon afterward—made two separate rulings that were to contribute to the fatal dismemberment of the whole plan. First, U.S. airpower would not be on call at any time: the obsolescent B-26's flown by "our" Cubans would be on their own. Second, the B-26's could be used in only two strikes before the invasion—first on D-minus-2-days (April 15) and again on the morning of the landing. Although these limitations clearly lengthened the risks, Lemnitzer did not dispute them, nor did Bissell's own military advisers; they were confident that if the B-26's missed the T-33's on the first go, they would surely catch them on the second.

During the few remaining days, Kennedy drew his circle of advisers more tightly around him. Apart from Bundy and Rostow, the only White House advisers who remained privy to the development of the operation

were the Latin-American experts—Adolf Berle and Schlesinger. Lemnitzer and, of course, Allen Dulles were in and out of Kennedy's office. But the doubts of Rusk and Fulbright and of others were all the while imperceptibly converging on the President and, bit by bit, an operation that was marginal to begin with was so truncated as to guarantee its failure.

The embarkation of the expedition was scheduled to start on April 10. This was, in itself, quite a job. Some half-dozen small steamers were collected for the first movement, together with a number of tactical landing craft. The takeoff point was a port on the Caribbean, several hundred miles from the training area in Guatemala, and the transfer of the Cuban Brigade was done by air and at night, through 4 nights, in the interest of secrecy. The gear aboard the ships was enough to supply the landing force through 10 days of battle, and also to equip the thousands of guerrillas expected to be recruited after the beachhead was gained.

Only a week before the embarkation, and indeed only a day or so before the last go-around at the State Department, another serious change was made in the invasion plan. At the insistence of the State Department, Trinidad was eliminated as the target landing area. State's reasons were complex. Rusk decided that the entire operation had to be kept "unspectacular" and minimize the overtness of the U.S. role as much as possible. That required shifting the attack to a less populated and less accessible area, where Castro's reaction might be slower and less effective. Rusk and his own advisers were also anxious to be rid at all possible speed of the incubus of responsibility for mounting the operation in Central America, anxious that the B-26's should be based as rapidly as possible on Cuba. The only vulnerable airfield capable of taking the planes was one in poor condition near the Bay of Pigs, on the Zapata Peninsula, about 100 miles to the west of Trinidad. Here the countryside was quite deserted and, to succeed at all, the invaders had to seize and hold two narrow causeways leading across a swamp that was impassable on either side. These actions did not end the last-minute curtailments directed by the White House. Even the arrangements for arousing the Cuban populace and trying to stampede Castro's militia with leaflet raids and radio-broadcasts were struck from the plan, and again because State was afraid that they would be too obvious a showing of the U.S. hand. On April 12, while the convoy was heading north, Kennedy was impelled to announce at a press conference that the U.S. would not intervene with force in Cuba. Rusk made sure the idea got home by repeating the same guarantee on the morning of the invasion. The effect of this was to serve notice on the Cubans in Cuba, who were known to be waiting for an encouraging signal from the United States, that whatever they might be tempted to try would be at their own risk.

THE POLITICIANS TAKE COMMAND

Clear to the end, Kennedy retained tight control of the enterprise. As each new sequence of action came up for his final approval—the go signal for the embarkation, then for the preinvasion air strike on the morning of April 15, he came to his decisions quickly and firmly. All the way, however, he reserved the option to stop the landing short of the beach. He kept asking how late the enterprise might be reversed without making it look as if Castro had called an American bluff. He was told: noon on Sunday, April 16, when the invasion force would be 11 hours of steaming from the Bay of Pigs. The Sunday deadline found Kennedy in the Virginia countryside, at Glen Ora; only then did he raise his finger from the hold button. As he did so, he noted with relief that no other unfavorable factors had materialized. He was mistaken. At dawn of the day before, by the timetable, the B-26's, having flown undetected through the night from their Central American staging base, appeared over Cuba and bombed the three fields on which Castro's ready air was deployed. (The attack was, on the whole, highly successful. Half of Castro's B-26's and Sea Furies, and four of his T-33 jets were blown up or damaged and so removed from the imminent battle.) The story was put out that Castro's own pilots, in the act of defecting, had attacked their own airfields. This was a gloss, to say the least; the attackers were indeed defectors from Castro, but they had defected long before. Later that afternoon, at the United Nations, after the Cuban Foreign Minister Raul Roa had charged that the attack was "a prolog" to a U.S. invasion, Adlai Stevenson arose and swore that the planes were Castro's.

From this hapless moment on, Stevenson's role becomes unclear. There was a subsequent published report that he intervened to block the second strike. Stevenson has flatly denied, and continues to deny, that he even knew about the second strike, let alone that he demanded that it be called off. But there was little doubt about his unhappiness over the course of events in the Caribbean and he conveyed these feelings to Washington. Before Sunday was over Bundy was to fly to New York, to see Stevenson (Bundy said) and still wearing, in his haste to be off, sneakers and sports clothes. This sudden errand followed a shattering order that went out to Bissell.

It was Sunday evening, only some 8 hours after Kennedy has given "the go-ahead." In the first dark, the expedition was even then creeping toward the Cuban shore. In Bissell's office there was a call on the White House line. It was Bundy, being even crisper than usual: the B-26's were to stand down, there was to be no air strike in the morning, this was a Presidential order. Secretary of State Rusk was now acting for the President in the situation. If Bissell wished to make a "reclama" (federalese for appeal), it could be done through Rusk.

Bissell was stunned. In Allen Dulles' absence (he was in Puerto Rico), he put his problem up to CIA Deputy Director Charles Cabell, an experienced airman. Together they went to the State Department to urge Rusk to reconsider a decision that, in their judgment, would put the enterprise in irretrievable peril. Cabell was greatly worried about the vulnerability to air attack first of the ships and then of the troops on the beach. Rusk was not impressed. The ships, he suggested, could unload and retire to the open sea before daylight; as for the troops ashore being unduly inconvenienced by Castro's air, it had been his experience as a colonel in the Burma theater, he told the visitors, that air attack could be more of a nuisance than a danger. One fact he made absolutely clear: Military considerations had overruled the political when the D-minus-two strike had been laid on; now political considerations were taking over. While they were talking, Rusk telephoned the President at Glen Ora to say that Cabell and Bissell were at his side, and that they were worried about the cancellation of the strike. Rusk, at one point, put his hand over the mouthpiece, and asked Cabell whether he wished to speak to the President. Cabell shook his head. Perhaps that was his mistake; it was certainly his last chance to appeal a lamentable decision. But Bundy had made it clear that Rusk was acting for the President, and Cabell is a professional military man, trained to take orders after the facts had been argued with the man in command.

On their return to the office, Bissell flashed orders to the B-26 commander at the staging field, more than 500 miles from the Bay of Pigs. The force got the changed orders shortly before midnight, only half an hour or so before they were scheduled to depart; the bomb bays were already loaded and the crews were aboard. Meanwhile the planes carrying the paratroopers had taken off, and the first assault barges, still unobserved, were even then approaching the beaches.

TUESDAY, THE TURNING POINT

Past midnight, in the early watches, Bissell and Cabell restudied the battle plan, while signals of consternation welled up from their men far to the south. At 4 o'clock, less than an hour before first light on the Cuban shore, Cabell went back to Rusk with another proposal. It was manifestly impossible for the brigade's small force of B-26's (only 16 were operational) to provide effective air cover for the ships from their distant base against jets that could reach the ships in minutes. Cabell now asked whether, if the ships were to pull back of the 3- or 12-mile limit—whichever distance U.S. legal doctrine held to be the beginnings of international water—the U.S.S. *Boxer*, a carrier on station about 50 miles from the Bay of Pigs, could be instructed to provide cover for them. Rusk said no and this time Cabell finally took advantage of the reclama that Bundy had extended to Bissell. The President was awakened. Cabell registered his concern. The answer still was no.

Shortly after that, on Monday morning, April 17, Brig. Gen. Chester Clifton, the President's military aide, received word that the Cuban brigade had landed. They had little chance. They were without the ranging fire power that the B-26's with their bombs and machine guns had been expected to apply against Castro's tanks and artillery as they wheeled up. Castro's forces came up fast. He still had four jets left, and they were indeed armed with powerful rockets. He used them well against the ships in the bay. Before the morning was done, he had sunk two transports, aboard which was the larger part of the reserve stocks of ammunition, and driven off two others, with the rest of the stock.

Now Kennedy and his strategists became alarmed. About noon on Monday, Bissell was told that the B-26's could attack Castro's airfields at will. Orders went to the staging base for a major attack next morning. But the orders came too late. Most of the pilots have been in the air for upwards of 18 hours in an unavailing effort to keep Castro's planes off the troops and the remaining ships. That night a small force was scratched together. It was over Cuba at dawn, only to find the fields hidden by low, impenetrable fog. Nothing came of the try.

Tuesday, the second day, was the turning point. The men ashore had fought bravely and gained their planned objectives. They had even seized and bulldozed the airfield. But they were desperately short of ammunition and food, and under the pressure of Castro's superior fire power and numbers they were being forced back across the beach; three B-26's trying to help them were shot down.

Two small landing craft had made rendezvous with two remaining supply ships and taken on ammunition and rations; but, from where they were, they could not reach the beach until after daybreak, at which time Castro's jets were certain to get them. There remained still one last clear chance to make the thing go. *Boxer* was still on station. The release of a few of its jets simply for air cover should see the two crafts safely to the shore.

DEFEAT IS AN ORPHAN

That night Kennedy was caught up in a White House reception, a white-tie affair, for Congress and the members of his Cabinet. He was informed by an aid that Bissell wished to see him. The President asked Bissell to come to the White House. Calls went out to the other principals—to Rusk,

who had been entertaining the Greek Premier at a formal dinner at the State Department, to McNamara, General Lemnitzer, Admiral Burke.

They gathered in the President's office shortly after midnight. One of the participants recalls: "Two men dominated that singular occasion—the President and Bissell. Bissell was in the unhappy posture of having to present the views of an establishment that had been overtaken by disaster. He did so with control, with dignity, and with clarity." Bissell made it plain that the expedition was at the point of no return; unless U.S. airpower was brought forward, the men on the beach were doomed. In substance, he asked that the *Boxer's* planes be brought into the battle to save the operation. Rusk still would not have this. Several others were also opposed, including the President's personal staffers. Burke vouched for the worth of Bissell's proposition. The discussion with the President lasted until 2 a.m. Its outcome was a singular compromise. Jets from the *Boxer* would provide cover next morning for exactly 1 hour—from 6:30 to 7:30 a.m., just long enough for the ships to run into the shore and start unloading, and for the remaining B-26's to get in a hard blow.

Next morning, through an incredible mischance, the B-26's were over Cuba half an hour ahead of schedule. *Boxer's* jets were still on the flight deck. But Castro's jets were ready. Two of the B-26's were shot down; others were hit and forced to abort. That was the melancholy end. At 2:30 that afternoon, Bissell received word from one of his men aboard a ship in the Bay of Pigs: remnants of the landing force were in the water and under fire. There was a final message from the gallant brigade commander ashore to this effect, "I have nothing left to fight with and so cannot wait. Am headed for the swamp." Bissell went to the White House to report the end. Kennedy gave orders for a destroyer to move into the bay and pick up as many men as it could. It was no Dunkirk. Only a few men of the 1,400 were saved.

"Victory," Kennedy noted some days later, "has a hundred fathers, and defeat is an orphan." Yet, for all Kennedy's outward calmness at this moment of defeat, he was never, after it, quite the same. Speaking before the American Society of Newspaper Editors, a grave President said, "There are from this sobering episode useful lessons for all to learn."

TRIBUTE TO SENATOR MANSFIELD AS MAJORITY LEADER

Mr. GOLDWATER. Mr. President, the statement I am about to make is not on this particular point, but I promise it will not take more than a minute. This will be the last time I will avail myself of the floor in this session, and I wanted to comment briefly on the leadership of Senator MANSFIELD in this Congress.

I have been a little tired of reading in the press about the lack of ability of Senator MANSFIELD in the leadership of this body. I am also growing a little tired of reading about the so-called leadership of his predecessor. While it was leadership, it was leadership of a different kind. I personally prefer to work under the leadership of a man like Senator MANSFIELD, who reminds me of the man I have always considered a real leader, the late George Patton.

During the early days of World War II, when he was training his armored troops on the deserts of Arizona and southern California, it was my privilege to fly missions against his soldiers to see how well they could protect themselves from air attack. We would attend critiques in the evening, and I will never forget, as long as I live, his definition of leadership. He would hold a China plate in his hand, which was then very new to GI's, and he had on it a wet noodle. He tried to push it, and it would go nowhere. Then he would put his two fingers around the noodle and pull it across the plate. He said, "Gentlemen, you have to pull a noodle; you can't push it."

That is the kind of leadership we have had under Senator MANSFIELD. I am happy to work under that kind of leadership, rather than under a whip, a six gun, or the butt of something hard, or a threat. This is the kind of leadership that gets the best out of men and women and produces the best for the country.

I did not want the session to end without my standing up to defend a fellow westerner, even though he be of the opposite party, from attacks of people of the press who have assailed his leadership.

AMENDMENT OF FOREIGN SERVICE BUILDINGS ACT, 1926, AUTHORIZING ADDITIONAL APPROPRIATIONS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate resume the consideration of Calendar No. 1887, House bill 11880, to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H.R. 11880) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes, which had been reported from the Committee on Foreign Relations, with an amendment.

Mr. HUMPHREY. Mr. President, before we get to the committee amendment, which I believe is controversial, I wish to state that the main purpose of H.R. 11880 is to authorize an appropriation of $53,899,000 for the purchase of U.S.-owned foreign currencies and expenditure in connection with a 2-year Foreign Service buildings program. Of this amount, not to exceed $22,093,000 may be used for maintenance, repairs, and other operating expenses. In addition, the bill provides that "to the maximum extent feasible" foreign currencies owned by or owed to the United States shall be used for carrying out the purposes of the Foreign Service buildings program.

In this connection, since the enactment of the Foreign Service Buildings Act of 1926, $241,625,000 has been authorized and appropriated through the fiscal year 1962. Of this total, $209,100,000, or 86½ percent, was used to purchase U.S.-owned foreign currencies from the U.S. Treasury, and the balance of $32,525,000 was in United States dollars. In addition to the total authorized, there was appropriated by the Congress in 1961 and 1962 respective amounts of $4,500,000 and $4,650,000 under Public Law 480, providing a total availability of $250,775,000.

Mr. President, I believe it is important to keep in mind that the actual dollar expenditures made in connection with the Foreign Buildings Program have averaged less than $1 million per year since 1926, when the Foreign Service Buildings Act was enacted. The balance of the appropriations made for this program, which averaged approximately $6 million per year, were used to purchase foreign currencies from the U.S. Treasury. Moreover, the Committee on Foreign Relations has been assured by the Department of State that it will continue to use U.S.-owned foreign currencies and credits in carrying out its Foreign Service buildings program whenever those currencies and credits are available.

According to the Department of State, of the $53,899,000 authorized by H.R. 11880, approximately $40 million, or 74 percent, is expected to be financed in U.S.-owned foreign currencies. In addition, of the total dollar requirement, amounting to less than $14 million, it is anticipated that only $6 million will be expended outside the United States. The balance of the dollar expenditures will be used for salaries, travel, other administrative expenses, and purchases in the United States of American-made building equipment, appliances, and furniture and furnishings for our projects abroad. I should point out, the Department anticipates that the program envisaged under H.R. 11880 will result in an annual savings in leased quarters alone of $862,000. Of this amount, over $700,000 annually would relate to the new African countries.

