that puts on great performance will never need the dictionary to explain it.

As a third point, I think more businesses are learning that by the very act of stating their purposes, they greatly encourage their own effort to achieve them. This involves what I call giving hostages to performance. When you commit yourself to the public plainly, for all to read or hear—well, you are committed. You are out on a limb. You have to stand or fall, and that is a wonderful discipline.

Unhappily, most instances of climbing out on a limb now occur in disputes of various kinds and involve demands made on others. What I am speaking for here is that we make more demands on ourselves, and make them in public. The words we use to do this might even be the most important in all business communication.

Finally, just a word about communication and agreement. Some people I talk with seem to think these are two sides of the same coin. I don't think so at all. I agree that communicating means to listen as well as to talk, but the name of the game is not "Me, too." After all, one of the main purposes of communication is to make clear when you disagree, and why.

I make this rather obvious point because I hope the theme of this meeting will not carry any of us off into dreamland. We surely need, in this country, broad unity of purpose. But we shall never arrive at it by pretending to agree when we do not. We shall get there only by continuously testing and prodding each other—by a continuous dialog, as the intellectuals call it. And what I am saying here tonight comes down essentially to this:

First, business needs to do all it can to improve its part in the dialog; and second, the foundations for success in this effort must be, as they have always been, good purposes, good will, good faith, and good works.

To the national business publications I say again, for myself and equally for my associates in the Bell System—we are deeply grateful for this award. We shall try our best, with your valued and important help, to contribute usefully toward solving problems of communication, in every sense of the word.

Thank you very much.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 21, 1963

The House met at 12 o'clock noon.

Dr. G. Willard Collins, evangelist, Church of Christ, Nashville, Tenn., offered the following prayer:

Our Father, we thank Thee because Thou hast revealed to man the meaning of love and sacrifice through the gift of Thy Son. Today we thank Thee for all the men and women who have worked with Thee to carve upon the soil of this land a fruitful nation and people. Our God, we pray that the Members who assemble in this House may recognize their power and responsibility as our leaders, and we ask for Thy guidance to them in this day's activities. May we believe enough to trust Thee; may we obey Thee that Thou might bless us; may we serve Thee and our neighbors that all men may know that we are Thy people. In the name of Christ. Amen.

THE JOURNAL

The Journal of the proceedings of Tuesday, March 19, 1963, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 212. An act to amend section 904, title 38, United States Code, so that burial allowances might be paid in cases where discharges were changed by competent authority after death of the veteran from dishonorable to conditions other than dishonorable; and

H.R. 2085. An act to amend the Internal Revenue Code of 1954 to provide that the deduction for child care expenses shall be available to a wife who has been deserted by and cannot locate her husband on the same basis as a single woman.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1597. An act relating to the tax treatment of redeemable ground rents.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1089. An act to authorize the sale, without regard to the 6-month waiting period prescribed, of cadmium proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act.

"A REPORT ON U.S. FOREIGN OPERATIONS IN AFRICA"

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 29 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed, with illustrations, as a Senate document, a report entitled "A Report on United States Foreign Operations in Africa", submitted by Senator ALLEN J. ELLENDER to the Senate Committee on Appropriations and that four thousand additional copies be printed for the use of that committee.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

REFERENDUM ON THE NEW WHEAT PROGRAM

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an editorial.

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

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, as the result of conversations which I had with several farmers who were in Washington this week on a tour sponsored by the Missouri Farm Bureau, I am led to believe that many of the farmers of this Nation are being given advice which is based upon a false assumption, and that if they follow this advice it can only result in irreparable damage to their own interests.

I am talking about the advice which some of these farmers have received from those who are recommending that they vote against the new wheat program which is scheduled to go into effect in 1964 if the referendum carries in the election, to be held in the late spring or early summer.

After I had explained to the group the importance of approving this new program, I pointed out that in the event two-thirds did not approve the program they would then revert to the basic law under which there would be maximum supports of 50 percent of parity only for those who planted within their base allotments. This, I said, would mean a support price of about $1.25 a bushel for those who restricted their plantings, but the market price would in all probability be less than a dollar a bushel, this estimate being made on the theory that without restrictions the overall planting would be increased with no limits on acreage.

Then, some of these farmers replied:

If the referendum results in a vote against the program, then the Secretary of Agriculture will be forced to ask Congress to enact a new law, for he cannot afford to let the basic law go into effect, especially with an election year coming up in 1964.

Mr. Speaker, I do not profess to be an expert on agriculture, and I do not pretend to have the solution to the farm problem, but after 12 years of sitting on the House Committee on Agriculture, I think I have learned a few things. One of them is this, and I am willing to stake my reputation on this prediction. If this new wheat program is not approved by the two-thirds vote in the forthcoming referendum, you are going to see some mighty sick and disappointed farmers throughout this land of ours, and the most surprised bunch will be those who are banking on the Secretary of Agriculture and the Congress—at least the House Committee on Agriculture—coming up with some alternative proposal to "pull their fat out of the fire."

If the referendum fails, I am predicting that you will see good wheat selling for less than a dollar a bushel in 1964, and the warehouses will be filled with loan wheat on which the farmer has received only $1.25 a bushel.

Mr. Speaker, I commend to my colleagues the reading of the following editorial, taken from the March 6, 1963, issue of the Des Moines Register:

[From the Des Moines (Iowa) Register, Mar. 6, 1963]

WHEAT FACT AND FANCY

The Farm Bureau is conducting a major drive to defeat the new wheat program which will go into effect in 1964 if two-thirds of the growers vote in favor of it in a referendum

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in June of this year. The bureau says the basic issue is "whether the farms of America are to be managed by farmers or by a Government bureaucracy." It says a favorable vote would "give a great boost" to the administration's efforts to expand "supply management" to other commodities, but a "no" vote would be interpreted as a sign farmers do not want additional compulsory supply management programs.

This view of the wheat referendum seems unduly apocalyptic.

If farmers vote for the program, they will not be committing themselves to it for all time to come, but only for the 1964 wheat crop. If the program proved in practice to be as bad as the Farm Bureau says it is, surely this would be apparent to farmers, and they could reject the program on the next vote. And Congress could change it. What farmers are voting for in the referendum is not a new direction for all farm programs, as the Farm Bureau says, but a trial of a new plan for wheat.

The Farm Bureau is sounding dire warnings about the wheat controls which Charles B. Shuman, president of the organization, says are the "tightest, most restrictive ever proposed for any farm crop." That is extreme language, and it is careless language. Many kinds of controls have been proposed since 1920. The wheat controls are no tighter than those which have been in effect for tobacco and cotton for years and are not as tight as the controls for sugar. The Farm Bureau consistently backs these programs.

If two-thirds of the farmers vote in favor of the program, every wheat grower will be required to comply with his acreage allotment. He can grow as much wheat as he is able to grow on the allotted acres, but he will receive the full support (about $2 a bushel) only on a number of bushels to be determined as his share of the national supply used for domestic food consumption plus a portion of exports.

There are no more "controls" on the farmer than in the case of any crop where mandatory acreage allotments are in effect, as they have been in wheat for years. The main difference in the new program is that the price support will be a two-price deal: The grain not eligible for the top price support (probably about one-seventh of production) will receive a lower support comparable to feed grain supports, about $1.25 a bushel. Growers also will get a land-retirement payment for acres taken out of wheat.

The Farm Bureau correctly says that this new program will result in some decline, probably small, in the total net income received by wheat growers (but not in average income, because the number of growers is dropping). The two-price support plan results in a lower blend price support for wheat.

But rejection of the new plan would mean a much larger drop in wheat income. Price supports for all wheat produced would drop to 50 percent of parity, about $1.25 a bushel.

It is hard to see how the Farm Bureau leaders can get so wrought up about "compulsion" and dictatorial controls which do not go into effect unless two-thirds of the producers vote to accept them. What the Government is saying is that, if two-thirds of the producers favor the controls, then everyone who chooses to grow wheat will have to go along. Every business has regulations, governmental or private.

It seems not unreasonable that the Government ask farmers to cooperate in limiting production if they want a guaranteed price for their product. If they don't want to comply with acreage allotments in return for a higher price, well, that settles that. But it isn't an issue of Government management of farms, nor is it setting the course of farm policy forevermore.

EARNED INCOME LIMIT FOR THOSE UNDER SOCIAL SECURITY

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

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

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Speaker, I am introducing today a bill which would increase to $1,800 the annual amount of earned income a person may receive without having his social security benefits reduced.

My bill would liberalize present social security requirements that retirees under 72 must have $1 of social security benefits withheld for every $2 of earnings between $1,200 and $1,700 per annum, and $1 withheld for every $1 of earnings in excess of $1,700.

I am pleased to join Senator HUMPHREY, who has introduced an identical bill in the Senate, and other House Members in proposing this legislation which will give older citizens an opportunity to receive a more adequate income to meet the heavy costs of living.

This is the third major amendment to the Social Security Act which I have proposed so far this session of the Congress.

My other bills, H.R. 2107 and H.R. 2685, would increase minimum social security benefits from $40 to $50 per month and lower age requirements for full social security benefits to 60 years for both men and women.

These bills are designed to strengthen our economy at the base. They would put needed purchasing power into the hands of those who need it most. They would bring a measure of social justice to individuals and families and those 35 million of our fellow citizens—including many in the Sixth District of Pennsylvania which I am privileged to represent—who are denied the opportunity of a decent livelihood in the midst of great national surpluses and prosperity.

I hope that the amendments to the Social Security Act which I have introduced will be carefully considered and that they will be approved by this present Congress.

INTERPRETATION

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

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

There was no objection.

Mr. AVERY. Mr. Speaker, last night's issue of the Washington Star carried a story by George Sherman, a staff writer, commenting on the recent visit of President Kennedy to Costa Rica. The article goes on in this manner:

Both in private and public, U.S. officials are hailing Mr. Kennedy's meetings with the six Presidents of Central America and Panama as a major landmark in U.S. policy in the hemisphere.

In view of the testimony taken in the Moss committee in the last 3 or 4 days I think that most Members of Congress and certainly most taxpayers are going to have their tongue in their cheek and take a hard look at the final result. We have learned that "managed news" does not necessarily reflect what has actually taken place. But the point I want to make further is that apparently we are committed to another foreign aid program in Central America, because further down in the story it states that the prestige of the President was going to be thrown with full weight behind a new program which is described as a new Fund for Central American Economic Integration.

I would only conclude, Mr. Speaker, by saying that those of us who have cast an unpopular vote in our district for mutual security and foreign aid are finding it increasingly difficult to go along. We find another program that is announced for the first time, not in the United States, not requested from Congress, but perfunctorily announced from a place out of the country. I recall that the Alliance for Progress was announced first in Uruguay and we found out that U.S. credit was committed for $10 billion.

I think we have four programs already working in Central America and I certainly hope that this program will be screened very carefully by the House before any binding commitments are made.

DISARMAMENT AGENCY SPOKESMAN STATES INACCURATE TEST-BAN FACTS

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include two tables.

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

There was no objection.

Mr. HOSMER. Mr. Speaker, on the Voice of America's "Press Conference, U.S.A.," broadcast worldwide on Tuesday, the U.S. Arms Control and Disarmament Agency's Deputy Director Adrian S. Fischer inaccurately charged the big 2½-million-square-mile hole for Soviet undetectable test ban cheating under the administration's new test-ban treaty proposals does not exist. The big hole was revealed Monday by the Republican Conference Committee on Nuclear Testing.

Mr. Fischer's statements to the world simply are not factual. If he had been on commercial radio selling health pills as phony as the big hole test-ban treaty proposal he would be landed on by the Federal Food and Drug Administration like a ton of bricks and charged with misleading advertising, failure to label deleterious ingredients, and peddling a product dangerous to public health and safety.

Fischer denies existence of the big hole by alleging signals equal to a 3-kiloton shot in alluvium—that is, a 3 bury signal—beyond a distance of 1,240 miles are larger than the size signal for distances 620 to 1,240 miles used by the

conference committee to illustrate the big hole. Table 1 shows the situation for the 620 to 1,240 distance where the size of the seismic signal is 4 millimicrons. Table 2 shows the situation for distances beyond 1,240 miles where the size of the signals goes back up to about 10 millimicrons, their size at 480 miles or about 800 kilometers. What table 2 illustrates is that even if, with this larger size signal, there is a marginal detection capability, the signal still is not sufficiently larger in size than background microseismic noise to permit identification of a cheat test shot, or series of them, from among thousands of small earthquakes of similar size occurring annually in the U.S.S.R. Without this identification capability, the big hole still exists. Paint it black for the future U.S. national security.

Fischer complains that the 3 bury signal—that is, signal equivalent to a 3-kiloton shot in alluvium—used as a measuring yardstick in the conference committee's report do not establish the big hole because there is relatively little dry alluvium in the U.S.S.R. His argument is specious because the dry alluvium equivalent is merely an expression of measurement, a yardstick. Units on this yardstick are now called a "bury" to eliminate such confusion. There are many other geological formations in the U.S.S.R. which may have an equal or greater muffling effect on the seismic shock signal of cheat tests. Alternatively, the signal may be reduced below thresholds of detection and identification merely by conducting the tests in underground cavities which decouple the shock wave of the explosion from the surrounding earth and thereby produce seismic signals of meager size. The big hole still exists, despite Mr. Fischer's misleading reasoning. Paint it black for the future U.S. national security.

Fischer further asserts the big hole does not exist because a seismic observatory at Mould Bay, Canada, has detected shots less than 3 kilotons fired by the AEC in Nevada. Again his reasoning is specious because reputable seismologists tell us Mould Bay's peculiar capability is a rare accident of geography based on the relative locations of the Nevada shots and the Mould Bay instrument. Such rare accidents can never tell us where to locate a seismic detection station in similar juxtaposition to an underground cheat shot that has not even yet been planned, let alone located somewhere within the Soviet Union's 8½ million square miles of real estate. The big hole still exists. Paint it black for the future U.S. national security.

It is hoped that the factual tables accompanying these remarks will be noted by the Member of the other body who Tuesday made disparaging remarks in the RECORD about the big hole charges. The tables are based on factual statements of a responsible Defense Department seismologist. If the gentleman will examine these tables he will possess information I believe he did not have then. These plain scientific facts of physical life have a direct bearing on the responsible evaluation of treaty proposals in context of the ability to deter a determined and intelligent cheater. He should admit this.

TABLE 1.—*Actual size (in millimicrons) of 3-bury[1] seismic signal compared with size of signal required for detection, location, and identification of "suspicious" shots at 620 to 1,240 miles (1,000 to 2,000 kilometers) distance*

Microseismic background "noise" level	3-bury[1] signal	Signal size needed for detection and location	Signal size needed for identification
5	4	10	[2] 50
4	4	8	[2] 40
3	4	6	[2] 30
2	4	[3] 4	[2] 20
1	4	[3] 2	[2] 10

[1] A "bury" is a unit of seismic signal measurement. For example: 1 bury is the equivalent of a seismic signal created by a 1-kiloton explosion where the shot is fired in alluvium formation in direct contact with the soil, i.e., without decoupling: 2 bury is the same for a 2-kiloton explosion and so on: Explanation of the origin of this unit of measurement will be found in remarks by Representative HOSMER in this issue of the CONGRESSIONAL RECORD, pages 4767–4768.

[2] 3-bury signal useless for identifying it as a cheat test.

[3] 3-bury signal begins to show on seismograph for detection purposes.

NOTE.—Average microseismic background level is 10 to 20 millimicrons. Table shows only "very quiet" areas of 5 millimicrons and less. 2 times background required for detection and location. 10 to 20 times background required for identification.

TABLE 2.—*Actual size (in millimicrons) of 3-bury[1] seismic signal compared with size of signal required for detection, location, and identification of "suspicious" shots beyond 1,240 miles (2,000 kilometers) distance*

Microseismic background "noise" level	3-bury[1] signal	Signal size needed for detection and location	Signal size needed for identification
5	10	[2] 10	[3] 50
4	10	[2] 8	[3] 40
3[4]	10	[2] 6	[3] 30
2[4]	10	[2] 4	[3] 20
1[4]	10	[2] 2	[5] 10

[1] A "bury" is a unit of seismic signal measurement. For example: 1 bury is the equivalent of a seismic signal created by a 1-kiloton explosion where the shot is fired in alluvium formation in direct contact with the soil, i.e., without decoupling; 2 bury is the same for a 2-kiloton explosion and so on. Explanation of the origin of this unit of measurement will be found in remarks by Representative HOSMER in this issue of the CONGRESSIONAL RECORD, pages 4767–4768.

[2] 3-bury signal begins to show on seismograph for detection purposes.

[3] 3-bury signal useless for purpose of identifying it as a cheat test.

[4] Reduction of background noise to these extremely low levels even by installation of highly sophisticated equipment is not assured.

[5] 3-bury signal barely enters threshold of identification.

NOTE.—Average microseismic background level is 10 to 20 millimicrons. Table shows only "very quiet" areas of 5 millimicrons and less. 2 times background required for detection and location. 10 to 20 times background required for identification.

LETTER TO THE PRESIDENT ON TEST BAN TREATY

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

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

There was no objection.

Mr. HOSMER. Mr. Speaker, under date of March 18 I wrote the President respecting deficiencies of a nuclear test ban treaty his advisers state is under preparation for offer to the Soviets in the near future. The letter also discusses possible reasons for what I feel to be bad advice on the subject these advisers are giving him. I hope the President will be given the letter to read. It is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 18, 1963.

Re nuclear test ban.

The HONORABLE JOHN F. KENNEDY,
President, the White House,
Washington, D.C.

DEAR MR. PRESIDENT: I sincerely hope this letter may reach your eyes because it contains information relating to the national security which I feel you may not otherwise receive.

Your Disarmament Agency people recently outlined to the Joint Committee on Atomic Energy many of the provisions of a revised test ban treaty under preparation which they state soon will be offered the Soviets. This proposal contains a loophole through which the Soviets can move clandestinely to nuclear weapons superiority and its equivalent, Communist world domination.

According to testimony of Government technical witnesses heard by the JCAE at the same hearings, the verification system to be proposed is inadequate to detect and identify underground test cheating at yields equivalent to "3 kilotons and below conducted in alluvium formations" if cheating is carried on at least 620 miles inside Soviet borders. According to my calculations, this leaves an area of at least 2½ million square miles in the interior of the U.S.S.R.—and probably twice that size—in which significant secret Soviet underground tests can be carried on wholly without fear of detection.

This undetectability results from the inherent inability of seismographs to detect and locate signals unless they are at least twice the size of the earth's normal microseismic background noises and their inherent inability to distinguish, that is, identify, suspicious events from earthquakes unless the signals are 10 to 20 times larger than background noise.

In short, natural background noise, which averages 10 to 20 millimicrons, affects seismographs just like static affects a radio receiver—the signal's are blotted out by the noise.

This is what happens:

Assume a quiet location for the seismograph, with background noise of only 5 millimicrons. This means the signal must be at least 10 millimicrons for detection and location and at least 50 millimicrons for identification. Yet, the signal from a 3-kiloton shot 620 miles distance will be only 4 millimicrons in size—far below levels required for verification of cheating.

Even assuming special instruments could reduce the background noise to an irreducible 1 millimicron minimum, where marginal detection and location capability would appear, still a 10 millimicron signal would be needed for identification, and the actual signal will be only 4 millimicrons.

It is to be noted that signals can be held to the 4 millimicron level either by limiting test yields to 3 kilotron in alluvium or equivalent soils or by conducting larger shots in underground cavities which "decouple" the shock waves from surrounding earth and reduce the signal to the undetectable level.

The foregoing all is a matter of public record in the JCAE's hearings. Also on the JCAE's public record is testimony as to what weapons development progress can be made in this big hole undetectable cheating area. It amounts to the entire spectrum of tactical and strategic nuclear weapons except an "unsubstantial fraction" of strategic weapons—these being superyield H-bombs the U.S.S.R. already has developed anyway.

If you offer the Soviets the treaty now being drafted it will mean an offer by the United States to forgo wholly all nuclear weapons development and, as a practical matter, simply trust a Communist promise not to continue nuclear weapons development when it can be done without fear of discovery.

This is exactly what your Disarmament Agency relates it is advising you to do on the grounds the risks of not doing so are greater than those of doing so. In effect, they say it is more risky for both sides to test in the open than it is for the Communist to be given the opportunity for cheat testing while we stop progress. This flies in the face of logic if we assume we distrust the Soviets enough to spend $50 billion a year on military defense.

The advice also flies in the face of logic if a treaty with a big hole in it is an ineffective treaty, and I do not see how it could be otherwise. Secret weapons testing of the magnitude possible would drastically affect the military balance between the United States and the U.S.S.R.

Further, if an ineffective treaty is concluded, it will surrender all opportunity to conclude an effective one. What happens then to the hopes and aspirations of people everywhere who see an effective treaty as one of the very few opportunities there is to achieve a less risky world?

There is no need to take my word, Mr. President, for the facts on undetectability and clandestine weapons development opportunities above related. Dr. Carl Romney, seismologist for the Air Force Technical Applications Center, can explain the inherent physical limitations on seismic detection imposed by background noise as he did to the JCAE. Gen. A. W. Betts, the AEC's director of military applications, can define for you the wide spectrum of opportunity for undetectable weapons development, as he did to the JCAE. I urge you to confer with these men.

Why do I suggest bypassing your Disarmament Agency advisers for this information?

Simply because if they have not already put this matter to you, then you should no longer have confidence in their advice. With the hopes of mankind aroused for a reduction in the world's risks by an effective test ban treaty, they are not doing their jobs advising you to enter an ineffective one. They cannot safely be relied upon if they tell you to trade the reality of an effective risk reduction device for only an illusion of effectiveness, with the eventual prospect of a nuclear Pearl Harbor thrown in for good measure.

If their advice to you is so bad, why do they give it? These are patriotic men of integrity—what, you may ask, is my answer to that?

My answer, Mr. President, does not reflect on either the patriotism or the integrity of these men. They are hard working people, intensely anxious to succeed in their jobs. It is simply that success in their jobs can only be demonstrated by the conclusion of some agreement with the Soviets. They want a good agreement, not a bad one. But they want an agreement. I am certain that this factor leads them into subconscious miscalculations of the balance of risks which overemphasizes hopes for the verification system and underemphasizes practical difficulties with it.

Mr. Foster, who heads the agency, is a former business executive, his assistant is Mr. Fischer, a former lawyer. Both receive their advice on seismology from Dr. Long, a chemist. None have been on their jobs even for a period of 2 years. Your Committee of Principals which reviews the Disarmament Agency's advice is composed of three former business executives and four former college professors. This group too has only been on the job for about 2 years.

Look at it this way: At Cape Canaveral, where "all systems are go" it means the check out of many, many components of a missile have been made electronically and infallibly before the final light is green.

By contrast, at the Disarmament Agency all components of a test ban proposal are not checked out electronically and infallibly before you receive the green light. They are checked by human beings who must make many, many individual subjective judgments as to each component before giving you a red or green light on the overall treaty package. Each of these many, many judgments is subject to a subconscious intrusion of the desire for an agreement. Constant favorable resolution of small doubt by this means, a bit by bit, piece by piece, eventually add up to one big major miscalculation.

Such miscalculation, Mr. President, I sincerely feel has occurred. It has occurred substantially in the manner I have outlined. Both you and the Nation will be its innocent victims unless prompt steps are taken, steps which can only be taken by you.

So again, I urge you to talk directly with Dr. Romney and General Betts, or others of equal knowledge and ability, who are not subject to the subconscious pressures upon Mr. Foster and his associates.

I am certain what they tell you will substantiate the proposition that an effective test ban treaty—one which will in fact cause the Soviets to stop nuclear weapons development if we do—will require manned seismic observatories inside the Soviet Union as well as on free world soil.

Again, in closing, I reiterate the danger of missing the chance for an effective, risk reducing treaty by the proposal of an ineffective, risk increasing treaty.

Sincerely,

CRAIG HOSMER,
Member of Congress.

THE STORY OF A MAGAZINE ARTICLE FIX

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

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

There was no objection.

Mr. HUDDLESTON. Mr. Speaker, on the flimsiest possible evidence, a major national publication has sought in recent weeks to discredit southern football generally and athletic officials at the University of Alabama in particular.

In the Saturday Evening Post dated March 23, 1963, there is an article entitled "The Story of a College Football Fix" which, according to the editors of the magazine, is "shocking" and the biggest sports scandal since the 1919 World Series baseball games. The article makes charges against two men, athletic directors at their respective universities, Paul Bryant, University of Alabama, and Wallace Butts, University of Georgia.

The facts on which these charges have been based run from the ephemeral to the nonexistent. However, the facts do speak for themselves that the magazine article is "fixed" in such a way as to cause the readers to draw distorted conclusions. First, they accuse Butts and Bryant of conspiring and fixing the 1962 football game between the University of Georgia and the University of Alabama, which was played at Birmingham, saying in a prefatory note to the article:

> Before the University of Georgia played the University of Alabama last September 22, Wally Butts, the athletic director of Georgia, gave Paul "Bear" Bryant, head coach of Alabama, Georgia's plays, defensive patterns, all the significant secrets Georgia's football team possessed.

The basis of this charge was a telephone call allegedly overheard by a man who admittedly knows little about football.

This is not evidence you could go into court with, or even get very many people familiar with football to take seriously. Yet the Saturday Evening Post has seen fit to put Paul Bryant and Wally Butts on trial in the court of public opinion. They are being tried in a "fixed" article with the facts arrayed in an effort to present a case against two honored and respected men.

Some of the "shocking" revelations of Butts to Bryant in the alleged telephone conversation were that Georgia did not have a man who could quick kick, that the Georgia quarterback revealed whether he was going to pass or run by the way he held his feet, and that certain other players committed themselves in advance on particular plays. Butts is also supposed to have given away offensive and defensive plays. While all of this is very interesting, there is some question that in this day of intensive scouting of opposing teams and slow motion photography the coach of one of the top teams in the country and a man voted by his peers as coach of the year in 1961 would have to be leaked information such as that alluded to in the article. It is outrageous that such a charge should be made, on the strength of statements by a convicted bad check artist. Furthermore, Coach Bryant was never even contacted by the Post to ascertain the validity of the charges or to obtain his comments. This failure to contact the victim of the charges bespeaks malice and a callous disregard for truthful, objective reporting.

Coach Bryant, in a statewide television appearance before the people of Alabama, answered these absurd charges in this way:

> I have been accused in print of collusion or attempts at collusion with the athletic director of the University of Georgia to fix or rig the game we played with the University of Georgia last fall.
>
> Our boys won the game by a score of 35 to 0.
>
> I welcome this opportunity to tell the people of Alabama that these charges are false in every sense of the word. I want to take this time to deny them with every force at my command. Never in my life have I attempted to rig or fix any game either as a player or as a coach.
>
> In these charges there is a statement that I had information on the Georgia football team. Certainly we did. We have information on and about every team that we play. This is scouting and research and study, etc.
>
> The Saturday Evening Post charges that I obtained confidential, detailed plans that would affect the outcome of the game with Georgia.

It is part of the business of coaching football and is the duty of my staff and me to know as much about an opposing team as is possible. We attempt to do this, and, ladies and gentlemen, that is what a coach does the other 9 months of the year when football season is over.

We study films of other schools. They study our films. All college teams exchange coaching films. We study the movements of players, their abilities, their weaknesses, and their habits. We study the coaches and their techniques, the games that they have played with us previously, and the games they played with other teams.

Mr. Speaker, I believe it might be useful to mention at this point that last October, Coach Bryant was the subject of a previous defamatory article in the Saturday Evening Post and that he has filed a suit for libel against the magazine on the basis of the false and misleading material contained in that article. The charges brought against the University of Alabama coach in the earlier article are as defamatory as in the present one.

However, the Post is not content to defend the earlier article in a court of law—they have set out to wreck the career of a man. The present article, "The Story of a College Football Fix," constitutes their countersuit against Paul Bryant. By the skillful manipulation of facts with quotes, the article indicts two men when the facts will not uphold their contention that a "fix" was on. The only "fix" in this whole affair is the Post's article.

The alleged phone call was overheard and noted by a man who is highly questionable at the very least. First, why did he listen to a phone conversation that he was accidentally cut in on? Secondly, the Post intimates that Wally Butts' alleged motives were both personal and financial. The phone call listener is an insurance man who has had a little trouble about issuing bad checks. He was convicted on charges of issuing two bad checks, was fined and placed on probation for the offense. He admits in the article that he has always had trouble with his financial affairs. Motives? Considering the background of the accuser, his motives are the ones which should be called into question.

But motives are not the issue here. What is an issue is that the Saturday Evening Post has libeled and defamed two honored and respected men.

Mr. Speaker, Coach Paul Bryant is a man who has dedicated his life to the youth of our country and to college athletics. He has risen to pre-eminence in his field. For that reason he makes a good target for the irresponsible and the rumor mongers. The Saturday Evening Post has attempted to take from Paul Bryant what no man or magazine should ever be allowed to take from any man. They have tried to take his good name.

Mr. Speaker, this is not a new departure for the Saturday Evening Post. Over the past several months, they have time and again resorted to sensationalism and mad-dog journalism. This magazine has published in each recent issue so-called "inside dope" stories that characterize some of the worst journalism in America. Articles like "Air Crashes: Growing Peril in the Skies"; "A Vote Against Motherhood"; "Birmingham: City of Fear"; and now this scurrilous piece of reporting on "The Story of a College Football Fix," raise serious questions about the future of the Post. In the last 3 years, the Post has lost $40 million in advertising revenues while almost every other national magazine has increased its advertising income. Figures from Advertising Age show that the Post advertising revenues were $105 million in 1960. In 1961, the figure dropped to $86.5 million and dropped more sharply in 1962 to $66.5 million.

It is tragic to see a magazine with an illustrious history like the Post, a magazine in which many people have formerly had confidence, resort to this type of yellow journalism in an effort to bolster sagging revenues. One naturally cannot evaluate the accuracy of every article published in a given magazine. If a person reads an article about a subject he does know something about, and that article is full of distortions and inaccuracies, then it raises serious questions in the reader's mind about the validity of other articles.

For me, their recent article about my home city of Birmingham was such an article. Now, this attack on a renowned football coach in an article skillfully designed to cause the readers to conclude his guilt, makes me wonder if the Saturday Evening Post may not fade away into the oblivion they have suggested for Coach Bryant. Confidence once lost is hard to regain. Recent articles in the Post have caused a loss of confidence and I will not be surprised if that magazine in the near future ceases publication like the Literary Digest of the 1930's.

One facet of the case of the Saturday Evening Post is that it points to the need for review of our libel laws and regulations for publications using the U.S. mails. As the postal regulations stand now, libelous matter is mailable as long as it is not on the outside wrapper of the magazine. No reference to "The Story of a College Football Fix" was made on the outside of the Saturday Evening Post.

By the time court cases covering the libel suits come to trial, the damage caused by these articles will already have been done no matter what the outcome of the suits. Moreover, the laws and penalties for libel are obviously no obstacle to a magazine that has lost $40 million in advertising revenues in a 2-year period. The Post, financially desperate and losing revenue in the tens of millions of dollars, can regard the threat of libel judgments with indifference.

Yet let the record show first, that the University of Alabama board of trustees has investigated the charges thoroughly and has issued a statement absolving Coach Bryant; second, that a lie detector test given Coach Bryant has established his innocence; third, that the Justice Department has looked into the case and dropped its investigation; and fourth, that the president of the University of Alabama, Dr. Frank A. Rose, has issued this statement:

The rumors concerning Coach Bryant were brought to my attention 3 weeks ago. After careful and thorough investigation, including the most favorable results of a lie-detector test given by a man who is a former member of the FBI and lecturer at the Keeler Polygraph Institute in Chicago, administered at the request of Coach Bryant for Commissioner Bernie Moore and me, I have found no evidence of any kind that would implicate Coach Bryant in any way with rigging or fixing, or betting on football games.

A real injustice has been done to the University of Alabama and Coach Bryant and I am delighted to be able to make this statement at this time.

Mr. Speaker, the University of Alabama is my alma mater and it is for that reason that I rise to speak—for that reason and the fact that a fine man has been defamed by a shameless "reporter" and an irresponsible magazine. Their article has done its damage, the magazine has achieved its goal of sensationalism, and it has caused widespread comment, but all of these petty and shortsighted goals have been achieved at the fearful sacrifice of truth.

RICE AS THE STAFF OF LIFE

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

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

There was no objection.

Mr. GATHINGS. Mr. Speaker, when you consider the world production and value of the 10 most important commodities and materials, rice is on the top of the list. More than one-half of the total world population looks to rice as the staff of life as it provides 80 percent of the food for more than 50 percent of all the people over the globe. There must be a reason for such a universal and wide acceptance of rice. It is one of the most versatile of all foods.

A well-balanced diet consists of four general classifications—the milk and dairy products, meats, fruits and vegetables, and cereals and bread. Rice is a part of two of these four great food groups, being classified in the fruit and vegetable and bread and cereal food groups. Rice works so well with all of these major classifications of foods. As main dishes it harmonizes with meats, fish, poultry, and seafood dishes. As for use in desserts, it combines with milk and dairy products as well as with eggs as an ingredient, along with sugar and starches. So rice is one of our most versatile foods which is adaptable to dishes for use in any season of the year and at every meal.

There are three principal kinds of rice—white milled rice, long, medium, and short grain, brown rice, and parboiled rice. There are many byproducts of rice, including rice flour, rice oil, rice hulls, rice polish, and rice bran.

White rice contains nutrients of the finest biological value, including protein, calcium, iron, carbohydrates, vitamins of

the B complex, and a bit of fat. Rice is wholesome, economical, tasty, palatable, as well as nutritious. It is quite easy to prepare. Boiled rice is one of the most acceptable and widely severed rice dishes. For usual servings for a family of from four to six people here is all that is required in preparation: three cups of water with a teaspoon of salt placed in a cooking vessel. Bring to a boil. Pour in 1 cup of white rice, either long, medium, or short grain, or parboiled. Place cover on vessel, turn down to low heat, and cook for 22 minutes. It is ready to serve usually with butter or margarine. To make more flavorful, a couple of pats of margarine or butter may be added before cooking.

Some of the vast number of recipes which were made available by the Washton Embassies include: From the Embassy of Turkey; dolmas—stuffed vegetables; from the Embassy of Brazil: chicken soup with rice; from the Embassy of France: entrements au riz; from the Embassy of Indonesia: fried rice; from the Embassy of Cambodia: royal rice; from the Embassy of Germany: rice a la trautmannsdorff; from the Embassy of Iran: loobia polau; from the Embassy of Italy: rice croquettes; from the Embassy of Mexico: arroz a la Mexicana; from the Embassy of Saudi Arabia: rice with lamb and nuts; from the Embassy of Israel: Palestine rice plate; from the Embassy of Australia: creamed rice with apricot sauce; from the Embassy of the Philippines: royal rice cake; from the Embassy of Japan: rice is best as is.

My favorite rice recipe, rice with mushrooms, is as follows: One cup uncooked rice; one can consommé; one small can mushrooms; one-eighth pound butter or margarine. Melt margarine in skillet. Add rice and fry until it pops or swells. Put rice in a baking dish and add the consommé and mushrooms. Cook 45 minutes in oven at 350 degrees.

Thanks to Mrs. John Cooper, West Memphis, for first introducing me to this.

The Rice Council for Market Development sponsors two major yearly rice events: National Rice Week March 17 through 23, and the October Rice Harvest Festival. It is comprised of rice growers, mills, and all segments of the rice industry in the States of Arkansas, Louisiana, Mississippi, and Texas. The council is a voluntary organization devoted to the promotion of rice at home and abroad.

The rice industry is most appreciative of the fine cooperation accorded it by Capitol Architect J. George Stewart, who operates Capitol restaurants and cafeterias, together with Mr. Kermit Cowan, who is superintendent of the House Restaurant and Cafeteria, and Mr. Robert S. Sonntag who is in charge of the Senate facilities, in serving rice to all of its patrons on Wednesday, March 20, 1963. Green rice was enjoyed by several hundred Members of the Senate, House of Representatives, press news media, Capitol Hill employees and visitors.

The work of the rice council in promotion of rice in foreign markets could not be accomplished without the cooperation and work of the Foreign Agricultural Service of the U.S. Department of Agriculture and the U.S. Rice Export Development Association. The Department of Agriculture has been most helpful to the industry in the administration of Public Law 480 consistently since its passage in 1955.

U.N. CORRECTS PROJECT: CANCELLATION BETTER SOLUTION

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

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

There was no objection.

Mr. HALL. Mr. Speaker, I wish to inform our colleagues that the United Nations has agreed to correct a Special Fund project which has been the cause of concern in this House.

I am glad to see the U.N. admit a mistake and correct it. Now, I hope they will admit that this whole project is a mistake and cancel it. The project would provide radioactive isotopes to a Communist bloc nation—that is not the sort of thing Americans should be helping provide for Communists. At the very least American financial support—a planned $218,560—should be withdrawn.

The project to which I refer is that for nuclear research in Yugoslavia about which I first advised this House February 25, in the early stages of my investigation, into the foreign aid funds of the United Nations—a large measure of which American taxpayers provide.

The Special Fund of the U.N. has agreed to revise and correct the authorization for this $1.7 million project. The House will recall that the Special Fund—40 percent financed by American taxpayers—will contribute $546,400 to this project.

In a restricted U.N. document the project is called an agriculture research project. But, in fact, the proposed authorization clearly provided for research in agriculture, and also for a Federal center for general nuclear research in Red Yugoslavia.

I carried an objection about that authorization to the United Nations and to the U.S. Department of State, after I had advised the House of my concern. Today, I can report that I have been informed by Assistant Secretary of State Frederick G. Dutton and by U.N. Special Fund Managing Director Paul G. Hoffman, that the final contract for this project will provide clearly and specifically that the nuclear research may pertain only to agriculture.

However, I trust that the House will note that radioactive isotopes, once provided for this project, might be used for many purposes other than agricultural research. And, the United Nations very limited checking system on its projects makes it unlikely that it, or the United States, would ever know what the isotopes actually were used for. For instance, isotopes can be used to trace the flow of liquids and gases in pipelines, to test and measure metals, and in connection with biological and chemical warfare.

The American delegation to the U.N. and our State Department fell sound asleep on this job and would have allowed this project to have been agreed to, complete with a loophole, so that Communist Yugoslavia could have gained knowledge in a nuclear research center using U.N. aid subsidized 40 percent by American taxpayers.

Luckily, congressional inquiry stirred the bureaucrats from that snooze and dream fantasy of one-worldism, and I trust they will stay awake from now on to veto this project; and to check upon just where U.S. contributions to the U.N.'s ballooning foreign aid program go. I can only wonder how loudly they were snoring when the Fund approved that $1.2 million to aid Red Cuban agriculture—to say nothing of the 11 other U.N. aid projects approved for Cuba.

Ambassador Stevenson of our U.N. delegation agreed with me that the original Yugoslav project authorization could conceivably be misinterpreted. Mr. Hoffman said he felt the original provision was somewhat ambiguous.

Secretary Dutton, acting for the Secretary of State, informed me that the State Department—belatedly—understands my concern about the language of the original authorization. An officer of that Department informed the United Nations that the authorization was incorrect.

I hope the State Department understands equally well my opposition to the nuclear research project, in toto—corrected or uncorrected. Radioactive isotopes are critical items in this atomic age. Americans never should provide them or finance the purchase of them for a Communist nation.

Mr. Speaker, I will include in the RECORD pertinent portions of the correspondence documenting the U.N.'s project correction:

REPRESENTATIVE HALL TO MR. PAUL HOFFMAN, FEBRUARY 21, 1963

DEAR MR. HOFFMAN: I would like to ask you for clarification of the intentions of the Special Fund and the International Atomic Energy Agency in connection with a project approved but not yet started entitled "Nuclear Research and Training in Agriculture" in Yugoslavia.

I find in studying the Special Fund pamphlets on this project that it calls for a "Federal center for nuclear research and training and for the application of nuclear research to the field of agriculture. That would indicate that the Federal center is a separate facility from the agriculture research. I would appreciate receiving detailed comments about this.

DURWARD G. HALL,
Member of Congress.

REPRESENTATIVE HALL TO SECRETARY OF STATE RUSK, U.N. AMBASSADOR STEVENSON, MR. PAUL HOFFMAN, FEBRUARY 25, 1963

Mr. ———: A matter of serious concern has come to my attention in connection with a United Nations' project under the Special Fund. The project is in Yugoslavia and is entitled "Nuclear Research and Training in Agriculture."

May I call your attention to the "restricted" publication of the Special Fund dated March 22, 1962, and covering the recommendations of the Fund's managing director for approval of the nuclear research project.

In paragraph 5 of the publication under the subheading "III—The Project" I find the first sentence which states:

"The request calls for a Federal center for nuclear research and training and for the application of nuclear research to solve practical problems in the various fields of agriculture."

My concern arises from the construction of that sentence detailing the aims and goals of the project. As the sentence reads it authorizes development in two directions (1) to solve problems in agriculture and (2) to provide for a nuclear research and training center.

DURWARD G. HALL,
Member of Congress.

MR. PAUL HOFFMAN TO REPRESENTATIVE HALL, MARCH 4, 1963

MY DEAR MR. HALL: I acknowledge receipt of your letters of February 21 and 25, 1963, relating to the Special Fund project in Yugoslavia entitled "Nuclear Research and Training in Agriculture."

I wish to offer the following comments in reply to your inquiry:

1. From paragraph 2 of the Governing Council document dated March 22, 1962, and referred to by your letters, you will see that the Yugoslav Government already operates an Institute for Application of Nuclear Research in Agriculture, Forestry, and Veterinary Sciences at Zemun and that institutions applying nuclear research methods are found also at four other locations in the country.

2. Through provision of international experts, equipment and fellowships for studying abroad, the Special Fund is assisting in upgrading and expanding the Institute at Zemun, as detailed in paragraphs 5, 6, and 7 of the mentioned document. The Federal center mentioned in line 1 of paragraph 5 is synonymous with the Institute at Zemun mentioned in paragraph 2.

3. The phrasing of the first sentence of paragraph 5 quoted by your letter of February 25 is admittedly somewhat ambiguous. The essence of the sentence is that the request calls for a Federal center which will apply nuclear research to solve practical problems in the various fields of agriculture.

PAUL HOFFMAN.

REPRESENTATIVE HALL TO MR. HOFFMAN, MARCH 7, 1963

DEAR MR. HOFFMAN: Thank you for your letter of March 4, providing me with information about the operation of your Special Fund and answering my specific questions. It is of great value to me and to the Congress to receive cooperation from international civil servants in our consideration of the Special Fund during this time when it is being questioned in the United States and in the Congress.

With regard to paragraphs 2 and 3 of your letter may I ask if any action has been taken by your office to set straight the ambiguity that you and I both see in the first sentence of paragraph 5 of the Special Fund document mentioned as it concerns the Federal center for nuclear research. If not, might I suggest that you issue a specific directive clearing up this loophole officially by proclaiming that the Federal center is indeed synonymous with the Institute at Zemun and providing that under no circumstances is the Special Fund project to involve any nuclear research other than that involved with plant and animal agricultural research. It seems to me that action by you would clear the air and eliminate the problem.

DURWARD G. HALL,
Member of Congress.

AMBASSADOR STEVENSON TO REPRESENTATIVE HALL, MARCH 8, 1963

DEAR CONGRESSMAN HALL: I was glad to have your views on the United Nations' Special Fund for Nuclear Research and Training in Agriculture project in Yugoslavia. As a result, I have undertaken some special homework on my own and am now in a position to share a few thoughts with you.

This particular project, like 289 others currently being implemented under U.N. Special Fund auspices, was first approved by the Governing Council. This Government took an active role in the establishment of the Special Fund some years ago and, as a member of the Governing Council, the U.S. representative devotes considerable attention to each recommendation of the Managing Director. This was particularly true with respect to the Yugoslav project to which you refer.

Following a thorough review by the Governing Council, the plan was approved in May 1962. The International Atomic Energy Agency was asked to serve as executing authority. Incidentally, the Italian representative was particularly praiseworthy of Yugoslav efforts in this field and encouraged adoption of the project.

While I agree that the purpose as stated in paragraph 5 of the Special Fund document you mentioned in your letter could conceivably be misinterpreted, subparagraphs a, b, and c are, in my mind, crystal clear. You will note that following the opening statement:

"The request calls for a Federal center for nuclear research and training and for the application of nuclear research to solve practical problems in the various fields of agriculture."

The document specifies:

"The Institution will deal with the following major subjects:

"(a) Soil fertility and plant nutrition, including methods for laboratory assessment of the phosphorous status of the soil and methods of application of phosphorous fertilizers; studies of leaching of plant nutrients; study of soil moisture in connection with irrigation; grafting work in orchard and grape cultures; and studies on the absorption of plant nutrients by plants from the soil and on their movements and accumulation within the plant;

"(b) plant breeding, using irradiation as a supplement to conventional breeding methods, in order to produce mutants of agricultural crops and forest trees; and

"(c) animal husbandry, including protein nutrition studies of poultry and thyroid activity as a guide in nutrition studies of beef cattle."

ADLAI E. STEVENSON.

REPRESENTATIVE HALL TO AMBASSADOR STEVENSON, MARCH 12, 1963

DEAR MR. AMBASSADOR: Thank you for your letter of March 8 providing me with information about the Special Fund and the particular Yugoslav project with which I expressed concern.

Since you agree that paragraph 5 of the U.N. document we discussed "could conceivably be misinterpreted," may I ask if any action has been taken by your office to set straight the ambiguity that you and I both see. I agree with you that the later subparagraphs are clear, but these subparagraphs do not change the major premise to which you and I object.

Since the major concern of the Congress appears to be the relative lack of postappropriation checking on how the Special Fund spends money provided chiefly by American taxpayers, I feel it would serve a useful purpose for the American delegation to initiate a clarification of the paragraph in question proclaiming that the Federal center is indeed synonymous with the Institute at Zemun and providing specifically and in clear English that under no circumstances is the Special Fund project to include any nuclear research other than that involved with plant and animal agricultural research. Clarification will hurt nobody and will ease the way of the Special Fund when this Congress reaches the question of foreign aid appropriations.

DURWARD G. HALL,
Member of Congress.

MR. PAUL HOFFMAN TO REPRESENTATIVE HALL, MARCH 13, 1963

DEAR CONGRESSMAN HALL: Thank you for your letter of March 7 which awaited my return to New York today.

With regard to its second paragraph, I should like to inform you that the plan of operation for the Yugoslav project is about to be signed by the Yugoslav Government, the International Atomic Energy Agency, and the Special Fund. I can assure you that this tripartite contract for the implementation of the project will not contain the ambiguity which appears in paragraph 5 of Special Fund document SF/R.5/Add.40. It will, on the other hand, conform to the correct description of the purpose and activities of the project as set forth elsewhere in the rest of that document.

PAUL HOFFMAN.

ASSISTANT SECRETARY OF STATE DUTTON TO REPRESENTATIVE HALL, MARCH 13, 1963

DEAR CONGRESSMAN HALL: I want to thank you for your letter of February 25, 1963, concerning the United Nations Special Fund project in Yugoslavia covering nuclear research and training in agriculture which has been referred to me for reply.

I note your inquiry concerning the precise meaning of paragraph 5 of the Special Fund document covering this project. An officer of the Department has spoken with Mr. Clinton Rehling, assistant to Mr. Paul Hoffman of the Special Fund, who has informed him that the language in paragraph 5 is incorrect and that in the publication of the final project agreement the present incorrect language will be appropriately modified. The first sentence of paragraph 5 will then read:

"The request calls for a Federal center for nuclear research and training in agriculture and for the application of nuclear research to solve practical problems in the various fields of agriculture."

I can well understand your concern about the language as it stands in the original document and appreciate your inquiry which will lead to its being more accurately expressed in the final project agreement.

FREDERICK G. DUTTON,
(For the Secretary of State).

TAX CREDITS FOR ADDITIONAL WORKERS HIRED BY EMPLOYERS

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

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

There was no objection.

Mr. McCLORY. Mr. Speaker, I am introducing today a bill which can contribute greatly to the solution of our rising unemployment through the traditional American system of free enterprise. The bill which I am presenting would encourage private employment by providing tax credits for

additional workers hired by those employers who conduct our trades and businesses. The measure, which was suggested in an article appearing in the Chicago Tribune several weeks ago, has been advanced by Mr. R. Edwin Moore, chairman of the Bell & Gossett Co., a typical American business developed through the opportunities afforded by our free system. This measure would give the employer credit for each added worker over the average number of employees on the payroll during the previous 3 years. And—in the case of a 100-percent increase, the employer would be entitled to a 1-percent reduction in his corporate tax rate. This incentive would continue until a maximum of 10-percent reduction in corporate tax rate had been achieved.

This measure would encourage greater employment in private industry and would add to the incentives so necessary to stimulate our economic growth and progress. Not only is there incentive for the employer, but for the individual who seeks gainful employment and brings personal skills and talents to the labor market in return for a fair wage and the satisfaction of knowing he is earning his way. There is incentive here for the men and women to whom private employment is the American way of life and who are reluctant to participate in a "made work" program which threatens to destroy our economy and reduce this once proud Nation to a welfare state.

This is not a gimmick nor a device to be taken lightly. Rather, it is a practical and workable method of helping to resolve a national problem in a manner consistent with our American system. It avoids the theories and schemes and the alien philosophies which appear to motivate some so-called economists who have captured the ear of our President. This is a practical businessman's solution. It deserves the fullest consideration in the very serious efforts with which we are engaged—those of demonstrating the adaptability of our free enterprise system to meet the needs of our expanding population in a rapidly changing economy.

U.S. LOAN TO BRAZIL

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

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

There was no objection.

Mr. HARSHA. Mr. Speaker, Brazil and our State Department are now wrapping up a U.S. loan which may range up to $200 million. Negotiations started under a bit of a pall when it was announced from Rio that Finance Minister Dantas was coming here to get the money so Brazil could build a trade program with Russia.

At interviews here, Mr. Dantas further admitted that the money would be used to develop trade with Russia. Then the Brazilian Embassy issued a statement denying any such purpose and claimed that Mr. Dantas misunderstood the question.

The Brazilian Embassy further stated:

> Any forthcoming American credits to Brazil will be used exclusively to finance the importation of U.S. goods and services and for repayment of commitments to U.S. creditors.

If this is so, then there is no need to deliver the money to Brazil, the United States should retain it and make the payments direct to the American creditors; but if the money is delivered to Brazil, it will find its way into the Communist trade program.

One could no more keep this money separate and aloof from such Red negotiations than one could pour a glass of cream from off the top of a bottle of homogenized milk.

The American Ambassador to Brazil, Lincoln Gordon, testified before the House Inter-American Affairs Subcommittee that the Government of Brazil was infiltrated with Communists. The State Department, seeing congressional opposition to the Soviet trade loan building up, issued a statement that must appear ludicrous to the rest of the world. It said that Communist infiltration of the Brazilian Government is not sufficient "to have a substantial influence on Brazilian Government policy."

Yet, 3 members of the 15-man Brazilian Cabinet are notorious Marxists, 2 others were former Communist Party members. Goulart's press secretary is a self-declared Communist. The powerful National Industrial Workers Confederation, which unites industrial unions, is under Communist control. The big oil monopoly, Petrobras, is run by an extreme leftwinger.

If the loan is to be used to further Brazil-Red trade, it should not be made regardless of the pleas that Brazil's economy is in poor condition. If the money is to be delivered to the Brazilian Government, the loan should not be made because it will find its way into the program to promote Communist trade.

ARE FEDERAL SUBSIDIES ABUSED?

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

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

There was no objection.

Mr. FOREMAN. Mr. Speaker, we hear much today about the need for Federal Government subsidies to assist us in our various responsibilities—education, transportation, medical care, urban renewal, and others—that should be taken care of on the local level. We see, read, and hear much about dollars in the form of Federal aid, but I am fearful that we do not understand that with Federal aid we also get Federal control and regulation.

This continually growing bureaucratic control and regimentation of our lives is the greatest single enemy today against our freedom as individuals. We need to awaken again the spirit in America that individual freedom, incentive and the desire to be free are the building blocks upon which was founded the greatest country ever known in the history of mankind.

We have freedom, which sometimes we tend to take for granted, having had it so long we are not really conscious of what it is. While we have the courage and will to die for freedom, we sometimes wonder if we have the guts to live for freedom.

It is particularly refreshing to me to see those seemingly few dedicated individuals today who are living and working and fighting to preserve this precious inheritance. My friend, Mr. Ben H. Wooten, chairman of the board of the First National Bank in Dallas, Tex., is one such individual. A living example and dynamic exponent of the free-enterprise system, Ben Wooten travels thousands of miles each year speaking to Americans about their precious heritage, their freedom and their responsibilities.

We had the honor and privilege of having this free enterprise spokesman visit our west Texas area this month to speak at the annual chamber of commerce banquet in Pecos, Tex. I commend Ben Wooten for the very excellent, nonpartisan, thought-provoking message he delivered.

I would like, unanimous consent, to include Mr. Ben Wooten's remarks in the CONGRESSIONAL RECORD at this point:

THE WILL TO BE ECONOMICALLY FREE

(By Ben H. Wooten, chairman of the board, First National Bank in Dallas, annual chamber of commerce banquet, Pecos, Tex., Tuesday, March 12, 1963)

Anyone is honored by an invitation to talk to this outstanding group. If I were able to coin beautiful and expressive phrases at will, I could better tell you of my gratitude for being with you this evening. My mind wanders down memory lane and dwells upon my most precious possessions—friends. Friendships have been likened unto the homing ships that touch our evening shores; unto the flowers fair that sweeten the desert air; unto the stars that slip out at night and give us light after the sun has gone away.

There is a poem I like very much:

"It is always a joy in life to find,
At every turn of the road,
A strong arm of the comrade kind,
To help me onward with my load.

"And since I have no gold to give,
'Tis love must make amends,
It is my prayer that while I live,
God shall make me worthy of my friends."

I trust that God shall make me worthy of my friends in Pecos.

My subject is an abiding one, namely, "The Will To Be Economically Free." I have no apologies for the seriousness of my talk and it is completely nonpartisan.

In the din of battle with accompanying stresses and strains, men do not falter in pushing the fray even to death in order that freedom survives. Yet, history tells us again and again that in order to keep freedom, we must daily live it, embrace it economically as well as guard it militarily.

With Kipling, let us pray:

"God of our fathers, known of old,
Lord of our far flung battle lines,
Beneath whose awful hands we hold,
Dominion over palm and pine.
Lord, God of Hosts, be with us yet,
Lest we forget, lest we forget."

We must not forget that the economic fallacy of continuously spending more than we collect will ultimately do for us what it

has done for every people in history—namely, financial destruction and poverty. A broke United States would truly be a world tragedy. We must not forget that nations, like individuals, are financially broke when their liabilities exceed their assets. This is a simple financial and economic fact easily understood—one that cannot be circumvented.

Robert Louis Stevenson once said: "Soon or late everybody sits down to his banquet of consequences." Regardless of the amount of wealth possessed by our Nation, if we continue in our annual deficits and unbalanced payments, we will finally come to the banquet of consequences that result from further depreciation of the dollar. We, of course, will spend whether at a deficit or not any amount necessary to defend our country, but certainly, until the great danger is past, we should not adopt any new giveaway plans abroad or at home.

Back in the year 1932, one of the presidential candidates said along with other things that, if elected, his party would support laws establishing a minimum wage, unemployment insurance, medical care, a 30-hour week and improved workmen's compensation. He further stated that his party would support spending $5 billion annually for relief and another $5 billion for public works. He favored Federal aid to agriculture and socialization of power. His party wanted steep increases in income and inheritance taxes and a tax on the interest of Government securities. He also asked Federal aid for homeowners who had mortgage problems. This platform was offered the American people by the presidential candidate of the Socialist Party. He did not win the office of president but his platform cast before it the shadow of coming events. It is not my purpose today to discuss the merits of any individual plank in the Socialist candidate's program; however, we must, in the light of present-day policies and laws, admit that in the main his socialistic ideas have prevailed in the United States.

I once read an article by a young man who said: "I favor private enterprise because I am poor. I would never be happy to be a mere cog in the wheel. I could never be happy were every choice concerning my life made by someone else. I would rather be poor and live under the freedom and opportunities that private enterprise offers than to be rich and live in a penthouse on Manhattan Island under the restrictions of national socialism."

Like the young man who favored private enterprise, let us remember that economic freedom is a personal thing, a precious thing to be valued much greater than subsistence security. There is no economic reason whatever for us to surrender the mastery of our individual fate to the state. We have the highest living standard in the world under our unique American system, and we should never tamper with success. Every American should keep in mind that if he becomes a ward of the state, he will no longer be a free man.

Woodrow Wilson said: "Liberty has never come from the government. Liberty has always come from the subjects of it. The history of liberty is a history of limitations of governmental power, not the increase of it."

Judge Louis D. Brandeis said: "Experience should teach us to be more on our guard to protect our liberties when the government's purposes are beneficient."

Benjamin Franklin said: "They that can give up essential liberty to obtain a little temporary safety deserve neither safety nor liberty."

During the past 5 or 6 years especially, we have heard a great deal and witnessed the followthrough of at least one philosophy of Abraham Lincoln, namely, "You cannot further the brotherhood of man by encouraging class hatred." We do not quarrel with this statement; however, we direct attention to other admonitions of Mr. Lincoln just as important, just as vital and deserving of as much attention as the one quoted above. We regret that these admonitions appear to be ignored by a large segment of our people in authority. Mr. Lincoln gave us nine essential economic "cannots" all worthy of our deep concern. They are as follows:

"(1) You cannot keep out of trouble by spending more than you earn.

"(2) You cannot help the wage earner by pulling down the wage payer.

"(3) You cannot establish sound security on borrowed money.

"(4) You cannot strengthen the weak by weakening the strong.

"(5) You cannot bring about prosperity by discouraging thrift.

"(6) You cannot help little men by tearing down big men.

"(7) You cannot help the poor by destroying the rich.

"(8) You cannot help men permanently by doing for them what they could do for themselves.

"(9) You cannot build character and courage by taking away men's initiative and independence."

In effect, these great Americans—Messrs. Wilson, Brandeis, Franklin, and Lincoln—say that the socialist state makes beggars out of proud men, cowards of strong men, and serfs of freemen. The socialist state ultimately brings inflation through the deficit door and continued spiraling inflation always produces restrictions on personal liberties.

Inflation has long been the greatest destroyer of freedom in the world. Deficit financing is inflationary. When the value of a nation's money is lost, some kind of dictatorship usually takes hold in order to avoid complete chaos. We would be reminded that since 1946 the value of the dollar has gone down 21½ cents.

We may well ask what can you and I do about it. The antidote is a renewed faith in God, in ourselves, in the American tradition, and the principles under which we have reached the highest living standards of any people ever on earth. Let us emphasize thrift, courage, personal independence, a willingness to live for individual economic freedom, and support officeseekers that are dedicated in purpose and deed to the tenets of Americanism. Under drastic inflation the American people would suffer more intensely than the people of any other nation in history in that 90 percent of all the life insurance in the world is written in the United States. The security we have provided through insurance loses the exact amount as the dollar in circulation.

John Milton once said: "Awake, arise, or be forever fallen." This admonition was given 275 years ago, but it is applicable today to every American, so let's resolve that our individual freedoms shall not be further whittled away. We are firmly of the opinion that in the afternoon of life when the gold of the sunset has been driven away by the gray of the twilight, there will be more dignity, joy and comfort in living off what we have created for ourselves than in wondering for whom to vote in order to keep a socialistic stipend from being cut. Liberty is more precious than any governmental handout or subsidy.

We are reminded that Ella Wheeler Wilcox once wrote:

"One ship drives east, another west,
With the self-same gale that blows;
'Tis the set of the sail, and not the gale,
That determines the way we go."

It is certainly time for us to reexamine the setting of our economic sails and steer our financial ship of state into the harbor of a sound dollar and there permanently drop anchor.

An author whose name I do not know once wrote:

"Isn't it strange that princes and kings,
And clowns that caper in sawdust rings,
And common folk like you and me,
Are builders of eternity.

"To each is given a book of rules,
A shapeless mass, a bag of tools,
And each must make 'ere life has flown
A stumbling block or a stepping stone."

We know the rules of individual freedom and we have the tools to maintain and promote it. Let's resolve that we shall be stepping stones along the pathway of freedom and humbly pray that we shall have the will, the courage, and the determination to bear the personal economic risks of freedom and thus keep America what it is today—the most blessed place this side of Heaven.

LAW ENFORCEMENT IN THE DISTRICT OF COLUMBIA

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

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

There was no objection.

Mr. MATHIAS. Mr. Speaker, several months ago, we were expressing concern over a rash of violent crime in the District of Columbia. In the ensuing months, that rash has become a virulent fever. It is in a critical stage. I am not one who believes that crime can be prevented, or even abated, solely by rigid police methods. But law enforcement is an important and essential factor in securing the peace and guaranteeing the safety of citizens as they go about upon their lawful occasions. The Congress must not neglect to provide the legislative tools for law enforcement.

On March 15, 1963, the practice of investigative arrest in the District of Columbia was terminated by administrative order. I did not condone the practice and do not mourn it. Every reasonable man must be concerned, however, with the legal void created when the suspension of investigative arrest was not coordinated with the substitution of some constitutional alternative.

In fairness to the Commissioners of the District of Columbia, it is generally known that they did seasonably prepare a recommendation for authorizing judicial officers to require the giving of evidence relating to crimes. The Commissioners draft has not been offered as a bill, allegedly because it is the subject of an extended constitutional debate in some pigeonhole in the Justice Department.

With all deference to the able lawyers in the Justice Department, I would submit to the House that there are some Members here who are capable of considering constitutional issues. If there is to be a debate on this subject, let it be open, let it be free, and above all, let it begin.

I have, therefore, today introduced the draft legislation on this subject. It has been neither ratified by the Bureau of the Budget nor confirmed by the Justice

Department. To be candid, I have not had an opportunity to research the constitutional history of this procedure and I cannot personally vouch for every word in this bill. I am offering it as a basis of discussion to encourage prompt action. The people of the Nation's Capital look to us for protection. We must act now to provide it.

THE CUBAN SITUATION

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

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

There was no objection.

Mr. CRAMER. Mr. Speaker, I have as of this date sent the following letter to the Secretary of State:

MARCH 21, 1963.

Hon. DEAN RUSK,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: I have called to the attention of the Congress, and to your agency, previously, my remarks in the CONGRESSIONAL RECORD of Thursday, March 14, and Monday, March 18, evidencing my concern over the existing open door of subversion through the Cuban Embassy and Cubana Airlines in Mexico City, which facilitates the visitation of not only Latin American but U.S. citizens as well to Cuba.

By the State Department's own announcement of January 16, 1961, such travel by U.S. citizens is in violation of the U.S. law, punishable by penalty of $5,000 or 5 years in jail, or both.

It is quite obvious that a number of persons visiting Cuba by this route are engaging in subversive activities and rendering services to the Castro Communist government, which appears obvious for two reasons, the first being that Cuban Embassy approval, thus Castro government approval, is necessary and, secondly, some of those known to have visited Cuba since the State Department announcement have known Communist backgrounds.

This open door to subversion in this hemisphere obviously must be closed and I am therefore asking that a strong protest be made to the Mexican Government, urging that government to withhold flight permission from any and all U.S. citizens who attempt, contrary to U.S. laws, to secure passage to Cuba and to demand that the Cuban Government stop issuing visas to those citizens and that all other Latin American governments be encouraged to make a similar demand of Mexico.

I am requesting that unified action by all the Latin American countries in this respect be taken up by the State Department through the Organization of American States, believing that a strongly worded protest from that Organization and from a number of Latin American nations and the United States could result in closing this open door to subversion.

I am further recommending that the State Department consider, in the event the Mexican Government does not heed this protest, that Alliance for Progress funds be withheld from Mexico until this necessary action is taken.

I am further requesting that the State Department, in cooperation with the Department of Justice, seek immediate prosecution of persons known to have violated the law, title 8, United States Code, section 1185, particularly in view of the fact that some of these persons who have visited Cuba since January 16, 1961, are known to have Communist backgrounds and others have openly and notoriously evidenced their recent visitations to Cuba in the Worker and the Peoples World, Communist front newspapers. Public statements emanating from the State Department to the effect that prosecution is difficult would seem to be without substance in view of the notoriety some of these Cuban travelers are providing themselves.

I would be delighted to discuss this matter with you or your representative at your convenience and to make available to you such information as I have. I also suggest that the House Un-American Activities Committee has a copy of the list of some 73 U.S. citizens who, in the short period of 4 months, illegally visited Cuba through this open door of subversion through Mexico, the list of which I turned over to the committee and I am sure the committee would make it available to your Department. I have already asked that this list be made available to the Justice Department.

With best wishes, I am,

Sincerely,

WILLIAM C. CRAMER,
Member of Congress.

Mr. Speaker, I have previously set forth in the RECORD some 73 U.S. citizens who have gone to Cuba despite the fact it is illegal.

BIPARTISAN OPPOSITION

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

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

There was no objection.

Mr. CRAMER. Mr. Speaker, the St. Louis Globe-Democrat has a well-deserved reputation as one of the fairest, most forthright newspapers in the country. In its lead editorial of March 6, the Globe focuses a clear and timely light on the subject of "Bipartisan Opposition," noting that:

The fact is, antagonism for the sterile policy Mr. Kennedy improvises at Cuba is itself bipartisan. Responsible Members of Congress are Americans first, party members second. If they fear an administration shuffling into critical national hazard, they have an obligation to oppose policy.

BIPARTISAN OPPOSITION

Administration spokesmen, even the President by his attitude, are blaming Republican politics for the bristling worry in Congress and the wide public disenchantment over Kennedy policy in Cuba.

But far more than that is at the root of national anxiety about our acute fumbling at Cuba.

Many Democrats have joined GOP Members of Congress in opposition, at least in open criticism, of New Frontier ploys in the Castro-Soviet issue.

The deep concern transcends politics. It is a rising fear that the country, under Mr. Kennedy's vacillating tactics and endless temporizing, nurtures in Cuba the military and subversive seeds of Communist takeover throughout Latin America—eventually a bloodless Moscow triumph in the Western Hemisphere.

The lament is heard in Washington that politics should end at the water's edge; bipartisan backing ought to rally behind the President's Cuba policy—no matter apparently what it is. Closed ranks will always be true in time of war. It is neither wise nor realistic under present conditions.

The fact is antagonism for the sterile policy Mr. Kennedy improvises at Cuba is itself bipartisan. Responsible Members of Congress are Americans first, party members, second. If they fear an administration shuffling into critical national hazard, they have an obligation to oppose policy.

This is precisely what has been happening on Capitol Hill. The back-and-fill conduct of the New Frontier at the time of the abortive Cuban blockade—and subsequent hand-sitting as Russia builds its Castro redoubt for a spread of subversion, sabotage and Red revolution through Central and South America—have evoked sincere and urgent warnings from both sides of the aisle in Congress.

Naturally, Republican leaders have led one contingent of opposition to the Cuba involvement. Senator KEATING of New York has been the chief Jeremiah over the Red Cuban buildup. So right and so ahead of administration information has he proved he has seemed Delphic. Senator DIRKSEN, of Illinois, has been articulate over failure to come to grips with the Cuba problem. Senator HICKENLOOPER, of Iowa, wants a full-dress review.

Senator HUGH SCOTT, of Pennsylvania, pertinently demands baring of secret communications between the White House and Khrushchev, to see if a deal was made to vacate European bases in return for removal of Moscow big missiles from Cuba.

But many Democrats have shown frank criticism and dismay over administration helplessness or accommodation at Cuba. Such comment has been voiced by Senators STENNIS, LAUSCHE, THURMOND, and HOLLAND. House Speaker MCCORMACK tersely called the attack on an American shrimp boat an act of aggression. Senator RUSSELL, of Georgia, urged a policy of hot pursuit, in which he was joined by ultraliberal Congressman CLAUDE PEPPER, of Florida.

Four investigations of the Cuba policy are underway in Congress. A probe of the Soviet buildup has been undertaken by Senator STENNIS. Senator DODD, of Connecticut, is launching a probe into pro-Castro activities in the United States. Representative SELDEN, of Alabama, has his Foreign Affairs Subcommittee looking into Cuba subversion in Latin America. Liberal Senator FRANK CHURCH, of Idaho, is inquiring into the administration's failure to halt U.N. aid to Castro.

All these committee heads, of course, are Democrats.

There is bipartisan opposition to Kennedy Cuban policies, which have so far been largely impotent and promise no improvement.

It is overt misrepresentation to impute the Cuba policy critiques to partisan politics.

When the President stiffens his policy, more accurately develops an intelligent policy for the Cuban issue, he will get all the bipartisan support he wants. Unless he starts to do something about Cuba, bipartisan opposition will continue—and mount.

OLD FRIENDS IN COSTA RICA

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

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

There was no objection.

Mr. CRAMER. Mr. Speaker, I call to the attention of the House an editorial from the Richmond News Leader dated Tuesday, March 19, 1963, entitled "Old Friends in Costa Rica," which contains some rather revealing information concerning leftwing and Communist activities in Central and South America.

As the record shows, I have on a number of occasions, based upon established facts, asked that a careful evaluation of President Romulo Betancourt's previous affiliations be made by the United States, as well as, in light of those past facts, that careful consideration be given to all present evidences that perhaps all is not as well in Venezuela under the Betancourt regime as appears on the surface.

This editorial also brings into interesting focus the activities of a number of the radical left leaders in Central and South America for closer examination.

I also include an editorial by Constantine Brown which appeared in the Washington Star on March 16, 1963, entitled "Our Image Is Anti-Communist, But Washington Buffets Conservatives Around the World, Observer Says." This editorial of coincidental actions which have had the effect of toppling or making less stable the governments of conservatives throughout the rest of the world, is an interesting corollary to the Richmond News Leader editorial which indicates the New Frontier's results are similar in Latin America, whether intentional or otherwise.

The editorial points out that President Betancourt, of Venezuela, formed, and was honorary president of, the IADF, the Inter-American Association for Democracy and Freedom, in 1950 and that the first conference of this ultra leftwing organization was attended by Jose Figureres, Haya de la Torre, Muñoz-Marín, Victor Andrade, and others, and in the late 1950's Betancourt and Figueres were joined by Fidel Castro. The three of them formed the "Pact of Caracas" and by 1958 the Betancourt junta had toppled the Government of Venezuela. "Less than a month after Betancourt's election in December of 1958, Castro was in power in Cuba."

A second conference of the IADF was held in 1960 in Caracas and was attended by a delegation of eight from Cuba, together with other leftist leaders, including Cheddi Jagan.

Further consideration should be given to the ultraliberals who have taken over in other countries, including the Presidents of Mexico, the Dominican Republic, British Guinea, and Brazil, and the efforts of Betancourt to assist in the election of his good friend and ultraliberal who opposed the present President of Chile. The pattern is becoming rather obvious and I think it is time for the people of the United States to realize what is happening throughout the world, the result of the new pattern being that the conservatives in governments throughout the world are having a difficult time and are being replaced in many instances.

I submit the following two editorials for the attention of the House:

[From the Richmond (Va.) News Leader, Mar. 19, 1963]

OLD FRIENDS IN COSTA RICA

As President Kennedy begins talks in Costa Rica today, American warships ride uneasily off the coast and security arrangements on land are as tight as those in Caracas when the President made his Venezuelan tour in 1961. The reason is that Manuel Mora Valverde, head of the Costa Rican Communist Party and brother-in-law to Romulo Betancourt, has announced in advance that the Communists will not take the responsibility for any disaster. The six Central American countries at the San Jose Conference are scared of Castro; and those who are crying the loudest for action are those who brought Castro to power and were still praising him in 1961.

Mr. Kennedy is at San Jose to boost the prestige of the year-old Socialist regime of Francisco Orlich, figurehead for the party of Jose Figueres. The relative stability of Costa Rica is due to the sound economic development attracted by the previous conservative regime of Mario Echandi. Echandi was the first Latin American to be elected in U.N.-supervised elections; a real anti-Communist, he tolerated training camps in Costa Rica for the 1961 Cuban invasion at a time when Figueres and his friends were still praising Castro.

Venezuela's Betancourt is of course not at the conference, although his exposed position on the Caribbean makes him vulnerable. But Betancourt has always worked closely with his fellow-revolutionary Figueres. In the late fifties, the two of them found a third friend whose views seemed identical to theirs. This congenial man was Fidel Castro. The three of them formed the ironically named "Pact of Caracas" (where the hated Jiminez held sway); and by 1958 the Betancourt junta had toppled the government of Venezuela. Less than a month after Betancourt's election in December of 1958, Castro was in power in Cuba.

By January 1959, Figueres began to doubt Castro's reliability. The former U.S. Ambassador to Costa Rica, Whiting Willauer, has testified that Figueres had helped Castro with arms and ammunition. "You and your liberal group of Betancourt, Muñoz Marín, and others, of course, put this man into power, or at least supported him very strongly," Willauer told Figueres one day over lunch; "I feel that the chances are very strong that he will be dominated by communism, if he is not already a Communist." Figueres said he was "worried," and would consult with his friends at Betancourt's inauguration in February. But still Figueres went to Havana in March at Castro's invitation; he was insulted, ignored, and had the microphone ripped away from him in the middle of his congratulatory speech.

Yet, as late as 1961, members of the Figueres-Betancourt group were still praising the Cuban revolution and boasting of the support they had given. An interesting publication of the Inter-American Association for Democracy and Freedom gives the whole story. The founder and honorary president of the IADF is Betancourt himself, who organized the group in 1950 while he was an exile in Havana. The first conference was a rollcall of the leading revolutionaries of South America: Figueres, Haya de la Torre, Muñoz Marín, Victor Andrade, and other names better known to Latins.

The first purpose of the IADF was to return Betancourt to power; and when that was accomplished in 1958, the occasion was celebrated, according to the official account, with "a dinner which proved one of the most dramatic and symbolic moments of IADF history."

Thus by 1960 the IADF was able to hold its second conference in Caracas, with Betancourt as host. There were no qualms about admitting a delegation of eight from the worker's Cuba or British Guiana's Cheddi Jagan. The Secretary General presented a report on the IADF's interventions in the Western Hemisphere, a report climaxed by a proud account of support for the Cuban revolution (see below).

Special awards were announced for Figueres, Muñoz Marín, Adolf Berle, and Herbert L. Matthews, of the New York Times (the last-named for "consistent articles clarifying the democratic struggle"). The report concluded by admitting that "the IADF organized literally hundreds of meetings, seminars, roundtable discussions, mass public meetings, luncheons, and dinners. We held numerous significant off-the-record meetings which had deep influence in many cases, in changing the attitudes of key personalities, and creating a climate of understanding, through private discussions of hemisphere problems."

All of this was published a year later, in 1961, when Castro's course had been unmistakably confirmed. Early in November 1961 Venezuela severed relations with Cuba in preparation for Mr. Kennedy's visit a few days later. An ill wind from Cuba began to fan the Marxist flames Betancourt and Figueres themselves had set. "I am a Marxist-Leninist and will be one until the day I die," said Castro on December 2. Castro is not dead, and his old friends in Costa Rica are very much alive. We hope they will examine their failure to detect that Marxist-Leninism before the shooting started.

[From the Richmond (Va.) News Leader, Mar. 19, 1963]

BETANCOURT PRAISES CUBAN REVOLUTION

(In 1961, just a few months before Venezuela severed relations with Cuba, Romulo Betancourt's Inter-American Association for Democracy and Freedom published the following account of its considerable support for the Cuban revolution. At the time of publication, the names listed in the last paragraph were still part of the Cuban regime. Editorial comment above.—EDITOR.)

Cuba's liberation from the dictatorship of Batista concerned us since the coup d'etat in 1952 when we began collecting materials; we made the first protest against Batista's betrayal of the scheduled elections.

From that date throughout the 5 years of the anti-Batista struggle, we constantly made public protests, arranged interviews for the leaders in exile with the press, facilitated the possibilities of journalists in reaching and seeing the revolutionary forces in Cuba; protesting in the United States the shipment of arms to Batista.

In the United States, IADE, for the 5 years of the anti-Batista struggle, continuously identified itself with the fighters for liberation; the secretary-general, as well as other members of our U.S. committee, talked before literally hundreds of meetings, explaining the aims of the struggle, and the brutalities against which they were fighting.

We assisted the spokesman for the revolutionary forces in the United States as elsewhere; we arranged press conferences for Dr. Urrutia, Dr. Llerena, Dr. Agramonte, and Dr. Chibas. We met in Mexico and elsewhere with Dr. Aureliano Sanchez Arango and others. We gave our constant encouragement and help to the hosts of Cuban patriots in New York, who gave so generously of their limited substance toward the liberation fight.

[From the Washington (D.C.) Evening Star, Mar. 16, 1963]

OUR IMAGE IS ANTI-COMMUNIST—BUT WASHINGTON BUFFETS CONSERVATIVES AROUND THE WORLD, OBSERVER SAYS

(By Constantine Brown)

Shortly before this reporer left Rome for a brief visit to Washington, he asked a Roman newspaperman what he believed was President Kennedy's image in Italy.

The reply was, "The Communists and leftists will always hate President Kennedy. But in the last year or so he has disappointed the right-of-center people. However, there are still those who look upon him as the man who will save the world—and naturally Italy—from communism."

This recalled a recent dinner conversation in Rome. The signora on my right asked, "Why does President Kennedy give such

warm support to Premier Fanfani? Fanfani has brought a left government to Italy."

I replied that the Kennedy New Frontier was itself a "progressive" Government in the belief that this policy would further its goal for coexistence and world peace, and naturally it tends to support leftist governments. The signora's surprise on learning this caused her to say, "But then we are lost. Italy—the whole world is—if America is not determined to destroy communism."

The above conversations came to mind when recently Senator HUMPHREY delayed the approval of the Foreign Relations Committee of Outerbridge Horsey as Ambassador to Czechoslovakia.

The reason, he said, was that Mr. Horsey had offended "some of the more liberal element" of the State Department when he was minister counselor in Rome and paid little special attention to the "leftist elements" in Italian politics.

It has been known for some time that members of our foreign service as well as those serving in the State Department in Washington must be exceptionally careful with whom they associate if they expect promotions. This has been so for the last 5 or 6 years and has been accentuated in the last 2 years.

In Rome Mr. Horsey was known for his independence in associating with those on both sides of the fence in the belief that this was the best way of obtaining a complete picture of Italian politics. But Senator HUMPHREY's questioning of this sort of independence is serving as a warning to every member of the State Department at home and abroad.

The questioning of the Horsey appointment also brings clearly into view the basic foreign policy of the administration: that is, warm approval for leftist governments and frowns and sometimes hostility for those right of center. If one reviews the policies of the New Frontier over the last 2 years it becomes obvious that this was its intention from the beginning. To name a few instances in Laos we did not support the conservative element, but rather encouraged forcefully a neutral government with a "broad base." That is a government composed of conservative center and Communist elements.

We actually used a blackjack against the conservative Katangan leader Tshombe, preventing Katanga by force from being autonomous. Only recently we offended the Portuguese Salazar government when Assistant Secretary of State Mennen Williams stated that the United States favored self-determination of the Portuguese territory of Angola.

In Europe, Washington has frequently needled the conservative German Government. We scolded Ambassador Grewe and caused his recall. President Kennedy gave a dressing down to Ambassador Grewe's successor and we have established a lobby in Bonn against the Paris-Bonn treaty. The dislike for President de Gaulle in Washington is well known because of his policy of a Europe of the Fatherlands.

We have offended Canada's conservative Diefenbaker government, causing its overthrow. And although our relations with Britain are still cordial, President Kennedy greatly weakened the Macmillan Conservative government when he pulled the Skybolt rug from under it at Nassau.

All this, of course, is well known among political observers, but the rank and file of citizens around the world still look upon the U.S. Government as determinedly anti-Communist. Perhaps this is so because of the vast sums we spend on economic and military aid, and the great publicity given to our plans to strengthen the NATO. Abroad, our goal for peaceful coexistence seems to get lost in the shuffle.

SPECIAL ORDER

Mr. LINDSAY. Mr. Speaker, I ask that the special order I have for today be vacated, and that it be moved to Thursday next, March 28.

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

There was no objection.

THE CRIME SITUATION IN WASHINGTON

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

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

There was no objection.

Mr. BASS. Mr. Speaker, the gentleman from Maryland [Mr. MATHIAS] has just stated he has introduced or is going to introduce a bill dealing with the crime situation in the District of Columbia. I do not know what his bill provides, but if it strikes at this problem of increased crime in Washington, even if it does so only a little bit, I want to commend him for it.

The crime situation in Washington has not only become deplorable and disgusting, but it is absolutely frightening. Almost every morning when I pick up my paper I read about a horrifying crime committed on the streets or in someone's home in Washington.

Just recently I saw where an 11-time loser, a man who had been convicted of a felony 11 times in his life, was again arrested for armed robbery. The leniency with which the criminals are treated in the District of Columbia has become an open invitation for every ex-convict in the United States to converge on the Capital of this Nation. The District of Columbia has become a teeming anthill of ex-cons and hoodlums, and I certainly hope that something can be done for stricter law enforcement, more rigid prosecution, longer, sterner sentences by our judiciary; and, if necessary, I would like to see a real habitual criminal act in the District of Columbia to stop this sort of crime wave.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may be permitted to sit today during general debate.

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

There was no objection.

ADJOURNMENT OVER

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to hear what the legislative program is for the rest of the week and next week.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, we have no further legislative business for this week except one resolution which will be called up. We are not ready yet to announce the legislative program for next week.

Mr. GROSS. Will there be any legislation next week?

Mr. ALBERT. We are hoping that there will be some legislation next week. If the gentleman will assist us in getting the members of the Committee on Rules on his side to report rules, there will be legislation next week.

Mr. GROSS. Of course, I will say to the gentleman that the gentleman's party has a 2-to-1 majority on the Committee on Rules, and I doubt that he needs my help under those circumstances.

Mr. ALBERT. May I advise the gentleman that one of the members on the Committee on Rules on this side of the House is in the hospital.

Mr. GROSS. Of course, the gentleman from Iowa cannot do very much about that.

Mr. ALBERT. Neither can the gentleman from Oklahoma.

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

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

Mr. BROWN of Ohio. At long last it has come to pass. Again we see the poor old Committee on Rules being blamed for the alleged failure to do their work as they should. Now, if I recall correctly, along about the 9th of January this year some of our more brilliant leaders packed the Committee on Rules so that the leadership and the administration could do just as they pleased in connection with all activities in this august body. Now we come to the floor here today without a legislative program, and the poor old Committee on Rules is responsible for the fact that we do not have any legislation. Really, I feel that somebody ought to be just a bit sorry for the Committee on Rules and have a little sympathy in their hearts for the members of the committee who are serving time without assistance from either the administration or the leadership.

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

Mr. GROSS. Of course I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, no one is blaming the Committee on Rules. I was merely asking what the gentleman from Iowa might do with some of the gentleman's friends who serve on that committee, because we had hoped that we would get a rule on a certain bill. However, I would like further to state to the gentleman from Iowa that I appreciate the gentleman's concern. The gentleman is always a very, very conscientious Member of the House and he continually makes sure that the proprieties of the House are observed. The gentleman is quick to make sure that

every member conscientiously pursues his duties. But does not the gentleman from Iowa realize also that during the first session of every Congress the matter of organizing and considering legislation by committees is one that takes considerable time? The gentleman would not be one who would want the committees of the House hastily to consider legislation before it was reported to the floor. The gentleman would not want that, because the gentleman is very conscientious in the attention that he gives to the details of legislation.

Mr. Speaker, if the gentleman will check the CONGRESSIONAL RECORD he will find, as I know he has already done, that all of the committees in the House are busy considering important legislation at this time.

Mr. Speaker, I can assure the gentleman that we will program legislation just as fast as it can be expeditiously reported and ready for action on the floor of the House.

Mr. GROSS. I want to say to the gentleman from Oklahoma that I cannot recall in my years around here—some 14 years—a session getting the late start of this one. Spring has already arrived. This is almost the last of March and still the dawdling goes on.

Mr. ALBERT. If the gentleman will yield further, I think if the gentleman will check back to the 83d Congress the gentleman will find that there was not very much legislation before Easter.