During its consideration of H.R. 11880, the Committee on Foreign Relations approved an amendment, cosponsored by Senators FULBRIGHT and MONRONEY, which prohibits future construction of foreign chanceries in one-family detached residential areas in the District of Columbia. As originally introduced, the amendment would have prohibited foreign governments from locating their chanceries in all residential areas in the District of Columbia. However, representatives of the Department of State urged the committee to modify the amendment so that chanceries might be constructed in certain residential districts other than those areas designated as one-family detached dwelling districts. Such areas would include those predominantly occupied by apartments, row houses, and semidetached homes, where chanceries would be permitted to locate, provided it can be shown that those areas are not already overcrowded. In view of the position taken by the Department of State, the Committee on Foreign Relations modified the Fulbright-Monroney proposal so as to prohibit future location of chanceries only in areas designated as one-family detached dwelling districts.

Incidentally, enactment of this proposed legislation is not intended to have a retroactive effect. Legally authorized

construction which has actually begun would not be affected by this bill.

Mr. President, the Department of State advised the Committee on Foreign Relations that the enactment of H.R. 11880 during this session of Congress is absolutely necessary, in order to provide authority to continue without break the foreign buildings program. As the Department pointed out, the appropriations authorized by the bill are required in order to maintain the realty holdings which the United States already owns throughout the world, as well as for the acquisition and construction of buildings abroad, especially in the new African countries.

In his letter of transmittal requesting this legislation, the Secretary of State, Mr. Dean Rusk, stated that many of our personnel at posts abroad are working and living in accommodations far below the standards considered minimum in the United States. This is particularly true, he said, at certain posts in Asia and Africa.

Approximately one-third of the amount authorized by H.R. 11880 for construction and acquisition is for special requirements at new posts in Africa, and, as the Committee on Foreign Relations observed in its report on this legislation—

> If our Foreign Service personnel are to have facilities available in this area of the world where it is imperative that we have adequate representation, it is essential that this bill be approved without delay.

Mr. President, I hope the Members of the Senate will agree that there is an urgent need for funds with which to carry on our foreign buildings program, and that they will pass H.R. 11880 as soon as possible.

Mr. President, this bill was given very careful consideration by the Foreign Relations Committee.

I understand that the Senator from Oregon [Mr. MORSE] has two amendments which he will offer. They have been discussed with the Foreign Relations Committee. I also understand that the Senator from Michigan [Mr. MCNAMARA] has an amendment which he wishes to offer.

In order to expedite the handling of the business of the Senate, and because I realize that the Senator from Michigan, the Senator from Arizona [Mr. GOLDWATER], and other Senators have been waiting some time for the bill to be reached, I suggest that the Senator from Michigan offer his amendment now, and that then the Senator from Arizona offer his amendment, and that then the Senate consider the Morse amendments.

The PRESIDING OFFICER. Does the Senator from Minnesota request that the committee amendment be temporarily passed over?

Mr. HUMPHREY. Yes, Mr. President; I ask unanimous consent that the committee amendment be temporarily passed over.

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

Mr. HUMPHREY. Mr. President, I make this request in order that the Senator from Michigan, the Senator from Arizona, and the Senator from Oregon may submit their amendments at this time.

Mr. MCNAMARA. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Michigan will be stated.

The LEGISLATIVE CLERK. On page 1, after line 3, it is proposed to insert "title I"; and on page 6, after line 18, to insert the following:

TITLE II

That this title may be cited as the "Equal Pay Act of 1962".

Declaration of purpose

SEC. 2. (a) The Congress hereby finds that the existence in industries engaged in commerce or in the production of goods for commerce of wage differentials based on sex—

(1) depresses wages and living standards for employees;

(2) prevents the maximum utilization of the available labor resources;

(3) tends to cause labor disputes, thereby burdening, affecting, and obstructing commerce;

(4) burdens commerce and the free flow of goods in commerce; and

(5) constitutes an unfair method of competition.

(b) It is hereby declared to be the policy of this title, through exercise by Congress of its power to regulate commerce among the several States and with foreign nations, to correct the conditions above referred to in such industries.

Definitions

SEC. 3. When used in this title—

(a) "Person" means an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons.

(b) "Commerce" means trade, commerce, transportation, transmission, or communication among the several States or between any State and any place outside thereof and shall include United States congressional office staffs and United States congressional committee staffs, notwithstanding the number of persons employed in such offices.

(c) "Goods" means goods (including ships and marine equipment), wares, products, and commodities, merchandise, or articles or subjects of commerce of any character, or any part or ingredient thereof but does not include goods after their delivery into the actual physical possession of the ultimate consumer thereof other than a producer, manufacturer, or processor thereof.

(d) "Produced" means produced, manufactured, mined, handled, or in any other manner worked on in any State; and for the purposes of this title an employee shall be deemed to have been engaged in the production of goods if such employee was employed in producing, manufacturing, mining, handling, transporting, or in any other manner working on such goods, or in any closely related process or occupation directly essential to the production thereof, in any State.

(e) "Employ" includes to suffer or permit to work.

(f) "Employer" includes any person acting directly or indirectly in the interest of an employer in relation to an employee, including having the authority to hire, dismiss, and control the work of such employee but shall not include the United States except with respect to United States congressional office staffs and United States congressional committee staffs, or any State or political subdivision of a State, any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization, or any person having fewer than twenty-five employees in any place of employment.

(g) "Employee" includes any individual employed by an employer.

(h) "Wage" paid to any employee includes the reasonable cost, as determined by the Secretary, to the employer of furnishing such employee with board, lodging, or other facilities, if such board, lodging, or other facilities are customarily furnished by such employer to his employees: *Provided*, That the Secretary is authorized to determine the fair value of such board, lodging, or other facilities for defined classes of employees and in defined areas, based on average cost to the employer or to groups of employers similarly situated, or average value to groups of employees, or other appropriate measures of fair value. Such evaluations, where applicable and pertinent, shall be used in lieu of actual measure of cost in determining the wages paid to any employee.

(i) "State" includes a State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and Outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act.

(j) "Secretary" means the Secretary of Labor.

(k) "Labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

Prohibition of wage rate differential based on sex

SEC. 4. No employer having employees engaged in commerce or in the production of goods for commerce shall discriminate, in any place of employment in which his employees are so engaged, between employees on the basis of sex by paying wages to any employee at a rate less than the rate at which he pays wages to any employee of the opposite sex in such place of employment for equal work on jobs the performance of which requires equal skills, except where such payment is made pursuant to a seniority or merit increase system or a bona fide job classification program which does not discriminate on the basis of sex or where such payment is attributable to ascertainable and specific added costs resulting from employment of the opposite sex. No labor organization, or its agents, representing employees of such an employer shall cause or attempt to cause such an employer to discriminate against an employee in violation of this title. No such employer and no such labor organization shall discharge, cause to be discharged, discipline, or otherwise discriminate against any employee on account of any action taken by such employee to invoke, enforce, or assist in any manner in the enforcement of the provisions of this title.

Administration

SEC. 5. (a) The Secretary shall have authority to prescribe rules and regulations necessary for the administration of this title. In any action or proceeding based on any alleged violation of this title, a person charged with such alleged violation shall have all defenses otherwise available, and no person shall be subject to any liability or punishment for or on account of the commission by such person of an unlawful discriminatory practice prohibited by this title if he pleads and proves that the act or omission complained of was in good faith, in conformity with, and in reliance on, any written interpretation or opinion of the Secretary or his representative. Such a defense, if established, shall be a bar to the action or proceeding, notwithstanding that after such act or omission, such interpretation or opin-

ion is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect.

(b) In connection with any investigation of a charge filed by the Secretary under section 6, the Secretary or his representative may enter and inspect such places and such records (and make such transcriptions thereof), question such employees, and investigate such facts, conditions, practices, and matters as he may deem necessary or appropriate to determine whether any person has violated any provision of this title, or which may aid in the enforcement of the provisions of this title.

(c) For the purposes of any investigation conducted under this title, the provisions of sections 9 and 10 of the Federal Trade Commission Act of September 16, 1914, as amended (15 U.S.C. 49, 50), shall be applicable to the jurisdictions, powers, and duties of the Secretary or any officers designated by him, except that the attendance of a witness may not be required outside of the State where he is found, resides, or transacts business, and the production of evidence may not be required outside the State where such evidence is kept.

Enforcement

SEC. 6. (a) Whenever it is charged in writing under oath by or on behalf of a person claiming to be aggrieved that an employer or a labor organization has engaged in a discriminatory practice prohibited by section 4, the Secretary shall file a written charge (setting forth the facts upon which it is based) and shall furnish such employer or labor organization (hereinafter referred to as the "respondent") with a copy of such charge and shall make an investigation of such charge. If the Secretary determines, after such investigation, that such respondent has engaged in a discriminatory practice prohibited by section 4, he shall endeavor to eliminate any unlawful discriminatory practice by informal methods of conference, conciliation, and persuasion.

(b) If the Secretary has failed to effect the elimination of an unlawful discriminatory practice and to obtain voluntary compliance with this title, or in advance thereof if circumstances warrant, he shall have the power to bring a civil action to prevent the respondent from engaging in such unlawful practice.

(c) Each United States district court and each United States court of a place subject to the jurisdiction of the United States shall have jurisdiction of actions brought under this title. Such actions may be brought either in the judicial district in which the unlawful discriminatory practice is alleged to have been committed or in the judicial district in which the respondent has his principal office. No such civil action shall be based on an unlawful discriminatory practice occurring prior to the effective date of this title or more than one year prior to the filing of the charge and the giving of notice thereof to the respondent, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the Armed Forces, in which event a period of military service shall not be included in computing the one-year period.

(d) If the court finds that the respondent has engaged in or is engaging in an unlawful discriminatory practice charged in the complaint, the court may enjoin the respondent from engaging in such unlawful practice, and shall order the respondent to take such affirmative action, including the payment of back wages, plus an additional amount not to exceed the back wages found to be due, as may be appropriate. No order of the court may issue if the wage discrimination was based on some factor other than sex.

(e) In any case in which the pleadings present issues of fact, the court may appoint a master and the order of reference may require the master to submit with his report a recommended order. The master shall be compensated by the United States at a rate to be fixed by the court, and shall be reimbursed by the United States for necessary expenses incurred in performing his duties under this section. Any court before which a proceeding is brought under this section shall advance such proceeding on the docket and expedite its disposition.

(f) The provisions of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 101–115), shall not apply with respect to civil actions brought under this section.

(g) Attorneys of the Department of Labor may appear for and represent the Secretary in any litigation, but all such litigation shall be subject to the direction and control of the Attorney General.

(h) The remedies provided in this section for violations of this title shall be exclusive.

Supervision of wage payments

SEC. 7. The Secretary is authorized to supervise the payments of any amounts owing to any employee which have been withheld in violation of this title. Any sum owed an employee and paid to the Secretary under this title shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to the employee. Any such sum not paid to an employee because of inability to do so within a period of three years shall be covered into the Treasury as miscellaneous receipts.

Government contracts

SEC. 8. (a) Except as hereinafter provided in this subsection, in any contract made and entered into by any executive department, independent establishment, or other agency or instrumentality of the United States, or by the District of Columbia, the Virgin Islands, American Samoa, Guam, or the Canal Zone, or by any corporation all of the stock of which is beneficially owned by the United States (all of which are referred to hereinafter as agencies of the United States), for the manufacture or furnishing of any materials, supplies, articles, or equipment, in any amount exceeding $10,000, there shall be included stipulations under which the contractor (1) is required to compensate all persons employed by him in the manufacture or furnishing of such materials, supplies, articles, or equipment, in conformity with the requirements of this title, and (2) shall be subject to all other provisions of this title. The Secretary of Labor may, when he deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions of this subsection in any specific contract.

(b) No contract shall be awarded by the United States or any agency thereof to any person finally determined to have violated any of the provisions of this Act or any stipulation entered into in compliance with subsection (a) of this section, or to any firm, corporation, partnership, or association in which such person has a controlling interest, until the contractor has complied with all orders issued to him pursuant to section 6. The Comptroller General is authorized and directed to distribute to all agencies of the United States a list containing the names of persons ineligible for contract awards under this section. The Secretary shall cause the names of persons who have complied with orders issued pursuant to section 6 to be removed from this list.

Posting

SEC. 9. Every employer subject to this title shall keep posted in a conspicuous place in or about the premises where any employee is employed such excerpts from this title and from the regulations issued pursuant thereto as will provide information adequate to inform employees of their rights under this title.

Effect of other laws

SEC. 10. No employer to whom section 4 applies shall be required to comply with any law of any State, or political subdivision thereof, prohibiting discrimination in rates of pay on account of sex. The Secretary is empowered by agreement with any agency of any State to cede to such agency jurisdiction over any cases where such State has a statute applicable to the determination of such cases the provisions of which are not inconsistent with the corresponding provisions of this title or has received a construction not inconsistent therewith.

Appropriation

SEC. 11. There are authorized to be appropriated such sums (not in excess of $1,500,000 for the fiscal year ending June 30, 1963), as may be necessary to carry out the provisions of this title.

Effective date

SEC. 12. This title shall take effect one hundred and twenty days after the date of its enactment.

Mr. McNAMARA. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a section-by-section analysis of the bill.

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

H.R. 11677—SECTION-BY-SECTION ANALYSIS

Section 1. Title of act: Establishes short title of "Equal Pay Act of 1962."

Section 2. Declaration of purpose: Enumerates undesirable conditions in industries engaged in commerce or in the production of goods for commerce resulting from payment of wage differentials based on sex and declares policy of act to correct these conditions through the commerce power.

Section 3. Definitions: Defines terms used in the act, for the most part, as the same terms are defined in the Fair Labor Standards Act.

Section 4. Prohibition of wage rate differential based on sex:

Prohibits employers having employees engaged in commerce or in the production of goods for commerce from discriminating, on the basis of sex, in payment of wages in any place of employment in which their employees are so engaged by paying to any employee wages lower than those which he pays to any employee of the opposite sex for work of equal character on jobs the performance of which requires equal skill.

The language descriptive of proposed coverage and the supporting definitions in section 3 are phrased to make available precedents established under the Fair Labor Standards Act in determining coverage under the proposed legislation. Nondiscriminatory seniority or merit increase systems are excepted, as are bona fide job classification programs. Wage differentials attributable to ascertainable and specific costs resulting from the employment of the opposite sex are also excepted.

Section 5. Administration:

(a) Authorizes the Secretary of Labor: (1) to issue rules and regulations, (2) to make investigation regarding compliance with the act.

(b) Vests the Secretary of Labor with subpena power as provided under the Federal Trade Commission Act of September 16, 1914.

Section 6. Enforcement:

(a) Empowers the Secretary, after a charge in writing is filed, to make an investigation as to whether a violation has occurred.

If the Secretary determines that the charge is true, he shall use informal methods of

conference, conciliation, and persuasion to eliminate such an unlawful practice.

(b) If these informal methods fail, the Secretary shall have the power to seek a restraining order against such an unlawful practice.

(c) This action shall be brought in U.S. district court. It may be brought either where the practice is alleged to have been committed or the district in which the respondent has his principal office. A 1-year statute of limitations is provided, except that the aggrieved person's period of military service shall not be included in the tolling of the statute.

(d) If the court finds a violation, it may enjoin the respondent and shall order not only affirmative action but the payment of back wages.

(e) If the pleadings present issues of fact the court may appoint a master who shall submit a report and a recommended order.

(f) Provides that the Norris-La Guardia Act shall not apply to civil actions brought under section 6.

(g) Allows attorneys of the Department of Labor to represent the Secretary, under the direction of the Attorney General.

(h) Provides that the remedies cited in this section shall be exclusive.

Section 7. Supervision of wage payments:

(a) Authorizes Secretary to supervise payment of wages, withheld in violation of the act, and to hold such sums in a special deposit account and to order payment therefrom directly to the employee. After 3 years, unpaid sums from the account must be covered into the Treasury as miscellaneous receipts.

(b) Limits wage restitution to periods of 4 years preceding the date the Secretary commences his first administrative or judicial proceeding.

Section 8. Government contracts:

(a) Provides that all Government supply contracts in an amount exceeding $10,000 shall contain a stipulation requiring the contractor to compensate persons employed by him on the contract in conformity with the requirements of the act and shall be subject to all of its other provisions. Authorizes the Secretary of Labor when he deems that special circumstances in the national interest require to exempt any contracting agency from the requirement of including this stipulation in a specific contract.