Mr. GROSS. I am going to have to do a little specific research with respect to past sessions.

Mr. ALBERT. I recommend that to the gentleman.

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

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

Mr. BROWN of Ohio. I wonder what makes the gentleman from Iowa, or the gentleman from Oklahoma, for that matter, feel that the gentleman from Iowa would have any more influence with the Committee on Rules which is controlled not by the minority party, but by the majority party by a 2 to 1 voting margin, than you would have with the full membership of the House which is also controlled by the majority party.

Mr. ALBERT. Mr. Speaker, will the gentleman yield further?

Mr. GROSS. I always yield to the gentleman from Oklahoma.

Mr. ALBERT. The gentleman from Ohio [Mr. BROWN] obviously does not have as much confidence in the gentleman from Iowa as the gentleman from Oklahoma.

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

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

Mr. BROWN of Ohio. I am just inquiring what influence you might have. I am sure the gentleman from Iowa has not had too much influence this morning thus far in this matter.

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

Mr. GROSS. I yield to the gentleman from Kansas.

Mr. AVERY. Mr. Speaker, I might supplement what the distinguished gentleman from Ohio has said. The Committee on Rules, in its wisdom, did reserve judgment on a certain bill by a 7-to-7 vote, but I might also say to the gentleman from Oklahoma that there was a proposal pending before the Committee on Rules having to do with backdoor spending. If the gentleman could get us one more vote, we could have had that scheduled for next week and I think it would have made a very comfortable legislative program for at least 1 day.

Mr. ALBERT. If the gentleman from Iowa will yield further, I thank the gentleman from Kansas for his suggestion.

I would like to state further—I have made one request and I am about to make another—that committees be permitted to sit this afternoon. I have been making those requests for the committees day in and day out. I would advise the gentleman that the committees have been busy. They have been sitting morning and afternoon, and I am sure that when the fruits of their efforts are forthcoming, we will have the cooperation of the gentleman from Iowa in putting these bills through the House.

Mr. GROSS. Mr. Speaker, I only hope that we can arrive at some week soon when the House can do some business.

Mr. Speaker, with that I withdraw my reservation.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Calendar Wednesday rule program may be dispensed with on Wednesday next.

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

There was no objection.

COMMITTEE ON EDUCATION AND LABOR

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that a subcommittee of the Committee on Education and Labor may sit today during general debate.

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

There was no objection.

RECENT SURVEY OF WESTERN EUROPEAN PUBLIC OPINION

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

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

There was no objection.

Mr. ALBERT. Mr. Speaker, the press reported last week an alleged leak of a recent survey of Western European public opinion. Because the results of this survey have produced considerable comment, I have made an investigation into the circumstances. I am satisfied that there was no intentional leak of this confidential document which was supposed to have remained classified for 2 years; and I am also satisfied that the public release and discussion of the survey at this time would be useful because the results have great significance for our foreign policy.

There has been considerable concern, not only among Members of Congress but also in the press that the prestige of the United States may have been adversely affected by recent events in Western Europe.

In France, for example, General de Gaulle's attitude toward the Nassau pact, his policies which suggest some degree of political and economic isolation for Europe, and his insistence upon an independent nuclear force, all have made it appear that the people of France may have suddenly become disenchanted with their close association with the United States and U.S. policy.

One might conclude that President Kennedy's unwavering support of those great principles which have been the foundation of our relations with Europe for many years may have set back the United States in the eyes of French opinion. The survey indicates that this is by no means the case.

In February 1960 only 28 percent of Frenchmen interviewed approved of our foreign policy and 23 percent disapproved. In February of this year the percentage of Frenchmen approving had increased to 46 percent against 24 percent who continued to disapprove.

It is also important to note that 2 years ago most Frenchmen believed that we were not doing all we should to prevent World War III and that our actions did not match our words. Today the majority of Frenchmen believe that the reverse is true.

The survey results in Great Britain are just as startling. Contrary to what some have been saying and thinking, the recent Skybolt controversy has not caused a wave of anti-American feeling. In the past 2 years the confidence of the British people in our ability to lead the free world has risen from 35 to 54 percent; and today 59 percent of them regard our recent actions in international affairs favorably, as against only 48 percent 2 years ago.

The attitude of the British people toward neutralism has also shifted significantly in the 2-year period. In May of 1960, 46 percent of the people interviewed in Great Britain believed that their Government should not take sides in the cold war, while 42 percent believed that Great Britain should side with the United States. Today 52 percent want to align themselves with us, and only 38 percent prefer the neutral role.

And finally, nearly two Britons out of three now believe that our country is doing what it should do to prevent a third world war. In 1960 the majority interviewed felt we were not.

In West Germany public opinion has reached a new high in favor of the

United States and its foreign policy objectives. Seventy-seven percent of Germans have confidence in our leadership as against 57 percent in 1960. Seventy percent believe that we have the will to translate our words into deeds, as compared to 45 percent in 1960. More than two-thirds of the Germans interviewed approve of our foreign policy and peacemaking efforts today, while less than half approved them in 1960.

I think we can draw a lesson from the reports of opinion in these three Western European countries. The prestige of the United States, it seems to me, does not vary with the daily ups and downs of diplomatic exchanges. Rather it depends on the qualities of firmness and consistency in our leadership of the free world toward goals which are universally approved and which are responsive to the desires of freemen.

I think the President can take considerable pride in the results of this survey, for they demonstrate clearly that if the major lines of our foreign policy are forcefully and constantly expressed, and if we follow up with consistent actions taken with calmness and without hysteria, the message of the United States will be understood and approved in the free world.

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

Mr. ALBERT. I yield to the gentleman.

Mr. GROSS. I am not clear as to the source of this survey. Can the gentleman tell me the source of this survey? Who made the survey?

Mr. ALBERT. It is the survey with respect to which there was an alleged leak of confidential information.

Mr. GROSS. Who conducted the survey?

Mr. ALBERT. The gentleman knows as much as I about who conducted it.

Mr. GROSS. No, I do not know; I will tell the gentleman honestly I do not know.

Mr. ALBERT. I do not know any more about the names of the individuals who conducted it than does the gentleman.

Mr. GROSS. Well, what agency or department of Government conducted it? Was it the USIA?

Mr. ALBERT. I assume that it was conducted under the direction of the USIA but I have not discussed this matter with the USIA and I do not know.

Mr. GROSS. I wonder if this is the same survey which the USIA refused to give a subcommittee of the Committee on Foreign Affairs only a couple of weeks ago?

Mr. ALBERT. I am unable to advise the gentleman as to that. The information to which I have referred, having been compromised by having been published in the press in part at least, could not now be considered confidential in my opinion.

A TWO-WAY SAVINGS PLAN FOR THE FEDERAL GOVERNMENT

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

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

There was no objection.

Mr. SAYLOR. Mr. Speaker, an article in this morning's Washington Post discloses very concisely how this Congress can effect a multimillion dollar saving in the Federal budget and at the same time inject a note of equitable treatment for the Nation's coal industry. I am going to ask that the item, "Lilienthal Asks Halt in Atomic Power Plans," be inserted in the CONGRESSIONAL RECORD this very day, and I hope that a copy of the complete speech referred to will soon be available for this purpose.

David Lilienthal, the first chairman of the Atomic Energy Commission, once believed that, through a reasonable amount of research, electric power could be generated by the atom at great savings over conventional fuels. He now feels that enough Federal funds have been fed into the research program, energy from the atom is not needed at this time, and that industry can and will put fissionable materials to use in electric power generation when and if needed.

Mr. Lilienthal is to be congratulated for this forthright stand. We, who represent coal areas are especially grateful, inasmuch as the Atomic Energy Commission has been planning to dole out millions of dollars to private utilities to stimulate the civilian atomic power program and thus deprive coal from getting a fair share of the increasing business of its best customer.

Mr. Speaker, on January 19, 1956, the Honorable Cleveland M. Bailey of West Virginia inserted in the RECORD an article which I had prepared for Public Utilities Fortnightly in regard to the subsidization of atomic generating stations. To give emphasis to Mr. Lilienthal's current appraisal and to demonstrate what few changes have taken place in this field over the past 7 years, I ask at this time for unanimous consent to reprint in the RECORD at the conclusion of my remarks the full magazine article, with the introductory remarks by Mr. Bailey. The Washington Post article will then follow, and I urge my colleagues to note all of this material carefully.

Mr. Speaker, I shall not ask for further space at this time, but I should like to refer to other newspaper articles that have appeared in Washington newspapers during the past week with respect to the search for a building site for the U.S. Patent Office. There has been talk of its locating in areas removed from downtown Washington, including the Annapolis-Baltimore area. In view of the grave need for reducing Government spending, the executive department can quickly solve the Patent Office space problem by making room for it at the Atomic Energy Commission headquarters in Germantown, Md.

I propose, Mr. Speaker, that the AEC be put on notice that this Congress is going to slash its appropriations to the extent that personnel engaged in the civilian atomic power program will be relieved of their duties immediately. Once this order is complied with, there will be more than enough space for the Patent Office at Germantown. In effect, Congress will be bringing about a dual savings: by reducing AEC expenditures and making a new Government building unnecessary.

Lest this premise sound harsh, Mr. Speaker, be assured that the cutback in personnel at the AEC can be accomplished without undue hardship to anyone. In an organization the size of this Government, there are jobs opening every day in other departments. Many of them should never be filled because they are unnecessary; still there will be hiring, and the other departments of the bureaucracy will be able to absorb some of the AEC people. Private industry will want some of the scientists and engineers. In any event, it is the business of Congress to force the executive department to operate as efficiently as possible, and here is the place where we definitely must begin to tighten the purse strings.

Perhaps the job of clearing out unnecessary personnel at AEC could be superintended by Dr. Jerome B. Wiesner, Director of the Office of Science and Technology, who also questions the advisability of going forward with the AEC's civilian research program.

The articles follow:

ATOMIC WASTE: FINANCIAL AND OTHERWISE—SPEECH OF HON. CLEVELAND M. BAILEY, OF WEST VIRGINIA, IN THE HOUSE OF REPRESENTATIVES, THURSDAY, JANUARY 19, 1956

Mr. BAILEY. Mr. Speaker, under special permission to extend my remarks, I am inserting in the RECORD an article entitled "The Basic Danger in the A-Power Program," which was written for Public Utilities Fortnightly magazine by the distinguished gentleman from Pennsylvania [Mr. SAYLOR]. In that it points up some questionable spending of the taxpayers' money by a Government agency, I feel that the article merits the attention of every Member of the House and Senate.

Congressman SAYLOR has stated, in effect, that the Atomic Energy Commission's rapacious penchant for developing atom-powered electric plants has led to extravagant expenditures for which justification is sought through the use of distorted figures on coal reserves.

Mr. Speaker, at the outset of these remarks let me make it clear that the prospects of using the atom to make electricity and for other peacetime chores is a welcome thought. We are cheered at the U.S. Navy's success in using the atom as a fuel for powering submarines. We look with relish to the improvement of agricultural crop yields through the application of radiation from radioisotopes. We hope that someday a jigger of uranium will be all that is needed to move our automobiles for hundreds of thousands of miles. And we will be grateful if research and science ultimately enable us to light and heat our homes through fissionable materials at as small a cost as we have been led to believe will be possible. But I protest the idea that an endless stream of funds from the Federal Treasury should be channeled through the Atomic Energy Commission to conduct a myriad of experiments in an effort to make these dreams come true.

As representative of the Nation's largest coal-producing State, I particularly resent the AEC's implication that atomic powerplants must be constructed at all costs because there will not be an adequate supply of conventional fuels to meet demand. We recognize that electric-generating capacity is steadily being increased; it is estimated that in another 20 years 350 million tons of coal

per year will be required by the electric utilities alone. A current advertisement published by the First National City Bank of New York predicts that the figure may reach 500 million tons by 1975. Well, West Virginia can guarantee to provide its share of that load, plus its other commitments for both industrial and domestic use, for at least another two centuries.

Yes, annual coal production can be doubled over present output and there will still be enough mineable reserves to last for at least 200 years. If that sounds like such a short time as to be cause for alarm, let me remind you that two centuries would take you back 20 years before this great Republic was born. In 1756 Benjamin Franklin, whose memory we honor this week, still had more than three decades of his life to go. Young Charles Cornwallis, who later surrendered at Yorktown to end the fighting in the Revolutionary War, was commissioned an ensign in the British Army. Maria Antoinette and Louis XVI were still babes-in-arms and Napoleon Boneparte was not yet born. There was no talk of atomic piles at that time; in fact Alessandro Volta was still too young to have developed Volta's pile, which was to become the first real battery capable of delivering a steady current of electricity.

So you see a lot can happen in 200 years; in fact, there is a good chance that the atom as a source of power for electric power will become obsolete even before those supplies of coal in West Virginia are exhausted. For the record, let me also point out that there will be a lot more coal in America's reserve stockpile even after West Virginia's share is gone. In addition to the 50 billion tons in my home State, there are at least 1,162 billion tons of coal elsewhere in the United States. Members of Congress should keep these figures in mind when they are told that the Atomic Energy Commission must be given more millions of dollars to hurry up the job of developing reactors that will compete with coal and other conventional fuels.

Another factor which cannot be overlooked in the program for peacetime application of nuclear power is the risk element. Thus far the insurance companies have found it impractical to underwrite the hazards, and the Federal Government apparently will soon be asked to accept this responsibility as a necessary expense.

I contend that if the operation of a nuclear powerplant, as well as the disposal of radioactive wastes resulting therefrom, constitutes such a tremendous hazard to the welfare of the people, then Members of Congress had better stop and decide whether the Government should be willing to stimulate the growth of the hazard by accepting such a responsibility. Congress is first obliged to demand concrete information that will enable us to determine whether the need for setting up atomic powerplants at this time is worth taking such chances, and whether the tremendous outlays for nuclear power and the perils to which our people may be exposed will be compensated for by savings in the cost of power.

Before such questions can be answered, we need additional information which has not yet been made public. The dangers that would come with the disposition of radioactive wastes, and attendant hazards that go with the operation of a nuclear powerplant, appear to be of such tremendous magnitude that the Members of Congress cannot blindly stimulate further the creation of such jeopardy without breaching the trust imposed by the American people.

Not long ago a scientist warned that the disposal of atomic waste might inflict serious damage on the minds and the bodies of future generations. Another scientist, a sanitary engineer for the Atomic Energy Commission, recently made a speech in which he admitted that, as the atomic power industry grows, the problems of sufficiently diluting atomic wastes to make the air and water safe for human beings could be fabulous. He said that if one-third of the electric power which this country expects to produce in 1980 were to be supplied through atomic energy, the amount of water required to dilute the poisonous byproducts to safe levels would be equivalent to the flow of 12,600 Mississippi Rivers.

I cannot vouch for the authenticity of these statements, but I do know that the man who tried to tell the world about the serious effects of atomic radiation was quickly hushed up by the people who want to rush the reactor program through without first taking heed of the consequences.

Mr. Speaker, these are some of the conditions which must be studied carefully when the request for the Atomic Energy Commission budget is taken into consideration. In view of the fact that U.S. coal reserves will last us hundreds of years longer than AEC spokesmen have been saying, I question the soundness of placing almost $2 billion at the disposal of the crowd which is so quick to dispose of coal's potentialities. For the further elucidation of Congress, I believe that the AEC could be most helpful if it would make available complete data on how much of its total expenditures are actually being spent on the electric power phase of the program. These statistics would include information on how many persons were sent to the atoms-for-peace session at Geneva at taxpayers' expense and how many others are traveling all over this country and the rest of the globe working on a project that no one is sure will be practical.

You can be sure, Mr. Speaker, that I do not for one minute object to the appropriation of funds for the continuance of the defense aspects of the nuclear program. We will give our scientists and engineers what they need to develop the necessary weapons to protect our shores and our homes, but I think that the time has arrived when we should check closely to find out just how much of the rest of the work is necessary and feasible, and how much of it is the dream of that coterie of spenders who insist upon discounting the coal industry and its potential. West Virginians who have been put out of work by maneuverings of free trade theorists and other stargazers want to know how much of the money which we pay in taxes is being used to develop another means of encroaching upon our markets.

I commend Congressman SAYLOR's article to your reading.

(The article referred to is as follows:)

"[From Public Utilities Fortnightly of Jan. 19, 1956]

"THE BASIC DANGER IN THE 'A' POWER PROGRAM

"(By the Honorable JOHN P. SAYLOR, U.S. Representative from Pennsylvania)

"(This author warns against expecting too much and too soon in the way of atomic power. It could be just as disastrous as too little and too late—if the American taxpayer has to pay the bill for a pig in a poke.)

"For an industry traditionally disdainful of Government supports and subsidies, the electric utilities today appear to be treading on dangerous right of way. The perilous path originates at the disbursing office of the Atomic Energy Commission and moves along the course carefully designed by advocates of public power.

"Of a certainty, the Atomic Energy Commission—in its headlong drive to set up the atom as a producer of electricity—has made it difficult for private companies to refuse its generous subventions; perhaps, however, the time has come for beneficiaries in the utility field to make it distinctly clear that further grants—whether in the form of finished reactors, guaranties, or writeoffs—are unwanted, unwelcome, and unacceptable.

"The desirability of encouraging research and development leading to the production of electricity at reasonable costs through the medium of fissionable materials is not in question. There is definitely a place for the atom as an added fuel, particularly in areas where conventional fuels are not readily available. Development of economically feasible nuclear power is necessary to provide electrical energy for underdeveloped areas of the world, to assist nations which have power shortages, and to protect the future of the United States in the power field. The atom should be put to work in whatever peacetime roles it is capable of assuming in our competitive economy, but not at the risk of enabling the Federal Government to encroach further into the realm of private business.

"House-to-house salesmen often use gifts as a guise for getting a foot in the door. The Government also employs this technique most effectively. It entered the electric power business on a broad scale through a backdoor entrance by using agricultural development in the Tennessee Valley as a part of the opening wedge. By the same token, bureaucracy's continued investments in the power-by-atom program might give the Government a foothold on private property that would ultimately bring a demand for full title. Meanwhile the A program may be placing all supporters of the free enterprise system in an embarrassing position, for the so-called participating projects are creating a made-to-order and more-than-valid issue for public power protagonists.

"The recent history of AEC's participation in the development of atomic energy for commercial purposes would imply that (1) the Federal Treasury has such an abundance of funds as to preclude the necessity for careful and economic expenditures, and (2) the welfare of the Nation depends upon the ability of the Government and/or the utilities to generate power through the use of fissionable material.

"The fallacy of the first premise is evident to everyone save possibly those Government officials behind the go-for-broke program. Assumption No. 2 has been given such widespread publication that the principal arguments of the program's promoters need to be exposed if the AEC spending spree is to be effectively restrained.

"The obvious strategy of the program has been to attempt to convince the general public that diminishing resources of conventional fuels make it necessary for the rapid development of electric-generating plants powered by the atom. Voluminous statistical reports have been prepared in whatever way is deemed necessary to strengthen this impression. Few have any basis in fact, and all such allegations can automatically be refuted by a reference to authentic tables on coal reserves.

"Oil and natural-gas reserves, are undeniably being depleted at an increasing rate and eventually will be exhausted. Natural gas is admittedly a short-term fuel. The necessity for conserving it has prompted the Federal Power Commission, on occasion, to refuse applications for the use of natural gas under industrial boilers in areas where coal is available.

"The end of our oil reserves, on the other hand, is not in sight at the present time, although it is highly possible that the country will begin to feel a pinch before the end of the century. When this scarcity develops, America's fuel industries will be prepared for it. Atomic energy cannot replace the higher uses of petroleum, but synthetic fuel plants can provide both gas and oil when they are no longer available in Nature's storehouse. The raw material to be used in the production of synthetic fuels will be oil shale or coal—both of which occur in generous quantities within America's soil.

"All indications point to coal's carrying a progressively increasing portion of the energy load in the years ahead. The continued upturn in the use of electrical and mechanical energy will spiral demand for coal from the present 400 million to 500 million tons per annum to the billion-ton mark before the year 2000. Even at this rate of production, however, there is enough coal within the borders of the United States to last for more than a thousand years.

"Specifically, recoverable coal reserves are in excess of 1.2 trillion tons. Pennsylvania, which has produced about one-third of all the coal used in this country since 1850, still contains some 30 billion tons of mineable deposits. These estimates are based on studies of the U.S. Geological Survey, an agency which apparently has not been consulted by the AEC officials who have set out to portray coal as a short-life fuel.

"The other misconception being publicized in the all-out campaign to continue using taxpayers' money in attempts to expedite creation of an atom-powered electric utility industry is being developed around the cost factor. In the past year there have been numerous news stories based on promises by AEC spokesmen that the atom will eventually generate cheap electric power. Presumably, this objective will be reached if a kilowatt-hour of electricity can be produced in a range somewhere between 4 and 7 mills.

"To the average reader, that statement may sound most attractive. The fact is, however, that conventional fuels have long been producing electricity at a cost of less than 4 mills per kilowatt-hour. Modern steam plants within close proximity of coal mines are producing 3-mill electricity at the present time. Even in remote areas, where freight rates boost the delivered cost of coal to twice the cost at the mine, electricity is generated for less than 7 mills per kilowatt-hour.

"The Government's failure to disseminate actual cost information in regard to the peacetime nuclear program makes it almost impossible to determine how many billions of dollars will have to be turned over to the AEC before the atom will produce electric power at a reasonable cost. When construction began on the atomic powerplant at Shippingport, Pa., in September 1954, the AEC—which is building the reactor—was extremely vague about the cost factor. Finally, 15 months and a great many millions of dollars later, a Commission spokesman was cornered at a press conference and admitted that electricity from the Shippingport plant is expected to cost 52 mills per kilowatt-hour—at least 10 times the cost of electric power generated with conventional fuels.

"The AEC's propensity for keeping expenses in the darkroom while the artist's conception of nuclear powerplants is projected to the public in glowing terms could eventually strike a damaging blow at the private utility industry. Sooner or later the public power sodality will reveal figures disclosing the total amount invested by the AEC in developing atomic electricity, then ask this question:

" 'Since the Federal Government has contributed such an enormous sum toward making nuclear power stations possible, is there any reason why the taxpayer should permit public utilities to profit from this undertaking?'

"To obviate such a possibility, the general public should demand dissemination of actual cost information except where publication would be inimical to the national security.

"The assumption that nuclear power from presently contemplated reactors may eventually become competitive with electricity from conventional plants disregards the progress in coal utilization. In other words, the nuclear power planners are assuming that atomic-generated electricity will challenge coal pricewise if capital and operating costs of nuclear reactors are reduced as hoped for and—meanwhile—coal technology stands still.

"In 1920 it required an average of 3 pounds of coal to produce 1 kilowatt-hour of electricity. By 1930 the figure was down to 1.60; in 1940 it was 1.34 and in 1950 it was 1.19. Early in 1955 the average dropped below 1 pound of coal per kilowatt-hour. Some of the modern plants are far below that average. These figures, unlike those pertaining to power costs in atomic electric plants, are not hypothetical. They are based on established records and are in the files of the Federal Power Commission.

"In spite of continuing progress, the present utilization efficiency of coal in the steam plant is only about 38 percent. Obviously, there is still a great deal of room for progress. It is not inconceivable, if research underway bears fruit, that when and if nuclear power reaches the point where it can be producing 7-mill electricity, the efficiency of coal utilization will have doubled over its present rate. Philip Sporn, president of the American Gas & Electric Co., explains it this way:

" 'It needs to be kept in mind, too, in judging whether and to what extent nuclear plants will be built in the future in place of new conventional plants, that the nuclear development will always be competing with a constantly improved—that is to say, more efficient—conventional alternative.'

"Another factor which the backers of this new application of atomic power find convenient to withhold from publication is the relative cost of fuels in the overall operating budget of a public utility system. It is therefore not generally realized that only 16 percent of the total cost involved in generating power and bringing it to the consumers is chargeable to fuels. Thus, even if it were possible to find a way to generate electricity through a self-perpetuating fuel that could be obtained absolutely free, it would still be impossible to reduce a $6 electric bill by more than $1.

"Under the circumstances, it would appear that U.S. consumers are already receiving inexpensive electricity and that, since the promised cheap power from the atom is still confined to the province of theory, there is no justification for the vast expenditures being made under the auspices of the AEC research on the commercial application of nuclear materials.

"There is no denying that if the Government is going to subsidize construction of reactors and other necessary facilities; if the Government is going to undertake to insure property and personnel against damage that could be inflicted in the event of an accident in an atomic plant; if the Government is going to underwrite commercial operations against losses incurred in developmental programs; if the Government is going to supply atomic fuel at less than the full cost thereof; if the Government is going to subsidize atomic fuel processing and disposal of atomic waste—then there is a basis for the assertion that the atom may soon become a principal source of electric power. In all likelihood, electricity at TVA rates can be made available to consumers in various areas of the country if the Federal Government is willing to pour sufficient funds into the atomic energy program.

"Public power groups want to make Federal funds available to whatever extent is necessary to produce their brand of cheap electricity. They are urging more AEC help to private firms for the construction of atom power reactors. They want research and development aid on more liberal terms, and they want the AEC to bear the cost of fuel elements for small reactors. And while the Nation's private insurance industry is attempting to determine the most feasible methods of providing indemnity to cover damages that would result from an accident in an atomic electric plant, the public power enthusiasts would have the Government assume the insurance burden regardless of costs involved. What we who oppose unnecessary expansion of the public power program must realize is that each such subsidy provides bureaucratic forces with a further opportunity to claim a vested interest in the electric power industry; to believe otherwise is to underestimate the intent of public power supporters.

"Those who would socialize the whole power industry find the atom's potential in the generation of electricity a very convenient steppingstone, particularly since the Government fostered basic research and has exercised strict control over succeeding developments. The new atomic energy law, enacted in 1954, tended to lessen the Government's monopolistic grasp on the atom, but it retained Federal control over private development in the nuclear fission field. The revised law has been described thusly by Dr. Robert E. Wilson, chairman of the board of Standard Oil Co. (Indiana), himself a renowned engineer:

" 'If anyone claims that the new Atomic Energy Act turns over to private industry a bonanza in the form of already solved technical and economic problems and an assured profit, either he does not know the facts or he is an arrant demagog. Any private investment in commercial atomic power generation in the near future will have to be inspired more by public service motives than by any reasonable expectation of substantial profit.'

"Atomic energy is novel, and its advertised possibilities in industrial application have wide public appeal. It arouses the curiosity, heightens the imagination. It is another source of heat with a new and special technology, yet on close examination we discover that it has no immediate advantages which should impel us to expedite its advent into the power field by investing billions of hard-to-get tax dollars.

"Practical businessmen and industrialists will welcome the opportunity to put this new source of power to work. Yet they foresee no immediate need for it. The electric-utility industry is proceeding with an unprecedented expansion program in steam-electric stations. Some of the companies, while not discounting the theory that in a decade or so hence it may be profitable to invest in full-scale atomic-energy plants in certain areas of the country, are erecting steam-generating stations in coal-producing regions at greater distances from consuming communities than has heretofore been considered economically feasible. At the present time 340,000 volts are transmitted by generating stations; utility experts believe that eventually it will be possible to operate 500,000-volt wires, thereby decreasing line losses and permitting transmission over greater distances. Under such circumstances, more and more generating stations would be located at the mine mouth, thus reducing costs and further discouraging the entry of competitive sources of power, except in remote sections of the country.

"Left to their own resources and ingenuity, the electric utilities will develop atom plants soon enough. Meanwhile the industry will supply all the power that is required without any help from the Federal Government. This point was stipulated very succinctly in one sentence of Adm. Ben Moreell's analysis of the Hoover Commission Task Force Report on Water Resources and Power: 'Technically and financially there is no present prospective need for Federal power activities.'

"Federal encroachment in the power-making business has already gone entirely too far. Neither the general public nor the electric-utility companies can afford to permit

the Government to proceed with some of its elaborate plans for participation in the atomic-energy projects that belong in the private-industry classification. By allowing the Government to come into the tent so long as it has the price of admission, electric utilities might learn too late that they have made it possible for the bureaucrats to take over the center ring."

[From the Washington Post, Mar. 21, 1963]

LILIENTHAL ASKS HALT IN ATOMIC POWER PLANS

(By Howard Simons)

A call by David Lilienthal for the Government to abandon its support of atomic power development and to reduce substantially its support of basic atomic research has prompted a congressional committee to ask the Atomic Energy Commission to answer its critic.

Lilienthal, the first Chairman of the Atomic Energy Commission, challenged the AEC last month in a series of lectures at Princeton University. The theme of his lectures was that "the facts of the world of 1963 are in conflict with the way in which we think and deal with the atom, we should jettison and junk those outmoded ideas."

Lilienthal urged the Government to put "the atom into the mainstream of men's affairs" and not keep it artificially separate and apart, as Lilienthal views the present role of the atom in U.S. activities. To do this, Lilienthal suggested that the AEC, itself, might need drastic modification.

What aroused the interest of the Joint Congressional Committee on Atomic Energy even more than these comments were Lilienthal's suggestions about continued Government support for civilian nuclear power and basic science as it relates to the atom.

The Joint Committee has championed Government support of both these programs.

As regards atomic power development, Lilienthal suggested the following as premises for 1963:

Energy from the atom is not now needed for civilian purposes.

At the time and place where it is needed it will be forthcoming without governmental prodding. If there is a real need it will be met by the utility and manufacturing industries, as it has been with the automobile, the diesel engine, the telephone, and so on, in response to proved economic need.

There is now no urgent fuel or power crisis and no prospect of one in the foreseeable future; when such a shortage develops, it will be taken care of by the atom if that is then the best alternative.

Moreover, said Lilienthal, who resigned as Chairman of the AEC on February 15, 1950, the Government "should stop trying to force feed atomic energy."

Throw away the present discredited timetable. Don't abandon the hope for competitive power, he advised, but deal with it realistically.

The same approach, Lilienthal argued, should apply to the atom in basic science, in medicine and agriculture and industry. Funds and scientific manpower should be freed for other starved areas of research and development, such as biochemistry.

In effect, Lilienthal was saying just the opposite of what the AEC had reported to President Kennedy in November 1962, and what AEC officials told the Joint Committee in late February.

This was essentially that nuclear energy can and should make a vital contribution toward meeting the Nation's long-term energy requirements and that the proper role for the Government is to develop and to demonstrate the technology that will lead to a self-sustaining and growing nuclear power industry.

In short, where Lilienthal wants the AEC to get out of the nuclear power business, the AEC not only wants to remain in the atomic power business, but to increase its support of the Nation's nuclear power efforts.

Citing such variances between the AEC and Lilienthal, the Joint Committee, in an unpublished letter, has asked the AEC for its comments. The Joint Committee further asked the AEC to make its views of Lilienthal's views known before the resumption of its annual hearings on the state of the Nation's atomic energy industry.

These hearings, continuing those held in February, will begin on April 2 and will be devoted largely to non-Government witnesses.

ON COMMEMORATIONS AND SPECIAL OBSERVANCES AND ON THE ISSUANCE OF A SPECIAL COIN TO COMMEMORATE THE GETTYSBURG ADDRESS

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 40 minutes.

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

Mr. SCHWENGEL. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I rise to speak on a recent revelation that disturbs me greatly. I refer to Secret Service proposals for this fiscal year that would increase Vice President JOHNSON's personal protection staff to approximately 36 men, or 34 more than any other Vice President in history. Since the days of the Honorable Vice President Barkley, it has been traditional to have two agents protect the Vice President. Before making a number of specific points, and filling in my colleagues on the background, I would like to say that the proposals are both preposterous and presumptuous.

Even more alarming, Mr. Speaker, is that 19 agents would be taken directly from the field at a time when counterfeiting, for example, is at an alltime peak. Justification of this fantastic personal staff for Mr. JOHNSON is, I suggest, absolutely impossible. There is not a single individual in this House who could say to me that this is a sensible proposal. It suggests everything unwise, unreasonable, and unnatural.

And I might direct my next comment to the Vice President himself, a man in whom I have the greatest respect and one who was a great majority leader of the other body. He comes from the State, Mr. Speaker, that has its would-be tradition wrapped in praise of its tough frontier spirit—the land of the six-shooter and so many other things. This sedate House, Mr. Speaker has heard Texan after Texan extoll the great virtues of independence almost beyond the point of toleration. Yet we have listened, Mr. Speaker, and we have accepted this in the best tradition of our national life.

But now we are confronted with a very serious matter. The Chief of the Secret Service, Mr. James T. Rowley, is authorized to provide this protection of the Vice President. To go back a bit, after the Blair House shooting of 1950, the election of coverage has been up to the Vice President himself, by request.

The law, Public Law 87-829, passed on October 15, 1962, states that the Secret Service is authorized to protect the Vice President 24 hours a day for 365 days a year. This is something that we here would agree to. What I cannot understand is that previous protection by request never amounted to more than two individuals except while the Vice President was on an exceptionally important mission.

I can well understand and appreciate the dangers incumbent upon the Vice President when he goes abroad. No one would doubt this. However, I cannot quite rationalize how the Congress in its right senses could justify this tremendous expansion at a time when the lives of a number of public officials in town are in greater potential danger than is the life of the Vice President. I do not mean to play "cloak and dagger" in this situation, but certain Justices of the Supreme Court and U.S. Senators are much more controversial. I do not have to name names here. I simply do not feel the Vice President is in any great danger. I am strongly in favor of the maximum protection for the President, but some armies do not have 35 guards trained with the efficiency and expertise of the Secret Service.

Unlike the feast at Cana, where the best wine was served last, I have saved the worst news for my conclusion.

The cost for the 35 Johnson agents would amount to over $261,000 and the 1 clerk over $4,000. There would be an additional expense of over $20,000 for personal benefits and over $37,000 for overtime pay. This does not include travel expenses which total $390,000 for both the President and Vice President, an increase of $165,000. Without travel the cost to the taxpayers per year will be $322,000.

In summation, Mr. Speaker, the whole issue here is exceedingly unwise. We are being asked to take men from strategic positions within the Secret Service for protection that has never before been necessary. Is it now analogous that the Secretary of State would also demand the same amount of protection? We could be establishing a precedent here that would cost thousands of dollars. I want to reiterate my claim that I have nothing personal against the Vice President in this matter, but simply with the precedent involved. I believe firmly in the rightness of my cause and I intend to pursue it. Mr. Speaker and Members of the House, do you not think we should start protecting the poor overburdened taxpayers?

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

Mr. CONTE. I yield to the gentleman from Florida.

Mr. CRAMER. I thank the gentleman for bringing out these facts. But, I think an even more dangerous precedent was set 2 years ago, which I brought out on the floor of the House at that time, and that is the fact that about $1 million is being spent annually for a private FBI investigative force for the Attorney General to be used at his sole discretion and direction for the first time in the history of this country, outside of J. Edgar Hoover and the FBI itself. Recently there was published for the first

time that I had seen it in print—in Newsweek—this fact that some 54 private investigators, under the direct supervision and control solely of the Attorney General, exist. I understand that number is closer to 100, and last year a substantial increase over the previous year was asked for and granted. And, I think that this expenditure of funds for this private, separate, exclusive investigative force, solely under the control of the Attorney General, outside of the FBI, is a matter that this Congress should give serious consideration to, in that I know of nowhere that this force and its functions are authorized or their duties prescribed by law or proper authorizing legislation. Therefore, the serious question is raised as to what authority did Congress in the first place have to appropriate funds and to establish this force without proper authorizing legislation proscribing, prescribing, and ascribing the duties of these people that should have come out of the Committee on the Judiciary on which I serve. I favor adequate personnel to investigate organized crime, but I think Congress should have authorized such a unit and set out its duties or should have added to the FBI force already authorized.

Mr. CONTE. I thank the gentleman from Florida. Of course, we will have an opportunity to vote on this particular item when the Post Office and Treasury appropriation bill comes to the floor before the Easter vacation, and I hope my colleagues will support me to strike out all of the agents except two, which is all the other Vice Presidents have had; one or two, but two was the maximum that any Vice President ever had.

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

Mr. CONTE. I yield to the gentleman from Vermont.

Mr. STAFFORD. I want to compliment the distinguished gentleman from Massachusetts on the speech he just delivered on this important matter and endorse what he said and associate myself with his remarks.

Mr. CONTE. I thank the gentleman from Vermont.

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

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

Mr. GROSS. First of all, I am interested to learn that we are going to have one appropriation bill before Easter. I was not aware that we were going to do any business at all before the Easter recess. But, let me have those figures again. My hearing is not very good this morning. Did I understand that there are going to be 37 new agents?

Mr. CONTE. Thirty-five Johnson agents and one clerk. Of course, besides those you will have supervisors and assistant supervisors on down the line.

Mr. GROSS. How many have past Vice Presidents had?

Mr. CONTE. The most any Vice President had since Barkley was two.

Mr. GROSS. Why has this sudden danger to the life of this brave Texan developed?

Mr. CONTE. I am glad you brought up that question. For, when this law went through the House, it was estimated that at best it would not cost over $100,000 for these additional agents. That law merely authorized protection for the Vice President. So, I asked the Chief of the Secret Service, a very able man, "Prior to this law it was by request of the Vice President; is that correct?" He said, "Yes." I said, "Did JOHNSON ask for protection last year?" He said, "Yes." I said, "How many men did you give him?" He said, "Two." So I said, "Why give him 35 now? Because there is a law on the books?"

Mr. GROSS. Does the gentleman think that 37 or 35, whichever it is, will be enough, or should we turn out a platoon of marines to trail him around day by day, hour by hour, and evening by evening?

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

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

Mr. BASS. Let me ask my friend from Massachusetts this question. Did the Vice President request these agents himself?

Mr. CONTE. He did request last year and received two.

Mr. BASS. I mean, did he request this increase?

Mr. CONTE. Now, I think I made it clear here that I am not directing my remarks to the Vice President.

The Secretary of the Treasury, Mr. Dillon, when he presented his budget to the Congress or to the President, and the administration in turn presented it to the Congress, requested 35 men on behalf of the Chief of the Secret Service.

Mr. BASS. Could it be that the Chief of the Secret Service knows much more about this situation than I and perhaps even than the gentleman from Massachusetts, and feels that in his great wisdom and experience that it would take 35 men to carry out the wishes of the Congress when we stated we would provide the Vice President protection?

Mr. CONTE. First let us get the record straight. I certainly do not want to assume here that I am an authority on this. I think Mr. Rowley is doing a fine job. He is an authority. However, it does not take much commonsense to rationalize that in the past when the Vice President requested protection, he was given two. Why, all of a sudden, has that figure jumped up to 35? I cannot understand this.

Mr. Speaker, the gentleman cannot tell me that Dean Rusk, the Secretary of State, who possesses great secrets, is not in as much grave danger as the Vice President. The gentleman cannot tell me that Chief Justice Warren, who is a controversial figure in certain parts of the country, does not require the same amount of protection as does the Vice President. The gentleman cannot tell me that Senators like the gentleman from Arkansas, Mr. MCCLELLAN, and Senator GOLDWATER, and other controversial Senators in the U.S. Senate do not require the same type of protection.

I am all for protecting the Vice President. I think he is a fine man. I am willing to give him two men, but I cannot see why he needs 35. What are they going to do with these 35 men?

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

Mr. SCHWENGEL. I cannot yield further at this point. I yielded to the gentleman from Massachusetts for a 3-minute statement originally out of the 40 minutes of time that I had taken to talk about something a lot more important than this.

However, since so much of my time has been taken already, I will have to continue making this brilliant statement that I have prepared, which is much more pertinent and valuable to the Congress and to the world than this matter now being discussed.

Mr. CONTE. Mr. Speaker, will the gentleman yield for an observation?

Mr. SCHWENGEL. I yield 1 minute to the gentleman from Massachusetts.

Mr. CONTE. I have a 15-minute special order during which I will be glad to yield to the gentleman from Iowa, if we can pursue this item a little bit further. This is a very important issue.

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

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

Mr. BASS. Mr. Speaker, I only want to say this: I do not know how many agents it takes to protect the Vice President of the United States. However, I want the RECORD to show that the Vice President did not personally request this.

Mr. CONTE. As far as I know, the request came from the Secretary of the Treasury; who requested these men to him, I do not know.

Mr. BASS. He did not personally request a given number of agents to protect him. But let me say this: I refer to the statement I made just a few moments ago on the floor of the House to the effect that if something is not done to relieve the crime-wave situation in Washington, D.C., I can visualize the time when I personally would want 35 people around me to protect my life and the life of my wife, and to protect the life and the life of the wife of the gentleman from Iowa, as well as the gentleman from Massachusetts.

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

Mr. SCHWENGEL. I yield briefly to the gentleman from Massachusetts.

Mr. CONTE. The gentleman is absolutely right. I would like to take those 35 men and put them here in the District of Columbia to protect the citizens of this area. I think it would be of greater value.

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

Mr. SCHWENGEL. I yield to the gentleman from New York for 1 minute.

Mr. LINDSAY. Mr. Speaker, I thank my friend, the gentleman from Iowa, for yielding.

Mr. Speaker, I have asked the distinguished gentleman from Iowa to yield for one purpose only. I was on the floor of the House and listened with a great deal of interest to the remarks made by the distinguished majority leader, the gentleman from Oklahoma [Mr. ALBERT] about the leak of a group of popularity polls taken abroad. I would like to sug-

gest that one of the things which is wrong with our foreign policy at the present time is that it is foreign policy by popularity polls. If the administration would try to do more of what is right and courageous instead of worrying about what a group of pollsters say, we would be in much better shape in the world today. I think it is unfortunate that this pollster business had to be elevated to such a high level here on the floor today by a distinguished Member, the gentleman from Oklahoma [Mr. ALBERT] the majority leader, who is a spokesman for the administration.

Mr. Speaker, the very fact we spent so much time on it indicates that there is too much concern about what is popular and not enough concern over what is right. If the administration would care more about substance than it does about public relations, we would have a more solid foreign policy today.

I thank the gentleman for yielding.

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

Mr. SCHWENGEL. Mr. Speaker, I should like to continue this debate, but I have something very important to discuss and I cannot yield at this time.

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

The SPEAKER pro tempore (Mr. RHODES of Pennsylvania). The gentleman from Michigan makes the point of order that a quorum is not present. The Chair will count.