(b) Provides that no contract shall be awarded by any U.S. Government agency to persons determined to have violated the act or contract stipulations entered into under subsection (a) unless the Secretary determines the contractor has come into full compliance. The Comptroller General is directed to distribute a list of contractors ineligible under this section and immediately to remove from the list the name of any contractor the Secretary has determined to have come into compliance.

Section 9. Posting: Requires employers subject to act to post a copy of it on premises where any employee covered by the act is employed.

Section 10. Effect of other laws: No employer to whom section 4 applies shall be required to comply with any law of any State, or political subdivision thereof, prohibiting discrimination in rates of pay on account of sex. The Secretary is empowered by agreement with any agency of any State to cede to such agency jurisdiction over any cases where such State has a statute applicable to the determination of such cases the provisions of which are not inconsistent with the corresponding provisions of this act or has received a construction not inconsistent therewith.

Section 11. Appropriation: Authorizes necessary appropriations to carry out the act.

Section 12. Effective date: Provides that act will take effect 120 days after passage.

Mr. McNAMARA. Mr. President, the amendment which I offer is H.R. 11677, the equal pay bill, which passed the House of Representtaives on July 25, 1962.

This amendment represents legislation recommended by the administration of President Kennedy.

In a letter to Vice President Johnson, dated August 24, 1961, then Secretary of Labor Arthur J. Goldberg cited three major reasons for the enactment of this legislation:

First. The general purchasing power and living standards of workers were adversely affected by discriminatory pay rates.

Second. Those employers who paid discriminatory rates enjoyed an unfair competitive advantage over those who did not.

Third. The low-wage levels which result from this discrimination prevent the full utilization of workers' skills, which is, in turn, detrimental to both morale and production.

What this bill does, in its most basic sense, is to insure that those who perform equal tasks will be rewarded with equal wages, regardless of their sex.

For too long a period many employers have based their payrolls on an ancient and discredited belief—that a man, because of his allegedly more responsible role in society, should be paid more than a woman, even though the man and the woman performed the same duties.

At present, there are almost 25 million women in the Nation's work force.

It is impossible to name any significant industry in the United States which does not depend to a substantial degree upon the skills, talents, and energy of American women.

Yet it is apparent, from statistics that have been presented to the Congress, that these skills, talents, and energies are not rewarded in the same manner as they are when contributed by men.

The volume of testimony on this legislation, which is available to each Senator, contains those statistics.

I would call attention particularly to the documents which accompany the testimony of Mrs. Esther Peterson, Assistant Secretary of Labor. That testimony begins on page 6 of the hearings. I will cite only several of the startling and dismal facts contained in the data presented by Mrs. Peterson. In 1955, women's median wage and salary income was 64 percent of that received by men. In 1961, that percentage had not risen, but had dropped to 61 percent.

This differential, furthermore, marked every major occupational grouping, ranging from 42 percent among salesworkers to 68 percent among clerical workers.

Mr. President, I do not present this amendment as an instrument by which these differentials will be completely eliminated.

The median wage and salary income of women will still be lower than that of men long after this bill is passed.

It will remain lower precisely because of the society in which we live, a society in which less women than men prepare themselves for a lifetime of work. What this amendment will do is guarantee that a woman who has prepared herself for a particular job in the same degree as a man, and who performs it with the same excellence as a man, will be paid the same as a man.

Briefly, the amendment would assure this guarantee by the following provisions:

First. All employers who have 2 or more employees engaged in commerce or the production of goods for commerce and who employ 25 or more employees in 1 establishment—at that establishment—will be covered by the legislation.

Second. It will be unlawful for such employers to pay wage rates which discriminate, on the basis of sex, to employees whose jobs are determined to be of an equal character and which require equal skills.

Third. When an employee believes that he or she is being paid such discriminatory wage rates, the employee or an authorized representative may file a charge in writing with the Secretary.

Fourth. The Secretary then shall file a written charge of his own with the employer or labor organization and make an investigation.

Fifth. If the investigation reveals that a violation has occurred, the Secretary is first directed to use informal conciliation procedures to bring an end to the discriminatory practices.

Sixth. If those informal procedures fail, the Secretary brings a civil suit to enjoin the practices, and to collect back wages plus a penalty not to exceed the amount of back wages due.

One problem requires more thorough consideration at this point.

During our consideration of the bill, justifiable concern was voiced about the narrow enforcement powers conferred on the Secretary.

We were asked whether or not such a restriction on enforcement would establish a precedent by which the enforcement of other wage legislation could be similarly restricted.

It is clear that the enforcement procedures contained in this bill shall have absolutely no bearing upon any other legislation.

This is not what can be accurately described as a wage bill.

This is an antidiscrimination bill, and no one should imply any future intent that the enforcement of such acts as the Fair Labor Standards Act, the Walsh-Healey Act, and the Davis-Bacon Act, along with others, shall be in any way affected by the decisions which are made in the enactment of this bill.

As reported by the House Committee on Education and Labor, H.R. 11677, the Equal Pay Act of 1962, contained a provision prohibiting any employer from reducing the wage rate of an employee "for the purpose of eliminating the differential in wage rates" prohibited by the bill. During debate on the bill in the House this provision was eliminated.

A good deal of consideration has been given to the problems raised by the language which the House amendment struck from the bill, and the resulting problems to which the House amendment itself may give rise. Standing by itself, the House amendment would seem

to put the stamp of approval on wage reductions as a method of eliminating wage discrimination based on sex. Such an interpretation, however, is contrary to the whole intent and purpose of the bill. The bill is a wage-equalization bill, not a wage-reduction bill.

Obviously in the elimination of wage inequality based on sex, a field which Congress is now exploring for the first time, flexibility is desirable if the bill's beneficial objective and its effective enforcement are to be achieved.

It is expected that in normal circumstances women employees wages will be raised to the same level as the wages paid to men when they are performing equal work but are being paid less than men on jobs the performance of which requires equal skills. Under section 5(a), the Secretary of Labor will have authority to prescribe rules and regulations necessary for administration of the bill. With this authority, and in the light of experience in administering the provisions of the act, the Secretary will be able to define and modify from time to time the circumstances and conditions under which wage adjustments may be made or required in order to equalize women's wages with those of men where the work they do is equal and requires equal skills.

The bill has been considered by the subcommittee of the Committee on Labor and Public Welfare. We spent a great deal of time on the bill. We got it out of the subcommittee with the understanding that amendments were to be offered at the full committee level by the minority members, particularly the Senator from Arizona [Mr. GOLDWATER] and the Senator from Texas [Mr. TOWER].

The amendments were perfecting amendments. They did not change the bill substantially as it was passed by the House. Therefore, we hope, with the cooperation of the Senator from Arizona [Mr. GOLDWATER], and the minority members of the committee, to have the bill passed and sent to the House for its approval.

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

Mr. McNAMARA. I am happy to yield to the Senator from Arizona.

Mr. GOLDWATER. I commend the Senator from Michigan for his assiduousness in staying with the bill. We had hoped to get it through the full committee. Unfortunately, it was at the bottom of the agenda at the last meeting of the committee, and we were unable to get it through.

The Senator from Michigan correctly stated that at the subcommittee meeting—a meeting which, by the way, I was unable to attend—he assured the Senator from Texas [Mr. TOWER] that his amendments would be studied. He has studied those amendments. While the Senator from Michigan has not accepted all of them, I can assure my colleagues that those he has seen fit to accept have improved the bill.

The bill is a good idea. I have never been opposed to this concept, although some persons have attempted to put me in the position of opposing it because I was opposed to an amendment or amendments of brother Senators.

I am glad that the Senator from Michigan has seen fit to agree to the amendment. I want to compliment his assistant, Mr. Sweeney, and my assistant, Mr. Bernstein, for their work on the provision this afternoon.

Mr. McNAMARA. I thank the Senator. I want to join him in complimenting the members of the staff on both sides for the fine work they did.

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

Mr. McNAMARA. I am happy to yield to the Senator from Oregon, who has done so much work, in committee and out, in connection with this bill, and without whose cooperation, in addition to the other Senators whom I have mentioned, the bill could not be in the good form in which it now is.

Mr. MORSE. Mr. President, as I have said on various occasions outside the Senate, the Senator from Michigan [Mr. McNAMARA] is one of my most precious possessions, including that of being a biased friend. I do not know anything more precious than a biased friend.

I want to express my appreciation to the Senator from Arizona in connection with the so-called equal-pay-for-equal-work amendment which has been sponsored by the Senator from Michigan, and proposed to be made a part of this bill. I think the record should show that the Senator from Arizona [Mr. GOLDWATER] was very cooperative on this amendment in committee. He made some very worthwhile contributions to the discussion of the proposal and made very clear that he has always favored the principle of equal pay for equal work.

I felt it was due to him that I should make this statement for the record because, as he pointed out, he felt that he had been misrepresented in some quarters in regard to his position on this bill. I am not aware of those misrepresentations, but I know how easy it is to be misrepresented.

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

Mr. MORSE. I yield.

Mr. GOLDWATER. I thank the Senator for his remarks. I may point out that in my entire business life all the employees I ever hired were women, so it was always equal pay.

Mr. MORSE. I wanted to make this statement about the position of the Senator from Arizona. Then I wished to say to the Senator from Michigan that we would not be at this significant moment in the legislative history of the Senate on this issue tonight had it not been for his tireless, irresistible determination to see this legislation enacted in this session of Congress.

All who have shown an interest in the bill will be forever grateful to him, and in the years to come the many thousands of women workers in this country who will benefit from the labor statesmanship of the chairman of our Subcommittee on Labor [Mr. McNAMARA] I know would want me to express sincere thanks to the Senator from Michigan tonight. This is a rather dramatic moment for the senior Senator from Oregon.

The Assistant Secretary of Labor, Mrs. Peterson, has worked hard and long in behalf of this legislation. She will recall, I am sure, that in 1942 it was my privilege and honor to write the opinion of the War Labor Board, following extensive hearings on the subject, which laid down the policy for the war in all cases falling within the jurisdiction of the National War Labor Board that there should be paid equal pay for equal work. It was our hope that that precedent would be set in that War Labor Board decision in 1942 and would carry over after the war and be legislatively followed in the Halls of the Congress.

If we wish a good example of what is meant by the statement of legislative lag, that is it.

Old Bob La Follette used to teach us, when I was a young man at the University of Wisconsin, that it sometimes takes from 2 to 10 years to have a needed piece of general welfare legislation enacted. It has taken at least 10 years in this case.

I wish to say, in behalf of all those who will benefit from the Senator's proposal, that I thank the Senator from Michigan in their behalf, and also in behalf of the senior Senator from Oregon.

Mr. McNAMARA. I thank the Senator from Oregon for his generosity.

Mrs. NEUBERGER. Mr. President, will the Senator yield?

Mr. McNAMARA. I should like to yield at this time to the distinguished junior Senator from Oregon, who has displayed a great interest in the measure and has publicly fought for it on several occasions.

Mrs. NEUBERGER. As the men did right by us 40 years ago and gave us the vote, so they are carrying the load today.

Mr. HUMPHREY. Mr. President, I wish to briefly associate myself with the remarks made on the equal pay amendment. I compliment the Senator from Michigan [Mr. McNAMARA], the Senator from Arizona [Mr. GOLDWATER], the two Senators from Oregon [Mr. MORSE and Mrs. NEUBERGER] and all other Senators who have had something to do with this proposal.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. McNAMARA].

The amendment was agreed to.

Mr. MORSE. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

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

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I believe the Senator from Oregon has some amendments to offer to the bill.

Mr. MORSE. Mr. President, I have two amendments to offer to H.R. 11880. I offer the first amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 3, line 15, it is proposed to strike the sentence beginning "To the maximum" through the

period in line 17, and to insert in lieu thereof the following:

Such sums shall be available only for purchase from the Secretary of the Treasury of foreign currencies owed to or owned by the United States except that not to exceed $12 million may be used for expenditures in United States dollars which, to the maximum extent feasible, shall be made in the United States.

Mr. HUMPHREY. Mr. President, this amendment has been discussed with the committee. The Senator has been kind enough to discuss it with me. I have been given the privilege of handling the consideration of the bill. I think it is a sensible and good amendment. I assure the Senator that the committee will look with favor upon it.

Mr. MORSE. Mr. President, I wish to make a very brief statement in explanation of the amendment.

I referred to this bill, when I first opposed it, as the "keeping up with the Joneses" bill in the field of embassy construction around the world. I took the position, after listening to the witnesses representing the State Department before the Committee on Foreign Relations, that, in my judgment, they had not proved the need for some of their plans for new embassies, other than the fact that perhaps France, England, Italy, or some other countries were building embassies in some parts of the world, and there seemed to be a feeling on the part of the State Department that at least we ought to build some as spacious and luxurious as those of some of our allies.

I took the position that the time had come to economize with regard to some of our embassy expenditures abroad, so I said I was opposed to the bill.

I think we have arrived at a reasonable compromise. It provides that foreign currency will have to be used, when the United States owns foreign currency in any of these countries.

It also provides that the State Department will be limited to $12 million in American dollars in the $53 million proposed program for the building of embassies.

Furthermore, the State Department will not be able to spend American dollars in any country where foreign currency is available.

Furthermore, the legislative history should show that it is the intention of the senior Senator from Oregon—which I understand is accepted by those who are willing to have the bill voted on tonight—that these embassies are to be built primarily in those places in the world where we do not have embassies, or where there are most inadequate facilities, or where we are renting facilities. This is particularly true, for example, in the underdeveloped areas of the world, such as Africa. It may be true in other underdeveloped areas of the world.

Let the legislative history be perfectly clear that it is not the legislative intent that, under the terms of the bill, the State Department could proceed to build embassies, or greatly to remodel embassies, or incur great construction expense where there are available foreign currencies.

Furthermore, with respect to spending the $12 million in American dollars, the State Department is to spend every cent of that which can be spent in that manner in the United States for the purchase of equipment, materials, and supplies, rather than elsewhere in the world, unless, as the amendment makes clear, it can be shown that for very good reasons to do so would not be justified.

With that legislative history, Mr. President, which I think makes it very clear that the clear restrictions have been placed upon the original plans of the State Department, I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was agreed to.

Mr. MORSE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. MORSE. Madam President, I offer my second amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 5, beginning on line 13, it is proposed to strike out all of section 3.

Mr. MORSE. Madam President, what the amendment would do, really, is to strike out of the bill all reference to the problem of regulating the construction of chanceries in the District of Columbia.

I shall not dwell on the amendment, other than to say that I have done my best to try to arrive at some acceptable compromise on this subject matter. I do not think it can be done. No matter how many times we postpone further consideration of this bill, there are Senators who are opposed to any inclusion of any part of this section in the bill. I am inclined to agree with them that the best way to avoid much misunderstanding about the matter is to strike the whole section from the bill.

Furthermore, I think more extensive hearings on this subject matter should be held, and I think some of them should be held by the District of Columbia Committee. I always think it is bad when there is a jurisdictional argument in the Senate as to the respective jurisdictions of two committees.

I am a member of both committees. I think I am in a pretty good position to judge this jurisdictional dispute impartially. I have no objection to action being recommended by the Committee on Foreign Relations, and that is the only committee before which this problem has been raised.

Much can be said for the bill going to the District of Columbia Committee because, after all, the Foreign Relations Committee does not have jurisdiction over zoning problems in the District of Columbia. That is not the province of the Foreign Relations Committee. That is the province of the District of Columbia Committee. This is a case in which a bill should have been referred to two committees, and not merely one. Therefore, under the circumstances, it is best to strike all reference in the bill to the problem of regulating the construction of chanceries in the District of Columbia. I pledge to the Senate that, come January, if I have the privilege and the trust of my people to represent them in the Senate for another term, I shall be perfectly willing to introduce or cosponsor a bill on the chancery problem in the District of Columbia designed to do a better job than the present language of meeting the objections of some of my colleagues in the Senate. At that time I shall recommend that the bill be referred to both the Committee on Foreign Relations and the Committee on the District of Columbia.