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

Mr. SCHWENGEL. Mr. Speaker, I have been yielding all over the place. I am sure the gentleman from Michigan can get time as much as he wants. I think I have been very generous. I think the gentleman is unfair in suggesting with this motion and kind of inference with the point that he is making. However, I shall yield to the gentleman.

The SPEAKER pro tempore. The gentleman from Michigan has made a point of order.

Mr. DINGELL. Mr. Speaker, I withdraw the point of order.

Mr. SCHWENGEL. I yield to the gentleman.

Mr. DINGELL. Mr. Speaker, I simply make the observation that this is a continuation of the same blockheaded foreign policy that was displayed by previous administrations.

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

Mr. SCHWENGEL. I yield to the gentleman.

Mr. STRATTON. Mr. Speaker, the gentleman from New York [Mr. LINDSAY] made the point that foreign policy was being conducted by popularity poll. It seems to me that I recall that we have had a number of criticisms of the administration on the floor of this body and in the other body for the past 3 or 4 or 5 weeks, because it was charged that the administration proceeded with our foreign policy operations even though they did not satisfy Mr. Diefenbaker, even though they did not satisfy Mr. de Gaulle, and even though they did not satisfy Mr. Tshombe. It does seem to me that the distinguished gentleman from New York might want to consult with other members of his party and decide whether they are criticizing the administration because it is supposed to be conducting foreign policy by popularity poll or because it is supposed to be conducting foreign policy in spite of the wishes of our allies. It does seem clear that the only subject on which the Members on the other side of the aisle can agree is that no matter what the Kennedy administration does, it is wrong.

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

Mr. SCHWENGEL. I yield to the gentleman from Illinois.

Mr. CEDERBERG. Mr. Speaker, maybe we can set this policy question to rest. I recall during the last election this was quite a subject. So we discussed the matter with the head of the USIA when he came before our subcommittee for appropriations and we tried to get him to tell us what the policy picture was going to be under this administration. At that time they decided they were not going to conduct any polls because they were not of any value anyway, because they did not really get to the depth of the question and really did not settle anything. So I think this whole policy question ought to be well buried, because I do not think it has any relevant importance. I agree with my colleague, the gentleman from New York [Mr. LINDSAY], on the subject.

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

Mr. SCHWENGEL. I yield to my colleague from Florida.

Mr. CRAMER. Mr. Speaker, with regard to foreign policy and polls and the administration's foreign policy, I think it is a travesty that we dropped the ball when we had a chance to make a touchdown at the Costa Rica Conference. Most of those countries were willing and anxious to have drafted a strong, firm, long-range, planned program to get rid of Castro and communism in Cuba and the subversive results and aftereffects in this hemisphere. I think it is a shame that at the time when we had a real opportunity to work with countries, many of which have actually been invaded by Castro marauders during 1961, and with many of the Presidents of those countries asking for a firm policy, that are largely for a planned program that they could follow, that the Organization of American States could consider on the recommendation of the Central American States—I think it is a shame that we dropped the ball when we could have made a telling touchdown in Costa Rica by providing a long-range, firm program to eventually get rid of Castro and communism in Cuba and in this hemisphere.

I do not know what the polls would show in Latin America after this visit, but I would say our prestige is much lower than it would have been if the United States had provided the firm leadership that we should have at Costa Rica instead of announcing in advance our intentions not to try to carve out a stiff, meaningful program. I call attention to my remarks of Monday, March 18, pages 4425–4430 of the CONGRESSIONAL RECORD.

Mr. SCHWENGEL. Mr. Speaker, before I launch on my prepared remarks, I want to say in response to the observations made by the majority leader when he stated that committees were hard at work in the Congress and that soon we will get some legislation. If the committees are not any harder at work than the great committee of which I am a member, the Committee on Public Works, then we are not working very hard. There is a lot of important business before that committee. One of the subcommittees, the subcommittee on investigating the interstate highway building program, has not even called together the members of that committee. The members on the minority side do not know what the plans are, what they intend to do, what or where they are investigating, and what the problems are in many areas. We do not know much about it because we do not have an adequate staff to do anything about it.

Last year, I think it was in July, I wrote the chairman of the subcommittee a letter after I had counseled with him about an idea about stepping up the activity and the effectiveness of this committee. He said he thought it was a good one. "Write me a letter and we will take it up." I wrote him a letter and he has not even answered. So I reiterate, I believe the committees are not busy if they are not any busier than the Committee on Public Works of which I am a member.

So much for that.

Very briefly, then, on foreign policy. As the House knows, I have been one of those who believe in presenting a united front on the foreign policy question to the Congress, and that we ought to have a bipartisan foreign policy. But I have been here long enough to know that we have made a lot of mistakes with our foreign programs; in fact, I think the trouble with this whole matter in the foreign area is that we have no discernible, understandable foreign policy. It is for this reason that I have suggested from time to time to the State Department and members of the Committee on Foreign Affairs the issuing of a statement on foreign policy that reflects the true intentions of our country.

I am reminded that just as England needed a Magna Carta in her period of crisis in early history and as we needed a Declaration of Independence in 1776, so somebody needs to issue a policy statement that makes some sense on the foreign front and that will be understood both by the American people and freedom-loving people everywhere. Then we will not have to worry about prestige polls and the other things we have discussed here today.

Mr. Speaker, I ask permission to revise and extend my remarks; also, I ask that the gentleman from Pennsylvania [Mr. GOODLING] be allowed to revise and extend his remarks at the close of my remarks.

Mr. Speaker, it is a tradition in America that we commemorate significant events, important developments and occasions that have emphasized and carried forward the great ideals authored,

enacted into law, fought for, and sacrificed for in our history. It is fitting and proper that we do this. These commemorations serve to remind us of the great ideals and ideas that moved us forward in the right direction on the moving vehicle we call freedom. It has been said that in understanding the past we can open the future. With these commemorations we have strengthened our system in many ways.

Because our forebears understood this and I believe felt more keenly than we do the importance for a rich heritage they wisely formed a pattern of proper observances and built memorials to our Nation's great all over this land we call America. We have a fine collection of these here in the District of Columbia where the millions who come to visit can, while they are here, catch something of the spirit that burned in the hearts of the torchbearers of freedom.

We build libraries everywhere with the aid of foundation money and with tax money where the books that reveal our literature, our art, and our dramatic history can be stored, used, and read by the population in order to better understand our system of popular government and to help give the advantages that came from a free society.

The world's largest and most valuable of these libraries is, very logically, here in Washington.

Archives buildings are found in all of the States and principal cities to house the valuable original documents that signaled our birth such as the Declaration of Independence and the document which carried out its objective—the Constitution—both housed here in our own Archives Building at great cost to the taxpayer who willingly and gladly assumes this responsibility.

Monuments built to the memory of the great in our heritage can be found in every State of the Union. They are also built at the scene of sacrificial action for the preservation and advancement of liberty, there to be a reminder to us and to posterity of those who toiled, who fought and who sacrificed in the struggles that have brought us to this point in our history.

The Congress of the United States, I believe, has shown great wisdom in providing for programs and projects to accent our history by leaving reminders in all of our national parks where it is appropriate and convenient to do so.

There are so many, many areas one could point to where a most significant and appropriate memorial has been constructed and reconstructed. Among the most meaningful and appropriate is the Independence Hall area in Philadelphia—a project that is carried out in cooperation with the city of Philadelphia and the State of Pennsylvania. This project reminds us of the great things that can happen through the cooperative effort of elected representatives of the people.

The National Park Service, responding to congressional action, has also featured contributions by individuals in our heritage. Most important of the people who have received this kind of attention is a man whom I have dubbed the most American American—Abraham Lincoln. In cooperation with Kentucky and the citizens around Hodgenville they have restored the Lincoln birthplace area. Everywhere where Lincoln has lived is marked and is made available for the people to see.

One of the most outstanding in his early life is the Pidgeon Creek area in Indiana where last year a Nancy Hanks Park was dedicated in tribute to the mother of this great American and in appreciation of the contribution the great State of Indiana has made toward the shaping of Lincoln's destiny.

The State of Illinois has restored New Salem so that it looks just like it did when Lincoln lived there. The Lincoln tomb where Lincoln lies buried with his wife and three children is another great tribute made possible by the Government. The city of Springfield and the State of Illinois are now planning to restore a large section of the downtown area so that it will be reminiscent of the kind of community in which Lincoln lived and served as a legislator and a lawyer.

The city of New York wisely has kept the Cooper Union Building where Lincoln made that famous speech ending, "Let us have faith that right makes might, and in that faith, let us, to the end, dare to do our duty as we understand it."

In the city of Washington we have built a memorial to Lincoln which is neither tomb nor temple but something of both; a most magnificent structure and appropriate tribute to Lincoln. It draws more people to it than any comparable memorial anywhere else in the world.

Volumes could be written about the other tributes to this great man in bust, in statue, in picture, in books, and on our postage stamps. Why, you ask?

Again I suggest that the reasons are reflected in the some 6,000 books that have been written, all of them in part or in whole dealing with what Lincoln said, what he did, and what he was. What he said throughout his lifetime revealed the heart and soul of this man. It proves his burning desire to know what was right and then to say what was right in such a way that people could understand it. Then, with an unbounded faith in those ideals that gave us freedom he directed the forces spiritually and politically in the tragic and challenging period and we find now that what emerged then was an America more nearly like that envisioned by our forefathers than even the most avid abolitionist believed possible.

In this 100th anniversay and commemoration period of that time, the Civil War, we emphasize not the conflict but the tragedy, that at frightful cost enriched and made clear the American tradition. The phrase, "Conceived in liberty and dedicated to the proposition that all men are created equal," acquired a magnificent meaning during and since the war for all of us and for all time. With the result that our Nation under God was unified and made strong beyond any power again to separate and divide. What has emerged now is the last great hope of an imperiled mankind. The fragment of history that we show so humbly today may furnish an insight into the tumult, the bitterness, that in the end cleared the air for the triumph forever of the American genius for justice and freedom.

Mr. Speaker, the State of Pennsylvania with its Civil War Centennial Commission assisting and the people of Gettysburg with the Lincoln fellowship there have, through the years, commemorated the anniversary of the Gettysburg Address. To that community, on the 19th of November, they have drawn national leaders, Governors, Senators, Congressmen, Cabinet members, historians, and poets like Sandburg and each time, with these programs, these people have enriched the American heritage there by recalling, reviewing, reappraising, and placing in proper perspective for us what was said there and the things we need to be reminded of that this situation recalls. For this I believe every American should be thankful.

Mr. Speaker, no greater expression of our appreciation could be shown for the sacrifice that was made for freedom, and which, through a combination of circumstances, was so eloquently called to our attention by Lincoln on that important day 100 years ago next November, than the passage of H.R. 1611 introduced by the gentleman from Pennsylvania, GEORGE GOODLING, the Representative of that district, calling for the issuance of a 50 cent piece to commemorate the 100th anniversary of the Gettysburg Address.

Mr. Speaker, I therefore would like to give my support to H.R. 1611 and review if I may a little history in connection with this address that might be worthwhile for us to think about as we consider this very appropriate tribute to a man, to an occasion and through both to our philosophy of government of, by and for the people.

I will begin by reminding you that 100 years ago two armies met near the little town of Gettysburg, in southern Pennsylvania. The details of the titanic battle that followed have been well covered in numerous books, so that it is not necessary, even if it were possible, to recount them here. The battle raged for 3 days, July 1–3, 1963. Thousands laid down their lives in sacrifice and other thousands were wounded, captured, or missing. We who are so far removed from that awful conflict can hardly imagine the heroism and hope, the tragedy and despair of the men who fought there.

In the end, Lee withdrew across the Potomac. The high-water mark of the Confederacy had been reached. The contest was not ended, but Lee was never again at the head of an army of equal strength, and never again did he set his columns in motion and enter into a conflict with such high hopes. The battles of Cold Harbor, the Wilderness, and Spottsylvania were still to be fought, and Sherman was yet to make his historic march to the sea. But after the failure of Pickett's charge on July 3, Appomattox was inevitable.

Gettysburg was decisive not only in the American Civil War; it was decisive

also in man's long struggle for popular government.

Following the battle the heroic dead were hastily buried in shallow graves, many of them unmarked. This condition was highly unsatisfactory, and Mr. David Wills, a resident of Gettysburg, who was a true-hearted patriot and a man of great executive ability, took the lead in correcting it. On July 24, 1863, he wrote to Governor Curtin, submitting a plan for a cemetery in which the remains of the dead heroes could be reinterred and properly marked. With the approval of Governor Curtin and the cooperation of the Governors of other States, land was purchased and the cemetery grounds plotted and laid out. Plans were made for consecrating the cemetery with appropriate ceremonies and the Honorable Edward Everett of Massachusetts was selected as the orator for the occasion. In deference to his wishes the ceremonies were postponed until November 19.

The invitation to President Lincoln to speak at Gettysburg was an afterthought. On November 2 Mr. Wills wrote to the President informing him:

> These grounds will be consecrated and set apart to this sacred purpose, by appropriate ceremonies, on Thursday, the 19th instant. Hon. Edward Everett will deliver the oration. I am authorized by the Governors of the different States to invite you to be present and participate in these ceremonies, which will doubtless be very imposing and solemnly impressive. It is the desire that after the oration, you, as Chief Executive of the Nation, formally set apart these grounds to their sacred use by a few appropriate remarks. We hope you will be able to be present to perform this last solemn act to the soldier-dead on this battlefield.

President Lincoln needed no urging. His heart was full of gratitude for what had been so gloriously accomplished at Gettysburg. He determined to find time in the midst of a busy schedule to participate in the dedicatory ceremonies.

The original plans proposed that the train carrying the Presidential party should leave Washington at 6 a.m., arriving at Gettysburg at noon. On the return trip, the train was to leave Gettysburg at 6 p.m. and arrive in Washington at midnight. Lincoln was not satisfied. He wrote on the note from Stanton the following endorsement:

> I do not like the arrangement. I do not wish to so go that by the slightest accident we fail entirely; and, at the best, the whole to be a mere breathless running of the gauntlet.

In deference to the President's objection, an alternate arrangement was made providing that the train should leave Washington at noon on November 18 instead of at 6 a.m. on November 19.

Almost innumerable books and magazine articles have professed to tell the true story of Lincoln's notable address. It has been asserted that he wrote it on the train between Washington and Gettysburg; that he wrote it at the Wills' residence the night before its delivery; and that he wrote it in full before leaving Washington. There are five copies, still extant, in Lincoln's own handwriting. The first page of the first draft is on a sheet of "Executive Mansion" letter paper. Except for the first sheet, the first draft is written in pencil on the wide-lined paper that he habitually used for public documents, similar to that which he used for the writing of his second inaugural address. William E. Barton, in his excellent work, "Lincoln at Gettysburg," says:

> Whether Lincoln had wholly completed his first draft before he left Washington, we are not sure; if he had, he was not satisfied with the way it ended. He certainly did not write the address or any large part of it on the train. At Judge Wills' house that evening he read over the first draft of his speech, and was not pleased with the way it ended. His second sheet, whatever he had on it, he presumably destroyed. About 9 o'clock the following morning, Lincoln rose from the breakfast table in the Wills house and went to his room. There, not very long afterward, John G. Nicolay found him rewriting his address. For this rewriting he used the same kind of paper which he had used for the pencilled first draft of his second page. From the new draft, written wholly in ink, and without erasure, on two pages of the wide-lined paper, Lincoln delivered his address that day. This second draft is virtually a fair copy of the first draft.

The dedicatory program opened with a dirge by the Birgfield band of Philadelphia, followed by a prayer by the Reverend Thomas H. Stockton, Chaplain of the U.S. Senate. The effort was eloquent although somewhat lengthy, but it was the embodiment of the spirit of patriotism and victory rather than of the spirit of humility and devotion.

A selection by the Marine band followed, after which letters of regret from Gen. George G. Meade, Gen. Winfield Scott, and others, were read.

It was noon when Mr. Everett arose and spoke the opening words of his oration:

> Standing beneath this serene sky, overlooking these broad fields now reposing from the labors of the waning year, the mighty Alleghenies towering before us, the graves of our brethren beneath our feet, it is with hesitation that I raise my poor voice to break the eloquent silence of God and nature.

His oration, which had been prepared with care, was delivered with effectiveness. It was nearly 2 o'clock when he closed with the prophecy that "down to the latest period of recorded time, in the glorious annals of our common country there will be no brighter page than that which relates the Battles of Gettysburg."

Everett's oration was followed by a hymn composed for the occasion by B. B. French, of Washington, and sung by the Baltimore Glee Club. The second stanza reflected the spirit of the occasion and set the tone of thousands of Memorial Day ceremonies in the decades to come:

> "Here let them rest;
> And summer's heat and winter's cold
> Shall grow and freeze above this mold,
> A thousand years shall pass away,
> A nation still shall mourn this day,
> Which now is blest."

The crowd was silent when Lincoln rose to speak, following the hymn, but the address was so short that the people had hardly adjusted themselves to its spirit when he ceased. It is reported that as he took his seat there was silence for a moment, then some scattered applause.

The Gettysburg address was not received with universal acclaim. The simple remarks were given scant attention by the big dailies. The opposition press, as might be expected, treated the address with indifference or even with scorn. The Springfield (Mass.) Republican was almost alone in its immediate recognition of the immortal words. The following day, the Republican labeled it "a perfect gem, deep in feeling, compact in thought and expression."

It is true that greatness in a speech, like greatness in other events, is often recognized only when seen through the haze of time. As the curious but sympathetic multitude saw a sad-faced man sink down in his chair, how little they realized that the sentences they had been privileged to hear would take their place among the great works of literature. Prof. H. C. Holloway, who was present that day, says in his reminiscences:

> Indeed, so great was the speech that no one at the time comprehended it fully. No eulogistic utterances in regard to it can do it justice. As the ages go by it will lose none of its luster. We had heard very much more that day than we dreamed of.

Yet, even then, the brief address elicited commendation from one who was certainly a qualified judge. Edward Everett spoke with the voice of prophecy when he said:

> Mr. President, your speech will be remembered long after mine is forgotten.

The following day he wrote to Lincoln a letter in which he expressed his great admiration for the address, and said:

> I should be glad if I could flatter myself that I came as near to the central idea of the occasion in my 2 hours as you did in 2 minutes.

Notwithstanding the importance of the battle itself, and in spite of Lincoln's assertion that "the world will little note nor long remember what we say here, but it can never forget what they did here," it is the address that has kept alive the memory of the battle. The Gettysburg address has become a part of our American heritage and of the heritage of freedom-loving people throughout the world. It stands in the very first rank of American state papers, surpassed only by the Constitution, the Declaration of Independence, and the Bill of Rights. It is the object of H.R. 1611 to commemorate the anniversary of the delivery of this historic address, a purpose in which I heartily and sincerely concur.

In one version of the address the closing clause reads, "and that this Government of the people, by the people, for the people, shall not perish from the earth;" in its final form, however, this clause was changed to read, "and that government of the people, by the people, for the people, shall not perish from the earth." This change gave it universal application and demonstrated that Lincoln's thoughts and hopes swept far beyond the borders of America and embraced the whole of humanity.

In the Gettysburg Address, delivered in the midst of a long and bloody war, we find no trace of an appeal to the baser

passions. It was an occasion on which exultation or vindictiveness might naturally have found a place in wounded hearts. Such sentiments were not entirely absent from the program and from the applause which the expression of those sentiments evoked. Even the chaplain's prayer was not wholly free from a spirit of boasting and bitterness. But no suggestion of rejoicing or revenge is found in Lincoln's words. Emerson says:

> Lincoln's heart was as large as the world, but in it there was no room for the memory of a wrong.

His thought rose above the passing passions of the hour and dwelt on great and abiding truths.

Today, the forces of communism press everywhere against the frontiers of the free world. In international affairs we pass from one crisis to another. In his article entitled "The Last Best Hope of Earth," Carl Haverlin says:

> In this battle for sheer survival, the ideas of Abraham Lincoln and the power that has been generated by what he was, what he accomplished, and what he stood for are, in my opinion, among the most potent weapons that the free world can wield. Since so many of the globe's inhabitants are have-nots, the figure of Abraham Lincoln gains added strength because of his own insignificant beginnings, and his lifelong dedication to the dignity of man. Wherever one looks, whether at home or abroad, there are many examples of this imprint today.

Elsewhere in the same article, Mr. Haverlin writes:

> But I am sure that in the balances of men's minds—whether they be men of Ghana and black, or men of India and brown, or men of China and yellow, or whether pigmented like ourselves and thus in a world sense in the minority—the existence of Abraham Lincoln and the body of people who supported him weighs in those balances more heavily in our national interest than we can realize.

This bill provides that the United States shall not be subject to the expense of making the necessary dies and other preparation for such coinage. I mention this point only in passing. I do not desire to emphasize it because I feel that the project would be a worthwhile one even if the expense were substantial.

Mr. Speaker, the United States can have no finer image in the eyes of the world than the one supplied by the Gettysburg Address. The issuing of this commemorative coin is, in a sense, an affirmation of our faith in the ideals of Lincoln and in the sentiments that he expressed in the Gettysburg Address. It is a rededication to the great task remaining before us. It is an indication, before the whole world, that we are willing to stand up and be counted. It is a renewal of his high resolve, and ours, "that government of the people, by the people, for the people, shall not perish from the earth."

Mr. Speaker, some will argue against this proposition because of precedent. Let me say that while a new precedent may be established with the issuance of this special 50-cent piece to commemorate the Gettysburg Address, it is not new to have a special issue of the 50-cent piece.

This Congress, in its wisdom, did just that to help Iowa commemorate the 100th anniversary of its coming into the Union. This was good public policy and it served the public interest because it did call attention to a great and important event in our history—and I say parenthetically that Congress never did a finer thing when they gave the people of Iowa the opportunity and privilege of having more self-government. This has added both to the welfare of the people there and to the Nation and it has enriched our culture. This issuance encouraged the people of Iowa to reflect on the contribution that they have made to their heritage and to renew their pledges to the great ideals summed up pretty well in the Iowa motto that says "Our liberties we prize and our rights we will maintain."

But Mr. Speaker, if this is establishing a new precedent it is a good one just like the setting of other precedents have been throughout history.

I do not know the details of the impression that they would have on this coin but I imagine there would be a quote from the Gettysburg Address itself if not the complete address. This they tell me is possible. Possibly they would use just the last part which reads:

> That we here highly resolve that these dead shall not have died in vain—that this Nation, under God, shall have a new birth of freedom and that government of the people, by the people, for the people, shall not perish from the earth.

If just those ringing, meaningful words could be called to the attention of our people daily and to the attention of all who would have occasion to use our currency, they would be reminded each time of our system which gives freedom for the people. It is clear from this statement, too, that what is referred to here for the people is meant for all the people everywhere.

Mr. Speaker, because of the fact that this can be done almost without cost to the Government and the further fact that it can and will do so much good for freedom, let us join hands in the passage of this legislation and in every way we can to aid and abet those in Pennsylvania and Gettysburg to adequately commemorate this great occasion, this magnificent speech, and this great ideal that was exemplified so eloquently and impressively 100 years ago next November 19.

This does involve history, a great interest of mine. For those, and there may be some, who believe that history is dead, dull, and finished, let me suggest what a great historian has said and that is:

> The events of the past are but the earlier acts in a drama that is still going on—that what happens tomorrow is only the shadow of an action taken today, the echo of a thought conceived yesterday. Understanding the ideas created and nourished by great minds through all our centuries can give contemporary man a new capacity for judgment and vision—a capacity which will clarify and illuminate his life, as a citizen and as a man.

I suggest in addition, that the deeper we look into our own history, the further we can look forward with confidence in the great ideals that were reflected in the life and action of Abraham Lincoln who, in my opinion, stood so tall among us that day when he gave us the 267 words we find in the Gettysburg Address. They need to be remembered forever, they need to be commemorated in such a way that the impact of what was there said will be made more manifest, more meaningful, to more people everywhere.

A COIN SHOULD BE MINTED TO COMMEMORATE THE CENTENARY OF LINCOLN'S GETTYSBURG ADDRESS

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. GOODLING] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. GOODLING. Mr. Speaker, 100 years ago, 5 score if you will, come November 19, thousands of Americans gathered at Gettysburg to witness ceremonies held to dedicate a portion of a great battlefield of the American Civil War as a national cemetery. What transpired on that day has made the name of Gettysburg known and cherished wherever in this world men love freedom.

On that occasion, the President of the United States, Abraham Lincoln, was asked to make a "few appropriate remarks." Confining his remarks to less than 300 words is an indication he complied with the first request. The President did not live to learn how appropriate his words actually were. Their real significance is attested by their lasting fame. They have been revered throughout the world as the sublime Gettysburg Address. A grateful posterity has taken what he said as the creed for all who love liberty. Freedom and sacrifice then as now, are inseparable.

It would appear fitting and proper that a coin should be stricken to commemorate the centenary of what is probably the most meaningful and lasting address, one which acquires deeper significance with each passing year. It has become an American heritage and stands as a beacon light for the entire world. Like the man who uttered it, its fame does not end at waters edge. Wherever there is written and spoken language, Lincoln and his immortal passages are known.

There is no more fitting and finer tribute to the Gettysburg Address than that of Lord Curzon, in an address delivered at Cambridge University, November 6, 1931. The following is a part of that speech:

> It is an amazingly comprehensive and forceful presentation of the principles for which the war then was waging. It joined the local to the national, the occasional to the permanent, it went straight at a declaration of the purpose which animated the soul of Abraham Lincoln, and for which the men buried at Gettysburg had given their lives. Above all, it was a declaration of America's fundamental principles.

When Mr. Lincoln went to Gettysburg he must have had some supernatural power to look beyond his immediate audience. Democracy was on trial and this had to be shown to the world. There is evidence that the phrase a "few appropriate remarks" gave him considerable concern and weighed heavily upon him and caused him to give serious consideration to what he should say.

The President reached Gettysburg in the afternoon of November 18, carrying with him at least part of his address. It was completed in the home of Judge Wills where he was a guest.

The ceremonies on the 19th were solemn and impressive. There was appropriate music, the recital of a dirge written for the occasion by Benjamin B. French, the U.S. Commissioner of Public Buildings and what was to be the main address of the day. This was delivered by the foremost orator of the time, Hon. Edward Everett, of Massachusetts. For 2 hours he expounded in his graceful polished phrases which had gained him his standing as the Nation's greatest orator.

This then was the situation as the tall man arose. So brief were his dedicatory remarks the audience had barely settled before he had finished. It was probably a disappointed audience, it having expected more. It was not until it appeared in print that its true beauty became apparent. As stated, the President was looking beyond the Gettysburg audience. Here he summed up the one fundamental principle of American Government—political equality. He portrayed briefly all fields where men have contended and died for human liberty and for government which would assure to all the rights and opportunities of life. Lincoln showed the country the Civil War was waged to test democracy and that his and future generations must dedicate themselves to the unfinished tasks. One hundred years later much remains unfinished.

Few men have the ability to say so much in so few words. The real significance of the Gettysburg Address can be summed up in one word—simplicity.

Gettysburg was the turning point in the war. It was decisive in the Civil War, but was also decisive in the world struggle for popular government, one that would recognize all who would become Americans, one which believed in the brotherhood of man.

A coin should be minted for Lincoln's Gettysburg Address. The words are as relevant today as they were one century ago. An unknown minister said:

> Lincoln's Gettysburg speech was a coin dropped from the mine of the Anglo-Saxon language.

The precedent has been established. A coin was minted to commemorate the 75th anniversary in 1938. Within the last few days this House did what had never been done in the history of the country. It established a precedent by making a distinguished gentleman an honorary citizen of the United States.

It does appear fitting and proper that a coin should be minted to commemorate the centennial of what is truly a landmark in history and will live as long as the spoken language. This event should be properly remembered, for contrary to what Mr. Lincoln suggested, the world did note and remember what he said there.

THE TFX CONTROVERSY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. PRICE] is recognized for 30 minutes.

Mr. PRICE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include two newspaper articles.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, I am sure that we are all concerned about the continuing controversy reported daily in the press on the subject of the congressional inquiry into the TFX award recently made by the Department of Defense. I participated in the discussions on this subject on the floor on March 4. At that time my interest centered around the appeal of one of the two major participants to the Congress after having lost the competition primarily because of failure to adhere to the ground rules prescribed by the Secretary of Defense. The losing company really designed two airplanes rather than one as prescribed in the ground rules. A number of the other participants, major aircraft companies, which had previously been eliminated could easily have duplicated the proposal of the losing company had they, too, failed to adhere to the ground rules.

That the ground rules were feasible can be readily demonstrated. The tactical plane currently in major production for the Air Force is produced in an aircraft plant adjacent to my district. It was designed and built by the Navy for the Navy mission. Afterward this plane was found to be the best plane for the Air Force tactical mission as well. I am greatly disturbed that the example of this plane has apparently escaped the notice of the inquiry and the press.

Subsequent to my remarks on the floor on March 4 the press has taken a much more balanced view of the whole matter. One of the articles that has done much to clear up the uncertainties is an article by John G. Norris published in the Washington Post on March 18. After very capably reviewing all facets of the matter, Mr. Norris points out that no one seriously suggests that politics entered into Mr. McNamara's decision. He very knowledgeably sums the situation up as follows:

> In the last analysis, it comes down to a question of judgment. And as McNamara pointed out, he is the man charged by law with making such highly important judgments. Right or wrong, most people feel that it will turn out to have been an honest judgment.

During my membership for some years on the House Armed Services Committee we have been urged repeatedly to pass legislation giving the Secretary of Defense adequate authority over the military. These recommendations cautioned us on the danger of the military-industrial threat to our way of life and have come from people at high levels who have borne high responsibility and from both political parties. In the instance of Mr. McNamara we have the capable man that we have all sought who is attempting to do the job that we in the Congress have outlined by our legislation. The columnist, Mr. William S. White, has adequately addressed himself to this aspect of the matter in the Evening Star of March 18 in which he says:

> Congress clamored for years for a Secretary who would knock heads together at the Pentagon.

If Mr. McNamara is seriously embarrassed by the congressional inquiry, perhaps subsequent weaker Secretaries of Defense will be tempted to view problems in terms of what powerful Member of Congress from what powerful congressional committee is interested in the problem rather than the merits of the matter at hand. Let me quote Mr. White:

> Somebody will be hurt; and this is a pity. But if the principal victim is Mr. McNamara, it will be a very bad thing, indeed.

I commend to you for your earnest consideration both articles as follows:

[From the Washington Post of March 18, 1963]

MISJUDGING MCNAMARA SEEN AS BOEING'S ERROR

(By John G. Norris)

Boeing lost the $6.5 billion TFX warplane order, it now seems clear, not as the result of political influence, but because it did not realize who was boss at the Pentagon.

In repeated proposals, the Seattle aircraft company offered the Air Force and Navy higher combat performance than its rival, General Dynamics—made possible only by building what are essentially two separate planes—instead of meeting Defense Secretary Robert S. McNamara's demand for one all-purpose craft that may save $1 billion.

HOW BOEING LOST OUT

After 22 months, General Dynamics finally came up with what is essentially a single fighter plane design acceptable to both services' military chiefs even though its performance will be less than Boeing offered.

Boeing apparently based its hopes of winning on: (1) a bid that was about $100 million less than its rival's, and (2) a conviction that McNamara finally would yield to the military view that air combat performance was all important.

Instead, he rejected Boeing's bid as unrealistically low, declaring some of its proposed design innovations to attain higher performance were technically risky.

General Dynamics and its affiliate, Grumman Aircraft, received the award to build essentially similar versions of one fighter, on the ground that the one-plane approach and more conventional design promised to deliver a satisfactory plane sooner and cheaper.

M'NAMARA FACES QUIZ

In essence, McNamara's position is that the expected $1 billion savings outweighed the extra performance Boeing offered.

Whether McNamara is right remains to be seen. When he goes before the Senate Permanent Investigating Subcommittee this week for questioning on the detailed brief he submitted to it Wednesday, McNamara must:

Convince the public that Boeing greatly underestimated the cost of developing the

complex TFX fighter and that the Government would have had to bail out the company had it been given the order even though its proposal was a fixed-price bid. Pentagon officials say he not only will present detailed data on where Boeing was low but will give official estimates of what the cost actually would have been.

Uphold his contention that Boeing's inexperience in building fighters—whereas General Dynamics and Grumman are veterans in the field—is a valid argument against it. Opponents insist that Boeing's record in making bombers is excellent and that fighter production techniques are not too different.

Explain away the errors discovered in some Pentagon evaluations of the rival bids and some charges of "unusual procedures" employed in the evaluation that have been brought out before the Senate subcommittee. McNamara did not touch on these in his "brief" last week, but aids insist they are of minor importance.

Convince Congress that his estimate of a billion-dollar saving in having one plane instead of two is realizable. The Secretary is relying not only on economics in development costs, but those in production, operation, maintenance, and spare parts inventories once in service.

The importance of this central point of McNamara's case has been challenged. Some contend that the differences between the Air Force and Navy versions of the Boeing proposal—compared to these in the successful bid—were less marked and vital than claimed.

Show that the added performance offered by Boeing was marginal compared to the marked advantages that introduction of the General Dynamics-Grumman plane will bring when the TFX is introduced to Air Force squadrons and Navy aircraft carriers in the late 1960's.

NEW TYPE OF WING

The new plane, to be known as the F-111, employs a radically new variable sweep wing than can be pulled back for high speed—1,700 miles an hour—or pushed forward for "loitering" over combat areas and landing on short, rough fields. This innovation also will give the craft much improved performance at both low and high altitudes and in cross-ocean ferrying range. It is designed for use in both conventional and nuclear warfare.

Congressional testimony so far has brought out that the original specifications set by McNamara in 1961 for the all-purpose plane had to be watered down because bidders could not satisfy the differing Air Force and Navy needs without building what amounted to two airplanes.

McNamara's opponents say that because of this and the final decision favoring General Dynamics instead of Boeing, the Air Force and Navy will get poorer planes than if the aircraft industry had been allowed to push for two top performance aircraft.

DELAYS IN PAST PRACTICE

In the past, the practice generally has been to try to build the best combat plane possible within the state of the art of aeronautical science. This has often led to delays in eliminating bugs and getting them into service on schedule—a point made by McNamara against the Boeing design.

Many believe, however, that if time shows McNamara to have been wrong, it will be because he overruled the military and insisted on his moneysaving all-purpose airplane.

No one now seems to be seriously suggesting that politics entered into his decision. When General Dynamics won the coveted order last fall, some people's eyebrows were raised. The company will develop and build the TFX at its Fort Worth plant in Democratic Texas, while Boeing would have done the work at its Wichita plant in Republican Kansas.

GROUNDLESS INNUENDOS

Washington wiseacres promptly dubbed the TFX—which stands for tactical fighter experimental—the L.B.J.—short for LYNDON B. JOHNSON. But after extensive airing of the controversy these innuendos seem completely groundless.

It is too early to say definitely who is right and who is wrong in the complex controversy. McNamara made a strong case in his statement filed with the Senate subcommittee last week. The evidence before Senator JOHN L. MCCLELLAN's investigating group so far indicates there may be a strong case against it.

In the last analysis, it comes down to a question of judgment. And as McNamara pointed out, he is the man charged by law with making such highly important judgments. Right or wrong, most people feel that it will turn out to have been an honest judgment.

[From the Washington (D.C.) Evening Star, Mar. 18, 1963]

MCNAMARA'S BIGGEST TEST—STRONGEST MEMBER OF KENNEDY'S CABINET FACES STRONGEST MEN OF CONGRESS

(By William S. White)

Irresistible force and immovable object are meeting in a great and melancholy contest now drawn taut between the strongest member of the Cabinet, Defense Secretary Robert McNamara, and the strongest men of Congress.

Somebody will be hurt; and this is a pity. But if the principal victim is Mr. McNamara, it will be a very bad thing, indeed.

For the real issues lying between the devoted Robert McNamara and the equally devoted men of Congress are infinitely bigger than even the chief present symbol of their dispute, the multibillion-dollar contract now being investigated in the Senate.

Aptly enough, this inquiry is being conducted by one of the best groups in Congress, the Senate Permanent Investigations Subcommittee headed by Senator JOHN L. MCCLELLAN, of Arkansas. His panel is doggedly examining why Secretary McNamara let a contract for the all-purpose TFX warplane to General Dynamics Corp. rather than to the rival Boeing Co., which had offered what seemed on its face to be a lower bid.

With equal doggedness, Mr. McNamara is defending that decision on the ground that, taking everything into consideration, it was his judgment that General Dynamics could do the job in the least time, at the least risk, with the best result in weaponry and, in the end, also at the least cost.

The rights and wrongs, in sheer terms of immediate dollars and cents, are quite beyond any independent evaluation by this columnist and may forever be. For by their very nature such vast outlays by the Pentagon include such immense and varied factors as to make any outside judgment as difficult to grasp as a wavering moonbeam flitting across the ceiling of a shuttered room at midnight.

Other and more important things, however, can be said with complete confidence. Involved here is a challenge to Secretary McNamara's ultimate civilian control over the Pentagon by uniformed officers with pipelines to Congress who beyond question are far less interested in economy than he is. Their professional interest, and rightly so, is in having all the arms they want of the kind they prefer, period.

His interest must be in procuring the best arms available; but with due regard to economy, to unified general military policy and to many other considerations which do not overly concern the uniformed military fellows.

And involved—though not in the McClellan committee itself as a whole—is a determined movement in Congress to reduce the authority of this civilian head of the Pentagon and to increase that of the generals and admirals.

There is no "conspiracy" between the men in uniform and the men in Congress. But there is undoubtedly some working purpose to cut Secretary McNamara down to size.

At last, the whole question comes to this: Is civilian authority to be supreme, or is it to be abridged in the clearly well-intentioned but profoundly dangerous notion that, in these days of cold war, the generals and admirals really know best?

It is a hard question superificially, but to those who have read the Constitution it has only one answer. The Secretary of Defense must remain the Secretary of Defense. If he falls into fatal error, it will be necessary to get another man. But neither Congress nor the generals-admirals can run the Pentagon—or should.

All the same, there is tragedy here. The men in Congress who are striking at Secretary McNamara are acting from the highest motives. And the man they are striking at has been regarded up to now by these very men of Congress as the best Secretary of Defense in history, tough and nonpolitical.

Congress clamored for years for a Secretary who would knock heads together at the Pentagon. Congress has got him now—and is not so happy with the choice as it was before.

SHOULD THE CONGRESS OF THE UNITED STATES TOLERATE NONCOMPLIANCE WITH THE LAW?

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. ASHBROOK] is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, should the Congress of the United States tolerate noncompliance with the law? The answer is certainly "no" but it should be a more emphatic "no" when it comes to this body or its Members. Certainly if we are to require obedience to the laws which we enact to regulate the diverse affairs of our fellow men, we should zealously endeavor to live within both the spirit and the letter of the law when it directly relates to us and to this august body.

On March 12, 1963, on pages 4017–4019, I outlined a situation which exists regarding the reporting of counterpart funds under title 22, section 1754 of the United States Code. This law clearly requires the reporting and full disclosure of the counterpart funds expended by Congress. Section (b) of this statutory requirement says, in part:

(b) *Provided,* That each member or employee of any such committee shall make, to the chairman of such committee in accordance with regulations prescribed by such committee, an itemized report showing the amounts and dollar equivalent values of each such foreign currency expended and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States, together with the purposes of the expenditure, including lodging, meals, transportation, and other purposes. Within the first 60 days that Congress is in session in each calendar year, the chairman of each such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of each member

and employee of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives.

The report which was filed for the Committee on Education and Labor in the March 11, 1963, CONGRESSIONAL RECORD on pages 3967–3968, clearly was not in accordance with the requirements of this law. I pointed out these areas of noncompliance in my March 12 address to this body.

It is interesting to see the impasse regarding this noncompliance with our own statutory mandate. As a Member of Congress, I have used every means available to find out the full story on these funds expended by our committee, but everywhere it is a dead end. I am well aware of the fact that the Attorney General does not give opinions to Members of Congress but I nonetheless wrote to him and asked if he had any responsibility to enforce title 22, section 1754. This is the reply I received:

DEPARTMENT OF JUSTICE,
Washington, March 18, 1963.

Hon. JOHN M. ASHBROOK,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ASHBROOK: This is with reference to your letter to the Attorney General of March 13, 1963, regarding the responsibility placed upon Members of Congress by the reporting requirements of 22 U.S.C. 1754(b).

We very much regret that the Attorney General is unable to furnish you with an opinion on the matter. The law limits him to giving legal advice to the President and the heads of the executive departments. See 5 U.S.C. 303, 304. Beginning with Attorney General Wirt, it has been the traditional position of Attorneys General that legal opinions should not be rendered either to Congress, its committees or its Members. (See e.g., 1 Op. A.G. 335; 2 id. 499; 36 id. 532.)

We are, however, desirous of assisting you as far as possible, and therefore offer the following as an unofficial comment. The statute in question authorizes local currencies owned by the United States to be made available to certain committees of Congress for their local currency expenses, and provides that each member or employee of any such committee shall make an itemized expenditure report to the chairman of the committee. It is further provided that the chairman of a House committee shall forward a consolidated expenditure report to the House Committee on House Administration and the chairman of a Senate committee shall forward such a report to the Senate Appropriations Committee. The section does not contain any penal sanction for failure to comply with its provisions, and we are not aware of any. We assume that noncompliance is a matter for the chairman of the committee involved or for each House of Congress itself in an appropriate case. I invite your attention to the Conference Report on the Mutual Security Act of 1958 (H. Rept. No. 2038, 85th Cong., 2d sess.), the relevant portions of which appear at 1958 U.S. Code Congressional and Administration News 2805–06.

Sincerely,

NORBERT A. SCHLEI,
Assistant Attorney General.

I also wrote to the State Department after a telephone conversation with Mr. John Leahy of that Department. Mr. Leahy was most courteous but felt it was not within his authority to release to me the figures on counterpart moneys expended by the Committee on Education and Labor. The letter I directed to Secretary Rusk elicited the following reply:

DEPARTMENT OF STATE,
Washington, March 18, 1963.

Hon. JOHN M. ASHBROOK,
House of Representatives.

DEAR CONGRESSMAN ASHBROOK: I am replying to your letter of March 11 requesting statistics on counterpart funds expended by the Committee on Education and Labor.