Mr. HUMPHREY. Madam President, the suggestion of the Senator from Oregon is very meritorious. The question should have been looked into by the appropriate committees, either the District of Columbia Committee or the Foreign Relations Committee. I am sure it will be. It ought to be noted that at least there are zoning laws in the District of Columbia which should be observed. I had hoped that we might obtain language in the bill to the effect that—

SEC. 3. The Congress hereby finds that since the United States is generally required, in locating its chanceries abroad, to observe the laws and zoning regulations applicable to business-type buildings in the capital cities of those nations with which diplomatic relations are maintained, it is appropriate that chanceries constructed by such nations in the District of Columbia be located in business areas rather than in residential areas.

As the Senator from Oregon has properly pointed out, this subject requires much more careful examination in the light of the number of times the State Department has asked for a waiver of the zoning laws. I think the amendment is in order. On behalf of the committee I take the responsibility of accepting the amendment. I ask that it be brought to a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE].

The amendment was agreed to.

Mr. MORSE. Madam President, I move that the vote by which the amendment was agreed to be reconsidered.

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

The motion to lay on the table was agreed to.

AMENDMENT GIVING STATUTORY BASIS FOR THE POSITION OF DIRECTOR OF INTELLIGENCE AND RESEARCH, DEPARTMENT OF STATE

Mr. HUMPHREY. Madam President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota will be stated.

The CHIEF CLERK. On page 5, line 13, it is proposed to insert—

Section 3. Section 1 of the act of May 26, 1949, as amended (5 U.S.C. 151a) is amended by striking out "11" and inserting in lieu thereof "12".

Section 4. Section 106(a)(17) of the Federal Executive Pay Act of 1956 (70 Stat. 738) is amended by striking out "(11)" and inserting in lieu thereof "(12)".

Mr. HUMPHREY. Madam President, the amendment was adopted by the Committee on Foreign Relations unanimously. It would permit the State Department to give the one in the position of Director of Research the title of Assistant Secretary, which has been recommended by the Bureau of the Budget, the Department, the administration, and unanimously agreed to by the committee.

The legislation would correct an anomaly by giving the Director of the Bureau of Intelligence and Research the full title and status of an Assistant Secretary of State.

This is not a new position. The Bureau of Intelligence and Research was first established in 1946, and the Director of Intelligence and Research and his predecessors have had the rank "equivalent to assistant secretary" since 1948.

From the viewpoint of Congress, this legislation seems desirable for two reasons.

First, this is a sensitive position, over which the Senate has lacked and should have the control of confirmation.

Second, since it is through the Director of Intelligence and Research that CIA activities of all kinds are coordinated and cleared with the State Department, this position is of special interest to all Senate and House committees concerned with the effective coordination of intelligence and foreign policy.

All agencies of the executive branch recommend this amendment.

From the viewpoint of the State Department, the Bureau of Intelligence and Research is among the larger, more sensitive, and important bureaus of the Department. It is highly desirable that the status of the Bureau and its Director be regularized. Moreover, the Director of Intelligence and Research is the State Department's representative on the U.S. Intelligence Board. This Board produces the national intelligence estimates, which deal with every aspect of U.S. foreign policy. The State Department's representative should have a recognized status commensurate with this responsibility.

The State Department has long desired to regularize this position, but the matter has recently become particularly urgent.

From the viewpoint of CIA and the military departments, it is an anachronism that the State Department's intelligence chief does not have the same status as the other bureau heads in the State Department. This is especially so since inside the State Department, it is the Director of Intelligence and Research who speaks for the entire intelligence community.

From the viewpoint of both State and CIA, the matter is particularly urgent at this time. First, the military services are at present in the process of consolidating their intelligence activities and have just formed the new, 3,000-man Defense Intelligence Agency, headed by a Director and Deputy Director, both of lieutenant general rank. Second, present plans call for the U.S. Intelligence Board to be reduced to four members under the chairmanship of John McCone. The military members will all be of lieutenant general rank, and both State and CIA recommend that the State member have a comparable status.

RESPONSIBILITIES OF THE DIRECTOR OF INTELLIGENCE AND RESEARCH

The Bureau of Intelligence and Research and its Director have five major responsibilities.

First. The Bureau is responsible for supplying the Secretary of State with research and analysis contributing directly to foreign policy. This includes interpretation and evaluation of intelligence and all other kinds of information available to the U.S. Government. It involves deep and timely analysis to alert the U.S. Government of current developments, long-range trends, and alternatives confronting us as we attempt to meet future problems. These responsibilities are global.

Second. The Bureau is now responsible for coordinating and clearing CIA and other intelligence community activities to insure consistency with U.S. foreign policy. The Bureau and its Director have always had responsibility for coordinating some CIA and intelligence community activities. Since July 1961 it has been given responsibility for coordinating CIA activities of all kinds.

Third. The Director of Intelligence and Research is the State Department member of the U.S. Intelligence Board, which makes policy recommendations on intelligence activities to the National Security Council and which is responsible for national intelligence estimates dealing with every aspect of U.S. foreign policy.

Fourth. The Director of Intelligence and Research administers the State Department's program of policy research studies contracting research to universities and industrial research organizations in areas helpful to the formation of U.S. foreign policy.

Fifth. The Director of Intelligence and Research exercises security responsibility over certain highly restricted areas of research and certain highly sensitive areas of information. As a member of the U.S. Intelligence Board, his security responsibilities are specific and nontransferable.

ORGANIZATION OF THE BUREAU

The Bureau of Intelligence and Research consists of 350 persons, including specialists on all parts of the world and on all aspects of foreign affairs.

Its organization includes the director's office; a small executive staff for administration; a deputy director for coordination with other intelligence agencies and offices; a deputy director for research; and eight regional and functional offices. The regional and functional offices are as follows: Office of Research for American Republics Affairs; Office of Research for European Affairs; Office of Research for African Affairs; Office of Research for Near East and South Asian Affairs; Office of Research for Far Eastern Affairs; Office of Research for Sino-Soviet Bloc Affairs; Office of Functional and External Research for economic, international organizational and political-military affairs, and the Office of Current Intelligence Indications which performs certain current intelligence and analysis functions and services as a security control over certain sensitive information. The amendment deserves support and I recommend its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. May I inquire whether the committee amendment was stricken by the Morse amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. Therefore the bill is at the point of third reading?

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

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

The bill was read the third time and passed.

Mr. HUMPHREY. Madam President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

SUPPORT FOR NAME-BRANDS PRICING LAW

Mr. HUMPHREY. Madam President, before my good friend the Senator from Oregon [Mr. MORSE] makes the observation that he desires to make, may I first call to the attention of the Senate to two articles that appeared in the Mankato Free Press of Mankato, Minn. One is an editorial and the other is a news article. The article states:

The regional Small Business Administration (SBA) advisory council meeting in St. Paul this week passed a resolution advocating passage by Congress of a bill prohibiting unfair pricing of brand-named products.

This and several other resolutions were passed by the regional group and will be presented to the National Advisory Council meeting in Washington, D.C., in October.

Other resolutions passed by the council in addition to supporting the quality stabilization bill now before Congress:

Supported the administration's request for additional moneys to assist in carrying out the financial assistance programs of the SBA;

I am happy to say that it was included today in the appropriation bill for the Departments of State, Commerce, and the Judiciary.

The article continues:

Asked that supplemental financing arrangements be made with banks on a regional basis to provide additional funds for small business purposes;

Sought expansion of visits to foreign countries by groups of small businessmen in an effort to emphasize and encourage foreign exports on the part of small business;

Madam President, I also call to the attention of the Senate an editorial that appeared in the Mankato Free Press of Mankato, Minn., which is one of our leading newspapers in Minnesota, commenting upon these resolutions and pointing out the importance of the Midwest Regional Small Business Advisory Council on its recommendations.

I ask unanimous consent that the article and editorial be printed at this point in the RECORD.

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

SBA AREA GROUP BACKS NAME-BRANDS PRICING LAW

The regional Small Business Administration (SBA) advisory council meeting in St. Paul this week passed a resolution advocating passage by Congress a bill prohibiting unfair pricing of brand-named products.

This and several other resolutions were passed by the regional group and will be presented to the National Advisory Council meeting in Washington, D.C., in October.

Two of the 22 regional advisory councilmen are from Mankato—Free Press Editor and Vice President Franklin Rogers and Honeymead Products Co. Vice President and Manager Lowell W. Andreas.

Other resolutions passed by the council in addition to supporting the quality stabilization bill now before Congress:

Supported the administration's request for additional moneys to assist in carrying out the financial assistance programs of the SBA:

Asked that supplemental financing arrangements be made with banks on a regional basis to provide additional funds for small business purposes:

Sought expansion of visits to foreign countries by groups of small businessmen in an effort to emphasize and encourage foreign exports on the part of small business:

Requested that the SBA render "all assistance possible" to a study of business resources along with Missouri River impoundments in North and South Dakota.

SBA SUPPORTS BILL

The Midwest Regional Small Business Advisory Council, representing Minnesota and the Dakotas, as well as a part of Wisconsin, passed a resolution this week supporting what is known as the quality stabilization bill, now before Congress. The legislation forbids what it calls certain unfair methods of competition, generally conceded as promoting monopoly in distribution.

The practice it aims to prevent is that of certain large businesses that offer well-known brands of merchandise at less than it costs to manufacture them. These items are what is known as loss leaders. They are used to attract customers to the place of business, which figures to make up for the losses thereby incurred, by a standard profit on other items of merchandise.

This makes it difficult for the small merchant, who aims to do business by earning a fair profit on all of the things he sells. By virtue of the size of his operation he cannot afford to sell certain items at less than cost.

This seems to be a reasonable bill and deserves public support. In the interest of fairplay it is unreasonable to ask any small merchant to compete with a bigger rival that can afford to charge less than cost for one item, with the hopes of making up the lost profit on other things in his store.

COLLEGES NEED AID

Mr. HUMPHREY. Madam President, I also call attention to an editorial published in the Mankato Free Press entitled "Colleges Need Aid." I submit that the fine remarks of the Senator from Oregon tonight are all the background that is needed to support the editorial. The editorial comments favorably upon the compromise bill that had been arrived at in refenence to higher education support by the Federal Government. I wish the record to be clear that I think the greatest tragedy of all in the failure of enactment of that bill was what happened to the community college program.

As the Senator from Oregon has pointed out tonight, that program is really the new frontier of education. It is the new opportunity in education for hundreds of thousands of young people. I ask unanimous consent that the editorial be printed at this point in the RECORD.

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

[From the Mankato (Minn.) Free Press, Sept. 26, 1962]

COLLEGES NEED AID

Action by the U.S. House of Representatives to kill legislation providing Federal aid for colleges apparently dooms the bill for this session. This is unfortunate because a program of assistance for higher education is necessary.

Apparently the college bill became all tied up with the religious issue. But colleges are different from elementary schools. The system of higher education in the country is hard put to provide the facilities for the mushrooming enrollment in both public and private colleges. They need more assistance than they are getting.

There were several points of disagreement in congressional attitude to the proposed legislation. Many Congressmen opposed outright grants to religious colleges. It was said this may be unconstitutional, and that may be correct. But the alternative plan is to give long-term low-cost loans. This would be extremely helpful.

Another disagreement is over the proposal to give Federal scholarships to students. In reality that is not what the students need. If they, too, can get low-cost loans, it will be enough.

But the House apparently was unable to get together on the points of agreement and therefore the whole program failed of passage. This is a heavy blow to the cause of higher education which has a critical need of assistance at the earliest time possible.

YOUTH CONSERVATION CORPS

Mr. HUMPHREY. Madam President, after a long and productive session, after many months of labor and accomplishment, I think it is possible to say that the end of the road is in sight. And I know what a welcome sight this will be for me and, I assume, for my colleagues.

There are items on our agenda that have not been completed. One of them is the Youth Employment Opportunities Act (S. 404), which will not pass this session. The reason that the bill will not pass is quite simple. It is on the Senate calendar. It has passed the Senate once before. But we have been unable to obtain a favorable rule in the other body. I wish the RECORD to note that time after time this Senator, who is one of the authors of that bill, has appealed to every known authority in the city to expedite action on the Youth Employment Opportunities Act. That act was desperately needed. I assure Senators that the first thing I shall do in the 88th Congress will be to reintroduce that particular piece of proposed legislation, because if there is any one group in our community, aside from our senior citizens, that ought to be given special attention, it is our young people. In the field of youth employment opportunities and education, I regret to say, we have not been diligent. It is in those two fields that we should have done the most.

The Youth Employment Opportunities Act, S. 404, will not pass this session. Even though the administration has given this bill highest priority, it has been unable to escape the iron grip of the House Rules Committee. Until House passage appears likely, it has been determined not to bring the bill up for Senate consideration. You recall, of course, that the Youth Conservation Corps passed the Senate in 1959.

The bill has been favorably reported by the Senate Committee on Labor and Public Welfare and the House Education and Labor Committee. The Department of Labor and the White House have given their unqualified endorsement. I have in my files literally thousands of letters from groups, organizations, and individuals supporting this legislation and urging the immediate creation of a Youth Conservation Corps and a Public Service Corps.

Madam President, I want to assure these supporters of S. 404 that the fight will be renewed as soon as the opening gavel falls on the 88th Congress. We are going to pass this legislation. We are going to give thousands of our young people a new lease on life.

Since this legislation has been revised and incorporated with S. 2036 during the past session, I thought I might take a moment to review its basic features.

As it now stands, S. 404 has two principal parts: the Youth Conservation Corps and the Public Service Corps. This represents a combination of my original YCC proposal and the Youth Opportunities Employment Act developed by the Kennedy administration. The Youth Conservation Corps would be com-

posed of young men of good character from 16 through 21 years of age to carry on needed programs of conservation in our Federal and State parks and forests. The bill provides for a maximum enrollment the first year of 30,000; 50,000 the second year, 100,000 the third year, and a top enrollment of 150,000 thereafter. Enrollments would be for periods of 6 months at compensation rates of $60 a month plus quarters, food, clothing and medical care.

The Public Service Corps would be developed in cooperation with State and local governments to develop opportunities for employing qualified trainees on local public service programs. The approved programs would be for young men and women between 16 and 22 in public jobs that would not interfere with jobs for regular employees and at rates of pay and other conditions of employment reasonably consistent with comparable work in the locality. Work would be performed in public-owned facilities, such as schools and hospitals, and on programs for the improvement and expansion of community conservation and recreational facilities. The Secretary of Labor would be authorized to pay as much as 50 percent of the cost of the wages of trainees.

Certain persons have criticized both the Youth Conservation Corps and the Public Service Corps as classic examples of the "do-gooder boondoggle." Madam President, if there is one impression that I intend to correct and clarify, it is this one. I contend, and I can prove, that you can support S. 404 merely because it will be a way to save public funds. That is not the principal reason for its passage—the principal reason is the opportunity to save young Americans and preserve our national parks and forests—but its financial attractiveness is often overlooked, or deliberately ignored.

How will the YCC save lives, natural resources, and money at the same time? In the first place, Youth Conservation Corpsmen would be doing productive labor throughout the national forests and parks of this country. There is a huge backlog of conservation work to be done in almost every State—work for which it is frequently impossible to hire regular workers. It is estimated there exists approximately an $8 billion backlog of needed conservation projects. The Civilian Conservation Corps made a great contribution to our present generation through their productive work of the 1930's. Our national forests still reflect the fine work that these 3 million young men accomplished. It is time that we began to consider our future generations and begin preserving our great national forests and parks as they were preserved for us.

In short, the YCC would provide a way to begin much of this needed conservation work. It could be done for considerably less public money than any alternative proposal I have ever encountered.

Moreover, we would be saving public money by keeping many of the participants in the Youth Conservation Corps from juvenile delinquency or worse. It would cost about $4,000 a year for each volunteer per year. It costs the taxpayer $25,000 for every juvenile delinquent who goes the police court-reformatory route. And this sum usually produces nothing more than a confirmed criminal who returns again and again to plague society. Who can calculate the final cost? Who can even translate this misery and wasted talent into dollars and cents?

I have said again and again that the YCC is not a superficial panacea designed to eradicate juvenile delinquency. Juvenile crime will still remain; a shocking number of young men will still commit criminal acts. But I do maintain that many potential delinquents and criminals will find an alternative through the Youth Conservation Corps. Putting boys on the land, putting them to constructive work on projects that need to be done, this I am convinced would do more for this Nation in terms of revitalized mental health and physical fitness than even the important resource-conservation work these boys would accomplish.

I have been preaching the need for a Youth Conservation Corps since 1959, for almost 4 years. I continue to keep right on preaching. I believe the Peace Corps has given us a thrilling example of the enthusiasm and resourcefulness of our young people if it is given the proper outlet. I predict that a Youth Conservation Corps and a Public Service Corps would elicit the same enthusiasm and would produce the same outstanding results.

Four years is a little long for a sermon, but I serve notice that this preacher isn't even out of breath. I believe in this legislation. I intend to fight for this legislation. I predict that before the first session of the 88th Congress is completed, it will be signed into law.

Beginning the second week of January 1963, this preacher climbs back into the pulpit.

I noticed in the CONGRESSIONAL RECORD a letter from Mrs. Everett H. Randall, Rocky River, Ohio, to my colleague, the senior Senator from Ohio [Mr. LAUSCHE]. Mrs. Randall raised some thoughtful questions about the desirability of S. 404 and I have taken the liberty to send her my reply. I ask unanimous consent that Mrs. Randall's letter and my reply be printed in the RECORD at this point.

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

ROCKY RIVER, OHIO,
August 10, 1962.

DEAR SENATOR LAUSCHE: I would like to share with you my judgment about a proposal for legislation which would set up a Youth Conservation Corps. I believe that this legislation is S. 404 introduced by Senator HUMPHREY. In my opinion this is not the kind of program which will provide the specialized kind of help which is needed now by the youth of our country. My judgment is based on professional experience in public schools and private youth serving agencies over the past 32 years. There is sufficient evidence to indicate that youth who drop out of school and a certain percentage of those who graduate from our public and private high schools are not adequately prepared to become workers in the current labor force. What is needed, therefore, is job orientation and sufficient and appropriate training for these persons. Experience in a work conservation camp cutting trees, digging ditches, and clearing out forests has little or no related value for the industrial workworld in which these young persons 18 to 22 will be having to compete throughout their lives. Money spent at the local level on appropriate industrial training (both manufacturing and nonmanufacturing industrial training) is the realistic job preparation urgently needed by our youth. According to the legislation now proposed, some $4,000 per boy would be spent annually in these conservation camps. This is more than twice as much as that spent on sending a young man to an average college in the United States. Inappropriate training at a campsite for youth who need practical experience is certainly not the way taxpayers' money should be spent if we wish to help our youth prepare to become satisfactory employees and producers in our 20th century industrial economy.

I am not inalterably opposed to conservation camps for youth. If these could be done at a local level, no larger than a State unit, I am certain that the funds expended could be done so in a more useful and appropriate method. We in Cleveland are now experimenting with work-study programs for youth 18 to 22 who have dropped out of school and are finding that private industry is cooperating along with public schools. Therefore, any Federal funds, it appears to us from our experience locally, could best be utilized through the local community channels.

I most sincerely hope that you will speak and work in opposition to the current proposals for Youth Conservation Corps programs federally sponsored as Federal operated programs.

Sincerely,

HELEN RANDALL.

OCTOBER 3, 1962.

MRS. EVERETT H. RANDALL,
Rocky River, Ohio

DEAR MRS. RANDALL: I have seen in the CONGRESSIONAL RECORD your letter of August 10 to Senator LAUSCHE, expressing your views on S. 404, the Youth Employment Opportunities Act.

I sincerely believe that the youth opportunity programs which the President outlined in his message to Congress on June 7 of last year are in full conformance with the criteria which you suggest are essential for dealing with the problems of the inadequately prepared youth as you have identified in your letter.

Industrial training, schooling, etc, along the precise lines of your letter were included as title I of S. 2036 introduced by me at the request of the President. However, during consideration of the Manpower Development and Training Act, passed by the Senate in 1961 and enacted on March 15, 1962, procedures for training the youth were given specific emphasis. Hence there was no need to duplicate training authorization for youth, and title I was therefore dropped.

The remaining elements of the President's program in S. 2036 were incorporated into S. 404 which I also introduced and which was reported favorably by the Senate Labor Committee. These parts are essential components of a full youth program.

The legislation we are now considering thus has two parts; the Youth Conservation Corps and the Public Service Corps. In the Youth Conservation Corps one of the goals would be to take young men who would most benefit by a change in environment and afford them the opportunity to perform useful and constructive work. The original CCC program functioned very effectively, and over 2 million young men participated in that program.

The bill I have cosponsored provides that as a minimum one-third of the enrollment shall be reserved to work directly on State and local lands and the Federal Government will provide one-half of the funds required.

The second part of the bill, the Public Service Corps, is essentially a pilot or a demonstration program. It is designed to provide 50–50 Federal and local cost sharing in urban projects which will be operated by local authorities. In this program the youth, who may be either boys or girls, will continue to reside at home. This program has been developed as an experimental one for the precise purpose of providing full opportunities for the continuation and expansion of the type of program you outlined as now underway in Cleveland. Funds under the program will be channeled through the local community, along the lines which you have suggested.

The legislation which the President submitted to the Congress is based upon earlier legislation I cosponsored. What we seek is a broad approach to a complex problem. We need to offer a wide variety of opportunities to these young people who for one reason or another are not motivated or challenged in their present environment. I view the cost involved in this legislation as an investment. The aim is to develop these youngsters into useful citizens who will become productive members of society rather than a cost to society.

I am sending on to you a copy of the committee report on this legislation, and I hope that when you have studied it, you will agree that the President, the Secretary of Labor, and the committees of Congress have had very much in mind the questions on your mind. I also include a copy of the Manpower Development and Training Act where you will find several provisions relating specifically to the problems of youth.

Sincerely yours,

HUBERT H. HUMPHREY.

Mr. MORSE. Madam President, I am glad that the Senator from Minnesota [Mr. HUMPHREY] mentioned the two great pieces of proposed legislation that are apparently about to die on the legislative vine, when Congress adjourns some time in the next few days, I hope.

I consider the Youth Employment Opportunities Act, of which the Senator from Minnesota is the author, one of the most vitally important pieces of general welfare legislation that has come before this session of Congress. We think of all the implications of the act when we think of what the program contemplated by the act would do, not only for the youth of our country, but for all the economy of this country. I am at a complete loss to understand why we have not been able to obtain a rule from the House Rules Committee that would permit the bill to become law.

Another problem that confronts Congress is the problem of seeing to it that procedural reform is adopted in both Houses of Congress which will guarantee to the American people a precious right that I am sure the American people generally think they have guaranteed to them, but a right which, in fact, does not exist, except at the sufferance of the Rules Committee of the House and at the sufferance of the Senate whenever majority rule is denied in the Senate. That is a sad thing, Mr. President. It is sad that we do not remove these procedural roadblocks, so that we do not have to stand up, near the end of any session, and say that we have not been able to get a bill before Congress for final passage because of the power that the Rules Committee in the House has to deny the application of the precious principle of majority rule in the House.

The Senator from Minnesota also spoke about the great loss the country has suffered by reason of the failure of Congress to pass a Federal aid to education bill. I am sad about it too, Madam President. I think the compromise that was reached in conference was a fair compromise. It went as far as the conference committee could go within the restrictions of the first amendment to the Constitution. It was a compromise involving title I of the bill, by providing categorical grants to public and private universities and colleges for certain specific purposes; namely, the construction of science buildings in the physical and natural sciences, libraries and engineering buildings.

The theory of the compromise was that such buildings are essential and needed for the training of students in the disciplines in which there is an insufficiency of trained personnel in this country to meet the security and defense needs of the country in the sciences and in engineering. Of course, adequate libraries are essential to such training, and therefore we included the building of libraries.

It was a compromise in keeping with other legislation which Congress has enacted over many years, and which has resulted in Federal grants to private colleges, including colleges with denominational sponsorship—Federal grants of money that the taxpayers are apparently unaware of—involving many millions of dollars. We have been providing, through millions of dollars of Federal expenditures, great programs of higher educational nature on many campuses of the country which are campuses of so-called religious schools.

Notre Dame is a good example. It has received huge grants from the Federal Government for the building of an atomic reactor for the training of nuclear scientists. That is a Catholic institution. The grant was by the Federal Government through the program of the Atomic Energy Commission. I never heard any hue and cry about the separation of church and state when that grant was made, because it is recognized that such categorical use was perfectly constitutional. It is based upon a contractual conception. The Federal Government had this categorical need, and it called upon Notre Dame University to fill that need. The need was essential to the defense and security of this country.

It was based upon a recognition that a physicist trained in the laboratory of Notre Dame was as important and valuable to the defense and security of this country as a physicist trained in a public State university.

Over the years the Federal Government has made many millions of dollars from Federal grants to public and private universities in this country, many of the private ones being of religious denominations, in connection with the National Science Foundation program.

Who wants to argue that when we made a Federal grant to a university sponsored by a religious denomination, it was not an aid to the university?

What is the theory of grants? The theory of the grants is that such aids are essential to the defense and security of the country, and that it falls within the constitutional prerogative and power of the Federal Government to enter into such categorical use agreements and relationships with a religious college.

The National Health Institutes program has resulted in millions of dollars of Federal grants to public and private universities over many years. Many of the private universities have been Catholic, Presbyterian, Baptist, and other denominational private colleges.

I heard no hue and cry in regard to any of such grants, on the ground that there was any violation of the doctrine of the separation of church and state. I heard no contention by any Senator on the floor of the Senate who voted for these grants that that was the case. However, when we talk about a categorical use grant for a physics building or a chemistry building or a laboratory or an engineering building under a compromise conference proposal, we are told that it violates the first amendment to the Constitution. I know of no decision of the U.S. Supreme Court that even implies it.

I yield to no other Senator in my 18-year record of standing up in defense of the doctrine of the separation of church and state. I will not seek to apply the first amendment to a fact situation to which it is not applicable. In my judgment the first amendment is not applicable to categorical grants for specific purposes that can be shown to be related to the defense and security of this country.

Such grants are not for the purpose of teaching religion. They are not for the purpose of providing religious facilities. They are not for the purpose of building chapels. The grants in all special-use cases are for training chemists, biochemists, physicists, scientists, and nuclear engineers in the whole area of manpower shortage that exists in this country, so critical to the security and defense of the country.

So all we did in conference, so far as title I was concerned, was to apply the pattern which has been applied for a long time by way of Federal grants for categorical use purposes in areas of human knowledge in which it was necessary to educate and train experts who could provide the personnel needed to strengthen the security of the country. That was the compromise on title I.

I say again tonight, as I said a few days ago on the floor of the Senate, when this issue was raised, that it was really title I, behind the scenes, which produced the rejection of a conference report, although a different explanation or excuse was given on the House side by some of the House conferees. I shall now turn to that subject.

That takes us to title II of the higher education bill. It will be recalled that when the higher education bill passed the Senate, title II took the form of scholarship grants, not loans, to stu-

dents. I led the fight in the Senate for title II against proposals and amendments to it which would have reduced the program to a loan program; amendments which sought to limit any aid to the individual student himself to a loan and not to a scholarship grant. The Senate supported a scholarship grant proviso and passed title II providing for scholarships for students.

The House version did not contain title II. The House was opposed to scholarships. In fact, for the House conferees even to enter into conference with the Senate conferees, it was necessary to commit themselves to the House Committee on Rules that they would not bring back any scholarship proposal from conference. That created serious problems for me as chairman of the Senate conferees, for the Senate conferees told me that they would not even go into the conference room with me so long as that restriction upon the freedom of action of the House conferees had been imposed upon them by the House Committee on Rules. They meant it. I have done much mediating in my professional life, but I think I may say that one of the toughest jobs of mediation I ever had was in the Senate, because I had to mediate with my Senate conferees to persuade them at least to agree to go into conference with the House conferees.

Probably the clinching argument I used, which finally persuaded them, was that I thought it was unreasonable for them to take the position that college students and higher institutions in America should suffer because some of the Senate conferees did not like the power exercised by the House Committee on Rules. I pointed out to the Senate conferees that they would not change that situation by refusing to go to conference, but that the situation would be changed only when the rules of the House were changed. I said that what they ought to do was to join with those of us who have been speaking on this subject from coast to coast for years, trying to educate the American people with respect to the great power vested in the House Committee on Rules, which in effect denies to the people majority rule in the House of Representatives, whenever the House Committee on Rules wants to deny majority rule to the American people.

We have been saying to the American people: "You ought to make clear when you vote for Members of the House of Representatives that you expect a pledge from them before you vote for them that they will go back to Washington, if elected to the House of Representatives, and strip the House Committee on Rules of the great power it has, and which it exercised, for example, in connection with the requirement imposed upon the House conferees on the higher education bill that they would have to commit themselves, before they got a rule to go to conference, not to bring back a proposal on scholarships."

That is why I have said from coast to coast that the power of the House Committee on Rules ought to be taken away from that committee.

After a lapse of some time, the Senate conferees agreed, for various reasons, to go to conference on the higher education bill. I am not so sure that one of the reasons was not that they felt sorry for me, in that I had the responsibility to go to conference on that bill. So the conferees finally said they were willing to go to conference.

We went to conference. I never obtained finer cooperation from Senate conferees than I received from Democrats and Republicans alike, as I sought to steer the higher education bill through conference.

The conferees honored me by making me chairman of the conference, although we recognized the restrictions that had been imposed upon the House conferees.

The House conferees proposed that title II be changed from a scholarship title to a loan section. Remember, the House bill did not contain title II. That was quite a retreat for the senior Senator from Oregon. I had to swallow hard; but I have always said that I will enter into such compromises in conference when, in my judgment, the total bill to be reported is one which will advance the public good. So I said I would accept that compromise, but I urged that the House at least provide for a percentage of forgiveness of the loans in those instances in which the loan board on a given campus could make a determination that a given student could not go to college at all unless the loan which might be offered to him would be forgiven and he would not have to repay it.

On the suggestion of the Senator from Oregon, the House conferees first proposed a 15-percent forgiveness compromise. I tried to have the amount raised to 25 percent. A motion was made for a 25-percent forgiveness-of-loan section. The motion was defeated.

Now I wish to say a word about the Senator from West Virginia [Mr. RANDOLPH]. He is not present to hear me say it, but I am sure he will be pleased to read it in the RECORD tomorrow. In his tactful but firm manner, he suggested to the House conferees that if they really wanted a conference bill, he would strongly recommend that they agree to a 20-percent forgiveness clause. I think it is appropriate to say that it was perfectly obvious that the House conferees knew that the Senator from West Virginia meant exactly what he said. So the House conferees asked for a recess. I granted them the recess.

At the conclusion of the recess, the House conferees announced that they would recede on the 15-percent proposal and accept a 20-percent proposal. That is how the 20-percent forgiveness proposal was placed in the conference compromise. I thought it was an acceptable compromise. Of course, I preferred the out-and-out scholarship provision of the Senate bill; but in view of the fact that the House conferees were under restrictions and could not agree to a scholarship program as such, but felt that they could agree to a loan provision which provided forgiveness of up to 20 percent in those cases in which there could be a finding that an individual student was in such absolute need that he or she could not go to college at all without the benefit of the forgiveness section, I thought we should accept that compromise, and the Senate conferees did so.