Present procedures for the disbursement and accounting of local currencies owned by the United States were established in 1953 after consultation with Congress and provide for annual reports to be made in detail to the chairman of the congressional committee authorizing the use of those funds. This is done on the basis of the relevant act of Congress (sec. 502(b) of the Mutual Security Act of 1959) which states that local currencies "shall be made available to appropriate committees of the Congress engaged in carrying out their duties * * *."

A detailed report is annually provided by the Department to each committee covering all funds drawn by its members and staff pursuant to letter of authorization from the committee chairman. Since the sole authority for the use of the local currency resides with the legislative branch and the funds are for the use of its members and staff in carrying out their duties, it has been concluded by both the executive and legislative branches for a number of years that information concerning congressional use of the money should be obtained from Congress rather than the State Department. I respectfully urge that the proper place to which your inquiry concerning the Education and Labor Committee should be directed is appropriate officials in Congress and submit that this is strictly pursuant to the long evident intent of Congress on these matters.

For an agency of the executive branch to undertake unilaterally to change established procedures primarily concerning the Congress would obviously not be proper. Also, as a matter of basic policy, the separation of the executive and legislative branches of Government militates that Members of Congress be accountable through their respective Houses concerning these funds. For it to be otherwise would, in effect, have the Department police Members of Congress.

The Department submitted on February 28 to the Committee on Education and Labor a full report on the disbursement of local currencies for its members and staff pursuant to letters of authorization from the committee chairman. This was done on the same basis as in past years. The report included the amount of local currency obtained by its members, the date the money was furnished, the country where it was provided, the equivalent U.S. dollar value, and whether for transportation, as an advance, or other purpose specified by the Members of Congress.

I regret that I cannot provide the specific information which you request.

Sincerely,

FREDERICK G. DUTTON,
Assistant Secretary.

You will note that the Department "submitted on February 28 to the Committee on Education and Labor a full report on the disbursement of local currencies for its members and staff pursuant to letters of authorization from the committee chairman." I have therefore directed the following letter to the chairman of our committee:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 20, 1963.

Hon. ADAM C. POWELL,
Chairman, Committee on Education and Labor, Washington, D.C.

DEAR CHAIRMAN POWELL: As a member of the Committee on Education and Labor I am interested, as I am certain you are, in making sure that our committee complies with the law. It is apparent to me on the face of the report which you filed with the Committee on House Administration concerning the expenditure of so-called counterpart funds that this report is not in compliance with title 22, section 1754, United States Code.

Possibly this is a clerical error on the part of one of our committee staff members. At any rate, the error should be rectified. The State Department informs me that on February 28, 1963, they furnished you with a full report on the counterpart funds expended by our committee. Unless you consider this report as a matter which is private to you and not available to the members of the committee, I would like to receive a copy of it.

At any rate, I hope every effort will be made to correct this report so we will comply with the law.

Sincerely,

JOHN M. ASHBROOK,
Representative to Congress.

This is a most interesting situation, as I have stated before. The Committee on House Administration says that it is not their responsibility to check into the expenditure of these funds. I am sure that they are right. On the other hand, the only department which knows the full story, the State Department, will not tell and the Attorney General's Office is not interested. Now, if our chairman will not tell me, how will we ever know the true picture of these moneys expended? Possibly some Members feel that the expenditure of these funds should be treated like a private little game preserve for chairmen of the various committees, but I am sure that the taxpaying public does not agree with this contention.

In checking the history of this provision, we once again see what happens in a Senate-House conference where the House recedes from its position. The mutual security bill of the House of Representatives, H.R. 12181, 85th Congress, had provided for a substantial modification and reorganization of the accounting procedures of the House of Representatives which would have brought about a more thorough disclosure of the counterpart funds used by Members of Congress. In the language of Senate Report No. 1627, which accompanied the conference report, the conferees stated that:

> The House conferees * * * accepted the simpler language of the Senate amendment, since it appeared to attain their desired objectives.

It is now evident that this provision has not accomplished the desired objective.

"THE TEST BAN: AN AMERICAN STRATEGY OF GRADUAL SELF-MUTILATION"—CHAPTERS I AND II, BY STEFAN T. POSSONY

Mr. HALL. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOSMER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman Missouri?

There was no objection.

Mr. HOSMER. Mr. Speaker, I am pleased to insert at this point in the RECORD chapters I and II of an article entitled "The Test Ban: An American Strategy of Gradual Self-Mutilation" by Stefan T. Possony of the Hoover Institution.

CHAPTER I

At all times and ages, some people felt the urge to turn back the wheel of time. Mostly, this urge degenerates into innocent "reactionary" talk; but sometimes the talk affects policy and delays reform. Since 1945, when the first atomic bombs were exploded, the urge to go back to the "good old days" of World War I and World War II (which cost upward of 100 million casualties, worldwide) has become overpowering in many, and has resulted in a foreign policy out of Pandora's Box. But these nuclear age reactionaries are posing a threat far worse than mere slowdown of technical progress; they are playing into the hands of the Communist revolutionaries, and thus endanger both peace and survival.

In the late 1940's some nuclear physicists, hoping that the invention of atomic weapons could be undone or neutralized, proposed a ban on testing. It was assumed that, given adequate detection equipment, any nuclear explosion anywhere on the globe could be detected without difficulty. Consequently, cheating would be impossible and a test ban would be self-enforcing. As a result, the development of nuclear weapons would be delayed or stopped, and the specter of nuclear holocaust eliminated.

Geneva, 1958: Science turns political

In 1958, American, British, and Soviet scientists met in Geneva to determine the nature, performance characteristics, and size of an international detection system which would be needed to control compliance with a test ban. The theory was that the inspection system should be constructed according to the findings of objective scientists, i.e. a reliable detection system was to be the prerequisite for a political test ban agreement, the system was to possess as much reliability as the scientists were able to build into it, and the political compact was to insure the construction and operation of the detection system, substantially as the scientists recommended it.

The findings of the first Geneva scientific conference reflected many concessions by American scientists to Russian scientists. Russian negotiators were setting forth arguments inspired by political decisions, and some of them were not very familiar with the problems under discussion. American negotiators were interpreting scientific facts as loosely as possible in order to ensure that the negotiations not be broken off prematurely. It turned out later that much of the information on which the initial Geneva recommendations had been based, was invalid. The conferees had taken the "easy way out" by disregarding such outstanding questions as the technology of cheating, or even the feasibility of underground and space testing. Subsequent scientific conferences had to be called to cover some of the gaps, but to this day such crucial questions as techniques of evasion still remain to be discussed, and great uncertainty about the requisite number and performance capabilities of control stations persists. For example, the number of control stations recommended at Geneva implicitly assumed that the test violator would cheat on or under terra firma but not at sea.

Careful study of the various Geneva documents shows that even in theory it is quite impossible to build a dependable detection system. In the political reality, only more or less phony detection systems are practical. Nevertheless, the test ban negotiations were continued and the unduly optimistic Geneva recommendations were watered down step by step. During the past few years test ban negotiations have centered around inspection and control systems which would provide only uncertain protection. Great trust is placed in unmanned so-called "black boxes" which a dictatorial state should not find too difficult to tamper with. But even the number of these black boxes has been reduced to below the bare minimum—obviously it is easiest to tamper with the smallest black box system.

Thus, the terms "detection," "identification," "inspection," and "control" have become mere symbols, and no longer refer to substantive hardware systems. The strategy of the test ban proponents has been to bring about a treaty in which lip service is paid to the need for inspection, for example, but in which provisions are made only for a pro forma inspection system. Shadowboxing of this sort is necessary to obtain the required public support.

Naive and biased test ban advisers

Many American policymakers have been sympathetic to test ban proposals for reasons not directly connected with American military security. Some have held that by pushing the test ban negotiation, the "image" of the United States would gain, notably in the underdeveloped areas. These proponents are forgetting entirely that a country which fritters away its basic strength and which is susceptible to being fooled by its opponent, is bound to lose prestige. Others hoped that the emplacement of a worldwide inspection system would open up presently closed societies—entirely forgetting that no dictatorial regime would acquiesce in a test ban if it involves the demise of the dictatorship, and overlooking the fact that a few inspectors digging a few holes in isolated mountain wastelands hardly can have political impact.

Unfortunately, many American decisions on test ban negotiations resulted in part from misinformation which was fed to decision-makers and from a personnel policy through which test ban advocates were placed at focal positions throughout the Government, while their critics were silenced or removed.

Many of the U.S. scientists who presently are advocating for a test ban agreement, in 1949 were arguing against ICBM's and hydrogen bombs. Some of these people were then arguing that the United States did not need fusion devices and that if it did develop hydrogen weapons, the Soviets would be put in a position to copy the technology—yet at the time these arguments were set forth, the Soviets already were busy working on fusion weapons of their own design. If the advice of these experts had been followed, the Soviets would have gained a monopoly in ICBM systems with highly effective warheads and might have been in a position, sometime during the 1950's, to defeat the United States with little risk to their own survival.

Most of the American nuclear scientists who presently favor the test ban as a device to stop the arms race, to avoid nuclear holocaust, and to obtain mutual accommodation between the United States and the Soviet Union have not taken the trouble to study communism, its objectives and action patterns. They have not familiarized themselves with Soviet strategy. They have no understanding of how the test ban, or rather the Communist protest ban propaganda, fits into the strategy of the Kremlin. Some assume naively that the Soviets are interested in the test ban as a step to securing world peace as we understand this term in the United States. These people would be highly surprised to learn that in Communist "Aesopian" semantics, the expression "lasting peace" is synonymous with "fully established worldwide Communist dictatorship after the elimination of all actual and potential forces of opposition and resistance."

It should be pointed out that some of the scientists favoring a test ban very often have been wrong in their scientific estimates. In particular, many have a record of denying feasibility of certain technical developments which later proved entirely feasible. The history of the H-bomb, among others, gives ample illustrations of this point. In other words, scientific interpretations have been bent to conform to political desires.

Soviet test ban strategy: Weapons superiority

The test ban was advertised as a "first step" to a broader agreement with the Soviets. It was argued that since both the Soviets and ourselves are interested in avoiding nuclear destruction, the test ban would satisfy an identical mutual interest, consequently, it would be feasible despite the cold war. Unfortunately, the assumption of a common mutual interest in strategy is fallacious. True, the Soviets don't want to be blown up, just as we don't want to succumb in a nuclear exchange. But the Soviets do not have the slightest interest in the survival of the United States or even the American people. They are interested in their own survival and victory, and in our destruction. Similarly, they are not interested in slowing down the technological race. Their interest is to slow down the technological progress of American weapon systems.

A relative slowdown of American nuclear progress was precisely what the Soviets achieved through the first unpoliced weapons moratorium. Secretary of Defense Robert S. McNamara on March 3, 1962, stated that the Soviet test series of 1961—by which the Soviets broke the de facto moratorium which had existed since October 31, 1958—made it "mandatory for the United States to examine our present and projected capabilities very closely" emphasizing that weapons systems development "is a dynamic technology similar to many industrial technologies," Mr. McNamara reassured Americans that as of March 1962, "The weapons in the arsenal of the free world are adequate to meet the strategic objectives of the present." However, he added the warning that "every effort must be made to insure" that these weapons "do not in fact become obsolete in their relationship to capabilities of a potential enemy."

In discussing the Soviet test series of 1961, Mr. McNamara characterized it as an "extensive weapons development effort." The implications of continuing the moratorium on atmospheric testing by the United States would be very grave indeed: "It would only be a matter of time before the present powerful U.S. nuclear strategic advantages would begin to diminish in relation to Soviet force capabilities and might ultimately shift in favor of the U.S.S.R." The United States, therefore, was forced "to recognize the extreme importance of the so-called 'technological momentum' as applied to this aspect of national defense." In other words, nuclear technology is progressing very fast, and American security policies must be based on a sober recognition of this central fact.

President Kennedy, in his address of March 2, 1962, indicated that the Soviet tests of 1961 "reflected a highly sophisticated technology, the trial of novel designs and techniques, and some substantial gains in weaponry." The President emphasized that the Soviet test series had as a "primary purpose * * * the development of warheads which weigh very little compared to the destructive efficiency of their thermonuclear yield," thus implying that the Soviets succeeded in increasing nuclear efficiency in terms of the yield-to-weight ratio. The increase of nuclear efficiency is one of the most significant factors governing weapons design. Not surprisingly, therefore, the President disclosed "in all candor that further Soviet series, in the absence of further Western progress, could well provide the Soviet Union

with a nuclear attack and defense capability so powerful as to encourage aggressive designs. Were we to stand still while the Soviets surpassed us, or even appear to surpass us, the free world's ability to deter, to survive and to respond to an all-out attack would be seriously weakened."

The President added that the United States "cannot make similar strides without testing in the atmosphere as well as underground" and that "in many areas of nuclear weapons research we have reached the point where our progress is stifled without experiments in every environment."

The President added another discouraging observation: as of March 1962, the Soviets had tested 30 high yield devices, while the United States had tested only 20 devices in the megaton range. It should be added that the United States never tested devices of a yield as high as those tested by the Soviets. Furthermore, as a result of the 1962 Soviet test series, during which they exploded at least 11 megaton shots, including two of about 30 megatons, the relative Soviet advantages over the United States in the high yield area should have increased further—unless we assume that we are smarter than our opponents and obtain better results through half the number of tests.

The 1961 tests provided the Soviets, as President Kennedy pointed out, "with a mass of data and experience on which, over the next 2 or 3 years, they can base significant analyses, experiments, and extrapolations, preparing for the next test series which would confirm and advance their findings." Chairman CHET HOLIFIELD, of the Joint Committee on Atomic Energy, on March 2, 1962, reiterated this same point: "Should the Soviets build upon their last series of tests with another series, the free world could be in great danger."

It so happens that the Soviets, during 1962, indeed conducted an additional, very extensive series of tests. According to U.S. announcements there were at least 34 shots. As soon as they concluded this second test series, they promptly made a "concession" to restart the test ban negotiations in earnest.

Political pressures devalue U.S. tests

It is true that the United States also tested during 1962, but as appears from Secretary McNamara's statement of March 3, 1962, as well as from many other statements and indications, the American tests were put under stringent operational limitations. There is a great difference in a test series designed to gain a maximum of scientific data and another in which many of the research requirements are subordinated to political apprehensions leading to inflexibility in scheduling events to sharp curtailments of yield.

One of the objectives of American testing was stated succinctly by Secretary McNamara: "Since the actual high altitude physical environment cannot be duplicated below ground, it was recognized that on the basis of technical developments in nuclear weaponry, the United States under the present conditions has no alternative but to proceed with an atmospheric test program." In this connection President Kennedy referred to Soviet high altitude nuclear explosions—"in one case over 100 miles high"—explaining that our opponents were seeking information on the effects of nuclear blasts on radar and communications and that this sort of testing constituted an important step in the development of an antimissile defense system. On the basis of these disclosures, it should have been expected that the U.S. high altitude tests would be pressed with vigor. But as soon as our high altitude tests ran into a number of technical difficulties and propaganda headwinds, the effort apparently was greatly scaled down.

With one known exception, the Soviet test shots were all atmospheric, whereas the majority of ours were underground In my judgment, much of the criticism of underground testing is ill-considered but it is true that certain tests must be conducted in other media. Hence an underground testing program, if it is to produce satisfactory results, must be larger in scope than an equivalent atmospheric program.

The plan was, as Mr. Kennedy announced last March, that "we will be conducting far fewer tests than the Soviets." Actually we attempted during 1962 about 103 shots—41 atmospheric, 2 underwater, 55 underground, 2 joint United States-United Kingdom underground, and 3 at high altitude, of which 2 were failures—but apparently less than a handful were genuinely high-yield tests. If the two Soviet test series of 1961 and 1962 are compared with our tests since the rupture of the moratorium, it appears that the Soviets detonated about 90 devices, including 25 of high yield, while the United States shot about 115 devices, with an absolute minimum of explosions in the megaton range.

Naturally, the number of Soviet tests as announced by USAEC must be considered to be a minimum figure: AEC may have missed a few shots, and it may not have announced all it knew; in particular, their figures do not include more than one Soviet underground shot. In the absence of a detailed analysis, one might infer (perhaps quite wrongly) that in general, progress in both countries probably was about even. However, with a high degree of confidence one could conclude that the Soviets now enjoy a lead in the capability of designing high-yield weapons.

To control the amount of radioactivity released during test series by testing underground, is neither unwise nor undesirable. The simple fact, however, is that the significance of tests with no holds barred is considerably higher than of those tests where one of the main intentions is just to go through the motions, and to advance physics rather than weaponry. I do not know whether the Soviets or we progressed farther during 1962, but to judge from the manner in which the two test series were conducted, the Soviets should have achieved substantially greater improvements in their relative strategic position.

Who now has nuclear superiority?

The possibility that there might now be in process a reversal in the strategic balance of power was spelled out with great clarity by Adm. Chester C. Ward on February 8, 1963, in his statement to the GOP conference committee on nuclear testing. He asserted that the Soviet weight-to-yield ratio which before 1961 had been about twice ours, by 1963 had leap-frogged over our capability. Irrespective of what the exact figures are, our previous lead, it is generally agreed, has diminished and may be disappearing. The Soviet weight-to-yield improvement apparently was particularly impressive in the large and superyield categories. Admiral Ward deduces from this fact that the Soviet stockpile of 1961 which was estimated at 20,000 megatons, in theory, could be reworked without addition of any new nuclear materials, into a stockpile of far larger dimensions. It is well to observe that a stockpile, to be militarily effective, must be deliverable. But it is also important to realize that the Soviets, through their test ban strategy, are attempting a reversal in the global nuclear power contest. They are aiming at superior nuclear efficiency, and through a technological quantum jump, at a vast enlargement of their weapons stockpile, as expressed in terms of megatons.

It is most discouraging, to say the least, that prior to ordering the temporary cessation of underground tests on January 26, 1963, neither the President, nor the Secretary of Defense, nor the Chairman of the Atomic Energy Commission, felt a need to report to the Nation about the nuclear events of the past year. They did not disclose any information, let alone exact data, as to whether, as a result of the recent American tests, our lead which had become narrower by the end of 1961, again had been increased in American favor. If our advances had been spectacular, perhaps a temporary and very short suspension of our tests would have little meaning, even though the President stated in March 1962: "The basic lesson of some 3 years and 353 negotiating sessions at Geneva is this—that the Soviets will not agree to an effective ban * * * as long as * * * a new uninspected moratorium or a new agreement without controls, would enable them once again to prevent the West from testing while they prepare in secret."

The United States, on January 20, 1963, had again discontinued testing at a moment when the Soviets had done all the testing they planned to do and needed the time to digest the information. That this decision was based upon another misreading of Soviet intentions appeared speedily and on February 1, 1963, resumption of testing was ordered. But complicated programs cannot be turned off and on like water without falling to pieces. Nuclear security is not an area for playing a diplomatic cat-and-mouse game.

CHAPTER II

The test ban: a Soviet strategy for unilaterally disarming the West

There is a widespread assumption throughout the United States, and particularly among scientists, that the Soviet Union presently pursues a policy of "peaceful coexistence" and that this term means to the Soviets an attitude of live-and-let-live with the United States. Even if this is the correct interpretation, it does not follow that a test ban is desirable. The present policies of the Kremlin cannot be considered to be permanent. Technology continues to advance and requires constant endeavor.

"Peaceful coexistence"

But this wishful interpretation of peaceful coexistence is quite inaccurate. In his speech of January 6, 1961, for example, Khrushchev stated that peaceful coexistence, among other things "helps * * * the forces struggling for socialism, and in capitalist countries it facilitates the activities of Communist parties * * * it helps the national liberation movement to gain successes." Peaceful coexistence, according to the very architect of that strategy, "implies intensification of the struggle of the working class, of all the Communist parties, for the triumph of Socialist ideas." It is "a form of intense economic, political, and ideological struggle of the proletariat against the aggressive forces of imperialism in the international arena." "Peaceful coexistence of states does not imply renunciation of the class struggle * * * the coexistence of states with different social systems is a form of class struggle between socialism and capitalism."

Khrushchev summed up the essence of his current strategy as follows: "The policy of peaceful coexistence is a policy of mobilizing the masses and launching vigorous action against the enemies of peace."

The Communist magazine National Affairs Monthly (February 1955) made the point very explicit by saying: "peaceful coexistence does not take away from the right of the peoples to change their governments * * * but presupposes this right. The idea that peaceful coexistence must include the maintenance of the status quo is imperialist propaganda."

"Sincere" disarmament

Another widespread illusion is that the Soviets want disarmament "sincerely." The Communists are indeed very sincere about desiring U.S. disarmament but they don't have the slightest intention of disarming themselves. It is patently unfair to accuse

the Communists of insincerity in these matters because they did state what they want very clearly. Insincerity, by contrast, must be ascribed to those Americans who deliberately ignore the Communist message.

The Communist doctrine on war and disarmament has been entirely consistent since the times of Marx and Engels. For the Soviet Union the doctrine was laid down explicitly by Lenin. For example, in 1916, Lenin stated: "Only after the proletariat has disarmed the bourgeoisie will it be able, without betraying its world historical mission, to throw all armaments on the scrap heap." In 1917, he said: "We are no pacifists * * * we have always declared that it would be stupid if the revolutionary proletariat promised not to wage revolutionary wars which might become indispensable in the interest of socialism."

In 1928, the resolutions of the Sixth World Congress of the Communist International disclosed: "The aim of the Soviet proposals (for general and complete disarmament submitted in November 1927) is * * * to propagate the fundamental Marxian postulates that disarmament and the abolition of war are possible only with the fall of capitalism."

In the same vein, Khrushchev, during the 20th party congress in 1956, made this interesting "dialectic" statement: "Putting into effect a policy of peace our party considers it to be its most important duty to strengthen untiringly the gallant and glory-covered armed forces of the Soviet state—our army, navy, and air force; equip them with the latest technology * * *."

On October 20, 1960, Khrushchev spoke about the need to "force" the capitalist countries to come to an agreement on disarmament. Similarly, at a meeting of representatives of 81 Communist parties, in December 1960, the directive was laid down that "an active determined struggle" had to be waged to "force the imperialists into an agreement on general disarmament."

In his speech of January 6, 1961, Khrushchev quoted Lenin to the effect that it was necessary to establish "contacts with those circles of the bourgeoisie who gravitate toward pacifism." A Russo-German military dictionary published in 1962 by the Military Academy of Communist East Germany defined liberal pacifism as "impotent peace sentimentality" which serves to bemuse the masses. It adds: "The Communists have never been pacifists" but "fight against unjust wars and support, with all means, just wars." The current world peace movement, the dictionary avers, is different from "pacifism" in that it conducts an "active offensive struggle against the danger of war. The best elements among the pacifists support the world peace movement. Imperialist agents are attempting to carry pacifism into the Socialist countries * * * to weaken their defensive power. Therefore pacifism is fought energetically in the Socialist countries."

On January 6, 1961, Khrushchev made points which should be remembered by every American: "The struggle for disarmament * * * is an effective struggle against imperialism." This struggle is also "an active struggle against imperialism" but above all, it is an active struggle "for restricting its military potentialities."

In the very next sentence, after he explained that the purpose of the Communist disarmament policy is to weaken the military power of the United States (this is a translation into English of Khrushchev's "Aesopian" version that disarmament is an active struggle to restrict the military potentialities of imperialism), he insisted that "peoples must do everything to achieve the prohibition and destruction of atomic weapons." The achievement of both a nuclear test ban and the cessation of production of nuclear materials have been assigned as a high priority objective to the Communist world movement since 1956. Can a Communist objective really be in U.S. interest? Did they err in assuming the test ban agitation serves their purposes? Or are we wrong in thinking it helps our cause?

Perhaps the clearest statement was made by Khrushchev to the World Congress on General Disarmament and Peace on July 10, 1962: "The struggle for general disarmament facilitates the struggle for national independence. For their part the successes of the national liberation movements strengthen the cause of peace, contribute to strengthening the struggle for disarmament. Disarmament means disarmament of the forces of war, the liquidation of militarism." The meaning of the last sentence is again that the U.S. should be disarmed but not the U.S.S.R.

"Just" war

In his recent book on military strategy, marshal of the Soviet Union, V. D. Sokolovsky specifically argued that the invention of nuclear weapons in no way changed the character of war. He opposed the contention that nuclear war was unthinkable and that war no longer could be considered as the continuation of politics by forceful means. According to the Sokolovsky book, war remains an instrument of politics, a concept which, incidentally, coincides closely with Mao Tse-tung's dictum: "Whether shields and spears are used as in ancient times, or modern weapons, the objective of warfare remains the same."

In brief, as V. Cherpakov, a representative of the Soviet Ministry of National Defense expressed it in 1954, "Communists link the cause of peace with the cause of victory of the proletarian revolution." Lenin originally defined the purpose of Soviet disarmament policy as being to disarm the bourgeoisie and arm the proletariat. Khrushchev, in January 1961, phrased it slightly differently: "The slogan of the struggle for peace does not contradict the slogan of the struggle for communism."

These statements must be read with the understanding that the Soviets firmly adhere to the doctrine of "just war," i.e., of wars fought to overthrow "oppressing classes," are legitimate and may have to be fought. The above quoted dictionary states that a "distinction of the character of war according to its conduct (offensive or defensive war) is false." It also avers that "just wars" occur particularly frequently in our modern era and clarifies the key point: if it were to come to a war between "imperialism" and the "socialist camp," this war would end "inevitably with the victory of socialism and the complete liquidation of imperialism. It would be the last war in history, on the part of socialism the most just, and on the part of imperialism the most unjust of all wars."

In October 1962, the World Marxist Review, the theoretical organ of world communism, wrote that "general disarmament does not mean disarming the peoples fighting for national liberation. On the contrary, it would deprive the imperialists of the means to halt progress and crush the struggle for independence * * * disarmed, the imperialists would be powerless to prevent the people from attaining freedom. Disarmament primarily means dismantling the gigantic war machines of the highly developed countries," i.e., the United States.

It should be emphasized that these quotes are just a sample and could be multiplied virtually ad infinitum. The wishful notion that the Soviets have abandoned all intentions to go to war against the United States just cannot be supported by any dependable evidence.

"THE TEST BAN: AN AMERICAN STRATEGY OF GRADUAL SELF-MUTILATION"—CHAPTERS III AND IV, BY STEFAN T. POSSONY

Mr. HALL. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. ARENDS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman Missouri?

There was no objection.

Mr. ARENDS. Mr. Speaker, I am pleased to insert at this point in the RECORD, chapters III and IV of an article entitled "The Test Ban: An American Strategy of Gradual Self-Mutilation" by Stefan T. Possony, of the Hoover Institution:

CHAPTER III

The test ban: A Soviet strategy for military superiority

At this stage of the game, the Soviet Union is not yet in a position to carry through its plans for world conquest or, to put it differently, to complete the world revolution. The ultimate victory of communism necessitates the elimination of the United States as a military power, preferably through surrender but through nuclear war if otherwise unattainable.

Surrender cannot possibly be achieved unless and until the Soviet Union acquires a vast qualitative and quantitative preponderance in nuclear firepower, means of delivery and defensive weapons. Nuclear war cannot possibly be waged, let alone won, by the Soviet Union against the United States unless the Soviet forces are militarily vastly superior and in particular capable of inflicting heavy initial destruction on, or even crippling U.S. retaliatory forces by means of a nuclear surprise attack, as well as fending off and absorbing any strikes by residual American capabilities.

To achieve a posture where, by one means or the other, the Soviets can impose their will on the United States and the rest of the world, they must yet accomplish considerable advances in nuclear weapons systems. Marshal Sokolovsky's book is permeated by the twin ideas that modern conflict is nuclear in character and that it is necessary for the Soviets to win the technological race. He emphasized that the "appearance of qualitatively new types of weapons and war materiel and their rapid introduction into the armed forces" is a distinguishing feature of modern war and concluded that "the armed forces of the Soviet Union and the other socialist countries must be prepared, above all, to wage war under the conditions of massive use of atomic weapons by both belligerent parties."

In connection with U.S. reluctance to share nuclear weapons with our allies and our inclination rather to risk the destruction of NATO than the "proliferation" of nuclear weapons, note Sokolovsky's reference to the "other Socialist countries." This passage seems to indicate that the Soviets may be willing to "share" their nuclear weapons with at least some of their satellites. The Russo-German military dictionary also dealt with this problem and stated, somewhat ambiguously, that the U.S.S.R. is compelled "to produce the most modern nuclear arms and to equip with those weapons the Socialist armed forces for the defense of the Socialist camp."

According to Sokolovsky, nuclear weapons which achieve "incomparably better results than ordinary means of destruction * * *

can be used for the solution of problems on every scale: strategic, operational, and tactical." His conclusion is: "The correct and profoundly scientific solution of all the theoretical and practical questions related to the preparation and waging of just such a war (nuclear war) must be regarded as the main task of the theory of military strategy and strategic leadership."

There are, of course, numerous statements indicating that Soviet scientists are fully alive to the potentialities of rapidly advancing nuclear technology, including statements showing their awareness of revolutionary new approaches like neutron bombs and even particle annihilation. Soviet awareness of the feasibility and utility of neutron bombs dates back to 1952. V. S. Yemilyanov, member of the Soviet Academy of Sciences, a strong influence within the Soviet nuclear program, and director of Glavatom, the Soviet AEC, between 1960 and 1962, suggested in Izvestiya on August 31, 1961, that if it were feasible to bring about particle annihilation, for example by "uniting the proton and the antiproton" and thus transforming the particle mass completely into radiation, the highest release of energy would be accomplished, "approximately a thousand times greater than through thermonuclear fusion." There is no point in viewing this particular theoretical statement with alarm. The quote is given merely to illustrate the direction of Soviet thinking, not to suggest that the Soviets are presently embarked upon a program of particle annihilation. By contrast, there is every reason to assume that they are busy developing the neutron bomb.

The Soviets are indeed sincere in pushing the test ban—as a stratagem to slow down American technological progress, nuclear and nonnuclear, in order to facilitate the winning of the technological race by the Soviets. It is inevitable that a decline in the rate of nuclear progress will affect the design of all delivery and defense systems.

It is true that as compared with the first round of the test moratorium, a simple verbal commitment no longer seems acceptable to the United States. This point was stressed by the President last spring. Consequently, to slow down American nuclear programs again, Khrushchev may be prepared to make a slight concession in the hope of achieving a second moratorium round. The Soviets intimated that they would allow three—or perhaps only two?—inspections and the installation of detection equipment at three points selected by the Soviets themselves. In 1958, Soviet and Western scientists envisaged a quota of 27 inspections and 21 monitoring stations. It is a foregone conclusion that an inspection system acceptable to the Soviets will be in no position to inspect anything of importance, let alone verify that no clandestine testing is taking place.

A careful reading of Khrushchev's communications to President Kennedy leaves some doubt as to what the Soviet Union is ready to "give." In his letter of January 7, 1963, he stated: "We believe and we continue to believe now that, in general, inspection is not necessary and if we give our consent to an annual quota or two or three inspections this is done solely for the purpose of removing the remaining differences for the sake of reaching agreement." However, in his letter of December 19, 1962, Khrushchev referred to "Ambassador Dean's statement, the United States would also be prepared to work out measures which would rule out any possibility of carrying on espionage under the cover of these inspection trips including such measures as the use of Soviet planes piloted by Soviet crews for transportation of inspectors to the sites, screening of windows in the planes, prohibition to carry photocameras, etc."

And again in his second letter, Khrushchev wrote: "Of course, in carrying out on-site inspection there can be circumstances when in the area designated for inspection there will be some object of defense importance. Naturally, in such a case it will be necessary to take appropriate measures which would exclude a possibility to cause damage to the interests of security of the state on the territory of which inspection is carried out."

Assuming that the verification of a cheat explosion would damage the "interests of security" of the U.S.S.R., it would appear that the inspectors will not be allowed entry to the places were evasions have occurred and can be confirmed.

Whether or not the Soviets will, for a long period of time, cheat, for example underground, or at a time of their choosing resume atmospheric tests openly, is conjectural. The point which in terms of international law is of overriding significance is this: The Soviet Constitution specifically authorizes the Government of the Soviet Union to abrogate any international agreement or treaty at any time unilaterally (art. 49–0).

CHAPTER IV

The test ban: an American strategy for military inferiority

In times past, some American scientists have argued that, in the advance of nuclear weapons, a sort of a plateau was reached. In terms of nuclear efficiency, not too many additional improvements could be expected; moreover all, or practically all, bright design ideas which would be useful for weapons uses, already had been proposed. The possibility of further discovery and progress was not denied but the significance of such progress for U.S. security was questioned. Sometimes it was intimated that U.S. security would be served better if further progress were inhibited. Such ideas were propagated many years ago and set forth with considerable conviction during 1958. Undoubtedly, these same notions are repeated today, despite the fact that events disproved these expectations.

Even a cursory reading of technological history will show that basic inventions (like electricity or electronics) do not run their course within a 20-year timespan; the development curve of nuclear physics hardly will have a unique shape of its own, nor be the shortest of all major inventions.

If a scientist does not foresee possibilities of future developments, his contentions are in the nature of statements on his own limitations but cannot be considered as predictions of things to come.

Other scientists argued that the yield of nuclear weapons in the American arsenal has reached an upper limit of practical usefulness. This type of argument depends on many assumptions, few of which ever are made explicit. Surely, as the putative opponent hardens his installations to secure them against nuclear attack, yields must be increased to keep pace with such hardening. Yield requirements also depend, among other factors, on accuracy and on the strategy adopted. For example, a strategy designed to knock out cities can do with relatively low yields but a counterforce strategy, as announced by Mr. McNamara, needs rather hefty yields.

It is, of course, true that yields and numbers may be "traded off" against each other; and it may even be preferable to launch against a target 10 missiles with 10-megaton warheads each, instead of 1 missile with a 100-megaton warhead. But according to this arithmetic 10-megaton warheads and 10 missiles would be required. Naturally, we have no program to augment the number of our missiles to the enormous quantities needed to maintain an effective firepower balance, and even if this were the plan, we could not afford the cost. In addition, we are mostly buying missiles with warheads in the low megaton range. Perhaps one 100-megaton missile does not equal fifty 2-megaton missiles, but what is the ratio according to the administration? On a straight firepower basis, 2,000 Minutemen and Polaris with yields augmented through testing would be the equivalent of eighty 50-megaton Soviet missiles. In such a confrontation, we would be far more seriously deterred by fallout dangers than our opponent.

It is true that the overall cost of the superyield missile would be much higher, perhaps twice or three times as high as the cost of smaller missiles. Hardening, in particular, would call for very heavy expenditures. The Soviets, however, could dispense with hardening their large missiles, because presumably they would use them for a first strike, while we are obligated to keeping our missiles for retaliatory operations. The superyield missile also possesses the advantage of a very high single shot kill probability.

Against these reasons favoring increases in yield, the argument is customarily being made that increased accuracy would achieve the same result as the augmentation of yield. In other words, a bull's-eye with a 1-megaton missile may be more effective than a miss by 1 mile with a 100-megaton missile. Actually, for a 1-megaton missile to achieve the same kill effectiveness as a 100-megaton missile, its accuracy must be almost five times greater. For all practical purposes, this would mean that an intercontinental missile requires a CEP of around 1,000 feet. Accuracies of this order of magnitude are extremely hard to attain and they may require gear which would reduce the payload of the missile, in addition to greatly increasing its cost. It is generally admitted that improvements in accuracy above a CEP of 3,000–4,000 feet follow an asymptotic curve.

Thus, it is technologically far easier and economically far cheaper to improve the effectiveness of missiles by increasing yields, rather than by trying "shoot for the moon" in accuracy. If, in addition, accuracy should improve according to a normal growth curve, the effectiveness of a superyield weapon would be enhanced as a bonus.

It should be added that a superyield weapon, in a sense, anticipates the first generation of anti-missile missiles: the superyield weapon can be exploded at a very high altitude and still cause a great deal of damage. The small yield missile must be detonated at a far lower height over the target. If anti-missiles force the height of burst upwards—the incoming missile would be set to explode before it is intercepted—the effect of the explosion would be negligible.

In any event, the Soviet Union clearly has embarked on a course of maximizing the yields of its warheads and bombs. Whether or not this is desirable, it is incumbent upon the United States to acquire the technological know-how and the equipments which would allow our forces to use yields at least as effective as the opponent. The "escalation" to our detriment from a lower to a higher level of nuclear violence, can be prevented only if U.S. yield and overall firepower capabilities exceed those of the U.S.S.R. The implied message of Khrushchev's speech of January 16, 1963 is this: a thermonuclear showdown with the United States is infeasible so long as ways have not been found to reduce substantially the amount of deliverable firepower held by the United States. Is it our intent to help Khrushchev solve the most crucial task confronting his strategy of world revolution?

Many scientists have argued the desirability of slowing down technological progress. There is indeed no doubt that if technology could be decelerated, weapon systems would obsolesce much more slowly and military expenditures could be reduced.

Unfortunately, technology is in the nature of an impersonal force. Hence it can be influenced only in a very limited fashion. Certainly, it is feasible deliberately to slow down one's own technology, for example by starving R. & D. budgets and stopping experimental physics in the form of a unilateral test ban. But such a unilateral decision does not necessarily influence the rate of technological progress in the Soviet Union. In fact, the European states, formerly the leaders in weapons technology, have slowed down almost to a standstill, but their security was not helped by this forbearance. They would have bet their independence if the United States had stepped out of the technological contest, too.

If we decelerate American technology now, the main result will be that the Soviet Union will achieve technological superiority which it can and will use to destroy the United States. Let us not forget that the Soviets operate in line with a command issued by Khrushchev as recently as January 16, 1963 at Berlin: "The duty of Communists at the helm of state power is to do everything possible to insure that our strength will grow."

It would be definitely to American advantage if, for example, Soviet advances in nuclear efficiency could be stopped. But if we were to enter into a test ban now—and assuming the test ban would work as expected by its proponents—we would be stabilizing a military situation which is most unfavorable for our strategy of not striking the first blow. The present technological situation favors aggression and renders defensive warfare almost unmanageable. Actually, if a test ban were consummated, we would only be making this situation worse by allowing the Soviets, through clandestine testing, to acquire strategic missiles and bombs with a higher effectiveness than our own. Whether Soviet knowledge of the effect of high altitude explosions facilitates their planning for a surprise attack or not, our lack of warheads most suitable for anti-ICBM weapons and the relative inefficiency, and cost, of our current tactical nuclear weapons would facilitate Soviet attack against the United States and Europe.

To put it differently: nuclear technology presently has produced the most potent offensive weapon systems of history. This brutal fact certainly does not stabilize the international situation. If, against the trends of the past two decades, we want to stabilize international life, we must be able to reduce the relative advantages of aggression. Hence it would not be to our benefit to decelerate or stop nuclear technological progress before some balance between the offense and the defense has been reestablished. By interfering with U.S. technological progress now, we facilitate a Soviet strategy of agression and expose ourselves to the danger of military defeat. Let us not forget that in his Berlin speech of January 16, 1963, Khrushchev reiterated one of the oldest points in Communist conflict doctrine, viz that "especially in countries which have suffered defeat, a favorable situation arises for the victory of the working class."

As we analyze official U.S. statements on recent Soviet test series, it appears that these were designed to improve existing nuclear technology. Their progress in the yield-to-weight ratio has given the Soviets two additional options and thereby that increased flexibility to which we pay lipservice: they can increase the yield of their individual weapons, both missile warheads and bombs, and they are able to utilize their improved nuclear efficiency, if they so desire, to reduce the size of their missiles, while preserving very significant yields. Since in addition, the Soviets have been using their recent tests to improve their antimissile capabilities, it is apparent that they are making considerable strides in augmenting the threat they are holding out against the United States. The United States, in turn, is in dire need of increasing the explosive strength of practically all its missiles, and it too has requirements for antimissile defense.

All this, however, has been, and still is in the nature of evolutionary improvements in existing technologies. To forgo technical progress which still can be achieved would be a far greater strategic sacrifice for the United States than for the Soviet Union, simply because we are operating, by and large, under a second strike nonaggressive strategy. But the crucial issue of the test ban revolves around a problem which is far more basic than a matter of mere evolutionary improvement. In the present period the issue is not whether we want to assure continued technological progress in abstracto, nor whether we can afford to stop experimental tests undertaken for the purpose of chance discovery. The specific question which is the guts of the test ban decision, is whether or not the United States should develop so-called neutron bombs and pure fusion weapons.

"THE TEST BAN: AN AMERICAN STRATEGY OF GRADUAL SELF-MUTILATION" CHAPTERS V AND VI, BY STEFAN T. POSSONY

Mr. HALL. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MILLER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman Missouri?

There was no objection.

Mr. MILLER of New York. Mr. Speaker, I am pleased to insert at this point in the RECORD chapters V and VI of an article entitled "The Test Ban: An American Strategy of Gradual Self-Mutilation," by Stefan T. Possony of the Hoover Institution:

CHAPTER V

The test ban and the neutron bomb

For years, a great deal of misinformation has been propagated about the neutron technology. It is remarkable, to say the least, that opponents of the neutron development—and they are more or less the same people who opposed the H-bomb and otherwise have excelled by "cautious advice"—have been very vociferous, whereas the scientists with firsthand knowledge on the subject have been unable to speak out or even to correct false and falsified information.

It has been suggested, for example, that the neutron bomb could not be perfected for nearly half a century; that even if the scientific problem could be licked, no useful weapons that would be light and compact enough for practical use could be developed; that, even if a weapon were available, it would have barely any military use; and that it would be very easy to achieve protection against neutron weapons.

It is patently impossible to state with finality when a weapon development will be completed, and to predict exact design and performance characteristics, before the weapon has been tested, developed, and perfected. The optimist is not always right, and the pessimist not always wrong. It is nevertheless incredible that supposedly responsible people are setting forth arguments for which there is no basis in fact. This observer, for one, has gained the conviction that many of these evaluations of future weapons do not reflect professional knowledge and judgment but rather emanate from political considerations, notably from wishful thinking on how the conflict with the Soviets could be settled.