Then there was title III, which dealt with community colleges. Again, there was no provision such as the Senate had in its version of the bill. The Senate conferees took the position—and we said we could not yield on it—that there had to be included in the bill something to benefit and aid the public community and junior colleges. We pointed out that six out of every seven students going to community and junior colleges go to public community and junior colleges; the number of private community colleges is infinitesimal. We were very adamant about that. We said to the House conferees, "We have given in on title I, and we have gone along on a compromise which really leans far in the direction of the House version of the bill"—particularly so, Madam President, when we bear in mind that the Senate version of the bill was a 100 percent loan bill, insofar as title I was concerned. It did not provide for any grants; it was a 100 percent loan bill, with the loans to go to public and private colleges. I think there is no question that loans to private colleges are constitutional, provided the interest rate charged is sufficiently high so that no subsidy is inherent in the interest charge. This is the Morse formula, worked out with the Treasury of the United States. I have always stood for loans to private schools, if they were made on the basis of an interest rate which would cover the cost of the use of the money—in other words, so the taxpayers of the Nation would not be subsidizing the religious schools by giving them interest-free money or one percent interest money or money at a rate of interest below the rate the Treasury Department determines to be the rate which must be paid in order to cover the use of the money, from the standpoint of the charges to the American taxpayers.

So we said to the House conferees, "We have gone a long way on title I and on title II, and we want to make perfectly clear to you that we are not yielding on grants to public community and junior colleges. Such private community and junior colleges as there are will be eligible for whatever is available to public colleges and private colleges under title I of the bill, they do not have to look to title III. They can take their chances with the universities and colleges, public and private, covered by title I. But we are going to have in this bill something that will limit itself to public community colleges, and that is title III."

So in title III we provided for grants and loans to public community and junior colleges; and finally the House conferees accepted it. We based the burden of our argument on the point which I made sometime ago here on the floor of the Senate, when I was discussing the educational needs of the District of Columbia. I repeat it briefly now, by saying that at the end of the next decade,

the number of students going to junior and community colleges in the United States will exceed the number going to all the standard universities and colleges, combined. That is the great movement which is about to occur in American higher education; and if we are to meet and accommodate this great influx of students into the community and junior colleges, we must start now with the construction of the necessary facilities. If that were not done, those students would be on the streets, for the standard universities and colleges cannot take care of them; they are already filled to overflowing. The result will be that these students will either be forced on to the streets or they will enter the community and junior colleges; and certainly it is very much in the welfare of this country, both economically and socially, that they be kept off the streets and able to enter the community and junior colleges. That was the compromise; that is the conference measure which finally went back to the House. Under the parliamentary requirement, it had to go first to the House. But what happened there? In the House, a Republican conferee moved that the conference report be resubmitted to conference, with instructions to strike out title II—the title dealing with loans to students. He gave as the excuse the 20 percent forgiveness clause. I have mentioned this before; but in view of certain articles of recent date in the press, it needs to be mentioned again. That motion by that Republican conferee was supported by the Republican leadership in the House of Representatives.

But here is one Senator who has lived through this whole conflict for months; and I have no intention of letting the Republicans try to put this on the back of the Democratic Party, for let me say that the majority of the Republicans have never wanted a higher education bill, anyway; and a majority of the Republicans, who were opposed to any form of Federal aid to education, have joined in a coalition with a small minority of reactionary Democrats to beat it; and it appears that they will be successful.

But, Madam President, so far as I am concerned, they will have to answer for it.

But now let me say that the excuse given by the Republicans in the House of Representatives does not set forth the real reason for the defeat of the conference report in the House of Representatives, for the real reason is to be found in a coalition of Republicans with a relatively small number of Democrats who really saw a chance to beat this bill, because of title I, for in the background of this whole issue is the religious issue.

Let no one deceive himself about it. I am satisfied that, if it had not been for the categorical grants to the religious colleges of America, the bill would not have been sent back to conference.

I think that was a sad, tragic occurrence. I do not know how those who oppose the categorical use grants in the proposed conference bill, which were limited to expenditures for science buildings, libraries needed to support science education, and engineering buildings, can justify their opposition to Federal grants in connection with title I of the bill. Yet, on the floor of the House and of the Senate, as their voting records will show, they voted for millions of dollars in Federal grants for the other categorical uses that I outlined earlier in this speech.

They cannot do it on any logical basis, but, I am sorry to say that I think a part of the problem is that they long ago threw logic out the window whenever the religious issue flew in.

I say to them that I would not have voted for the compromise in conference if I had the slightest feeling that title I of the conference proposal violated the first amendment of the Constitution of the United States, involving the separation of church and state doctrine. I would not have voted for categorical grants to Catholic University in the District of Columbia—and we have made some—to Georgetown University in the District of Columbia, another Catholic institution—and we have made some—to Notre Dame University, and a long list of Catholic and Protestant universities in the country, if I thought that there was the slightest possibility such grants were unconstitutional under the first amendment.

Were it not for the Hill-Burton Act, many, many hospitals functioning in America tonight would not be performing their great acts of mercy. Many of such hospitals are on Catholic campuses, Presbyterian campuses, and campuses of other religious institutions, and many of them that are not on campuses are institutions of churches.

Over the years the Congress of the United States, under the Hill-Burton Act, has poured millions of dollars of the taxpayers money into those hospitals. I have not heard any hue and cry about the violation of the principle of separation of church and state.

These inconsistencies in attitude on the part of politicians always confound and dumbfound me. I said, in regard to this higher education bill, "If you are really in doubt, I cannot quarrel with your posing the question, but you ought to really tell the public why you oppose it, and not look for an escape, claiming that your opposition is based on the 20-percent forgiveness of student loans."

In view of the fact that we have provided all these other categorical grants, which have amounted to millions of dollars, I do not think it is unreasonable for the senior Senator from Oregon and others who share my view to take the position, "Let us test it. The place to test it is in the U.S. Supreme Court. If you really think these grants are unconstitutional, let the bill run its course. It will eventually reach the Supreme Court, and then we will put this emotional issue behind us once and for all."

That is sorely needed to be done on this issue. We must ascertain, and the sooner the better, how far legislation can go by way of aid to private schools, whether it takes the form of general loans to be spent for nonreligious purposes, or whether it takes the form of categorical use grants. But I do not think we help the health of our body politic by the legislative course of action we have followed in this session of Congress, of adjourning with no legislation at all, leaving the issue unresolved—an issue that stirs up passions and emotions, creates conflicts within the Republic, and divides men from each other, when we really know that at heart they have nothing but a desire to promote the common good.

Apparently there is little chance of reaching agreement on the higher education bill, but I am never one to give up hope, nor am I ever one to quit when I have a responsibility to fill. So I take advantage of probably the last chance I will have in this session to make a final offer to the House. I say to the House tonight: "If it is not title I that you want, then let us take at least some step forward. Let us agree—" and I would have to have the agreement before we went into conference—"to return to the principle of the Senate bill on title I, by making it a 100-percent-loan title for both public and private colleges."

That would be some progress. That would provide a considerable amount of assistance to a good many colleges. I know it would be said, "There are some public colleges which, under the constitutions of some States, could not enter into a loan program until either the State constitution was changed or the legislation was changed." That would be a question for the States to act upon. There is no reason why the Federal Government should not make the offer. If the States do not wish to take the necessary legal revisionary steps to accept the offer, that is their responsibility.

This would provide for the application of principle of uniformity in regard to title I. All institutions, public and private, would be treated the same.

It would have to be understood and written into the title, as it was in the Senate bill, that the interest rate would cover the cost of the use of the money. That would not mean a commercial interest rate. That would not mean 6-percent interest. It would mean an interest rate of whatever happened to be the figure the Treasury Department said would cover the cost for the use of the money to the taxpayers of the United States.

That would eliminate any possibility that any private religious college would obtain a subsidy in the form of an interest rate below the interest rate which would repay the cost for the use of the money.

Next would be title II. Strong as I have been in favor of scholarships, in respect to which I was willing to retreat in conference to a 20-percent forgiveness provision for needy students, I say to the House, "I will go all the way and make it a 100-percent loan program." That would help a great many students. It would not be of any help to the group of students who cannot go to college at all unless they can fall within the category of the 20-percent foregiveness group on which we agreed in the conference. But a loan program for the thousands of students who would be greatly helped by a loan program would

be great progress in itself. It would be a great step forward.

As to community colleges and junior colleges, although I should like to retain some grant provision, and would hope that the House would give us at least some grant provision—this is the first time I have made this offer, Madam President—I say that if it would be helpful to the House to reach some agreement with the Senate I would be willing to accept and would recommend to the Senate conferees that we accept a 100-percent loan provision for public community colleges and junior colleges.

It is very discouraging to do that, for many community colleges and junior colleges are as poor as church mice. They would have a terrible time making arrangements to repay loans. But I think an opportunity for them to try to devise a loan program with the Federal Government on a matching money basis—for that would be included in the bill—would be better than having no bill at all.

As chairman of the Senate conferees and as chairman of the joint conference, I am willing to make that last offer. Madam President, we cannot go beyond that. There is no chance to go beyond that. If the House is not willing to go that far with us, then the responsibility for no bill must remain on the shoulders of the House and principally on the shoulders of the Republicans of the House.

THE OREGONIAN ON FIRE

Mr. MORSE. Madam President, I turn now to another subject.

The Portland Oregonian—which is the largest newspaper in my State but in my opinion not the leading newspaper in my State—on September 13, 1962, carried an editorial questioning the location of two of the three major forest fire research laboratories operated by the Forest Service, claiming:

> Political influence in Washington, D.C., is more important in locating such facilities than are the requisites of the research.

Nothing could be further from the truth.

The three fire laboratories are located at Macon, where the State of Georgia financed the structure; at Missoula, Mont.; and at Riverside, Calif. The construction of laboratories at Missoula and Riverside were financed by the Federal Government. The latter location, the editorial admits, is in the heart of an area where forest fires are extremely devastating.

I want to outline the basis used in choosing a location for a laboratory, and thereby correct the misconceptions held by the Oregonian. Many factors necessarily enter into the selection of a laboratory site and all of these must be weighed. One factor is nearness to the problem to be studied. The Riverside, Calif., laboratory especially illustrates this point, with its nearness to southern California which has the most critical and explosive fire condition found anywhere in the country. A second factor is the opportunity for cooperation that speeds the research—favorable at all three fire laboratory locations. Third is the relation to operational programs such as the State forest fire control program in Georgia and the smokejumper and aerial fire depot at Missoula that benefit and support the research.

The fire research done at the three larger laboratories is geared to answer questions important everywhere as well as in the forest region. Thus, the program at Missoula features lightning storm modification research, work of utmost value to Oregon and Washington as well as the entire mountainous West. A great deal of research at Riverside will be on firefighting chemicals, also of significance everywhere that fire control is a problem. Basic research on fire-induced whirlwinds at the Macon laboratory contributes to a better understanding of fire behavior in the West as well as the South.

Fire research is carried on at six other locations where special problems require additional research and localization in the interpretation and application of results. One of the six locations is at the Pacific Northwest Forest and Range Experiment Station of the Forest Service at Portland, Oreg.

The Oregonian forget to tell that fact to its readers.

This is an example of failure on the part of journalists to inform by using the well-known journalistic technique of concealment.

Other forestry research laboratories are being built by the Forest Service in Oregon, in relation to the needs dictated by an efficiently operating program and not because of political influence. Recently dedicated was the Forestry Science Laboratory on the campus of Oregon State University at Corvallis—a laboratory where basic research in forestry will be done not only of benefit to Oregon but to the entire West and Nation. This location was chosen to strengthen the cooperative programs of the university and the Forest Service.

The Oregonian forgot to tell that fact to its readers. Madam President, I repeat—this is a well-known journalistic technique of misrepresentation by concealment.

The opportunity to train young scientists engaged in forestry research is enhanced and advantage may be taken to utilize the scientific facilities present at such a major educational and research institution as the one at the Oregon State University at Corvallis, which the Oregonian forgot to mention in its editorial. I am happy that I was associated with my colleague, now presiding in the chair, the Senator from Oregon [Mrs. NEUBERGER], and her late husband, when he was a Member of this body, in our mutual endeavors to obtain the establishment of forest research facilities, not only in Oregon but also elsewhere in the Nation where the facts showed the needs justified them.

I wonder if the Oregonian really thinks that I should have opposed the Forest Research Laboratory at Macon, Ga. I wonder if the Oregonian really wants its readers to believe that some way, somehow, I failed in my service to the people of Oregon by not opposing the establishment of a Forest Service Laboratory at Riverside, Calif. I wonder if the editors of the Oregonian really desire to attempt to sustain the proposition that I should have opposed the establishment of a Forest Service Laboratory at Missoula, Mont.

If they really mean to leave that impression, let me say to the editors of the Oregonian that they will never fool the voters of Oregon with such an unethical proposal. As a Senator from Oregon, it is my responsibility in the Senate to judge these questions from the standpoint of the public interest. I say to the Oregonian that, in my judgment, a strong and meritorious case in the public interest was made for the location of these laboratories at Macon, Ga., at Riverside, Calif., and at Missoula, Mont., just as we made a strong case on the merits for the location of the Forest Service facilities that have been established in the State of Oregon.

Another Forest Service Laboratory under construction is located at Bend, Oreg., where research on timber-growing problems is featured. But the editors of the Oregonian forgot to tell that to their readers when they wrote their editorial. Again I say that is an example of journalistic misrepresentation by concealment.

I advise the Oregonian editors that future plans call for a laboratory at Roseburg, Oreg., where brush conversion and associated reforestation problems of the West will be attacked. A range and wildlife habitat research laboratory, may I advise the editors of the Oregonian, is planned for La Grande, Oreg., in the heart of the eastern Oregon livestock and big game area.

Soon it is hoped that a new headquarters office and laboratory, I am advised by the Forest Service, can be scheduled for Portland, Oreg., the home city of the Oregonian, in place of the somewhat crowded and inadequate space and facilities available there now.

I wonder if the editors of the Oregonian have any questions as to the merits of locating these forest laboratory facilities in Oregon. If we are entitled to them on the merits—and we are—then let me say to the editors of the Oregonian that California was entitled to the laboratory at Riverside; Georgia was entitled to the laboratory at Macon; Montana was entitled to the laboratory at Missoula.

We know why the editorial was written and why the Oregonian once again—and it does it as a matter of general practice when they surmise that the senior Senator from Oregon might be harmed by resort to such journalistic practices—engages in misrepresentation of the facts by concealment of the facts. They thought the editorial might hurt the senior Senator from Oregon in the midst of a political campaign.

I take great comfort in the fact that the people of Oregon are smarter than the editors of the Oregonian.

They are so smart, so politically wise to the Oregonian, that they will see through this misrepresentation of facts by concealment on the part of the editors of the Oregonian.

Thus, a comprehensive plan is on the books to provide an efficient group of facilities that will support a strong forestry research program aimed at solving problems in water, timber, recreation, range, and wildlife production in Oregon.

Let me say to the editor of the Oregonian who loves to write about WAYNE MORSE's inconsistency that this is one of the Oregonian's problems. Last winter this paper attacked me for using what it alleged was political influence on the Bureau of Land Management's range program as though I was up to some sinister action. Today the BLM has a vigorous range program in Malheur County and it has regeared its policies in constructive ways.

Last winter, political influence by the senior Senator was bad. Now, because, without one scintilla of evidence, the Oregonian finds an alleged need for a forest fire laboratory in Oregon, its absence is due to a lack of something called political influence.

Well, let me say to the Oregonian that the forest laboratories at Corvallis and Bend came about as a result of some constructive, nonpartisan political activity. First the local people, upon learning that the Forest Service considered their community an ideal place for a particular type of forest laboratory came forward with genuine cooperation.

Second, Oregon Senators worked together with the Senator from Mississippi [Mr. STENNIS], the Senate's expert on forest research, to get the program at Bend underway ahead of the schedule proposed by the administration.

As a Senator from Oregon, I want placed in Oregon only these forest research facilities that meet the test of service to the national interest. We have far too many critical forest problems to solve to engage in political logrolling and to have research facilities parceled out on a political basis.

I suggest that the Oregonian look at the national forest development program which was originally proposed by Secretary Benson and compare it with the vigorous and substantial action by Secretary Freeman and President Kennedy.

I suggest that the Oregonian look at the record of the Eisenhower administration on forest roads and compare it with the record of four successive Democratic Congresses and President Kennedy's 2 years in office.

I challenge the Oregonian to produce the evidence and the documented statements of competent foresters that there is an overriding need for a forest fire laboratory in Oregon.

If a need exists, it has been marked by a great silence on the subject up to now by this news oracle on conservation needs.

I challenge the Oregonian to show that one Forest Service research facility has been located on other than sound technical and scientific judgment.

I ask unanimous consent that the misleading editorial from the Oregonian be printed at this point in the RECORD.

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

FIRE LABS ELSEWHERE

One understands why the Federal Government has decided to locate its third Forest Fire Laboratory in Riverside, Calif. It will be in the heart of an area whose timber stands are not significant but where fire (much of it in brushlands) has been extraordinarily devastating in recent years. Such fires have cost some $60 million in property damage in Los Angeles County alone in the past 8 years.

But when one examines the location of the other two fire laboratories of the U.S. Forest Service, a question arises. One is in Georgia, the other in Montana. Forest Service statistics show that Georgia, in a recent estimate, had some 36 billion board feet of sawtimber, all of the South only 357 billion. Montana's stand was estimated at 55 billion board feet.

The Nation's Fort Knox of sawtimber is in the Pacific Northwest States of Oregon and Washington. Here there are between 700 and 800 billion board feet of timber, more than a third of all that available in the entire country. If one is speaking of top-grade sawtimber, the proportion in the Northwest is even higher.

It would seem that forest fire research would better serve the country were it to be done under the climatic conditions of the area in which the Nation has its biggest stake in timber. These conditions are not to be found in Montana or Georgia or southern California (California's sawtimber is in the north).

Why no Forest Service Fire Laboratory here? The only answer we can think of is that political influence in Washington, D.C., is more important in locating such facilities than are the requisites of the research.

Mr. MORSE. Madam President, the editorial illustrates a misrepresentation by concealment of pertinent facts that should have been included in the editorial, if the editors of the Oregonian had wished to give a true statement of the facts to their readers.

COLD WAR GI BILL WILL GREATLY BENEFIT THE NATION

Mr. MORSE. Mr. President, earlier this afternoon I spoke in support of the Morse bill which I have introduced year after year, for more than 5 years, seeking to provide long-overdue pensions to World War I veterans.

I have been waiting to give in the Senate a major speech on the cold war GI needs, and under the subject "Cold War GI Bill Will Greatly Benefit the Nation" I propose to make this speech for the RECORD tonight.

Madam President, I am disturbed that S. 349, the so-called cold war GI bill of rights does not—according to the legislative program announced by the leadership this month of September—seem to be receiving the attention of the Senate which its importance deserves. I propose therefore to discuss it in some detail in the hope that the leadership may see fit to bring it back to the floor this session for a vote. I hope also to set to rest some doubts which may have arisen as a result of the previous debate on this measure.

Before commenting further, however, I would like to repeat my commendation of the senior Senator from Texas for his leadership in connection with this bill. For 2 years, as chairman of the full Education Subcommittee, I have watched the Senator carry on the battle for this legislation. The persistence, vigor, and ability with which he has done so have been exemplary. The people of Texas can take pride in the fact that they found themselves an effective spokesman, not only for the interests of their State, but for the interests of all the United States.

The senior Senator from Oregon is also a longtime supporter of the cold war GI bill. Since the education and training benefits of the GI bill were terminated by Presidential proclamation in 1955, I have testified three times before committees and often on the floor of the Senate in support of legislation to renew the program. In the 86th Congress I was a sponsor of S. 1138, the predecessor of the current legislation, which I was happy to see pass the Senate by a vote of 57–31. I am also one of the 37 cosponsors of S. 349. So is the distinguished minority whip who cosponsored bills to this effect in both the 84th and 85th Congresses, and spoke in favor of this bill when it reached the floor last month. It is also worth noting that the majority leader in a speech on September 6, recognized the ever-increasing importance of higher education in this technological age. The majority leader went on to say that the need for advanced education is not just limited to a person's individual development, but "there is also a direct relationship between education and economic growth." In support of his position, he inserted in the RECORD an address by the able president of Montana State College which pointed out that, as a consequence of the Morrill Act, Federal research, and the Extension Service, only 8 percent of our population are required to more than supply all the agricultural needs of our Nation, releasing millions of people for other economic pursuits.

In order to have the record clear, let us review the position of the former Senator from Massachusetts, Mr. Kennedy, when he was concerned with this legislation. As the Senator from Texas [Mr. YARBOROUGH] and the Senator from Kentucky [Mr. COOPER] have pointed out, Senator Kennedy cast the deciding vote to break a 2-to-2 deadlock and bring this legislation out of the Veterans' Affairs Subcommittee. When the bill was considered by the full Committee on Labor and Public Welfare, Senator Kennedy voted for a motion to change the grant provisions to loans. When the bill reached the floor, the RECORD shows that Senator Kennedy voted for an amendment offered by the Senator from Louisiana [Mr. LONG] which provided for a combination grant-loan proposal. I believe that this accurately states the position of Mr. Kennedy when he was a Senator from Massachusetts, although times have changed somewhat, and his views may be altered by other responsibilities.

At any rate, the positions of members of the executive branch, or Members

of the House of Representatives, do not affect the obligation of the Senate to make an independent determination of the merits of this legislation in the national interest.

PURPOSES OF THE BILL

Under the terms of the bill, sections 2 and 4 would provide education and training and home and farm loan benefits as readjustment aids for those serving after the end of the Korean conflict and before July 1, 1963, which is the scheduled termination date of the Universal Military Training and Service Act. As of December 1960, there were 1.5 million post-Korean veterans to whom this bill would apply, and by 1973, the Veterans' Administration estimates there will be some 4.5 million. Further, section 3 would place the existing vocational rehabilitation program administered by the Veterans' Administration for the benefit of war-service-disabled personnel on a permanent basis. It would do this by extending the eligibility for benefits to those disabled during the period between the end of World War II and the beginning of the Korean conflict and after the Korean conflict.

It is pertinent to note that the President and all the executive agencies of the Government favor enactment of section 3 of this bill, as is stated in their reports which are included in the hearings on S. 349 at pages 23–28. It is my impression that, during the entire debate on this measure, no objection whatever has been voiced on section 3 of the act, and therefore, for all intents and purposes we may proceed with the assumption that this provision of the bill is not at issue.

The Bureau of the Budget and the Department of Defense have, however, voiced objections to sections 2 and 4 which appear to be substantial and with which I would like to deal at this time.

COST OF S. 349 WOULD BE REPAID WITH INTEREST

The Bureau of the Budget begins its presentation by stating that the estimated cost of "cold war-GI bill" would be about $4 billion through June 30, 1973, and that additional costs would be incurred beyond that date. The Bureau's report does not assert that this is an objection. However, since an inference to this effect might arise, it would be prudent to make crystal clear that this bill would not be a drain on the U.S. Treasury. Exactly the opposite is true. Any money that will be expended on this program, and the estimates of expenditures range from $300,000 to $400,000 per year, would not only come back to the Treasury but would more than repay itself by taxation of increased earning power which these veterans would attain.

As proof of this, I would read into the RECORD two short paragraphs of a statement issued by the Veterans' Administration. On June 22, 1954, the 10th anniversary of the passage of the World War II GI bill, the VA wrote as follows:

> Through the GI bill the World War II veterans have become the best educated group of people in the history of the United States. Because of their training, they have raised their income level to the point where they are now paying an extra $1 billion a year in income taxes to Uncle Sam.
>
> At this rate, the GI bill for veterans alone will pay off the entire $15 billion cost to the GI educational training program for the next 15 years.

This statement was delivered in 1954, 8 years ago, before these veterans had an opportunity to further raise their earnings. It indicates that the U.S. Treasury is already $2 billion richer because of the foresight of men such as the distinguished Senator from Alabama [Mr. SPARKMAN] who were the architects of this landmark legislation.

Madam President, 1944 was not so long ago, and the fact that the original GI bill has not only paid for itself but returned the $2 billion "profit" to the Treasury should convince the last doubting Thomas in the Senate that S. 349 is a sound economic measure. As its predecessors have done, it will return very substantial dividends to the U.S. Treasury, and any view of the bill which counts its cost without looking ahead to its returns can pretend to neither good accounting nor good statesmanship.

BILL WOULD REDUCE UNEMPLOYMENT PAYMENTS

An added dollar-and-cents benefit of S. 349 is that it would cut down heavy expenditures for unemploymnet.

The Senator from Texas has pointed out that we are paying $80 million a year right now in unemployment benefits, and a very substantial part of this goes to GI's who are trying to readjust to civilian life.

We are told that although national unemployment figures show an overall 5- to 6-percent unemployment rate, the percentage for the age group of cold-war veterans ranges from 35 to 50 percent.

In view of the fact that the men selected for military service must be superior physical and mental specimens, and also have youth on their side, it is of great concern that such numbers of persons of this age group are not able to secure civilian employment.

Since experience indicates that 50 to 55 percent of the cold-war veterans would take advantage of an educational and training program, it is apparent that the unemployed among cold-war veterans would be reduced drastically, and there would be a corresponding decrease of Federal unemployment compensation in this area.

This brings us to the next objection raised to S. 349, namely, that it is now peacetime and that men serving in the Armed Forces during this period should not be granted rights and benefits originating in legislation associated with wartime.

OLD TERMINOLOGY OBSOLETE

I think it is apparent to this sophisticated body that the old semantic dichotomy used in this connection is as obsolete as the 1944 propellered aircraft. I need not labor the point. The military budget approved by this body is in excess of $45 billion for the current fiscal year. The problems of southeast Asia, Berlin, and other areas are daily before us for consideration. The President has just sent to us an authorization for an extraordinary callup of Ready Reserve Forces which we hope will never be used.

Legally speaking, as the majority whip pointed out on August 24, the country is at the moment in a state of national emergency since the President's proclamation of December 19, 1950, to that effect has never been withdrawn. Further, an editorial in the New York Times of October 1 informs us that the President, by Executive order, has authorized the award of the Purple Heart and the Bronze Star Medal for bravery in combat during the current period.

We have developed a name for this condition and it is called the "cold war." Along the DEW line, at our bases in Greenland, and standing watches in the North Atlantic, I have no doubt it is a very cold and uncomfortable condition, indeed. At other points, such as Laos and South Vietnam, it has been uncomfortably hot. At any time, there is the awful possibility, at any number of points, that it may become more uncomfortable.

This condition is accompanied by an obligation for universal military service pursuant to which 45 percent of our young men have, since 1955, served for varying periods in the Armed Forces of their country.

This brings us to the heart of the matter, the rationale of the GI bill, which is to help the serviceman to readjust to civilian society.

BILL IS FOR PURPOSE OF HELPING READJUSTMENT

As has been so aptly pointed out by the Senator from North Dakota [Mr. BURDICK], the theory of the original GI bill, which was entitled the Serviceman's Readjustment Act of 1944, and the Korean GI bill, and now S. 349, is to provide some compensation for the disruption of a serviceman's life, which may extend for a period of 2, 3 or more years.

On page 216 of the hearings, Senator BURDICK asks the following question:

> I understand from previous witnesses, and I believe from the drafters of this original legislation, that the essential reason or 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.

Stephen S. Jackson, the Deputy Assistant to the Secretary of Defense for Personnel, answered as follows:

> I believe that is true. Yes.

Although the obligation to serve in the armed services is universal, we have seen that only 45 percent of our best manhood and womanhood has actually performed service since 1955. The selection between those who go and those who stay involves the accident of sharp eyesight, good physical and mental fitness, and conditions of family dependency.

FIFTY PERCENT OF SERVICE JOBS HAVE NO CIVILIAN COUNTERPART

Those who serve face not only danger and discomfort but in about 50 percent of the cases, disqualification from later civil employment. In 1955, the Commission on Veterans Pensions, headed by

Gen. Omar N. Bradley, made a study resulting in a final report to the President on April 23, 1956. On page 277 of this report, the Commission concludes as follows:

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 specialities with no civilian counterpart or where there was no significant labor demand.

This report has been cited by the Department of Defense in a different context, to which I will shortly address myself. For the present, it is well to remember that those serving under the universal military service obligation are, as a group, handicapped in returning to civilian life. This handicap applies to the man who has been drafted for 6 months, and the man who has been drafted for 2 years. It applies with equal force to the individual who volunteers for extended active duty of 3 or 4 years in order to choose or avoid a particular kind of duty.

It is no answer to say that the introduction of flexibility as to the types of programs available, and their timing in relation to an individual's education, makes the military obligation any less of a sacrifice.

The fact of the matter is that 45 percent of our youth has been taken away from their civilian pursuits, their professions, their contacts, and the sources of the experience that will benefit them in later life. In many cases their tours of duty have been involuntarily extended for periods up to 12 months. This has further disrupted their careers. While they have been serving their country, and in some cases patroling the perimeters of freedom, their contemporaries have remained behind and have forged ahead in their chosen fields.

The Senator from Texas has pointed out that, at this time, the average factory worker in the United States earns approximately $90 per week. According to the military pay scale which has been set forth in the hearings and in the CONGRESSIONAL RECORD, an enlisted man who is in the service for 2 years can, if he achieves the rank of E-3, rise to a salary of $99.37 per month. An E-2 receives $85.80 and an E-1, $83.20 per month. When an individual of this sort emerges from the service, he must face the competition of a worker who has accumulated 2 years of experience and on-the-job training. The same is true for the young attorney who is absent from his Government agency or private practice, or a boy who wishes to take over his father's farm or business. This bill would help compensate for those disadvantages incurred by the boy who has been in service.

The Senator from Texas has pointed out that the readjustment of the returning serviceman is no bed of roses. The figures show that 80 percent of those who go to college under the GI bill work at the same time—or else their wives work—or they borrow funds that the colleges make available. Many of these GI's have family obligations. Only 20 percent of the GI's who went to college under these programs subsisted on their GI payments alone.

It is this type of individual whom S. 349 would assist. The Senator from Texas has pointed out that after a year or two or three of military service, these men knuckle down and get to work. He pointed out that the dean of Pennsylvania State testified that at his institution there are monitors placed in the dormitories to keep order, and that these monitors are selected on the basis of competence and capability. The dean found, in connection with his appearance before the subcommittee, that 33 of the 36 monitors were veterans.

It has also been found that veterans gravitate to the top of their class and present few disciplinary problems. They have compiled an enviable record, a tabulation of which is presently being prepared by the Department of Labor. These men have made the GI bill program a resounding success and one that ought to be carried forward.

EDUCATION SHOULD NOT BE GEARED TO MILITARY NEEDS

A further objection raised against this bill by the Department of Defense, and echoed in the report of the Bureau of the Budget, may be summarized from the letter of the General Counsel of the Defense Department to the chairman of the Committee on Labor and Public Welfare of May 4, 1961:

The Department of Defense recognizes that S. 349 involves questions of broad national policy beyond the scope of the Department of Defense. However, it must be pointed out that proposals of this nature have a very definite effect on the ability of the Armed Forces to retain qualified personnel. 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 effort to attract retained qualified personnel on a career basis * * * retention of personnel remains one of our most crucial problems. Enactment of a bill reinstituting benefits available only to the person who separates from the service will compromise the effectiveness of the efforts now being directed toward personnel retention. * * * Attitude surveys conducted in the Air Force when the Korean GI bill was put 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.

The General Counsel's report does credit to the Department of Defense in setting forth its point of view, not only persuasively but with admirable balance. Undoubtedly, the decision of many first-term airmen to leave the service to pursue courses of formal education represented a negative value for the Department of Defense. However, it presented a very positive value for the country as a whole.

Under our system of government, it is the Congress that determines the level of incentives and the quality of military career compensation. Since 1947, under extraordinarily able leadership in both Houses, the Congress has done very well in this area. It can continue to do well and can do better in the future.