It is remarkable that, despite the fact that a debate on the neutron bomb has been going on for some time, the Government has not seen fit to publish basic information on the subject.[1] Thus, as of 1963 we have presented to the American people less information regarding it than Soviet scientists presented as of 1958 to the International Conference on the Peaceful Uses of Atomic Energy at Geneva. The fundamental design idea of the neutron bomb was explained by the Russian physicist L. A. Artsimovich, who also disclosed that the Soviets apparently were interested in this technology as early as 1952. Here is his explanation:

"A pulsed thermonuclear reaction may also be possible under conditions when a high temperature is reached during the compression and implosion produced by a charge of conventional explosives (such as TNT or something more powerful) surrounding a capsule of deuterium or a mixture of deuterium and tritium."

In simple terms: an atomic bomb is a device by which an explosion is achieved through the fission of uranium, plutonium or perhaps thorium; the hydrogen bomb is a device by which an explosion is obtained through the fusion of hydrogen, brought about initially through a fission explosion; a neutron bomb is a device by which an explosion is accomplished through the fusion of the heavy isotopes of hydrogen, namely deuterium and tritium. If the fusion of the heavy hydrogen isotopes is achieved without initial fission, but by nonnuclear means we would have an all-fusion weapon.

The term "neutron bomb" refers to the fact that unlike fission and fission-fusion bombs, which produce mostly heat and blast, the energy released from the fusion of the heavy hydrogen isotopes will be largely in the form of neutrons. A Soviet colonel by name of M. Pavlov has given more exact data:

"In the reaction of the nuclear fission of uranium or plutonium, the neutron flow comprises about 1 percent of the total weight of the nuclear charge. The kinetic energy of the neutrons accounts for only 3 percent of the total energy of the explosion. * * * In a thermonuclear bomb * * * as much as 20 to 33 percent of the total weight of the nuclear charge is used in the creation of a neutron flow and a considerable part of the energy of the nuclear explosion is accounted for by the kinetic energy of the neutrons."

The neutron weapon is therefore different in kind from other nuclear weapons, not only because it has an entirely different ratio between heat, blast, and radiation, but also becaus it differs in the nature of the radiation and in the penetrating power of the released neutrons.

The neutron weapon kills people and except in the area of immediate impact, does not destroy equipment, installations or housing. Another characteristic of this weapon is that on a yield-by-yield basis, its effectiveness against personnel extends over a greater radius than that of other nuclear weapons. Hence the yields needed to incapacitate targets can be reduced, in practically all cases by one order of magnitude or better.

In addition, the weapon does not result in uncontrolled fallout which, it is generally agreed, would be the main cause of the ulti-

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[1] An American blackout of the discussion on space flight preceded the surprise ascent of sputnik in 1957.

mate cost of nuclear war. More specifically, it would cause very little genetic damage and it would result in a low disability rate, i.e. most of those casualties who escape death would have a full recovery.

The neutron weapon would allow conducting operations with great accuracy, making it possible to reduce the losses among the civilian population. The most basic cause of military destructiveness and the long duration of military conflicts always has been that in order to kill enemy troops, the surrounding territory had to be flattened, and weapons and logistics had to be destroyed. With the neutron weapon, much of this traditional requirement for destruction can be ignored. To destroy a company in a ditch, it will no longer be necessary to destroy an entire village; and to stop production in a factory, it will no longer be unavoidable to flatten an entire town.

It is true that protection against the neutron weapon can be developed; protection is always forthcoming ultimately. For the time being, however, the neutron bomb will have the upper hand over protective materials and measures that would be available on a battlefield. It is interesting to note that some of those who argue that defense against A and H-weapons is impossible, view the chances of protection against N-weapons very optimistically. Protection against neutrons is harder to come by, even in a normal fallout shelter.

The fact that through the accurate employment of neutron bombs casualties can be more or less restricted to the military force and that industries and cities may escape being smashed up, naturally would allow faster and more effective reconstruction after the war.

Mr. William C. Foster, Director of the U.S. Arms Control and Disarmament Agency, stated that "pure fusion weapons would not be of great advantage to us because they would constitute primarily a cheaper substitute for the explosive component in our already large stockpile of nuclear weapons." The above listing of some of the characteristics of the neutron bomb would indicate that a neutron device would be considerably more than just a "cheaper substitute" for existing weapons, but would be a new weapon with entirely new use patterns and effects. It should not be forgotten that this weapon would have features which, to the extent that any weapon can be "attractive," would be considerably more attractive from the humane point of view than existing fission and fusion weapons.

It is no minor matter by any means whether weapons are cheaper or more expensive. Perhaps it is true that cost reduction (if this were the only advantage to be gained from the neutron device) would be of marginal utility for our strategic systems. But this would certainly not be the case of our tactical weapons requirements, let alone of the requirements for air and missile defense which, if the statistics of past wars are any guide, will be very large. To turn this around: if we could combine in our missile defenses accuracy with large numbers we would possess so strong a defensive position that a Soviet first-strike strategy may become impractical. What is so wrong about this?

Moreover, the question of cheapness has a great bearing on the effectiveness of the NATO alliance. The United States should not be surprised to discover that our allies are getting somewhat restless when we base our technological policies on this sort of reasoning. What may be a minor economic advantage for us may mean the political survival of many of our friends as independent nations. It should be obvious that all-fusion weapons are economically far closer within the reach of Western Europe than fission and fission-fusion weapons, that they are well suited for European conditions, and that they would really improve the defense of Europe. If this is true, then it also is obvious that decisions on neutron weapons should not be made unilaterally by the United States.

The military significance of the neutron bomb has been deprecated by comments to the effect that it would have only tactical applicability and that we already are well provided for with tactical weapons. Disregarding the fact that the neutron device probably will be particularly effective in anti-missile defense, it is surely incorrect to state that the tactical nuclear weapons we now have are adequate in numbers and performance. With the present technology which is ruled by the requirement of the "critical mass," low-yield weapons are extremely costly and can be achieved only through the deliberate prevention of a higher yield for a given amount of fissile material, i.e., a low yield is achieved by willfully reducing efficiency. Cost price of present nuclear weapons is largely independent of yield; a lower yield and a higher yield weapon come at about the same price.

But let us assume our present tactical arsenal were adequate and let us even assume that there were enough tactical weapons to equip, in case of war, our allies and fight on for a while. The full utilization of our present weapons, even if we restrict ourselves to relatively low yields, would create considerable havoc in densely populated areas. I do not think that a weapon which inflicts unnecessary casualties on friendly or even hostile populations is very desirable, nor does it help to further good relations among allies. I can only marvel at the strange logic of those who, in the name of humanism, oppose the development of a weapon like the neutron bomb.

But let us for a moment suppose that the Soviets have neutron weapons and we do not, and let us suppose that the Soviets are attacking Western Europe. An enemy in possession of neutron technology would have no trouble appearing on the battlefield with 10 or a 100 times more tactical weapons than we would have available. These weapons would come in a greater variety of yield but most of them within the lower spectrum of yields, and the cost of each weapon would be proportionate to the yield. The owner of the neutron weapon thus would possess vast numerical superiority and greater tactical versatility, and his armed forces would be far less vulnerable than those of his opponent. In addition, the use of neutron devices by the Soviets would make a great deal of sense because it would allow them to conquer Europe pretty much intact.

Our first encounter with a Soviet force unilaterally equipped with neutron weapons probably would lead to a rather catastrophic defeat because our troops would suffer from tactical and technological surprise. If we want to recoup and resist, we would have no other choice but escalate the conflict. If we started with conventional weapons only, we probably would be compelled to use weapons in the 10 to 100 kiloton range, and if we started with tactical atomic weapons, we might have to decide to move into the full strategic exchange. In the words of Professor Dyson, "any country which renounces for itself the development of nuclear weapons, without certain knowledge that its adherents have done the same is likely to find itself in the position of the Polish Army in 1939, fighting tanks with horses." The hapless Poles had little choice in the matter, but we are picking a strategy of inferiority deliberately.

It is a grave mistake to think that the neutron bomb has no applicability to strategic warfare. Neutron weapons are perfectly adaptable to strategic and massive operations. They would allow both a very effective "selective bombing" campaign in the style of World War II (but with a firepower suitable to a conflict in the present technological era), and they could also be used for "city busting" and a genocidal strategy. The point is that the present hydrogen technology precludes the selective bombing approach and forces everybody else into a strategy of across-the-board destruction. The neutron technology, by contrast, would increase our flexibility and greatly reduce the probability of a holocaust conflict. There would be more and better options.

It would make sense for the Soviets, in an aggressive war against the United States, to use superyield devices as counterforce weapons to knock out our retaliatory capabilities, and to follow up the disarming strike with selective attacks with neutron weapons against segments of our population. The main advantage for the Soviets of this strategy would be that while the United States is knocked out, the American industrial plants would remain intact and be available to the victor. At the same time, a neutron strategy on the continent would allow the seizure of the European industrial plant. Thus, the Communists would avoid a Pyrrhic victory. Even if Soviet industry were smashed by our residual retaliation, the Communists, despite nuclear war, would be in possession of the wherewithal needed to rule the world. Hence, it is to be expected that the Soviets will make every effort to equip themselves with the neutron weapon. We cannot, for that matter, be sure they are not yet in possession of a neutron capability.

This argument can be spun out endlessly but it seems self-evident that the new technology opens vast new horizons and for the nation which does not possess these weapons, poses enormous dangers of technological surprise. However, one of the most interesting aspects of this development is that the new nuclear technology does not continue the trend toward greater destructiveness and greater human loss. In fact, it reverses this trend and does so not by a futile program trying to go back to the weapons of McKinley and the troglodytes, but by moving forward with the clock of history.

It is, of course, easy to argue that the neutron technology should be resisted because it would make war again more manageable and hence more "thinkable." But responsible statesmen cannot operate with sophistry of this type. They must assume that, under certain circumstances, their best efforts to preserve peace will fail and that if a war has to be fought, it is preferable to fight it with highly effective weapons which allow to keep down the cost of human suffering and material damage, instead of with weapons which are far more destructive than necessary but not necessarily more effective than weapons which could be used instead. Flexibility is one of our announced strategic goals—here is a way to achieve this objective.

If the United States were to sign a test ban treaty, it would ipso facto renounce the development of the neutron bomb. As matters stand today, our neutron development proceeds at a pace slower than necessary or prudent. In view of the fact that the Soviets have known about the neutron bomb design principles for at least 11 years, this development should be accelerated to the maximum extent possible. But if we were to sign the test ban, we also would institute a so-called control system which, according to the most liberal interpretations of the treaty's present stipulations, would be entirely ineffective in preventing the Soviets from developing the neutron weapon through clandestine testing.

CHAPTER VI

The test ban: A cheater's paradise

In addition to many overriding strategical considerations militating against the test ban, the proposed control scheme will

founder on numerous technical and practical difficulties. To begin with, there is no definition of the term "testing" and "test."

An international agreement on a subject which remains undefined can only lead to trouble.

During the past moratorium, the United States operated most of the time under the most restrictive possible definition of testing. We could have been entitled, within the spirit of gentlemanly behavior, to adopt a sensible definition. But as soon as we engage in a venture we consider "progressive" we lose, temporarily, all sense of proportion. This is a bit of national psychology which has great bearing on the problem.

There is no doubt that the Soviets did adopt an entirely different definition—one which allows them maximal freedom of action—and they would again operate under the most permissive definition. Unless this particular confusion were straightened out, a test ban agreement would work to the detriment of the United States, even if the Soviets did not cheat and just continued their nuclear "experiments" up to the yield which, in their judgment, constitutes the borderline between a "test" and an "experiment."

There is not much argument that nuclear explosions in the open atmosphere can be detected with standard equipment. It usually is overlooked, however, that the probability of detection varies with several factors, including yield and altitude of the shot, the amount of radioactivity thrown out, topographical conditions of the area, distance from the test equipment, etc.

While it would be imprudent for a violator to carry out high yield tests in the open atmosphere, a good possibility exists that relatively low yield tests of clean weapons may go undetected and that effective concealment techniques may be developed for some types of shots. Furthermore, tests undertaken in remote areas, such as oceans in the southern hemisphere, though they may be "detected" in a fashion, probably would provide only ambiguous instrument readings.

With respect to space shots, the launching of a space vehicle may or may not be detected. This depends, among other things, on intelligence capabilities: no provisos for this type of detection would be included in a test ban agreement. Depending on altitude, the explosion may or may not be discovered by optical and electromagnetic gear. A detection system in space might conceivably scoop up or record the presence of radioactive debris. Yet this detection of radioactivity could be made known to observers on the earth only by telemetry which is ambiguous evidence; or else the space vehicle must be recoverable.

To put it mildly, the capability to detect space shots at present is strictly circumscribed. Though we are planning to make five shots to install a space detection system, such a system does not exist now and may never exist. Space is very large and the probability of detection obviously depends on the distance of the control vehicle from the explosion, the yield of that explosion, and environmental conditions. The would-be violator would know the exact characteristics of the control orbits and hence would be able to plan his shots with a view toward minimum detectability. In any event, the effectiveness of a satellite system would have to be tested out experimentally before we can place any figure of reliability upon it—but this presupposes several nuclear space shots which would be outlawed by the test ban.

It is generally admitted that the detection of underground shots is most difficult and in many ways a matter of chance. Recently, the Government has issued much publicity advertising alleged progress in the technology for detecting underground explosions. There is no reason to doubt that such progress has been made although it is strange that the Government has exercised strong censorship to prevent dissenting voices from being heard. Moreover, the releases were couched in vague language.

But just as the art of detection is making progress, so the art of cheating could make progress, too, and undoubtedly is making such progress in the U.S.S.R. The technologies of detection and concealment are in a see-saw race, with the latter still enjoying a very considerable lead. Whoever concentrates more brains, efforts and resources on this problem, whether the detector or the violator will gain an advantage. Without going into any details, let it be stated that if the would-be violator has a good knowledge of the performance characteristics of the detection system, he always will possess a superior capability to conceal clandestine tests.

Depending on definitions of testing, there may be arguments on whether very low yield explosions are really tests or just experiments. It may be possible to accommodate significant explosions in metal containers and certainly it is feasible to combine the techniques of container testing with those of underground testing. Whether the violator will go to any lengths to insure secrecy for such experiments is debatable, but it is apparent that laboratory experimentation up to the high fractional kiloton level can be conducted undetected quite easily.

It is true, on the other hand, that the very existence of a detection system would force the violator to forego certain types of tests and to place restrictions on others. This may or may not be a handicap to him, but it is to be presumed that if a test ban were to last for 10 or more years, the main result would be that the technology of the violator would be deflected into directions different from those which would be followed in the absence of a detection system. To make this point more specific: a test ban would virtually assure that the Soviets will develop neutron weapons.

Verification is more difficult and in some ways more important than detection. Yet it is rarely discussed. Verification is that portion of a test ban arrangement through which an accusation of violation is proved or disproved. For example, the American detection system would be alerted, by instrument readings, to a possible underground shot in the Soviet Union. Thereupon inspectors would be sent to the probable place of the explosion, where they would "inspect," dig for radioactive samples and other evidence, and ultimately find the radioactive debris. Through this radioactive corpus delicti it would be "verified" that the Soviet Union, indeed, had violated the agreement. If by contrast, no radioactive sample is found, the accusation must be dismissed.

However, lack of incontestable evidence by no means constitutes proof that no violation has taken place. Should the detection system receive indicators of suspect events and should the inspectorate fail to uncover verificatory evidence, there would be a great deal of confusion and apprehension which could lead easily to an international crisis.

The verification of shots in the atmosphere over land usually is deemed to be simple. But is it? Disregarding the fact that vast tracts of land may not be accessible to the inspectors (e.g. China), the verification of an explosion probably can be prevented without too much trouble. The nuclear test device may have been dropped from an airplane, and not be exploded from installations on the ground. It may have been shot in by missile from a distant launch point and exploded over a "proving ground," which is nothing but a set of measurement instruments. The measurement equipment can be withdrawn, within a few hours, by trucks and helicopters. Moreover, the shot need not leave any residual radioactivity.

If after such a carefully planned event the inspectors arrive on the scene, perhaps after 2 or 3 days which would be early, they might find a single depression on the ground. This depression hardly would constitute evidence, even if it could be proved that it did not exist 1 week earlier. But there may be no depression at all.

If the device was missile-fired, inspection of the launch site—provided it is identified—might indeed indicate that it has a store of nuclear weapons. But so what? Any missile site must be provided with warheads. For that matter, the inspectors would not be allowed even close to the missile base and they certainly would not be allowed to inspect its books and installations. The violator also may claim that the missile was fired from a foreign base and that the shot actually constituted an act of aggression. There is no limit to this sort of skulduggery.

Take, for example, atmospheric shots fired by submarines at sea. Suppose a Soviet submarine fires a test device in the South Atlantic and suppose that within 3 or 4 days enough evidence, including radioactive air samples, is available suggesting that an explosion did occur. Suppose that the exact location of the explosion can be determined. If the inspectors were to go to the place of the explosion, it would be impossible for them to find any evidence: they would find the ocean in the same shape as an ocean is always found. But the radioactivity, if any, would have been long dispersed. To catch the violator it would be necessary to discover the submarine and force it to surface, which is an impractical proposition. It seems unnecessary to spin out this case further: verification of overwater shots indeed is far from certain.

Currently there is no feasible method of verifying explosions in space. If the Soviets were to launch a space vehicle and explode a nuclear device, at not too great a distance, the United States might gain a good notion of what was going on. But we would not possess the type of evidence which "would stand up in court," assuming that we could make public use of the evidence we have. Hence, we would be reluctant to move, just as during the Cuban crisis, Washington did not move before there was clear photographic evidence of the presence of Soviet missiles.

With respect to the verification of underground shots, the situation is that in order to get at the radioactive debris caused by an underground nuclear explosion, the location of the presumed event must be pinpointed with extraordinary accuracy. Once the inspectors are in place, it would be necessary to start digging through an area of tens or even hundreds of square miles. All kinds of fascinating calculations can be made to determine the probable number of man-days required for digging and drilling until the debris is actually discovered. However, unless telltale clues of test preparation are discovered, it is clear that the discovery of the debris is clearly a matter of chance and a very small one at that. Naturally, an inspectoral team may discover all sorts of circumstantial evidence confirming the indicators received from the detection system. But such sort of ambiguous evidence simply does not constitute valid verification.

Actually, it would be relatively simple to "discover" all kinds of "evidence" which are not there. As soon as there were some evidence on Soviet cheating, we can rest assured that they would find "evidence" of U.S. cheating. The violator has at his disposal numerous political tactics to vitiate any attempt at verification, and it can be predicted safely, on the basis of past United States and Soviet performances, that after one or two tries, inspection will fade out of business.

Undoubtedly, if indicators multiply, suggesting continuous cheating, the most cooperative signatories to the test ban will be forced to react. Theoretically, they can

decide upon "sanctions" but in practice they have few alternatives but to resume testing themselves. Since their reaction will be sluggish and since furthermore the violator will have made allowance in his plans that he might be found out, he will have arranged things in such a manner that he maximizes his time advantages.

If the cheating starts at a moment when the cheater and the noncheater enjoy technological parity, the violator, without too much trouble, may gain a lead of 2 to 3 years. If this advance were achieved during a period when, for one reason or the other, war is ruled out, the violator would have gained only a temporary advantage. However, the violator may be preparing for aggression and may have readied his weapon systems in such a way that he can rapidly incorporate the most up-to-date nuclear devices. If then he restricts his tests to the proofing of radical designs, he can arm his delivery means with the types of warheads which the tests showed to be most successful. Ingenuity and careful planning should go a long way toward rendering the violation of the test ban militarily productive.

The effectiveness of the test ban stratagem can be seen more clearly if we assume that concealment techniques have advanced to such a point that clandestine underground testing will, in fact, not be detected, let alone verified. If after a long series of clandestine shots, the violator openly abrogates the test ban treaty by full-yield atmospheric proof tests, and at the same time checks the reliability of his existing weapon systems, he may be able to secure nuclear preponderance and insure maximum effectiveness of his first strike.

Intelligently employed, the test ban stratagem of conceal and surprise could prove to be decisive for the outcome of the war, or even for success of the ultimatum: "Surrender or die."

"THE TEST BAN: AN AMERICAN STRATEGY OF GRADUAL SELF-MUTILATION"—CHAPTERS VII AND VIII, BY STEFAN T. POSSONY

Mr. HALL. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. LAIRD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. LAIRD. Mr. Speaker, I am pleased to insert at this point in the RECORD chapters VII and VIII of an article entitled "The Test Ban: An American Strategy of Gradual Self-Mutilation," by Stefan T. Possony of the Hoover Institution:

CHAPTER VII

The test ban treaty: Manifold problems of verification

A signatory to a test ban, if he decides to cheat, will try to commit a perfect crime. It will be recalled that a large percentage of murders go unpunished because the murderer is not identified or apprehended. Even if tried, murderers are not always convicted and they often benefit from loopholes in the law and thus escape a penalty which would fit the crime. In addition, many deaths which go into the books as accidents, heart attacks or suicide actually are homicides.

Perhaps it is pertinent, in this connection, to recall that the true nature of the death of Pavl Bang-Jensen, the U.N. official from Denmark who was in charge of the files concerned with the Hungarian uprising of 1956, never has been fully clarified. Was it suicide or was it murder dressed up as suicide?

In any event, many murders remain unpunished because the average police detective does not reach the standards set by fiction writers like Conan Doyle and Erle Stanley Gardner; because there often is lack of personnel and laboratory resources to investigate evidence thoroughly and completely; and because indicators of foul play often escape physicians and coroners engaged in rapid routine examinations. There is no perfect crime but many crimes remain unpunished because enforcement agencies are inadequate and overworked. The key to detection is a strong incentive to detect, perseverance, and even creativity in interpreting indicators. If these ingredients are lacking in a test ban inspectorate, cheating would be easy.

The detection of clandestine nuclear explosions is primarily entrusted to scientific instruments, including unattended "black boxes." Presumably these instruments provide "objective" data which can be easily read and interpreted; thus, human frailties seem to be excluded.

If the violator is clumsy, then the instrument readings, in all likelihood, would disclose the transgression. But if he is skillful, these readings could be very ambiguous. Contrary to what laymen may think, even seemingly unambiguous instrument readings can give rise to protracted debates and often interpretations are affected by a priori theories.

In the end, debates about the meaning of detection data would be decided by the conviction of those within the detection bureaucracy who possess the greatest power and whose function it is to coordinate different views. This situation, incidentally, may work in two directions: it may facilitate cheating or it may lead to a major international crisis in all those cases where the coordinators are convinced, rightly or wrongly, that despite lack of verificatory evidence cheating is taking place.

Inspectors who are sent into the field to investigate a presumed violation will find indicators and evidence according to their observational talents and their eagerness either to find or to overlook. Naturally, their effectiveness also may be reduced by "red herring" indicators conveniently planted by the evader, as well as by any number of diversionary techniques. Conversely, the inspectors of some countries would find it relatively easy to act as provocateurs.

As year-in-year-out inspections do not produce any results, the inspectors will lose enthusiasm for the job and the numbers of inspectors may be cut. After all, if everybody is honest, a small police force is adequate. Presumably, only few technically qualified personnel will apply for positions within the inspectorate.[1] If genuine professionals are assigned to the job, the situation may be different but there are not too many of those available in the first place. It would be very imprudent to assume that the Communists cannot influence any of the inspectors or plant their own agents (with American or British nationality) within the inspectorate.

Even an otherwise effective intelligence service is not immune against deterioration or wishful thinking. During the last moratorium there was an argument about whether the Soviets were cheating by means of underground testing.

Honest men were entitled to differ in their conclusions on this point. But whether or not the Soviets were cheating before resuming open testing in 1961, there was no great eagerness to find out. On the contrary, suggestions that this problem better be investigated were frowned upon; and some of those who got busy with the task and unearthed suggestive indicators were ridiculed.

Much of this negative attitude was derived from an assumption that it would make no sense for the Soviets to cheat. Some of the more naive "true believers" even asserted the Soviets would abide by the moratorium lest they risk the censure of public opinion. Bureaucracies are not likely to push causes against the predilections of the upper echelons, and intelligence bureaucracies are no exception. This sort of thing is highly irrational and ultimately backfires. Nevertheless, chances are that within a democracy, the reaction time against test ban violations will be exceedingly slow.

Incidentally, it is noteworthy that the U.S. Atomic Energy Commission announced on February 2, 1962, that the Soviets had fired an underground shot; some time later, the Soviets confirmed, in an offhand manner that, indeed, they had carried out a single underground explosion. It is, of course, wildly improbable that the Soviets never checked on underground test technology. They are known to possess very good information on the phenomenology of underground shots, and disclosed themselves that they fired a considerable number of subterranean HE explosions. If they did not experiment with underground nuclear explosions, someone should be fired in the Soviet Union for dereliction of duty.

Their disclosure about the one and only shot may be interpreted as an attempt to convince us that our capabilities for detecting underground shots are perfectly adequate. This little incident illustrates Soviet mastery of deception techniques, as well as, unfortunately, an American reluctance to recognize the fact that the Soviets are employing deception as a standard operating procedure.

CHAPTER VIII

The test ban: Range of nondetectable cheating

It is generally agreed that underground testing is the most promising method of evading a test ban agreement. Mr. William C. Foster in his statement to the Republican Conference Committee on Nuclear Testing belittled the feasibility of clandestine underground testing. He argued that since seismic signals which occur from explosions of the same size vary, an evader could not be sure of evading seismic detection. He also alleged that "big hole" decoupling is time consuming and expensive. In addition, the excavation of the large cavity might be detected and an underground test might unexpectedly produce a visible surface crater which may be found.

Undoubtedly, these possibilities exist but only on condition that the would-be evader of a test ban is clumsy, does not plan his cheating properly, or does not bother to spend too much money and effort on hiding the clandestine shots because he is not worried about the ambiguous indicators that might result from a poorly concealed clandestine program.

Some of our underground tests have unexpectedly led to venting and to some minor changes in the configuration of the mountains over the test sites. On the basis of our experience, the chances that there would be an unexpected large visible surface crater is certainly not better than 1 in 10. That such a change in the landscape would be detected, presumably by intelligence, is a little farfetched but let us assume that there is a probability of one in five. The combined

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[1] Mr. Foster explained that a "surprise abrogation by the Soviets" of a test ban treaty "might leave us as much as 18 months behind in our readiness to test." He stated that the Government will make it "a matter of national policy to maintain readiness to test"; scientists would continue nuclear weapons research and "our weapons laboratories should function effectively." This is wishful thinking because the most creative scientists would have no incentive to stay with a dead-end program; at best, our laboratories would decline in quality.

probability that such a crater would occur and that it would be detected is then 1 in 50. This means that there is a chance of 1 such an occurrence per 2 test series of 25 shots each. However, this is merely the chance that intelligence might discover the crater, by no means to be confused with detection of a shot by instruments, let alone with verification through ground inspection.

The argument that big hole decoupling is time consuming is irrelevant. The test ban negotiation has been going on for 5 years already, hence there was adequate time to produce any number of big holes. The argument that the creation of a big hole is expensive is equally irrelevant, since cost is meaningful in terms of what a price buys. If a test ban immobilizes the technological progress of the United States and allows the Soviet Union, through cheating, to achieve nuclear supremacy, the expenditure for a few big holes would be trivial.

It is perhaps true that a large excavation project might be discovered during the construction phase, but such a possibility would be anticipated by the evader. There are any number of techniques through which discovery even of a large earth-moving job can be prevented, some of them very simple and inexpensive. The observation might be added that during the construction phase no suspect seismic signals would be received from the particular area: testing has not started yet. But in the absence of specific suspicions attached to a specific area, the excavation would be discovered only by chance. Even in this case the excavation may be explained away through a cover project.

But this criticism of big hole decoupling overlooks the fact that adequate decoupling can be achieved in natural caves as well as in mines; and that it is not always necessary to produce a very big hole: depending on the yield of the test as well as on the decoupling factor which is desired, the size of the hole can be increased or decreased. There are other decoupling techniques which either may be substituted for the big hole or used in combination with it. In the latter case, the decoupling factor may be increased for any given size of the cavity.

It is true that explosions of the same size produce variable signals. Some of these are due to variations in the geological environment and presumably can be anticipated through proper analysis. Other variations are caused, among other factors, by weather and temperature changes. There are a few unpredictable elements. However, these variations occur within limits: a 1-kiloton shot will not unexpectedly result in a 100-kiloton signal. Hence this danger can be easily guarded against through a prudent choice of yields and decoupling techniques.

Mr. Foster asserted that the "number of tremors from earthquakes in the Soviet Union which might be confused with tremors from nuclear explosions" originally was overestimated. He added that our ability to distinguish between earthquakes and explosions has been improving steadily.

But what is an improvement? Mr. Foster indicated that so far we are able to distinguish only over half of the seismic events. Actually, he chose careful language by saying that over half of the earth tremors give indications of being earthquakes on the basis of such seismic criteria as first earth motion. He did not say that the distinction could be made with finality from seismic criteria, he merely talked about indications. He added that somewhat less than another third of the seismic events were ruled out by nonseismic criteria; that is, by a number of judgments entirely divorced from instrument readings. These judgments may be right or wrong, but even if they are excellent they have no bearing on the effectiveness of scientific detection. Hence the seismic system produces reasonable indications on about half of the events.

However, even according to Mr. Foster's statistics, about 15 percent of the seismic events remain in the dubious category, that is, they could be earthquakes or explosions. Significantly, Mr. Foster left it to the reader to figure out the magnitude of this residue for himself. It may be presumed that if we concern ourselves only with large seismic events, this residual number may not be too large. But since the decoupling technique exists, we really must be concerned with very small seismic events whose number, especially during periods of high seismic activity, is very considerable. The fact that fewer earthquakes which produce tremors similar to those of an explosion have been observed than was expected, is not very meaningful.

In the absence of exact figures, we will grant, for argument's sake, that the difference between expectation and observation is significant. But seismic activity varies in intensity. When we talk about an annual number of earthquakes in a given region, we are talking about a statistical average. It is obvious that in a period of low seismic activity, the number of suspect events will be smaller than in a period of high activity. Our present statistical evidence is based on too short a timespan to allow a firm assessment of what the true average may be. Furthermore, this type of argument again disregards the decoupling technique: the number of small earth tremors is quite large, and the signals from low-energy events are most ambiguous. Hence, if these events must be taken into consideration, the challenge remains considerable, even if the number of easy-to-identify, high-energy events has declined. Mr. Foster's argument would be valid if we assume that the Soviets are stupid enough to cheat by means of tamped shots. It loses much of its force if we assume that the Soviets are more clever than USACDA seems to give them credit for.

What, then, is the capability of seismic detection? Mr. Foster disclosed these facts: "None of the seismic systems proposed by the United States from 1959 on would be capable of detecting with any certainty any explosion of 3 kilotons or less, if they occurred in alluvium. Moreover, artificial decoupling might permit considerably larger yield explosions without detection."

Now let us go back to the perfect crime and let us assume that the Soviets plan their crime to consist in the clandestine decoupled testing of neutron devices. We assume that the detection system would be capable of detecting explosions of 1 kiloton (instead of 3) and that the decoupling factor is 100 (instead of about 300). In this case a test explosion of 1 kiloton would provide a signal of the equivalent of 10 tons which is clearly not detectable and which is two orders of magnitude below the threshold of detection. Yet in view of the effects radius of a neutron bomb, a 1-kiloton device is easily the equivalent of 10-kiloton fission bomb.

Theoretically, if we want to keep the signal down to the 1-kiloton level and if the decoupling factor were 300, a 300-kiloton device could be tested, but for the purposes of the neutron program such a large shot would be entirely unnecessary.

If we assume that the neutron test program could be managed to full satisfaction, with shots up to 10 kilotons (in addition to which there would be a requirement for much HE testing), and if we furthermore assume that the decoupling factor would not be larger than 100, the expected maximum strength of the seismic signals would not exceed the equivalent of 100 tons. This would be an insurance factor of 10:1 if the system were capable to detect down to the 1-kiloton level and of 30:1 if it had only a 3-kiloton capability.

An insurance factor of this magnitude should easily accommodate the various hazards which could occur, e.g., signal strength variations.

Incidentally, the signals produced from neutron devices may be much less than those from fission and fission-fusion weapons and telltale radioactivity would be vastly less. Hence much of what we now assert about detection capabilities will not be correct if the system were to operate against a neutron test program.

But we have not yet reached the crucial point: Earlier treaty drafts stipulated that inspection would apply only to signals of a strength of 4.75 or larger, on the earthquake scale, i.e., to tamped shots of 20 kilotons or higher. If the signals remain below this intensity, we would, according to these early drafts, not be entitled to inspect. The area below this magic figure of 4.75 or 20 kilotons was placed under the regime of a gentlemen's agreement: we would have taken the Soviet's word of honor that they are not testing.

In other words, in order for us to be entitled to inspect and to have a chance to verify evasion, the Soviets would have to shoot at about 20 kilotons without decoupling or 2 megatons or more, with decoupling. Shots of such magnitudes are entirely unnecessary in the neutron program.

The lower threshold of 4.75 was eliminated from current draft treaties: theoretically we would be free to inspect any signal which we consider suspect. In reality, of course, the threshold had been suggested because of many practical considerations, including the ambiguity and frequency of the weaker signals. For all practical purposes, inspection will continue to apply mainly to the larger signals, although it may be granted that absence of a precise lower threshold figure would allow greater flexibility.

But the point is still this: A large percentage of neutron tests could be carried out on the fractional kiloton level and would not even require decoupling. The few larger tests which might be necessary would require only moderate decoupling. The program can be concealed, even with larger yields, below the threshold of actual detection—provided decoupling and possibly additional camouflage, concealment and deception techniques are utilized. These facts dispose of Mr. Foster's point that though single tests "might sometimes escape detection by seismic means a test series would be far more difficult to hide. Yet, little progress can ordinarily be made with individual, isolated tests." There is no need whatever for the Soviets to restrict themselves to isolated shots.

The conclusion is clear: a systematic, full-fledged neutron test program can be carried out in its entirety by clandestine underground explosions. It is not excluded that our detection system would produce indicators and that through intelligence, we might become suspicious of what was going on. Yet we could not prove the violation and we would have no legal justification in cancelling the treaty. The test ban thus would be an excellent cover for the neutron program. In this case the perfect crime seems to have a high degree of feasibility.

"THE TEST BAN: AN AMERICAN STRATEGY OF GRADUAL SELF-MUTILATION" CHAPTERS IX, X, XI, AND XII, BY STEFAN T. POSSONY

Mr. HALL. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. GOODELL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. GOODELL. Mr. Speaker, I am pleased to include at this point in the

RECORD chapters IX, X, XI, and XII, of an article entitled "The Test Ban: An American Strategy of Gradual Self-Mutilation," by Stefan T. Possony of the Hoover Institution:

CHAPTER IX

The test ban: The need for weapons systems tests, new weapons systems and peacetime nuclear explosives

The discussion on the test ban usually centers on the implicit assumption that a continuation of tests is necessary only to insure technological progress. Whether or not technological and design experimentation is the most important aspect of testing, the fact remains that additional types of testing are mandatory for the security of the Nation.

Few people realize that though we are entrusting our security to ICBM's, we never have tested a full assembly of such a missile, i.e., we have not launched an ICBM together with its warhead, nor destroyed a target with an ICBM-launched warhead. There is no particular reason to assume that our ICBM's won't function when the dire moment arrives, but the fate of the Nation is far too serious a matter to be entrusted to mere, albeit persuasive, assumptions.

Similarly, much can be achieved in testing weapons like anti-ICBM's without nuclear warheads. But at one point it will become necessary to test the whole assembly. Indeed, we might be well advised to launch an anti-ICBM together with its warhead, in order to determine whether or not we are developing our anti-ICBM's the hard way. The President intimated that the Soviets had been conducting such tests. It is quite probable that through nuclear tests we could accelerate our anti-ICBM work—and what could be more desirable for the physical security of our Nation.

Some experts argue that from time to time a weapon, for example, an ICBM in its silo, or a bomb in the bay of a B-52, must be shot off in order to determine readiness and reliability. After all, we are checking on all other aspects of our readiness posture—is the business end of a weapon not its most important part? Before World War II our torpedoes were not tested but were assumed to be battle ready. We found out in combat, very much to our chagrin, surprise, and detriment, that many of those torpedoes proved to be duds. We could very easily lose a war if we did not continuously check on the reliability of our weapons.

Secretary McNamara already has been quoted with reference to the need of determining the effects of high altitude explosions on radars and communications, as well as possibly on antiballistic defense designs. We have fired a few high altitude shots but a little reflection will show that the phenomenology of such explosions must vary with yield and altitude of the detonations. Yet we tested only up to certain yield limits and we restricted ourselves to few selected altitudes. In other words, much needs still to be learned about the effects of nuclear explosions in the upper atmosphere and in near space.

Furthermore, we need considerably more knowledge about the effects of nuclear weapons on material, equipment, artifacts, vegetation, etc., notably we should test out shelter designs and the effectiveness of the hardened missile silos. The ability of our hardened sites to withstand nuclear blasts presently can be only estimated. Granted that these estimates reflect the best available professional judgment. However, this judgment is derived from extrapolations and is quite hazardous with respect to blasts of very high yields.

If the effectiveness of hardening were presently underrated, we would be spending too much money; at the same time we could assume that our hardened missiles are far less vulnerable than postulated in our defense planning. If, by contrast, the effects of hardening were overrated, our missile force would be at greater jeopardy than we have calculated, especially if the enemy were in possession of reliable data on our sites. This is a subject where guesswork should be entirely taboo.

From the technological point of view, testing is needed to increase our nuclear efficiencies in order, for example, to provide smaller missiles like Minuteman and Polaris with far greater yields than they presently possess. Secretary McNamara recently testified about Soviet hardening and suggested that it may be increasingly difficult for us to attack Soviet missile sites. Surely, it is self-evident that as hardening increases, yields must grow. But the boosting of yields must be accomplished within the constraint that the size of delivery vehicles must be reduced; this is a formidable challenge which cannot be met by occasional shots. Apparently we are unwilling to face up to this problem.

The Soviets presumably are staking much of their fortune on big yields. Conversely, they may use their nuclear efficiency to employ ever smaller ICBM's without losing firepower. In fact, if they want to attack the United States effectively, they need small—and cheap—ICBM's, perhaps several thousands of them. In terms of fission-fusion technology, the warheads of these missiles must have the maximum yield that can be packed into the nose cone. This is not all they need, but let us suppose the Soviets beat us in the race for nuclear efficiency; in this case, given numerical equality or even superiority on our part, they would be able, in addition to optimizing their posture for surprise attack, to exceed, force by force, the punch of our light as well as our heavy ICBM's.

Perhaps it is pertinent in this context to remember that Khrushchev withdrew his missiles from Cuba because, as he admitted by implication himself, the United States was capable of delivering far more firepower on the Soviet Union than the U.S.S.R. was capable of visiting on America. This firepower was vested, almost exclusively, in our SAC and fleet bombers, while the firepower of our long-range missiles hardly exceeded 5 percent of the total. Since firepower obviously is not the only factor that must be considered, this statistic is in no manner an objection to missiles. Yet the requirement for heavy firepower remains. The elimination of bomber aircraft whether justified from the aeronautical point of view or not, calls for more than a mere substitution of delivery vehicles: it also is necessary to prevent a precipitous decline in firepower.

To illustrate this point just a little further: assume our present SAC bombers average a firepower of 15 megatons per plane and assume that 15 percent of the planes would be able to execute 2 missions: This would give 1,600-odd SAC bombers the capability to deliver approximately 28,000 megatons of destruction. If this firepower were to be carried in 2-megaton missiles, about 14,000 light ICBM's would be necessary and even if we were to decide on 10-megaton missiles, we would need 2,800 heavy ICBM's. These are infeasible numbers which demonstrate the impracticability of an all-missile strategic force. These figures prove also that nuclear efficiency must be boosted considerably in order to insure that tomorrow's missile, in terms of firepower, will be a weapon that, at least in some missions, will be reasonably equivalent to today's bomber.

To return to other weapons requirements: We need clean weapons to be able to fight tactical wars effectively in densely populated areas—a clean technology is almost a prerequisite to holding the NATO alliance together. We also need optimal weapons for ground-to-air and antiballistic missiles; for a variety of reasons, including cleanliness, all-fusion warheads may fit the bill best. Tactical weapons must be of a high order of nuclear efficiency and will be required in large numbers. Hence to keep overall costs down, they must be small and cheap. The development of devices which in addition to being clean also are effective and economical is a tall order.

By contrast, if the Soviets were to show up with all-fusion devices, notably in antimissile and tactical weapons, and we would be stuck with the old technology—in addition to which we might have kept low or even cut down the number of such weapons in battle order—we might find ourselves in a very critical situation.

In the age of the Polaris submarine it is almost unbelievable that the Soviets would forgo developing nuclear missile and torpedo warheads, as well as bombs and possibly depth charges to satisfy the ASW requirement. We, too, must have nuclear tests to develop effective antisubmarine weapons, including some weapons with a relatively large lethal radius.

In addition, we need tests for weapons which would be peculiarly effective within the framework of our military tasks in Europe. For example, in order to facilitate the holding of forward positions on the ground, we should develop nuclear land mines. Nuclear sea mines would have their uses in defending positions like offshore islands and landing beaches. We may need nuclear explosives to destroy installations from which our forces have to retreat.

Very small nuclear weapons may help stay-behind forces to defend themselves for long periods and they may give immense strength to resistance movements in occupied countries.

It is all very well to worry about escalation of limited wars and to argue, with considerable propagandistic exaggeration, that even the use of a 0.1 kiloton device against, for example, secret police headquarters in a recently conquered country, would unleash a global thermonuclear war at the 10 to 100-megation level, i.e., cause escalation by an order of magnitude of 100,000 to 1 million on a single shot basis, however, the contingencies of war are unpredictable. To prepare weapons for certain uses does not mean that such weapons will be used, but that they can be used if they are needed. The chances are that escalation will be prevented most effectively if a whole spectrum of nuclear weapons were available. If we allow the enemy to become superior in the tactical nuclear field, we either will be losing limited local wars or to stave off defeat, will be compelled to escalate by our own initiative. Moreover, the absence of adequate tactical nuclear capabilities invites local aggression.

Despite wishful thinking about the exclusively civilian uses of space, sooner or later space will become a decisive military medium. Hence there exists the requirement for developing types of weapons and firepower which are effective in the vacuum above the atmosphere. It is apparent that neutron devices would be particularly useful in the space medium.