It is the Congress which also decides the balance of national interests, and whether it wishes to favor military establishment for civil body politic when it comes to a particular legislative decision. This is exactly the kind of decision which is within the responsibility and the competency of the Congress to make, and it should not hesitate from doing so. In this case the Congress should unhesitatingly adopt S. 349. Since it may have adverse personnel consequences for the Department of Defense, Congress should redress the balance in other areas so that our national security will not be impaired.

OTHER PRESSING NEEDS WHICH THE UNITED STATES MUST MEET

During the week of September 10, the President made a tour of our space installations emphasizing our requirements in the "space race."

From the lead story in the Washington Post on September 13, I quote as follows:

Addressing some 50,000 at Rice University Stadium in Easton this morning the President said: "We mean to lead it for the eyes of the world now look into space, to the moon and to the planets beyond, and we have vowed that we shall not see it (space) governed by a hostile flag of conquest but by a banner of freedom and peace."

Thus, the President continued to hammer home his theme that unless the United States can best the Soviets in space, freedom of space cannot be assured.

In order to win this race, we are going to need engineers. An engineering manpower commission survey of 517 companies and Government agencies which employ 200,000 of the country's 900,000 professional engineers indicates these employers will need 45 percent more engineers in 1971 than they employed in 1961. Further, with Government and industry research in development work running over $15 billion a year in the United States and tripling every 8 years, the overall demand for technologists is certain to rise sharply. Yet, we find that from the spring of 1958 when 38,134 seniors got engineering degrees our number of graduating engineers had shrunk to 35,860 in 1961, and it was probable that even a smaller number graduated this year. The consequences of this decline, in the 4 years following Russia's first sputnik and at a time when the country is trying in every way to accelerate its space program, are so serious that I want to dwell on this point a little later in my remarks.

It is not solely in the field of space that our national needs for educated persons is becoming acute. In medicine, the Senator from New Jersey [Mr. WILLIAMS] has pointed out that in 1958–59 the United States graduated only 6,900 physicians while the Soviet Union graduated 27,000. On this point, the Senator from Texas has given us a figure of 16,000 for the number of Soviet doctors graduated this year, which figure would still be more than double the number graduated in the United States. He further informs us that 2,000 of this total were trained in the languages, mores, customs and religions of underdeveloped countries, and were pledged in advance to practice medicine in these countries and to live with the people there where they would undoubtedly have an impact in the cold war.

Senator WILLIAMS went on to point out that of the 7,800,000 World War II veterans and the 2,334,000 that took advantage of the Korean GI bill, the Veterans' Administration has tabulated that 441,214 have studied engineering; 156,425 entered the field of physics, chemistry and the other natural sciences; 334,534 are engaged in teaching, and 174,614 are in medical work and related jobs.

Therefore, we do not have to speculate that passage of S. 349 will strengthen the educational resources of this country. We have proof-positive of that fact; we have the tangible results of the two GI bills which were predecessors to S. 349. There is further documentation in Senate Report 700 accompanying S. 349. To ignore these facts, to waste the human resources that would be developed as a result of such a bill, to ignore the potential strength that such a program will give to our country at a time of need would not be a positive act of responsibility.

SECURITY ASPECTS PROMINENT BUT NOT SOLE CONSIDERATION

There has been some talk during the debate on S. 349 that to point out the advantages of national security of the GI education program is misleading. It has been said that only slightly more than 700 out of 3,800 taking fellowships under the National Defense Education Act were in the fields of science and engineering. The fact that a greater proportion is not in science and engineering is taken by some to cast doubt upon the value of that program, or perhaps any educational program.

I might suggest, in response to such an argument, that every little bit helps.

In the words of the distinguished Senator from Alabama [Mr. SPARKMAN]:

> We are familiar with the need for meeting the threat of communism with a stepped up educational program. We have already put into operation the National Defense Education Act for the purpose of providing scientists and technicians to prevent the Soviets from surpassing us on an overall basis in our missile endeavor.
>
> I believe that the enactment of the cold war-GI bill would offer still another means of meeting the Soviet educational challenge.
>
> Because of this I have no hesitation in championing this bill as the part of the Nation's frontal attack on communism.
>
> In view of what I have just said and in view of the genuine concern in such emergency with which the Kennedy administration is meeting such problems, I feel that this measure has a much better chance of success than it had in past years.

Although the benefits to national security will be great, the benefits to our society as a result of passage of S. 349 will be equally great in other areas of our society. It will raise the quality and the tone of our business life, and, incidentally, our exports for foreign trade. It will strengthen our teaching profession, our agriculture, and even, as the Senator from Texas pointed out, our literature. I refer here to the Harper Prize novel of 1962 which was written by a former Navy enlisted man who retired after 22 years, at the age of 40, to study under the GI bill at the University of North Carolina. He graduated Phi Beta Kappa, and wrote a book entitled "The Sand Pebbles," which was selected by the Book of the Month Club and serialized by the Saturday Evening Post before receiving the $10,000 book award.

Last but not least, the results of such a program will be reflected in a better informed electorate. As the Senator from Tennessee [Mr. KEFAUVER] has wisely pointed out, this measure will give a large number of our citizens an opportunity to become enlightened to participate more intelligently in public affairs, to reach better decisions, and to contribute to the leadership which the circumstances of history have thrust upon this country.

I wish to make perfectly clear that I am not minimizing the importance of the National Defense Education Act nor of the scholarship loan provisions of H.R. 8900, the higher education bill.

I wish to emphasize that S. 349 is not a substitute for either of the two other education programs. S. 349 reaches a different segment of the population from either of the other two measures. It is the most democratic of the three programs. It compliments them and adds to the total national effort in education which our Nation so vitally requires at this time.

SHORTAGE OF ENGINEERS BECOMING CRITICAL

Because of the gravity of the issue, I wish to return for a few moments to the problem posed by the decreasing number of engineering graduates in our country.

The Senator from Nevada, who is a member of both the Armed Services and Aeronautical and Space Sciences Committees [Mr. CANNON], has delivered a series of three able speeches which illuminate this whole area. The Senator from Wisconsin [Mr. PROXMIRE] has also taken the floor on this vital subject.

The Senator from Nevada has characterized the problem as "of critical importance to national security." He has said:

> To me it seems nothing less than to be courting national disaster if we continue to let this trend go on without taking some steps to rectify the situation.

Senator PROXMIRE has characterized the matter as "a very, very serious economic, scientific, and military problem."

Both have placed in the RECORD excellent factual material by which this body can inform itself as to just how grave our engineering situation is.

I shall not detain the Senate by reviewing this information but will only point out that while the output of the United States in graduate engineers was declining from 38,000 to 35,000 during the years 1957–61, indications are that the Soviet Union has increased its output from about 108,000 to 120,000.

I would like to say from my desk in the Senate that in the judgment of the chairman of the Education Subcommittee, these are not the mathematics of victory in the space race. In my judgment, they are not the mathematics of victory in the cold war. They are not the mathematics of leadership or the mathematics of survival.

It is time that the Senate listened to the warnings of the Senator from Nevada and the Senator from Wisconsin. It is time that the Senate heeded the messages of the Senator from Texas and the Senator from New Jersey. It is time to take action on a bill which will give this country more scientists and engineers and doctors and teachers.

At his news conference of last January 19, President Kennedy said:

> One of the most critical problems facing the Nation is the inadequacy of the supply of scientific and technical manpower.

In view of what has been said on the floor of the Senate during this session, I do not know how anyone can doubt it.

S. 349 gives the Senate an opportunity to take constructive action in reducing the inadequacy. In the process, we can make the best possible investment in the human resources of this country, do equity to a segment of our youth who richly deserve reward, and gain an ample return, not only in the general tone of education throughout the country but in dollars and cents for the U.S. Treasury.

This bill has 37 sponsors. In the 86th Congress a similar bill was approved by the Senate by a vote of 57 to 31. The leadership has indicated that it recognizes the need and is sympathetic with the principles of this bill. Similar action with respect to S. 349 now can only add luster to the solid record of the Congress at this session. I can see no reason whatsoever for further delay in bringing the bill to the floor or to a vote. I therefore urge that S. 349 be brought before the Senate within the next few days, so that the House of Representatives will have time to act upon it before the Congress adjourns.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MORSE. Madam President, in accordance with the previous order, I move that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 9 o'clock and 49 minutes p.m.) the Senate adjourned, under the previous order, until tomorrow, Thursday, October 4, 1962, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate October 3, 1962:

DIPLOMATIC AND FOREIGN SERVICE

Robert G. Miner, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Trinidad and Tobago.

POSTMASTERS

The following-named persons to be postmasters:

ARKANSAS

A. Cecil Oliver, Rose Bud, Ark., in place of R. B. Emory, retired.

Guyla D. Moore, Vilonia, Ark., in place of R. M. Moore, retired.

CONNECTICUT

Carl J. Gniadek, Southport, Conn., in place of E. J. Speer, retired.

FLORIDA

William L. Townsend, Palatka, Fla., in place of M. H. Shaw, retired.

Rodney G. Rushing, Riverview, Fla., in place of J. H. Hancock, retired.

HAWAII

Thomas T. Oyasato, Wahiawa, Hawaii, in place of M. C. White, retired.

ILLINOIS

Fred C. Lindstrom, Evanston, Ill., in place of P. M. O'Donnell, retired.

INDIANA

Richard R. Conley, Rome City, Ind., in place of T. J. Conley, deceased.

IOWA

Helen A. Bellmann, Durango, Iowa, in place of Elizabeth Grimme, retired.

KENTUCKY

James H. Hicks, New Haven, Ky., in place of C. R. Johnson, resigned.

MINNESOTA

Edward F. Zalusky, Mahnomen, Minn., in place of J. V. Sweeney, retired.

NEW JERSEY

M. Josephine Hulmes, Lebanon, N.J., in place of W. R. Creasy, deceased.

Margaret L. Wetzel, Leonardo, N.J., in place of B. J. Haulbaskey, retired.

NEW YORK

Richard J. Lobdell, Canton, N.Y., in place of E. R. Wood, retired.

OHIO

Harold B. Swan, Beach City, Ohio, in place of W. J. Miller, retired.

John D. McCray, Greenfield, Ohio, in place of J. P. Watt, retired.

TEXAS

James J. Kaster, El Paso, Tex., in place of C. T. Boyce, retired.

Mary L. Rutherford, Putnam, Tex., in place of E. C. Waddell, retired.

VERMONT

Howard H. Bartlett, West Dover, Vt., in place of C. C. Upton, deceased.

VIRGINIA

Frances W. Lugar, Eagle Rock, Va., in place of D. I. Persinger, retired.

John R. Chandler, Onancock, Va., in place of P. J. Pennewell, deceased.

W. Morris Milliner, Onley, Va., in place of W. O. Brittingham, resigned.

Lancelot C. Lockridge, Raphine, Va., in place of W. R. Wilson, deceased.

EXTENSIONS OF REMARKS

Questioning the Candidate

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Wednesday, October 3, 1962

Mr. WILEY. Mr. President, for the 1962 political campaign the citizens of America, including Mr. and Mrs. Wisconsin, deserve, I believe, truthful, objective discussions of the major issues confronting us.

The times, in my judgment, are too critical for distortions, half-truths, and misimpressions of the record.

Currently, I am participating in a question-and-answer series over radio station WEMP, Milwaukee, in discussions of the major challenges. I ask unanimous consent to have a series of these statements printed in the RECORD.

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

Senator WILEY, what in your opinion are the most important issues facing the United States today, domestically and internationally?

Answer: As citizens, as a State, and as a Nation, we face many great, complex challenges on wide-range fronts—local to global.

Of top priority—in my judgment—are the following: (1) Preserving the peace; or, conversely, preventing a third world war; (2) effectively combatting the menace of communism; and (3) preserving the soundness, integrity and vigor of our economy.

If we are to survive and progress, we must successfully meet these great challenges.

Unless this is done—unless we prevent a third world war—we may not be around to solve other problems of lesser scope but nevertheless significant to us.

Should we successfully meet them, however, and I am confident we can, there are many specific problems of outstanding significance for which we must find solutions. These include the following:

(a) Providing a fair—not jumbled, unfair—tax system that will spur, not stunt, economic growth and progress; (b) solving the problem of unemployment for the 60,000 jobless in Wisconsin and 4 million in the Nation; (c) improving the economic outlook in agriculture; (d) creating more effective programs to conserve, best utilize and, as possible, replenish our natural resources, including water, forestry and other resources; (e) in Wisconsin, too, the challenges of developing new industries is essential to our economic progress. Our natural wonderland, for example, if fully developed, might well mean that tourism could become an even greater source of State income for the future; (f) promoting human well-being of our citizens also is important, including adequate programs for the aging, for youth, for folks—who, through no fault of their own—may be down and out; and for other citizens who may not be sharing proportionately in the benefits of our society; and (g) finally, finding an effective, anticommunism policy—at home and abroad—too, remains a high priority. Among other things, this means: Tougher laws to stamp out communism at home; maintaining a mighty jet-missile-nuclear-space defense, to deter Communist aggression militarily; and a more effective counteroffensive, politically, economically, ideologically—to hasten the day of victory over communism.

Regrettably, this brief broadcast time prevents my now presenting complete, comprehensive programs for these and other fields.

As soon as Congress adjourns, however, I shall meet with you to discuss these and other great issues: On the farm, in your stores and offices and factories, on the street corner, at your civic and religious meetings, on television, radio, and in the newspapers: Everywhere that folks work, play, think and live.

What do you think must be done to solve the farm problem?

Answer: For Wisconsin, for the Nation, we need a renewed effort to find new—not adhere to unworkable—practices to brighten the outlook in agriculture. The goals to "shoot for" include: providing consumers with an adequate supply of good, healthful dairy and other foods at reasonable prices; an opportunity for the farmer to obtain a fair price for his products (the cost of products plus a reasonable profit, and reducing surplus stockpiles and diminishing the annual cost of the price support program to the American taxpayer.

Now, how can this be done? Fundamentally, we need to look—to a large degree, to the farmers, individually and through their organizations, to work toward: more effective long-range production planning to produce for live consumers—not for government storage; better distribution and greater consumption of dairy and other farm products; finding more ways to utilize dairy and other farm products for industrial purposes.

A healthy farm economy, of course, is essential—not just to the farmer, himself—but to the whole Nation. Until the farmer "gets on his feet" there is, I believe, also a need for carrying forward necessary governmental programs: (a) to hasten improvement in agriculture; and (b) to prevent a more serious lowering of farm income—which would adversely affect the whole economy.

What, then, can, and should, Uncle Sam do?

Expand governmental farm cooperative efforts to increase consumption levels of food (particularly of surplus); explore for new markets abroad and at home, for while there are hungry people, right here in our own country, we cannot really consider that we have a surplus; enact legislation to expand research for finding industrial uses for dairy and other products, for example, by the enactment of the Wiley bill, S. 2414, to establish a dairy research laboratory at Madison, Wis.; maintain a reasonable level of price supports—until there can be established a realistic market price based upon a supply-demand balance; and in our national policy, also, we should more effectively use dairy and other foods as strategic weapons in the cold war. In a hungry world, food can be a more effective persuader than guns.

Over the years, the Wisconsin and American farmer has served as a foundation stone of our economy: Producing an abundant supply of healthful food for our fast-increasing population; creating hundreds of thousands of jobs on and off the farm; providing a way of life for 15½ million Americans and generally, vitally serving the health and economic needs of the country.

For these reasons, then, the creation of a more effective farm policy must remain a high priority goal in our domestic programs.

Senator WILEY, do you favor or oppose some form of Federal aid to education?

Answer. The Nation depends, to a large degree, for progress and security upon a good educational system.

Traditionally, the responsibility has rested largely with the States or local communities.

In times of great national challenge when our system is threatened by a dynamic, competing ideology, communism, when authoritative studies reflect that adequate educational opportunities—particularly through shortage of classrooms or teachers—are not being afforded students across the Nation, the country must decide whether, in such a time or crisis, it will tolerate a less than wholly adequate educational system.

In these times, I believe there is a national responsibility for assuring by any necessary methods consistent with our traditional principles that we have an adequate educational program.