Testing also has a bearing on space propulsion. It is generally agreed that the Orion project—which is designed to use small nuclear "bombs" to propel a space vehicle—would allow the lifting of maximal payloads into orbit and permit the deepest penetration into the solar system. Of all propulsion systems it would provide for the most effective utilization of space. However, so far it seems impractical, because of radioactivity, to launch an Orion assembly from the ground; unfortunately, by using Orion propulsion only from orbit, much of the system's utility would be lost. An all-fusion technology would eliminate the radioactivity and thereby open the road to getting really important payloads into space.

Should the Soviets decide to move into space as a decisive military medium, they may employ Orion techniques even before they are able to eliminate the radioactivity. Actual Orion shots, in all likelihood, would be detected but the testing of the propulsion unit may be done on test stands which, by their very construction, could provide a great deal of decoupling. The required yields would be small in comparison with weapons. On balance it is likely, for various practical reasons, that the Soviets would base their Orion propulsion on all-fusion devices. By the same token, a requirement for effective space utilization might induce them to develop the all-fusion technology on a high priority basis.

As usual, the skeptics find it difficult to visualize the possible advantages of this new technology. But skepticism always opposes any new approach. Many decades of experience in weapons planning should have taught us to distrust the emotional opposition of scientists who are only superficially familiar with the new concept. Security would be served better if we were to rely more heavily on the cautious optimism of those scientists who really have explored the new possibility and found it attractive. The brutal twin facts which we cannot circumvent are that space utilization requires maximum energy releases and that nuclear explosions are the method through which maximum energy releases can be produced—and produced most cheaply.

In earlier years, some people hoped that radioactive substances could be used for military purposes. These expectations, so far, have been disappointed and perhaps radiological warfare remains impractical. Nevertheless, if radiological weapons could be perfected they would offer some possibilities of humane warfare. For example, a factory could be made inoperative by covering it with radioactive substances of suitable half-lives; if so, it would not be necessary to destroy the installation and in the process kill the working crews and the population living within the vicinity of ground zero. This sort of denial weapon also would make it unnecessary in case of retreat, to carry out scorched earth destructions; hence postwar recovery would be facilitated. Surely, the prospect of fighting war with less casualties than was heretofore possible merits some attention.

The aforementioned Russo-German military dictionary talks about radioactive weapons (boyevyye radioaktivnyye veshchestva) as though they do exist in the Communist arsenal, and states that radioactivity can be propagated in the form of powders, liquids, and smokes delivered from rockets, aerial bombs, artillery shells, and mines. It is added that radioactive substances can be used in combination with gas warfare. Is this another capability which we abandon unilaterally to the enemy?

Finally, there is the possibility of using nuclear explosions for industrial and civilian purposes, as envisaged in the Plowshare program. While this program has been continuing, it is allowed only a very low momentum and its vast potentialities are still unconvincing to those skeptics who are skeptical on a priori grounds and because they sense that Plowshare invalidates the basic concept of the test ban.

But the United States, who is over its neck in foreign aid, can ill afford to forgo modern technology in operations abroad (or at home, for that matter). For example, if a second Panama Canal were built by nuclear explosions rather than by conventional methods of earth moving, something like $8 billion could be saved, according to one estimate. Surely, this sort of money could be used to transform the economy of the Caribbean area. Instead of commenting further on the potentials of Plowshare, I refer to the book by Dr. Ralph Sanders of the Industrial College of the Armed Forces, where the possible impacts of this technology on our security and economy are spelled out, with the exception of the possible developments in the chemical industry.

Plowshare explosions may be required for the building of stations on the moon. It is indeed self-evident that to establish anything like a useful environment on the moon, or later on some planets, a great deal of "earth" moving will be required. Hence we would have to transport vast amounts of energy into space, which would be impossible unless we can package the energy into minimum weights. Again, the nuclear explosive—of the all-fusion variety—provides the solution.

These various requirements do not necessarily have to be satisfied within the next few years. But ultimately they will have to be met. Hence it is not surprising that the United States, as appears from Mr. Foster's statement, envisages the possibility of a sudden cancellation of a test-ban treaty by the Soviets. In other words, we do not anticipate a permanent but merely a temporary test ban. This anticipation would be justified even if we assumed that the Soviets would like to stick to the ban, simply because some of these requirements will catch up with us. Peace may descend on this earth (which unfortunately is not very likely) but to maintain it in the face of rising populations and expectations as well as of raw material shortages, the utilization of Plowshare techniques will become mandatory; hence the all-fusion techniques must be developed. Lord Curzon once said in the House of Commons: "I do not exclude the intelligent anticipation of facts even before they occur."

In any event, the administration has not provided answers to these questions: if the test ban, by its very nature, can be only temporary, why try to achieve it in the first place? But even if a temporary ban would make sense, why shoot for it now? And why try to apply a test ban to the development of neutron and all-fusion devices when tests of such devices cannot be policed at all and when furthermore such tests would not produce significant fallout?

When the United States went into its first moratorium, it was generally assumed that our test organizations and crews would be kept together so that testing could be resumed almost instantly. It turned out that while we were able to conduct underground tests a few weeks after the Soviets broke the moratorium, almost 9 months were required to get ready for atmospheric testing. Now, it is promised again that if there were another moratorium or even a full-fledged ban, our test capabilities would be kept intact and on an instant readiness basis. These promises are unrealistic unless the American political behavior pattern changes. Even if the budgets were available—and in reality they won't be—the best talents would leave our weapons laboratories and test organizations, and perhaps the recruitment of younger physicists would become difficult. The Soviet Union which controls its scientific manpower does not suffer from a similar handicap. Hence a test ban would be disadvantageous to ourselves even if the Soviets were to observe it for the time being. At one point or the other, the test ban, which can only be temporary in nature, will come to a close, be it through detection of cheating, through cancellation, or through the action of nonsignatory states. On the day of expiration of the agreement, the Soviets would be in a far stronger position to resume operations than the United States.

CHAPTER X

The test ban: The jaws of the trap

According to a recent argument, the difficulties of policing a test ban were exaggerated by those who emphasized the potentialities of underground testing. It is alleged that the scientists who warned about the feasibility of cheating in underground test sites contradicted themselves when, after the resumption of testing by the United States, they called for atmospheric tests and voiced their discontent with our own underground testing program. This, it is argued, proves that underground testing gives only marginal results. Therefore, if a test ban does nothing else but force a would-be violator into ineffective testing, it would serve its purpose.

As so many arguments which have been produced ad hoc in the test ban debate, this particular line of reasoning is superficial, illogical, and to a large extent demagogic.

No one has ever claimed that underground testing can do all the jobs required in an effective testing program. By definition such matters as the phenomenology of high-altitude and deepwater shots and the vulnerability of ground equipments may have to be determined through atmospheric tests. This also holds true for the proof testing of high-yield battle order weapons, and finally for strictly technological testing at high yields.

In comparison with atmospheric testing, underground technological testing has several advantages (e.g., independence from weather and wind, and avoidance of fallout), but it also has a number of disadvantages. There are limitation on instrumentation, possibly modifications of effects, and vexatious restrictions on yield. If the underground tests were to be kept secret, yield limitations might be considerable, or else very large test sites must be constructed. Very large weapons, of course, never could be tested underground at their full yield.

During 1961 and 1962, therefore, when our test organization was hamstrung by many political limitations and when it was working feverishly against the danger that a new moratorium may be proclaimed, insistence on atmospheric tests was justified. But it is also noteworthy that the AEC, which at first evinced dissatisfaction with underground testing, on the basis of its experience during 1962, changed its mind and now considers underground testing favorably. Obviously, underground testing is an art and skills can be improved through learning.

This concrete situation has very little relevance for evaluating the potentialities of a stratagem aiming at a test ban and its evasion.

The trick the Soviets are trying to perform is to negotiate a test ban which would allow us the shadow of an inspection system and provide the Soviet Union with the substance of an effective clandestine testing capability.

Depending on how much inspection they would have to concede, clandestine test series can always be constructed in such a way that they will forever remain below the threshold of discovery and verification.

The frequent changes in Soviet policy, their unwillingness to grant even platonic concessions and the resultant postponement of the day when the United States will fall into the self-made test ban trap can be explained best by assuming that the Soviets have not yet decided how far they should go toward marrying American shadow to Soviet substance. Perhaps they do not feel they have yet reached the stage where adequate further progress can be insured by an exclusively underground program of several years duration. Once they have the super-yields they want and once they accomplish an anti-ICBM warhead, they may be ready for a clandestine underground program—at that moment American disarmament apostles, for a short while, may find that their prophecies on Soviet intentions are coming true.

Of course, the question is not whether underground and space testing is superior to atmospheric testing (which, for many cases, clearly, it is not), but whether clan-

destine testing allows more significant and rapid advances in weapons design than no testing at all, which equally clearly, it does, especially if the main challenge is to develop neutron devices.

Even if it were, on balance, not very probable that underground and space cheating alone would give sufficient results to allow the would-be aggressor to forgo other tests entirely, it can be argued that atmospheric test actually can be dispensed with for a protracted period, especially during periods when the other chief signatory of the ban does not test at all.

Obviously, a secret test program, even if it were restricted in scope, will in due time allow numerous improvements in weapons design, with the result that the balance of nuclear power gradually would shift to the violator.

Whether such a shift would occur with slow or rapid speed and how soon it might make a significant strategic difference, depends on many variable and unpredictable factors, including the ability of the violator to hit on unforeseen techniques through which the control system could be further degraded.

But even granting that testing would lead the violator only to a certain point. Assume he has achieved a new design but assume also that he feels he cannot just scale up but must test at full yield. In this case, he could risk a space shot, which may not be much of a risk after all. He also might produce a very deep and large underground cavity—in fact he may have used earlier underground shots to dig such a mammoth hole—and test the full yield underground. The rationale would not be that such a test would necessarily remain undiscovered but rather that the risk of detection is small, that attempts at verification will remain fruitless, and that more time will be gained in this fashion than by an open violation in the style of 1961.

The test ban danger can be understood most clearly if we do not overemphasize the question of whether shots can be detected and verified, but analyze the problem within the framework of a technological race in time. The Soviets may not be chiefly concerned about the danger of discovery. Their chief problem, as I see it, is to gain time advantages over the United States. It is only in this context that they must prevent premature discovery.

Naturally, time planning for the test program is part of their overall strategic time planning. Assume they estimate, after 8 years of cautious clandestine testing, that they probably gained the technical advantages they were seeking; assume that they decide to go to war after 2 more years. Since probably a fairly large number of atmospheric tests at full yield would be required to check the overall reliability of their battle order weapons, they should resume atmospheric testing on D-day minus 1 year. Even if the United States resumed testing within the year, the Soviets could have reaped great strategic benefits. Naturally, the proof tests may show that the weapons function less well than had been anticipated, in which case the stratagem may have failed in part. The odds are, however, that while yield predictions and the like may not be entirely accurate, serious and noncorrectable failures will not occur.

CHAPTER XI

The test ban: its strain on free world alliances

In all this pressure for the test ban, the United States has shown willingness, or so it seems to many outside observers, to subordinate the interests of the NATO alliance to the chimera of a Soviet-American test ban. If such a ban were concluded, it would amount to a quasi-alliance between the two hostile superpowers, especially if it were accompanied by a proviso that the nuclear club would remain closed to new applicants. The implications of such an agreement would be far reaching. Even in the present phase when the agreement is merely being discussed, the alliance has been weakening politically and militarily, and Europe has remained disarmed in terms of a future war. In the end, if the test ban were to stick, it would constitute a reorientation of the entire foreign policy of the United States. The effect of this policy would be, whether this is the intent or not, to divide the globe into an American and a Soviet orbit—until the day when the Soviets will see fit to grasp for it all.

Naturally, the proviso against the enlargement of the nuclear club cannot be enforced unless we or the Soviets, or both, were to threaten and even attack nations acquiring nuclear capabilities. Yet the Soviets hardly could afford to attack China. Khrushchev's recently commented: "When we will throw the last shovelful of dirt on the grave of capitalism, we will do it with China." In view of this attitude, it is very plausible to expect that the Chinese, once they get around to testing under moratorium conditions, actually would be acting as proxies for the Soviets. Similarly, the United States cannot prevent the French from pursuing their atomic program, and we have announced—and reiterated—that we won't interfere.

In this connection it is to be noted that the Soviets repeatedly stated they would stick to the principle that for each Western shot, they would fire a shot of their own. Hence, so long as the French continue their tests, the Soviets, irrespective of what they sign with the United States, will not consider that they are obligated in any manner by the discontinuance of American testing.

The incongruity of our policy can also be seen from the fact that we only recently offered to France Polaris missiles without warheads or submarines. This offer, which was refused, for good and sound reasons, was predicated on the assumption that the French would develop their own atomic warheads for that missile. It is fantastic to expect that the Polaris missile which has been in service for 2 years, will remain so desirable that still in 1970 it should be introduced into the French arsenal, i.e., at a time when the Soviets may be in the second generation of their antimissiles. Certainly, Polaris would be the wrong missile if by 1970 neutron technology were mastered, and missile as well as submarine could be reduced in size. By offering just one element of an entire weapon system, we are ignoring the main lesson in arms design since 1940: Weapons must be designed as systems; hence if we want the French and the British to have a nuclear submarine force, we had better get together and negotiate about the system in toto.

The French have yet to prove mastery of fusion techniques and surely a fission warhead on Polaris makes no sense at all. Irrespective of whether it is sound to expect that the French can have a truly effective Polaris warhead by 1970, if the United States were to enter into a test ban, we would expect the French not to engage in any tests. How then could the French acquire the warhead for the missile which we are offering to them? Would we not feel compelled to withhold the missile if they did not adhere to the moratorium—and to withhold it also if they did observe the moratorium, because they could not use the missile?

Truly, the United States has been maneuvering itself into an untenable position. While we have been chasing the will-o'-the-wisp of a test ban designed to initiate a series of arms control or disarmament agreements, or failing in this most illusory objective, to pursue a strategy of nuclear stalemate rather than deterrence, we have not even attempted to make some real progress for the benefit of mankind. The whole agitation about the test ban came about because of fears that fallout would endanger human health. It might have been feasible to conclude an international agreement for the control of the amounts of radioactivity released into the air every year. Such an agreement could be patterned, for example, after the international whaling convention or provisions for the control of epidemics. Perhaps the Soviets would have been unwilling to forgo their stratagem and substitute a beneficial measure. But the pursuit of a useful public health convention, instead of a strategic boomerang, would conform both to American security interests and to its traditional concern for human welfare.

It is distressing that the United States has gradually been slipping into a policy of unilateral nuclear disarmament, on the one hand, and illusions and duplicity on the other. Major strategic decisions in a democracy should be based upon a proper democratic debate. Instead, secret diplomacy abounds, the Government manipulates the news and abuses security provisions by withholding information to which the American public is entitled, especially since the pertinent information is known to the Soviets. The absence of regular reports on the nuclear race bespeaks a fear that the American people may become apprehensive of Soviet nuclear advances and consequently demand the initiation of a serious and continuous American test program.

A democracy cannot function without an effective opposition. It would seem as though in many vital security areas, but especially in the nuclear field, there has been a de facto suspension of the democratic procedure within the United States.

The voice of those who oppose the folly of the test ban has been stifled effectively and it remains to be seen whether this particular intra-American iron curtain can be pierced before the security of the United States is permanently imperilled. In a democracy the opposition is expected to be loyal. But it is a vital element of its loyalty to the Nation that the opposition must fulfill its functions of opposing false policies, even at the price of a loss in popularity. An opposition which keeps silent throws away its chances and forfeits the future of the Nation.

CHAPTER XII

The test ban: an American retreat from supremacy

The test ban is one important step in the many unilateral measures which the United States has been taking toward unilateral nuclear disarmament. The Soviets have carried out more tests at high yields than we have, and when they announced that they would use 100 megaton devices in their weapons, we stuck to bombs and warheads of far lesser firepower. We are reducing the total megatonnage of our strategic delivery system. If we allow a firepower gap to develop according to present trends, we would simply make the Soviets a present of the greatest blackmail potential ever possessed by an aggressor.

We are holding back with the development of warheads of optimal usefulness in anti-ICBM's. It is utterly incomprehensible that Disarmament Agency Chief William C. Foster lists as an advantage of the test ban that "the development of antimissile systems would be slowed down on both sides." There can be no advantage in such a slowdown for a second-strike power. International stability would be enhanced through a better balance between offensive and defensive weapon systems. Mr. Foster's statement, however, discloses the true attitude of the administration to antimissile defense: they just don't want it.

There has been a recent downgrading of the utility of low-yield tactical weapons and

a great eagerness to strengthen the conventional firepower of the ground forces rather than their nuclear capability. We are more afraid of rash acts by our own troops than of enemy aggression and have put our nuclear weapons under so many controls that it will be a miracle, should aggression eventuate, if they can be used before the storage and launch sites have been hit. To top all this, we are relying on weapon systems which were never fully tested and whose reliability is not checked at regular intervals.

It is apparent that by contrast, the Soviet Union is trying to maximize its nuclear capabilities for all weapon systems useful in a modern war.

The solid strategic result, so far, of 5 years of unpoliced test moratorium, test-ban negotiation, and somewhat desultory U.S. testing has been that the Soviets caught up and possibly overtook us in the yield of strategic weapons as well as in high-yield nuclear efficiencies. Presumably, to judge from Mr. Foster's statement, we still enjoy advantages in smaller and tactical weapons—but this seems to be irrelevant in view of the fact that the administration plans to stop production of tactical weapons and makes every effort to downgrade the utility of these weapons, be it even at the price of further undermining NATO.

Hence we don't really need a second test-ban round to help the enemy because we are conceding the tactical weapons to the Soviets anyway. But the second round, in all likelihood, would provide the Soviets with a monopoly in neutron weapons. In any event, a test ban which by definition cannot be used to police tests on neutron weapons and which would be observed unilaterally by the United States because we don't want to develop the neutron technology, would provide the Soviet Union with an optimal condition to achieve military supremacy.

Has Khrushchev forsaken nuclear war? Perhaps, but for how long? How long will he stay in power? He anticipates that as a result of his peaceful coexistence strategy, major crises will develop. What he plans to do when a crisis occurs was stated by him in blunt language on January 16, 1963: "If a revolutionary situation has arisen, the working class, led by its vanguard, must utilize this situation for seizing power * * *. The people have the right to use the most decisive means including armed struggle, in the interest of the victory of socialism."

Impregnable Troy fell to a primitive ruse. The test ban is a highly sophisticated stratagem, but it is really based on an elementary point of observation: Americans are so highly susceptible to high-sounding propaganda that they can be persuaded to commit political suicide. The trick is to disarm us and make us die by an infinite number of small steps. The test-ban stratagem is the most effective psychological warfare campaign of the century, a real breakthrough in the art of psychological warfare, just as radar, the fission bomb, the missile, and sputnik constituted technological breakthroughs. But of all these breakthroughs, the test ban has the optimal cost-to-effect ratio.

Shall we be extinguished because we are listening to Kipling's prophets "of the utterly absurd, of the patently impossible and vain?" Odysseus knew how to behave when he encountered the Sirens; we are eager to be charmed by their sweet songs. "Around them the bodies of their victims lie in heaps."

APPLICATION OF POWER REVENUES FROM RECLAMATION PROJECTS FOR THE REDUCTION OF THE PUBLIC DEBT

Mr. HALL. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. LANGEN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. LANGEN. Mr. Speaker, when the Government makes a profit on a Government-owned business, those profits rightfully belong to the people of the United States. With this in mind, I am introducing a bill that would provide for the application of power revenues from reclamation projects to the reduction of the public debt.

What my bill means is that revenues derived from reclamation projects will first be used to repay the costs of such projects, but once the project is on a paying basis, additional profits would be transferred to the General Treasury and would be applied only for the reduction of the public debt of the United States.

We all recognize the value of necessary reclamation power projects, but we should also recognize that profits from such projects belong to the taxpayers. Instead of turning such profits back into the Treasury, as was originally intended, they have been used in the past to support irrigation projects that not only cannot pay their own way but even add to the already staggering surpluses of agricultural products in this country. Some do not even benefit the power customers served by the original project.

Using these power profits for unsound irrigation projects is a direct form of subsidy, paid for by the American people. The figures are juggled, however, to make it appear that they cost us nothing. My bill would put an end to this reshuffling and dealing off the bottom of the deck. The cards would then be on the table, face up, for all to see.

This bill would not only work to reduce the national debt, but would amount to a wiser expenditure of these moneys than is now being done through questionable irrigation projects. These projects would then have to stand on their own merits instead of sneaking in behind the skirts of public power profits.

The worst part of all is that these irrigation projects put new acres into production raising the same crops that we pay other sections of the country not to raise. These farms are not even capable of paying back the interest-free money they are using to get into production.

Using these power profits to reduce the national debt would be the first step taken in that direction for some time. Our Government ran $6.3 billion in the red last year, expects to run another $8 or $9 billion in the hole during the fiscal year ending June 30, and anticipates a deficit of at least $11.9 billion next year if current budget requests are approved.

If this is the case, Congress may be asked to up the debt limit to $320 billion after this June 30 to meet the spending requirements for fiscal 1964. The debt limit was $285 billion in 1961, which means we are on the threshold of increasing it by the whopping total of $35 billion in just 3 years.

If reclamation power profits had been returned to the Treasury under the terms of my bill in the past, our public debt would now be around $4 billion less than it is. This may seem insignificant in these days of $100 billion budgets, but at least it is a first step toward a goal of fiscal sanity.

My bill has three major purposes, to reduce our impossible national debt, to eliminate a practice that results in increased farm surpluses at taxpayer expense, and to make wiser use of these moneys at a time when the fiscal strain is big enough to begin with.

HOW STRONG IS THE DOLLAR?

Mr. HALL. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, on March 7, 1963, I made a statement on the floor entitled "How Strong Is the Dollar?" This statement called attention to one facet of our balance-of-payments problem.

On March 13, 1963, I read into the RECORD, page 4106, an editorial from the Wall Street Journal, "Ignorance or Intent?" This article demonstrated the close relationship between our balance of payments and the administration's budget handling.

Calling attention to the need for maintaining confidence in the U.S. dollar, the Wall Street Journal advocated reduced Federal spending as the best way of stimulating healthy economic development.

On March 19, 1963, the distinguished minority leader of the Senate issued the following statement:

STATEMENT BY SENATOR DIRKSEN, MARCH 19, 1963

The Kennedy administration's highly questionable proposal to increase the national debt so that the Federal Government can spend more while the people pay less in taxes offers so many dangers to our economy that it is difficult to list them.

Certainly one of the greatest dangers is further inflation which means rising prices. The American people, who saw their money cheapened by nearly 50 percent under the Truman administration, understand this danger and it is one of the reasons they doubt the wisdom of President Kennedy's proposal to increase spending while cutting taxes.

But there is a much less understood danger—the threat the President's program presents to an already bad economic problem, the flow of gold from this country to foreign lands.

In 1962, the United States paid to foreign creditors $2.2 billion more than it received in the balance of payments and it is already estimated our deficit position will be equally bad this year. As a result of the 1962 payments, our shrinking gold holdings were reduced $911 million, meaning our foreign creditors demanded gold instead of accepting our dollars more than 40 percent of the time.

It is a fact of economic life that the demand for gold by foreign holders of dollars will step up sharply if the Kennedy program should result in additional inflation. Foreign economists and financiers recognize the inflation potential in the proposed Kennedy deficit and just their fear of it could produce increased difficulties in our flow of gold problem.

We, the members of the Joint Senate-House Republican leadership, feel it impera-

tive to point out that higher prices which inevitably follow inflation could only mean less export of American goods and more export of gold to pay for the increased imports of goods made by cheaper foreign labor. Instead of helping solve unemployment, Mr. Kennedy's planned deficit very conceivably could increase unemployment and worsen our gold position to boot.

The creation of jobs is our No. 1 problem and we believe any tax-and-spend program which weakens confidence is likely to worsen rather than solve the problem.

The Senator from Illinois has done a commendable job in linking our balance-of-payments problem to the planned budget deficit proposed by this administration.

Until a year ago, balance of payments was a subject with which Americans were largely unconcerned. In the last 2 years foreign creditors have been demanding gold instead of accepting our dollars. If this situation continues, balance of payments may become as well known as Mickey Mantle's batting average.

W. A. SHEAFFER PEN CO.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, this year marks the golden anniversary of one of my State's major industrial enterprises—a company whose name in the short span of 50 years has become known to many millions of people throughout the free world.

I refer to the W. A. Sheaffer Pen Co., incorporated in 1913 in Fort Madison, Iowa, by the inventor of the lever-fill fountain pen, and now directed by the two grandsons of the founder.

When W. A. Sheaffer began production of writing instruments a half-century ago with a staff of six employees, his "factory" was a 12- by 14-foot room in the back of his small jewelry store on the main street of this southeast Iowa community.

Today, in the same city, Sheaffer Pen Co.'s three modern plants cover an area of several blocks and contribute substantially to the economy of the area by employing more than 1,400 of Fort Madison's 15,000 citizens.

In addition, there are hundreds more employed in Sheaffer facilities in Canada, Australia, South America, and Europe—evidence of the opportunities for growth and expansion under the American free enterprise system.

I am proud of the accomplishments of this Iowa firm that for 50 years has adhered unswervingly to the philosophy of its founder: build quality products, charge a fair price for them, and sell them with pride. In the years ahead I am sure that Sheaffer management and employees will have as their goal even greater service to the fundamental area of personal communication as a force for international understanding and well-being.

HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. HALL. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS. Mr. Speaker, last year I had extensive correspondence with the Reverend Stanley Stuber of Jefferson City, Mo., and the chairman of the House Committee on Un-American Activities, the gentleman from Pennsylvania [Mr. WALTER] regarding the use of information provided by the committee from its public files. This exchange originated when I received a letter from Dr. Stuber calling for the abolition of the committee because of certain "abuses" of which he, and others, contend the committee have been guilty.

In following up on his complaints, which centered around the publication by certain individuals and groups in Missouri of committee material concerning him, I believe some important questions of procedure were raised. This correspondence appeared in the CONGRESSIONAL RECORD, volume 108, part 3, pages 3776–3779, volume 108, part 13, pages 18279–18282, and volume 108, part 14, pages 19503–19505.

A further instance has been brought to my attention by Dr. Stuber of the use of committee materials dealing with him. Once again, I believe that this subject is of such importance to the Congress and the country in evaluating the work of the committee that I am placing the correspondence dealing with it in the RECORD.

First is a letter which I received from Dr. Stuber enclosing a copy of a memorandum circulated by the Reverend Alfred Thornton of the Bible Baptist Church of Jefferson City to all members of the Missouri State Legislature. My reply follows:

MISSOURI COUNCIL OF CHURCHES,
Jefferson City, Mo., January 28, 1963.

The Honorable THOMAS B. CURTIS,
Old House Office Building,
Washington, D.C.

DEAR CONGRESSMAN CURTIS: Enclosed is another documentation of how the listings of the House Committee on Un-American Activities are being used to smear Americans who may believe in the National Council of Churches and the United Nations.

You will note that the Reverend Mr. Thornton claims that he received the listings from Chairman WALTER and that this information is directly from the official records in Washington.

This is very serious business, since this document was sent to all the members of the house and senate of the Missouri Legislature.

I certainly hope that you will find time to follow up on this matter, and discover some way of keeping the files of the House Committee on Un-American Activities from the hands of those who want to use the great influence of a congressional committee for their own personal purposes of smearing those with whom they do not agree.

Sincerely yours,
STANLEY I. STUBER,
Executive Director.

BIBLE BAPTIST CHURCH,
Jefferson City, Mo.

DEAR LAWMAKER: A copy of this letter is being put in the hands of all senators and representatives of our State legislature. It concerns the Reverend Dr. Stanley I. Stuber of Jefferson City.

Dr. Stuber is executive secretary of the Missouri Council of Churches with headquarters here in the capital city. You will be hearing from this man for he will be using his position as head of a large council of churches to influence certain legislation. Please notice very carefully the following information about Dr. Stuber.

I have a personal letter from the Honorable FRANCIS E. WALTER, Chairman of Committee on Un-American Activities. Mr. WALTER enclosed the following data.

"1. In 1950 and 1951 Dr. Stanley I. Stuber sponsored the National Committee To Repeal the McCarran Act. (The Internal Security Subcommittee said that this organization was subversive.)

"2. Dr. Stuber was secretary-treasurer of the Inter-Church Committee of The American Russian Institute. (That organization was listed as subversive by the Attorney General of the United States Senate Judiciary Committee, and Internal Security Subcommittee.)

"3. Dr. Stuber was connected with the National Council of American-Soviet Friendship. (This organization was declared subversive by the Committee on Un-American Activities, Attorney General of the United States, Internal Security Subcommittee, and Subversive Activities Control Board.)

"4. Dr. Stuber was a sponsor of The Call for a National Emergency Conference. (That organization was declared subversive by the Committee on Un-American Activities.)

"5. Dr. Stuber was a sponsor of the American Committee for Spanish Freedom. (This organization was declared subversive by the Attorney General of the United States, Committee on Un-American Activities.)"

In recent weeks Dr. Stuber has been reported in the local newspapers as opposing the House Un-American Activities Committee making known publicly the names of persons found to belong to Communist-front organizations, and that he and his Council of Churches would officially favor legislation to abolish the death penalty in Missouri.

Dr. Stuber will probably deny this report—he has already in the past, but I remind you this information is directly from the official records in Washington. If you should like a photostatic copy of this report from Washington I will be happy to provide you with one. If for any reason you should want to contact me further, my telephone numbers are Jefferson City 635–1970 or 635–1097.

By the way, the above report on Dr. Stuber is only fragmentary. There are other men in Missouri who know more on him than I do. Their names and addresses are available for you.

With every good wish, I am
Yours sincerely,
Rev. ALFRED O. THORNTON,
Pastor.

FEBRUARY 5, 1963.

STANLEY I. STUBER, Th. M., D.D.,
Executive Director, Missouri Council of Churches, Jefferson City, Mo.

DEAR DR. STUBER: I wish to acknowledge your letter of January 28, 1963. It is obvious to me that the Reverend Thornton is referring back to the incident which I checked into where Congressman WALTER released the unevaluated material in the committee's files under the caveat the committee employs. I do not condone what was done and I have endeavored to persuade the House Un-American Activities Committee not to permit this kind of thing to happen.

On the other hand, it is quite obvious that Reverend Thornton is misusing this material as he does not call attention to the caveat of the House Un-American Activities Committee which accompanies this material. Quite the contrary, Reverend Thornton seeks to create innuendoes the other way. This is a matter of Reverend Thornton's actions, however, not the House Un-American Activities Committee. It does demonstrate, however, the point you sought to make of the manner in which House Un-American Activities Committee material can be misused when placed in the hands of certain people.

I still find it strange, however, that you do not have your explanation of your association with these various groups adjudged to be subversive firmly placed in the House Un-American Activities Committee files. The House Un-American Activities Committee points out that they have asked you for this statement several times and have assured you that this becomes just as much a part of the files as the derogatory material.

I have no knowledge of any new incident of the House Un-American Activities Committee releasing unevaluated material to a member of the public, or even to another Congressman, who then made it available.

Sincerely,

THOMAS B. CURTIS.

Next is a letter which I received from the Missouri Convention of American Baptists, written in an attempt to clarify the situation and put Reverend Thornton's memorandum into proper perspective. Again my response follows:

MISSOURI CONVENTION OF AMERICAN BAPTISTS,
Columbia, Mo., February 4, 1963.

Hon. THOMAS B. CURTIS,
Webster Groves, Mo.

DEAR MR. CURTIS: I have reason to believe that you have received a communication from the Reverend Alfred O. Thornton, pastor of the Bible Baptist Church, Jefferson City, Mo., which seeks to cast suspicion on the patriotism of the Reverend Dr. Stanley I. Stuber, executive director and Ecumenical Minister of the Missouri Council of Churches.

I am privileged to serve as the official representative of the American Baptist Convention in Missouri and Dr. Stuber is an ordained minister of this denomination. It is in this capacity that I am writing to call your attention to two things:

1. I have in my files photostatic copies of letters from the staff director of the House Committee on Un-American Activities, and from one of the members of the committee, stating that there has never been a hearing nor an investigation of Dr. Stuber and that he has never been identified as a member of the Communist Party.

2. The statement regarding the practice of the House Committee on Un-American Activities making public the content of their files is a reference to and consistent with a resolution adopted by the Greater Council of the American Baptist Convention and submitted in writing to Members of the Congress by the American Baptist Convention.

I have taken the liberty of writing because I believe that Mr. Thornton, through misinformation which has come to his hands, has possibly cast one of American Baptists' respected leaders in an unfavorable light.

I shall be pleased to discuss this further with you if you should care to request it.

Respectfully,

JAMES HAVENS,
Executive Secretary.

FEBRUARY 19, 1963.

Mr. JAMES HAVENS,
Executive Secretary, Missouri Convention of American Baptists, Columbia, Mo.

DEAR MR. HAVENS: Thank you for sending me a copy of the letter you are sending to people who may have received communications from Rev. Alfred Thornton, pastor of the Bible Baptist Church of Jefferson City, in respect to Rev. Dr. Stanley Stuber.

I think this goes a long way toward putting this matter in the proper light. This is a way much preferable to that of castigating the Congress and its committees, as was done in the unfortunate statement to which you make reference in point two of your letter.

The phrase "unevaluated and limited" information should be used in place of the word "misinformation" contained in the next to the last paragraph of your letter. The House Un-American Activities Committee did not give out misinformation, as Dr. Stuber himself acknowledges, only unevaluated and limited information, which could be and was used by Reverend Thornton to draw or to suggest unwarranted conclusions.

Sincerely,

THOMAS B. CURTIS.

A copy of my reply to Mr. Havens was directed to the attention of Reverend Thornton. He took issue with my contention that his "Dear Lawmakers" memorandum drew or suggested "unwarranted conclusions" and asked for an explanation of my statement. Here, I feel, is the crux of the matter; in this can be found the responsibilities of the various interested parties to safeguard the personal reputations of those about whom the committee has material in its public files.

In its form for providing requested information from its public files on specific individuals and groups, the committee prints a caveat stating that the information which follows is not evaluated and contains only material which has been received by the committee, not results of any investigation by it. It goes on to say that the information set forth is "not, per se, an indication that this individual is subversive, unless specifically stated."

This caveat is as much a part of the committee's information as the material which follows it. Yet, there are those, like Reverend Thornton in the case at hand, who republish this material, often edited and always leaving out the explanatory caveat. We can hold open for discussion whether there should be files of the committee open to the public and whether the committee should cooperate with those interested in this material to the extent of reproducing it and sending it on request. A case could be made either way on this, and should be made.

Nevertheless, the committee in responding to requests for information of this nature takes the very commendable precaution of making sure the caveat noted above goes with it. Then we come to the responsibility of those who receive and republish the material from the committee. If they follow the procedures which Reverend Thornton has, they ignore their responsibility to the people who are subjects of the committee files and to the people to whom their reports are sent. If their purpose is to smear, they can use the edited committee file material, just as they can any other half-truth, and make what appears to be a damning case. To turn back for a moment to the basic issue which brought me into correspondence with Dr. Stuber, is this adequate reason for abolishing the committee? Clearly not. It may indicate a need for a better procedure on the part of the committee to prevent abuses by other people outside of the Congress, but it cannot impute the motives of those on the outside to the committee.

The letter of Reverend Thornton asking for a clarification of my statement and my response follows.

BIBLE BAPTIST CHURCH,
Jefferson City, Mo., February 23, 1963.

The Honorable THOMAS B. CURTIS,
House of Representatives,
Washington, D.C.

DEAR MR. CURTIS: Thank you for sending me a copy of your recent letter to Mr. James Havens, executive secretary, Missouri Convention of American Baptists.

In the last paragraph of your letter to Mr. Havens you say, "The House Un-American Activities Committee did not give out misinformation, as Dr. Stuber himself acknowledges, only unevaluated and limited information, which could be and was used by Reverend Thornton to draw or to suggest unwarranted conclusions."

I would appreciate very much your explaining simply what you meant by the last clause of that paragraph, quote: "which could be and was used by Reverend Thornton to draw or to suggest unwarranted conclusions." I am completely in the dark as to what you meant by that and since I am directly involved I assure you of my sincere desire for an explanation.

With every good wish, I am,

Sincerely yours,

ALFRED O. THORNTON.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 7, 1963.

Rev. ALFRED O. THORNTON,
Pastor, Bible Baptist Church,
Jefferson City, Mo.

DEAR DR. THORNTON: I am happy to comply with your request that I explain what I meant by the last clause of the paragraph you refer to in my letter to Mr. James Havens: "which could be and was used by Reverend Thornton to draw or to suggest unwarranted conclusions."

Your "Dear Lawmaker" letter addressed to all Missouri State legislators stated, "Please notice very carefully the following information about Dr. Stuber.

"I have a personal letter from the Honorable FRANCIS E. WALTER, chairman of Committee on Un-American Activities. Mr. WALTER enclosed the following data:"

This data was typed on the standard form employed by the House Un-American Activities Committee which has a printed caveat preceding the information set out. This caveat reads as follows:

"This committee makes no evaluation in this report. The following is only a compilation of recorded public material contained in our files and should not be construed as representing the results of any investigation or finding by the committee. The fact that the committee has information as set forth below on the subject of this report is not per se an indication that this individual, organization, or publication is subversive, unless specifically stated."

You did not print this caveat in your letter or in any way warn the people you were writing to that this was unevaluated material and that deductions should not be drawn from it that a person is or was subversive.

As a matter of fact, you edited the material from the House Un-American Activities Committee files.

Item 1. The House Un-American Activities Committee files state that the Daily Worker "reported" Dr. Stuber to be a sponsor of the Committee to Repeal the McCarran Act and a circular and petition of this committee listed him as among "prominent

Americans" who urged the repeal of the McCarran Act.

Your letter states baldly that Dr. Stuber sponsored this national committee. This is drawing an unwarranted conclusion. I remind you the sole authority for drawing the conclusion is the Daily Worker, which, according to my standards, and I suspect yours, is a very unreliable authority.

Item 2. The House Un-American Activities Committee file merely says that a letterhead, received in 1949, listed Dr. Stuber as secretary-treasurer of the Inter-Church Committee of the American-Russian Institute.

You draw the unwarranted conclusion that "Dr. Stuber was the secretary-treasurer * * *." A letterhead at most is some evidence of this fact, not conclusive proof. Furthermore, you very neatly have edited out of the House Un-American Activities Committee report references to dates, except in your item 1, dealing with the National Committee to Repeal the McCarran Act—and there you put in the years in which the Daily Worker and the committee said Dr. Stuber was active in this but failed to note that the earliest citation of this committee as subversive was in 1956. Dates become very important in evaluating membership in organizations. An organization can start out perfectly sound and be subverted at a later date. It is for this reason that the House Un-American Activities Committee files give the date when the organization under question was declared subversive and by which governmental agency. In this instance, the Inter-Church Committee of the American-Russian Institute, the dates were 1949, 1952, and 1956. There is no statement as to when the letterhead might have been printed. The House Un-American Activities Committee statement is limited and quite clear, "the letterhead was received in 1949."

Item 3. The files state the Daily Worker reported in 1947 that Dr. Stuber was among many signers of a statement sponsored by the organization in question. Two pamphlets of the organization said Dr. Stuber was among the signers of a statement and appeal sponsored by it. You draw the unwarranted conclusion that "Dr. Stuber was connected with" the organization. This is an indication of some connection, but not proof of it. The dates of the statements are not listed so we have no way of knowing whether they were issued before or after the organization in question was found to be subversive.

Item 4. The files state that the call for a National Emergency Conference May 13, 14, 1939, "named Dr. Stuber as a sponsor." You draw the unwarranted conclusion that he was a sponsor. Maybe he was, but this is only an indication he was. The organization was not declared subversive until 1946 and 1949.

Item 5. The file states that Dr. Stuber's name was on a letterhead (no date) of the American Committee for Spanish Freedom which was declared subversive in 1946 and 1949. The date of the Spanish Civil War suggests that the letterhead, whatever it signifies, probably was printed about 10 years earlier. You draw the unwarranted conclusion that "he was a sponsor."

I have pointed out specifically where you have drawn unwarranted conclusions. Let me now point out where you suggest unwarranted conclusions. Your final paragraph is as follows: "By the way the above report on Dr. Stuber is only fragmentary. There are other men in Missouri who know more on him than I do." Now what do you mean "know more on him" unless you are suggesting that all the secondhand, quoted out of context, rephrased material you have previously set out is something "on him," that is, against him.

What indeed is the entire purpose of your letter if it is not to draw and suggest unwarranted conclusions about Dr. Stuber?

Now let me conclude by saying this. I have no brief for Dr. Stuber. I don't believe I have ever met him, although I may be in error on this. I am at considerable odds with him on many important matters including his actions and attitudes toward the House Un-American Activities Committee, which I believe is doing a very difficult task under very trying circumstances with a reasonable record of fairness. I have criticized and still criticize the House Un-American Activities Committee for certain specific things, but I try to make my criticism constructive and I am also guided by the thought that I may be the one in error.

I believe that freedom of thought and the freedom to express one's thoughts is very basic to our way of life. It is because the Communist ideology would deprive our people of these freedoms—and our other important freedoms as well—that I am so strongly opposed to communism. However, we must not in combating communism and its attempt to infiltrate our society (and this threat is not a figment of the imagination) sacrifice the very freedoms we are fighting to protect. The end cannot justify these self-defeating means.

I am satisfied that if we are careful and fair we can combat communism effectively. Communism thrives on unfairness, excesses and carelessness with the truth; it withers in the light of honest debate and true seeking after facts. I do not believe the material which you circulated has helped in the fight against communism.

With best wishes,

Yours very truly,

THOMAS B. CURTIS.

There is a final level of responsibility which I feel deserves mention in this area. It is the responsibility of men like Dr. Stuber, leaders in their communities, to those who look to them for guidance. I am placing a letter which I have written to Dr. Stuber below, but I should like to point up its major thrust. As a preface to my letter is a letter which Dr. Stuber has written to the committee, in response to their invitation and request, stating his comments on the listings which the committee has dealing with him in its public files. I am pleased that Dr. Stuber has done this and, I might note, committee procedure is that this statement will be made part of the file of material on Dr. Stuber and will be with the file material to those who request such material.

In joining, supporting, or lending his name—if indeed he did—to the various organizations which are mentioned in the committee's files, Dr. Stuber placed the prestige of his person and his office behind these organizations. Because of this prestige which Dr. Stuber has, it is incumbent upon him, just as it is incumbent upon every Member of this body, to use care in giving support to groups which seek it. His giving support is not a private thing; it is an act which the recipient organization will publicize and upon which those who respect Dr. Stuber and have faith in him can rely. He owes it to the public to make the full extent of his connections an open matter—if he does support a cause, he should be glad to say why and, if the cause has been found subversive, to explain why he feels he can still cooperate with it in the best interests of the country or, on the other hand, announce that he no longer gives it his support. Just as Reverend Thornton has failed in his responsibility, Dr. Stuber, too, has helped create what I believe is a very unfortunate situation.

FEBRUARY 21, 1963.

The Honorable FRANCIS E. WALTER,
Chairman, House Committee on Un-American Activities, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN WALTER: At your suggestion I am making the following statement to be used in connection with the public file dealing with my name: "Dr. Stuber Not Connected With Communism."

In view of the above listing I want to state that it is entirely misleading and has absolutely false implications. I have never been a member of any Communist or Communist-front organization. Neither have I paid membership dues to any such organizations nor attended any of their meetings. All during my public ministry I have been opposed to communism and to other totalitarian groups. What I have said and done have been inspired by Christian convictions and have had no connection with communism. As an American citizen, believing in our Bill of Rights, I feel that it is not un-American to speak out boldly for what I believe to be Christian principles. I am perfectly willing to be judged by my Christian position. I am unwilling to be associated to any degree with communism.

The Reverend Dr. STANLEY I. STUBER.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 13, 1963.

STANLEY I. STUBER, Th.M., D.D.,
Executive Director, Missouri Council of Churches, Jefferson City, Mo.

DEAR DR. STUBER: In reviewing your recent letter to Chairman FRANCIS WALTER of the House Un-American Activities Committee and the statement which you have prepared for inclusion in the public file of material dealing with you, I felt compelled to write further carrying on our exchange on this matter.

I am very happy that you have chosen to accept the invitation of the committee to give this statement. I regret that you did not do so earlier. You have attained, and I am sure earned, a position of great respect in your community—a community which, I might say, extends far beyond the bounds of Jefferson City and the State of Missouri. Many people look to you for leadership and respect the opinions which you express.

With this prestige which you enjoy goes a duty to those who rely upon you. I feel I have the same duty. I cannot give my support to an organization without knowing that with it I lend whatever prestige my name carries to the organization as well. My support for an organization, and yours, is not a private thing; it thrusts this relationship out into the public eye, with all of the personal satisfaction and problems which this implies.

With the relationship public, the duty attaches to one who has lent his prestige to an organization to assure that the reliance placed in him is not misdirected in support of the organization. The duty can be met by letting those who rely upon you know the details of your connection with the organization and, if you disagree with the organization, your duty compels that you do whatever you can to make this disagreement known.

The content of your statement to the committee should reassure everyone of your beliefs. It does nothing to meet your duty to those who rely upon you to bring to light your connection, if any, with the organization with which your name is linked in the committee public files.

With best wishes.

Sincerely,

THOMAS B. CURTIS.

AREA JOB RETRAINING PROGRAM

Mr. HALL. Mr. Speaker, I ask unanimous consent that the gentlewoman from New Jersey [Mrs. DWYER] may extend her remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mrs. DWYER. Mr. Speaker, on Monday, March 18, the gentleman from Maryland [Mr. SICKLES] inserted in the CONGRESSIONAL RECORD a statement in which he discussed the operation of the Area Redevelopment Administration's job retraining program in Hagerstown, Md.

The net effect of the gentleman's statement was to absolve the agencies involved of any responsibility for a situation in which Federal funds were used in this program to train workers, directly and indirectly, for the benefit of a company, Mack Trucks, Inc., which relocated one of its plants from Plainfield, N.J., to Hagerstown, Md.

I must respectfully take exception to the gentleman's conclusion.

The gentleman's statement in the RECORD, Mr. Speaker, was generally factual—so far as it went. Not only did he omit some pertinent considerations, however, but he also placed an interpretation on the situation which I believe runs directly at variance with the facts he concedes.

He concedes that Mack Trucks, Inc., is a runaway plant, that its removal from Plainfield, N.J., to Hagerstown, Md., was a clear case of a relocation of industry; that the Area Redevelopment Act contains a clear bar against using Federal funds for a relocating industry; that an application was filed for Federal funds under the Area Redevelopment Act to set up a program for retaining workers as machine tool operators at the Mack plant in Hagerstown; that, even though this specific application was denied, three different programs for training machine tool operators were established in the immediate area; and that a total of about 60 or more workers retrained in these programs with Federal funds were employed by Mack Trucks.

In one very important respect, however, the gentleman's recital of the facts is, I believe, incorrect. He states that "as soon as this situation"—the direct referral of 15 graduates of the first retraining program to the Mack Co.—"came to the attention of officials in Washington, the Hagerstown Employment Service Office was reminded of the bar against aiding relocating industries, and no future references were made to Mack."

According to my information, Mr. Speaker, at no time during this period did officials in Washington remind the Employment Service Office of this prohibition. The Courier-News of Plainfield, N.J., which first revealed the situation on March 7, following an extensive, firsthand investigation in Hagerstown and Washington, quoted the director of the Maryland Office of Employment Security in Hagerstown as stating that he does not recall anyone ever telling him to stop referring people to Mack.

If this were the whole story, Mr. Speaker, it would represent a clear violation of the spirit and specific provisions of the Area Redevelopment Act, whether intentional or a result of poor administration. These additional facts, however, which the gentleman from Maryland ignores, makes the violation even more obvious.

The Federally subsidized retraining programs were established in Hagerstown and vicinity in full knowledge of the fact that Mack was the area's biggest employer and the source of the largest demand for machine tool operators.

Those who established the program knew, too, that the demand for machine tool operators by other employers was a direct result of Mack's policy of "pirating" skilled employees from these other employers through the promise of higher wages.

Therefore, those who established the retraining programs had every reason to know that most of the demand for machine tool operators was created, directly and indirectly, by a relocating industry, and that the principal purpose of the retraining programs, financed by Federal funds, was to meet the demand created by this relocating industry, Mack.

Not counting those workers undergoing retraining who went to work for employers other than Mack, because Mack had previously raided those employers, the direct cost to taxpayers of retraining the 60 or so workers employed by Mack totaled $50,000.

Part of this $50,000 of tax receipts was paid by the 2,000 or more former employees of Mack in Plainfield, N.J., who lost their jobs when Mack moved to Hagerstown. Therefore, those who became unemployed by virtue of a runaway plant were forced to help support the training of workers to take their places in this same runaway plant.

It is this fundamental injustice, Mr. Speaker, that led Congress to write a forceful antipiracy provision in the Area Redevelopment Act. The Mack experience suggests this provision is either being administered inadequately or is incapable of enforcement.

The gentleman from Maryland seems to imply that the law cannot properly be enforced. He dismisses as an "inadvertance" the fact that workers were trained for employment in a relocated plant. He writes off as "a fact of life" the inevitability that other retrained workers, not specifically referred to the relocated plant, will eventually go to work for the relocated plant in answer to widely advertised employment opportunities for workers retrained as machine tool operators. And he further defends the use of a federally subsidized retraining program to supply workers to industries which have lost employees to the relocated plant.

If this is a proper interpretation of the manner in which the Area Redevelopment Act should be administered, or if the act is in fact being so administered, I feel certain the news will come as something of a shock to many Members of Congress who voted in favor of the act. As a member of the Banking and Currency Committee which considered the legislation and reported it favorably, I can say with some assurance that this was not the understanding at the time the act was approved. On the contrary, no other provision of the act received more extended and careful consideration than the antipiracy clause. Everything possible was done to make this provision airtight, to guarantee that Federal assistance would not be used in any way to aid, abet, or encourage the relocation of plants from an industrially developed area to a labor surplus area, or to otherwise benefit such plants. I do not believe the Area Redevelopment Act could have been passed if there had been any reasonable doubt that the administration shared this understanding and was prepared to administer the act accordingly.

The reasonableness of a strict interpretation of the antipiracy provision is, I believe, self-evident. First, it would be the grossest kind of injustice to require displaced workers, who are also taxpayers, to help finance a tax-supported program providing benefits to the company which caused his unemployment by relocating its plant. Second, it is obviously uneconomic for a Federal-aid program to function in such a way that it benefits the act of exchanging unemployment, and this is clearly the effect of relocating existing industrial plants. The new employment created by the new plant is often more than matched by the unemployment caused by closing the existing plant. While private companies have a right, of course, to relocate their facilities, they have no right—either in reason or law—to expect the Federal Government to provide assistance of any kind in connection with the relocation. The purpose of the distressed area program is to help create new job opportunities by encouraging establishment of new and expanded industrial facilities, not by relocating plants already in existence.

Consequently, Mr. Speaker, I must respectfully but vigorously disagree with our colleague, the gentleman from Maryland [Mr. SICKLES], with respect to the responsibility for permitting Federal funds to be used to benefit the Mack Co.'s relocated plant. The assistance the Mack Co. received was both direct and indirect. It was substantial. It was provided knowingly in a situation in which the Mack Co. was both the chief cause of the Federal-aid project and its principal beneficiary. And it was provided in violation of a specific provision of law.

Under these circumstances, accountability cannot be waived. Whether it is the Area Redevelopment Administration or the Department of Labor, someone is responsible for permitting Federal funds to be used to assist a relocated plant. Congress has an obligation to look into the situation thoroughly and determine whether such violations of the antipiracy provision of the Area Redevelopment Act can be prevented or whether this provision cannot be enforced adequately.

I have discussed this matter, Mr. Speaker, with several of my colleagues on the Banking and Currency Commit-

tee, including the chairman of the committee. I have written to the Secretaries of Commerce and Labor asking them to investigate and provide us with a full report. The Secretary of Commerce has assured me it will be looked into carefully and a full report furnished in the near future. I have not yet heard from the Secretary of Labor.

Mr. Speaker, I am sure our colleagues, especially those who represent industrial areas as I do, will agree that this situation is extremely serious.

If the Area Redevelopment Act is not being administered in accordance with the spirit of the law and the clear intent of Congress, then we must take appropriate steps to insist on proper administration. If the antipiracy provision of the act is ambiguous or inadequate in any way, then Congress ought to tighten it up. If the antipiracy provision cannot be enforced as Congress intended, or if the act cannot be so administered as to prevent the use of Federal funds to aid relocated plants, then I believe the entire act should be repealed or drastically revised and a fresh start made to find a more workable way of aiding distressed areas.

Otherwise, we shall be permitting, indeed encouraging, the Area Redevelopment program to be used as a lure to companies interested in relocating their plants when they can get something for nothing. The people we represent, many of whom are potential victims of such piracy, would not be likely to agree that this is a proper use of Federal funds.

FREEMAN'S POLICY FIGURES ON WHEAT REFERENDUM

Mr. HALL. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. FINDLEY. Mr. Speaker, all of us have been confronted during the past 2 years by the paper curtain—the New Frontier-style barrier through which only officially slanted news is permitted to come to public view.

The U.S. Department of Agriculture has its own paper curtain, and this is particularly true of the deceptive propaganda being fed to farmers about the wheat referendum.

Officials of the Department, from Secretary Freeman down to county ASC office managers, are declaring that the referendum is a choice between $2 wheat and $1 wheat.

This is false and grossly misleading. It is made for an obvious reason: It plays on the price-depression fears of farmers. But neither the $2 figure nor the $1 figure is accurate.

Price is only one of several important considerations in the referendum. But considering price only, the choice is not between $2 wheat and $1 wheat. It is between wheat at about $1.85 the first year and, under the worst circumstances, $1.25 wheat if the referendum fails.

Where the $1 figure originated is anybody's guess. It did not come from anything in the lawbooks. If the referendum fails—and if Congress should fail to pass new legislation—wheat would be supported at 50 percent of parity. This means price support at $1.25 a bushel. Of course, no one seriously suggests that Congress would fail to act if the referendum fails.

Consider the facts. Mr. CARL ALBERT, majority leader of the House, represents a major wheatgrowing area. Would he block new legislation if farmers vote down the certificate scheme. Of course not. Indeed he would be in the front ranks hustling to get a new bill passed.

With the 1964 election just around the corner, is President Kennedy apt to put the clamps on voters who grow wheat just because they turned down the bill to establish mandatory acre-and-bushel controls? He is not about to, and all the threats to the contrary will be smothered in wide smiles once the referendum tally is counted.

Does a car salesman refuse to deal with a customer just because he will not buy one particular model? Of course not. He is back quicklike with another one—probably the same day.

That is why I say that only under the worst circumstances wheat would be supported at $1.25 if the referendum fails. Those circumstances just will not come to be, particularly with a politically sensitive President in the White House.

Now, the promise of $2 wheat if the referendum carries. Probably the least understood portion of the proposal is that if a farmer stays within his allotment he gets a certificate for only a portion of the production. The portion is determined by the Secretary of Agriculture on the basis of the national quota. Secretary Freeman has indicated farmers staying within their allotments would get a 70-cent certificate for between 80 and 85 percent of their normal production. Note the word normal.

This means the farmer would average about $1.85 per bushel—not $2—since he would sell the balance of his production—some 15 to 20 percent—under the $1.30 per bushel support level.

If the farmer heaps on the fertilizer and gets a bigger-than-normal yield, the extra yield would go under the $1.30 support too, and thus the average per bushel would drop below $1.85.

The new legislation would give the Secretary vast discretionary authority.

Suppose the wheat harvest is good in 1964, and stockpiles rise. Under the new legislation the Secretary would have the authority—and the responsibility, for that matter—to cut back the bushelage quota still more. It is anybody's guess what the per bushel average price for wheat might then be in 1965 and beyond.

The new legislation provides that wheat used for food at home and such portion of wheat exports as the Secretary determines, would be supported at between 65 and 90 percent of parity. The Secretary is directed to consider eight factors in making this determination.

Previous legislation provided a minimum price support at 75 percent of parity for all wheat produced within the allotment.

Now wheat not accompanied by certificates would be supported at a still lower level than 65 percent of parity, again to be determined by the Secretary. He has announced that wheat not accompanied by certificates on farms that stay within their allotments will be supported at $1.30 a bushel, or a shade over 50 percent of parity.

Under the law the Secretary could have gone much lower and related the price support to feed grains. This lower support would be possible, of course, after 1964. Budget troubles might force such action.

All the erroneous talk about $2 versus $1 wheat obscures other dangerous features of the new legislation.

For example. No payment for diverted acres after 1965, and payment at the Secretary's option in 1965.

Let me explain. Under the new legislation the old 55-million-acre minimum national allotment would be eliminated. In its place would be a billion-bushel minimum marketing quota. This quota, on a bushel and acre basis would be divided among wheat farmers.

As technology improves, this could mean sharp acreage cuts in years beyond 1964. As yields go up, allotments and quotas go down.

You might assume that as acreage allotments are cut, farmers will be paid for the diverted acres. Payments are authorized only for 1964 and 1965. After 1965, no payments are authorized. Secretary Freeman has already announced that farmers will receive a diversion payment for 1964 on a 10-percent mandatory cut at 30 percent of the normal yield. In 1965 he may make it substantially lower or eliminate it altogether. Here again budget problems may govern policy.

Here is something even more serious, a strange new penalty never before applied in commodity programs. The new legislation provides that after 1965 the diverted acreage must go into conserving or certain special crop uses, but no payment is authorized for this diversion. If the farmer fails to place this acreage in conserving uses, he becomes ineligible for price supports or certificates and is subject to high marketing-quota penalties. All this, even though he stays within his wheat allotment.

As I said, this is something new: truly a straitjacket within a straitjacket.

This is a good time for the wheat farmers of America, and particularly those in my home State of Illinois, to stop, look, and listen.

Somehow they must pierce the paper curtain and get the facts—before it is too late.

BRAZIL THREATENS TO QUIT TAKING OUR MONEY

Mr. HALL. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. FINDLEY. Mr. Speaker, if we are not careful we will make some of the foreign countries so mad they will quit taking our money.

This occurred to me when I read in the March 18 Evening Star this Associated Press story, the first three paragraphs of which are reprinted here:

BRASILIA, March 18.—President Joao Goulart has reacted angrily to U.S. assertions that Communists had infiltrated his government. A big new obstacle arose to harmonious relations between the two countries.

Mr. Goulart demanded that President Kennedy personally clarify the charges made by the State Department in a published statement to the House Subcommittee on Latin American Affairs.

The President issued an order to his finance minister, Francisco San Tiago Dantas, to suspend his negotiations in Washington for more U.S. aid. Informed sources said, however, that Foreign Minister Hermes Lima persuaded Mr. Goulart to withdraw the order.

Mr. Goulart was really going to get even with us, was he not? The moral of it: if we want our foreign aid program to keep going full blast, we had better quit complaining about such incidentals as Communist infiltration in the countries on the receiving end.

COLLEGIATE NURSING EDUCATION ACT OF 1963

Mr. MARSH. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. ST GERMAIN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, the measure I am introducing today authorizes a 5-year program of grants and scholarships for college training in the nursing field. The legislation is designed to help alleviate the pressing need for more and better trained nurses which exists in our Nation today.

This need is reflected in the present shortage of public health nurses, industrial nurses, and school nurses, as well as in the chronic shortage of nurses to staff hospitals and nursing homes. If we are to properly provide for the long-range nursing needs of this country, the time for action is now.

The Collegiate Nursing Education Act of 1963 has three main parts:

The first section provides matching grants for nursing school construction and specifies that no school could receive more than $500,000 in the 5-year period.

The second section authorizes funds for teaching assistance and states that no institution can receive over $25,000.

The third section makes scholarships available to both entering students and to graduate nurses with a 3-year hospital diploma.

I am pleased to advise the House that the Rhode Island State Nurses' Association and other nursing organizations are solidly behind this measure.

Nursing is a great vocation which seeks to serve those who cannot serve themselves. In order to close the gap which exists between the supply of qualified nurses and the demand for them, and to further upgrade the nursing profession, I urge enactment of the Collegiate Nursing Act of 1963 at this session of Congress.

A COGENT ANALYSIS OF THE PATENT PROBLEM

Mr. MARSH. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. DADDARIO] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. DADDARIO. Mr. Speaker, an important aspect of the present scale of economic growth in the United States arises from our need to see that we make the best possible use of the inventions which are developed in laboratories across the country. This is a complex problem, relating to the way we disseminate the results of technical and scientific research and the way in which we encourage the best brains and the best talent to apply itself to solutions of difficult technical problems.

An element of this problem is the handling of patents in such a way as to stimulate the progress of science and the useful arts. This area has provoked a great deal of discussion in recent years as some who are fearful of monopoly in any form have challenged the patent system, even though the Congress has established legislation to be invoked whenever antitrust situations appear.

As chairman of the Subcommittee on Patents and Scientific Inventions in the last Congress and a member of its predecessor, I have had occasion to study this controversy at some length. The House, on one occasion, has indicated its belief that a flexible patent policy with regard to inventions under the Space Act should be adopted by passing legislation which so stated and, on a second occasion, the Committee on Science and Astronautics overwhelmingly recommended such a statement.

There is no question that the Space Act should be amended to speed and improve our national space program and to give the Administrator of the National Space and Aeronautics Administration more flexibility with which to carry out his congressional mandate to use the full resources of the United States in achieving his goals. This will require legislative action.

The conflict in patent policies and theories has been brought to the attention of the President on a number of occasions and, in the early months of the present administration, there was a major attempt to urge Executive action which would take this policy out of the hands of the Congress. Wisely, the President recognized the complexity of this problem, and indicated at a press conference last year, in response to questions, that he would submit any proposal for a solution to the Congress.

Considerable study was given this question by the executive branch. Much of the study centered in the Office of Science and Technology, which is headed by Dr. Jerome B. Wiesner and which has very grave responsibilities in the shaping of science policy for the Nation. The Office is a staff arm of the President to advise and assist him in these matters.

Dr. Wiesner testified on March 14 at a hearing of the Monopoly Subcommittee of the Senate Small Business Committee which has held hearings on patent policies within the Federal Government. Dr. Wiesner discussed the complexities of this problem, and I found his remarks most significant and useful. I believe they should be given wider distribution and should be brought to the attention of all Members of Congress, who should gave an interest in what he had to say.

In essence, Dr. Wiesner's statement sets forth a philosophy which evaluates the importance of the patent issue to the future of research and development and its relation to our national goals. From this, he draws certain guidelines for any real solution to this difficult problem. I was especially pleased to note that it concurs generally with the principles developed by our subcommittee last year.

Thus it seems apparent that, after extensive study of the question of the ownership of patents developed by industry in whole or in part with Federal research funds, Dr. Wiesner and his associates have arrived at most of the same conclusions which our committee recommended last year and which we reported to the House as House Resolution 12812 on August 12, 1962.

It is clear from Dr. Wiesner's testimony that he has found a definite need for flexibility in approaching the matter and that there are many instances in which title to inventions should remain with private enterprise as well as some in which title should become the property of the Federal Government. Dr. Wiesner emphasized that the Government should always retain a royalty free irrevocable license on these inventions for use by the Government. I believe it is implicit in his testimony that, for the most part, such license is sufficient protection of the public interest except in cases where the Government has been the chief instigator and financer of the inventions in question.

Mr. Speaker, I believe the views expressed by Dr. Wiesner show that the administration has looked into this question carefully and identified the equities which must be protected. I believe they also show clearly the need for a change in the present Space Act if we are to obtain the equity and flexibility toward which Dr. Wiesner is striving—and toward which we on this committee have been working for a number of years.

As things now stand, the National Aeronautics and Space Act of 1958 so restricts administrative procedures that NASA cannot deal with industry on a completely equitable basis. Where NASA is now compelled to demand ownership of inventions developed by contractors during the course of their research, subject only to possible waiver, the change which we have recommended would leave this matter to the discretion of the administrator who may choose that course

which is in the best interests of the United States.

Evidence submitted to our committee overwhelmingly supported a change to provide much needed flexibility and thereby speed and improve our space program. Facts show that the rigid nature of the present law has resulted in a paucity of truly meaningful scientific disclosures to come thus far from NASA's research and development program. It is my hope that this matter can be rectified during the present Congress, after which the extreme partisans on this patent question may find themselves able to converge on a common meeting ground.

I am submitting Dr. Wiesner's remarks for publication in the RECORD.

STATEMENT OF JEROME B. WIESNER, DIRECTOR, OFFICE OF SCIENCE AND TECHNOLOGY, BEFORE THE MONOPOLY SUBCOMMITTEE OF THE SENATE SMALL BUSINESS COMMITTEE, MARCH 14, 1963

Mr. Chairman and members of the committee, thank you for the opportunity to appear before your committee to discuss policies concerning patents resulting from federally financed research and development.

Some months ago my office undertook an examination of the patent practices of the Federal agencies with respect to the allocation of patent rights under their contracts with private organizations. We examined the need for Government-wide uniformity of patent practices; explored the rationale behind current practices; and looked into the feasibility of developing a set of common criteria that would guide agency judgment in the handling of patent rights.

I am not speaking as an expert on patent law or on the intricacies of patent procedures in the several agencies. Rather, I am presenting observations from the vantage point of the Office of Science and Technology which is a staff arm of the President to advise and assist him in the coordination of science and technology functions. I am concerned with patent policy from the standpoint of its effects on the conduct of research and development and on the contributions of research to national objectives. Since the office of Science and Technology does not conduct research and development, I am not here to state or defend a particular policy position. We have analyzed this complex and tangled situation from a neutral corner and have conscientiously attempted to assess what the public interest requires, taking into consideration the many relevant factors, both public and private.

There are as many different patent policies and practices within Government as there are agencies engaged in research and development. In the course of our inquiry, we worked with some 20 different departments and agencies and found their attitudes in this matter full cooperative and constructive. Some of their practices are required by legislation; others have been developed through experience over the past 20 or more years. Each agency feels that its own policies are consistent with the public interest and its own mission. The present diversity of policy is due in part to the differing objectives of the Federal agencies and in part reflects differences in the principal industries with which they do business. Some like Agriculture and the Department of Health, Education, and Welfare support research of a type that might normally be tackled by nongovernmental research organizations were there sufficient private resources and motivation. Others like the Department of Defense engage in research and development where the occasional civilian byproducts are incidental to the main object of developing new hardware for governmental purposes. Some fields, such as atomic energy, have largely been developed at public expense. In certain areas of military and space technology, the Government agencies are drawing on extensive industrial experience and know-how developed at both public and private expense.

There can be little disagreement as to the national needs that Government patent policy should serve: the need for maximum creativity and inventiveness in solving scientific and engineering problems; the need to attract the Nation's most competent scientists and engineers and technical management teams to Government research and development tasks; the need for expeditious development and civilian use of any resulting inventions which are practicable for civilian use; and the need to promote healthy competition in industry.

Despite general agreement as to the objectives of Government patent policy, there are divergent views as to the extent patent incentives are required to accomplish these objectives where the work is financed by the Government. I would like to explore this in more detail; there is need for much better public understanding of the issues involved.

Unquestionably, the Government should acquire at least an irrevocable nonexclusive royalty free license with respect to all inventions made in the course of any contract of any Government agency. The questions that have been raised relate to the commercial exploitation of patents. Under what circumstances should the Government take title to inventions made under Government contracts? What are the circumstances where the public interest would be served by leaving exclusive rights with the contractor?

We can delineate several categories of research and development activity carried out for the Government in which a strong case can be made that it would be contrary to the public interest to permit the contractor to acquire exclusive patent rights under the contract. These are categories of scientific and technical work where the widespread availability of the results would be better served through publication and complete freedom of use; where the retention of exclusive rights by the contractor might unfairly put him in a dominant or preferred position. I have in mind the following situations:

First, where a principal purpose of the contract is to create products or processes which are intended to be used in the civilian economy, or which are otherwise intended to be available for use by the general public at home or abroad. Similarly, where the use of the product is required by governmental regulations, the Government should acquire the principal or exclusive rights.

Second, where a principal purpose of the contract is for exploration into fields which directly concern the public health or public welfare, such as the development of a new drug, a medical instrument, or an agricultural chemical.

Third, where the contract is in a field of science or technology in which there has been little significant experience outside of work funded by the Government, or where the Government has been the principal developer of the field. In these situations, the Federal Government should acquire the principal rights where the acquisition of exclusive rights by the contractor at the time of contracting might confer on him a preferred or dominant position.

Fourth, where the services of the contractor are for the operation of a Government-owned research or production facility; or where the contractor is hired to coordinate and direct the work of others. In this situation the acquisition of exclusive rights by the contractor would be inconsistent with the purposes of the contract.

There are other circumstances in which a strong case can be made that would permit the contractor to retain exclusive rights for nongovernmental purposes. Such circumstances must clearly arise in the situation where the work is in an area where the contractor has an established nongovernmental commercial position and has demonstrated technical competence indicated by know-how, experience, and patent position. For example, consider the case of a pump manufacturer who has, over a period of years, invested considerable private resources in the development of new techniques for pumping fluids. In the course of research and development for the Federal Government in developing a pump for liquid fueled rockets, the contractor draws on his extensive background and know-how. Does the possibility that the improvement in the pump may have potential for commercial uses require the Government to obtain title to patents on the improvement?

We are familiar with the points made within and outside of the Government on both sides of this question.

On the one hand it has been advocated that since the Government pays for the research, it should own all the rights; that retention of exclusive rights by the large contractors would undesirably restrain competition and could lead to undesirable economic concentration; that the contractor receives exclusive patent rights without taking financial risks in the research; that the patent incentive is not needed to attract the most competent industries to Government work; that the contractor would be in position to exploit the invention at unreasonable charges or could withhold it from commercial use; that the patent incentive might result in withholding of information until patent applications are filed.

It has been just as vigorously alleged that in these circumstances there is greater likelihood of public availability of the invention if exclusive rights are left in the contractor as an incentive to encourage substantial private investment in product development, production, and establishing a market; that companies with independent investments in know-how and patent position will be reluctant to contract with the Government or to draw upon this background if their inventions were to be made available to competitors; that fewer, not more, contractors would perform important Government work; that there are likely to be fewer inventions reported as such under contracts where the protections and incentives of the patent system for public disclosure of the invention will not be available; that making inventions available for public use destroys the incentives of a privately owned patent; that the Government would be acquiring more rights than it needs for carrying out governmental functions.

The balance of wisdom between these two positions is difficult to reach. There is some validity to points on both sides. Some of them rest on conflicting assumptions. Some go beyond the narrow question of invention under Government contracts and seem to go to the philosophical foundations of the American patent system. I believe that many of the arguments advanced have weak factual foundation, and overgeneralize the actual situation. There is regrettably little fact on which to formulate policy in this difficult area of public administration.

I do not believe that the commercial value of patent rights arising under Government contracts in the past has been such either to support concerns about unjust enrichment or economic concentration, or to lend substantial force to claims that such rights provide an important incentive to attracting industrial firms to undertake federally sponsored research and development. The survey of defense contractors conducted by the

Patents Subcommittee of the Senate Committee on the Judiciary revealed quite limited commercial exploitation. The importance of patent incentives will vary from industry to industry and may also depend on the size of contractor. In the electronics industry with which I have had firsthand experience, the ownership of patent rights can be an important nutrient for the establishment and growth of small companies, and the lack of such rights poses a serious hazard. I know of several instances in which a small company struggled for years to establish a new product only to have a large company then come along and take advantage of the market when it became attractive. Patent protection in such instances would be most important. Therefore, in considering the allocation of patent rights under Government contracts, appropriate weight must be given to the views and unpredictable response of the large number of subcontractors on which the vitality of our military and space program heavily rests.

It has been the practice in some of the Government agencies to accord exclusive rights to contractors in the last-mentioned situation after the invention has been identified; that is, where the contractor has a nongovernmental commercial position, and where the commercial use of the invention is incidental to the primary object of the contract and is not of a type that would fall in one of the four public-interest categories previously described.

The Department of Defense feels strongly among other things that the performance of its mission requires the ability to assure the contractor at the time of contracting that he will retain commercial rights to his ideas, in order to assure the unrestrained participation by the most competent elements of American industry in the defense programs. There is concern that such unrestrained participation cannot be achieved without giving heavy weight to the contractor's commercial position and past investment in the field of his specialization in according exclusive patent rights. It is impossible, of course, to prove this contention short of trial by experience, although the views of many industrial firms large and small in support of the defense position are well known. Whether or not one agrees with the concern, it is real. There are grounds for caution lest a change in longstanding defense policy to insist that all rights to such inventions be retained by the Government in all cases result in research and development of lesser quality, of greater costs, or of longer times required to produce the desired results. A middle ground might be found to give particular weight at the time of contracting to the contractor's commercial position and his prior investment. The central question is not primarily whether experienced contractors could be found to accept more restrictive patent clauses. It is whether the terms of the contract will encourage the contractor to apply his full technical background and experience to the Government work. These considerations also apply to contracts of the National Aeronautics and Space Administration. The national interest requires greater uniformity between DOD and NASA patent practices since they are drawing on the services of the same sector of industrial research and development competence.

Despite the wide apparent variations in agency practices at the present time and the fact that there has been a difference of view within the Congress, within the administration, and between industry and Government for well over 15 years, I feel that a reasonable basis for framing a government-wide patent policy can be found. It seems important for the Government to move in the direction of a more consistent policy that will eliminate the unhealthy confusion and instabilities that attend the present situation. Such a policy should provide for the Government to retain title in the range of circumstances that I listed earlier; but it is necessary to recognize that, because of the problems of the type that concern the Department of Defense and NASA, any policy, to be realistic, should enable industry to retain exclusive rights in certain circumstances. As I have already indicated, the nature of the work involved, the commercial background of the contractor, and the extent to which the contractor would be expected to work the invention in the public interest would be significant factors in permitting contractors to retain exclusive commercial rights. Of course, where agencies now feel it necessary to acquire greater rights for the Government, such requirements should continue.

I think that any concern regarding such exclusive rights might be further alleviated if a further step were taken to assure the protection of the public interest. I have in mind the possibility that whenever the principal rights remain in the contractor, the Government would reserve the right to require the granting of a license on a nonexclusive royalty free basis unless the contractor or his licensee has taken effective steps within a limited period, as for example 3 years, after a patent issues on the invention to bring the invention to the point of practical application, or unless he has made the invention available for licensing royalty free or on reasonable terms. This would preserve the patent protection for a reasonable period in this time of rapid technological advance, and increase the incentives for expeditious commercialization and public use of new inventions while eliminating the possibility that commercial use of such inventions could be suppressed.

A Government policy along the foregoing lines could be adopted on a trial basis. At the same time I would urge the marshaling of facts by the Government agencies with respect to the development, reporting, and use of inventions made under Government contracts in order to provide a sounder basis for the formulation of future policy. Through my office and the Federal Council for Science and Technology, I would propose to develop by mutual consultation and coordination with the agencies a common approach to the implementation and further development of policy in this area, consistent with existing statutes.

I hope that various interests of the Federal agencies in stimulating and promoting the making and utilization of inventions under research and development contracts can converge in a common objective to serve all of the elements of our society and reinforce the partnership between Government and industry in accomplishing the many jobs required in the national interest.

NEED FOR HOUSE COMMITTEE ON CAPTIVE NATIONS

Mr. MARSH. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. FLOOD. Mr. Speaker, a resolution proposing the establishment of a House Committee on Captive Nations, known as House Resolution 211, was submitted to the 87th Congress, first session, more than 2 years ago. The fact that it has not moved a step forward and had to be resubmitted to this Congress as House Resolution 14, is directly attributable to the State Department's opposition. Secretary Dean Rusk, in his famous letter to the distinguished chairman of the House Committee on Rules, the gentleman from Virginia [Mr. SMITH], dated August 22, 1961, mentioned two arguments against such a committee:

(1) The establishment of such a committee might be taken as a pretext for actions by the Soviet Union which would interfere with the resolution of the present crisis over Berlin;

(2) The U.S. Government's position would be weakened by any action which places the U.S. Government in the undesirable position of seeming to advocate the dismemberment of an historical state—

Meaning the Soviet Union, which hardly may be termed an historical state since it was established but 40 years ago. But to continue quoting Mr. Rusk, he also would oppose any action that "confuses the rights of formerly independent peoples or nations with the status of areas, such as the Ukraine, Armenia or Georgia, which are traditional parts of the Soviet Union."

However, Mr. Speaker, it has come to my attention lately that the State Department is using a third argument to defeat the establishment of a Committee on Captive Nations. I quote from a letter, dated February 16, 1962, and signed by Mr. Frederick G. Dutton, Assistant Secretary of State:

The creation of a specialized committee to operate in one sector of our foreign relations, without responsibility in the broader area of foreign affairs problems, would ignore the fact that our efforts on behalf of the captive nations can only be effective if they are made within the context of the overall Soviet threat as well as of our national interests and capabilities.

Mr. Speaker, the spokesman for the State Department in this case committed a basic error. Congressional committees are not established to operate in any sector of the executive branch of Government. Mr. Dutton's fear of competition is groundless. The congressional committees are established to conduct studies and investigations of matters properly coming before the Congress and make recommendations thereon. Congress examines such recommendations against a much broader background of its responsibilities than those of the State Department, and either accepts, modifies, or rejects the recommendations.

But what the State Department really wants is to preclude any congressional committee from exercising its constitutional duty of investigation within the sacred preserves of the Department. Taking the captive nations as an example, the State Department would like to deal with their problem the way it sees fit.

The Assistant Secretary of State makes no mistake about it. He says:

We will continue our efforts on behalf of the captive nations, and we are confident that the established bodies responsible for these matters are able and determined to give them the full attention which they merit.

However, Mr. Speaker, I must stand corrected on one point. The State Department, as indicated in Mr. Dutton's letter, condescendingly agreed that "the

House Foreign Affairs Committee was taking a special interest in the question of the captive nations within the broader framework of the responsibilities of that committee."

The recognition would be too good if it were true. It is not. I understand the State Department has vetoed the establishment of a Subcommittee on Captive Nations under the Foreign Affairs Committee. Such a measure was recommended in the committee's "Report on Hearings on Captive European Nations," dated October 26, 1962. Evidently, the Foreign Affairs Committee was taking too much interest in the captive nations. Too much, that is, to the State Department's liking.

Mr. Speaker, do I hear the State Department tell us, "Hands off the captive nations," and are we going to take its dictates lying down? I hope we are not.

TAXES

Mr. MARSH. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MULTER. Mr. Speaker, it was my privilege to testify on March 6 before the House Ways and Means Committee on the subject of the revision of our tax structure.

The following is the text of my statement and the questions and answers which were asked concerning it:

STATEMENT OF CONGRESSMAN ABRAHAM J. MULTER BEFORE THE COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, MARCH 6, 1963

Mr. Chairman, I appreciate the opportunity to appear here today to comment on the President's proposal to revise our tax structure.

In dealing with legislation as important as this and covering as wide an area, it is unlikely that we will find many people who will agree with every facet of the President's recommendations. I assure you that I do not envy the tremendous burden which you must assume in performing the task of bringing out a bill that will be acceptable to a majority of Members of the House. I do trust that my comments will prove helpful and not further confuse an already complicated problem.

In the interests of time I will not discuss the general principles underlying these tax recommendations but will address myself to specific parts thereof. I would like, however, to make this one general statement, to wit, the enactment of the bulk of the President's recommendations should redound to the benefit of the entire economy of our country and more particularly to the benefit of the small businessman and to the lower income groups.

I address myself first to the matter of treatment of itemized deductions from personal income.

The proposed new treatment of these deductions by limiting them to that in excess of 5 percent of the taxpayer's adjusted gross income is in my opinion the wrong way to tackle this problem. This would hit hardest at the lower income groups whose deductions while small dollarwise are most meaningful to them. There certainly will be no incentive to anyone to meet their civic and charitable obligations by saying to them that they can get no tax deduction or credit until after they have paid 5 percent of their income. It works an even greater hardship to say to them that the first 3, 4, or 5 percent of their gross income which they actually expend for medical expenses is not deductible. I could never understand the theory by which only the excess over these percentages was deductible.

The recommendation as to minor casualty losses so as to exclude all deductions up to 4 percent of the taxpayer's income would merely create another incentive to cheat. This is analogous to insurance policies which provide that the first $25 or $50 of loss is not payable by the insurance company. Insurance carriers will tell you that this results in most people getting bills for double the amount of the loss in order to cover the excludable portion thereof. The same thing will undoubtedly occur if this provision should be enacted. The Internal Revenue Service couldn't find a force large enough to investigate and check upon those items. It would undoubtedly cost the Government many times more to unsuccessfully attempt to collect the taxes for these deductions than the deductions themselves would aggregate.

Any attempt to remove the exemption from interest on mortgages and the real estate taxes on homeowners' properties would be nothing less than a breach of faith by our Government. Thomas Jefferson wrote, "The small landowners are the most precious part of a State." For years our Government has been urging our citizens to become homeowners. The latest statistics show that almost 60 percent of our families own their own homes today. One of the greatest incentives to the acquisition of homes was the fact repeatedly stressed that interest on mortgages and real estate taxes were deductions from gross income for tax purposes. I urge that we do not change that exclusion.

Another recommendation that I oppose is the repeal of the $50 and 4 percent deduction on dividend income. This exemption was to have been a first step toward the elimination of the unfair and inequitable double taxation on earnings.

In considering what should be done with this recommendation I urge that this committee do not consider how much tax can be received by our Government but rather, do we have a right to tax earnings twice? Once the earnings of a corporation have been taxed, the net amount belongs to the stockholders and, while there might be some logic in taxing a corporation for failure to pay those earnings as dividends to the stockholders, we cannot justify taxing those identical earnings a second time when they are distributed to the owners therof.

With reference to capital gains, I urge that you will decrease the net revenue payable to the Government on capital gains by extending the period from 6 months to 1 year in order to qualify for a long-term capital gain. It is my opinion that the capital gains taxes payable to the Government would increase two or three times if instead of increasing the period we decreased it to 3 or 4 months. By decreasing the period to 3 or 4 months these capital assets would turn over that much more frequently and each time they were sold there would be a capital gains tax paid.

I heartily endorse the recommendation to tax as earnings and not as capital gains the moneys realized on stock options. But I suggest that that tax be payable not on earnings in connection with stock options granted after enactment of the law but on all earnings received after the enactment of the law, regardless of when the stock option was granted. The proposed changes of the rate of taxation will apply to all earnings thereafter received and any change in the tax structure should equally be made to apply to all earnings thereafter received regardless of when and where contracted for.

The President has recommended an additional tax credit of $300 for all people age 65 or over regardless of the source of their income. This credit is to replace both the extra exemption allowed to older people and the retirement income credit. Our senior citizens are greatly in need of tax relief since the annuities which they receive are usually not enough to live on. I believe that the Committee should consider the exemption from Federal income tax of annuities received by individuals age 65 and over. As a partial step in this direction I have introduced H.R. 4182, which would exempt amounts up to $2,400 in annuities, pensions, or requirement benefits paid by local, State, or Federal governments.

I strongly urge that as recommended in H.R. 4182 all annuities paid by State, local, and Federal governments be exempt from Federal income tax.

I recommend that the provisions of my bill, H.R. 525, to assist small business and persons engaged in small business by allowing a deduction from Federal income tax for additional investment in depreciable assets, inventory, and accounts receivable, should be included in any new tax bill enacted.

I also urge the inclusion of the provisions of my bill, H.R. 530, which would amend the Internal Revenue Code to assist small and independent business by permitting individuals and partnerships filing income tax returns for small businesses to revoke an election to be taxed as a corporation; to provide a normal tax rate of 20 percent for taxable years after June 30, 1963, and to increase the surtax exemption; to provide a growth, expansion, and modernization exemption on net taxable earnings; to liberalize the income tax treatment of losses incurred through loans; to provide an exemption for goodwill in the determination of the value of an estate and to provide family-sized farmers an exemption for the improvement, modernization, and renewal of buildings or equipment used in the production, care and marketing of farm products, and to provide family-sized farms the same exemption.

I believe that these last two items will greatly stimulate small business.

Thank you for your time and attention.

The CHAIRMAN. Mr MULTER, the committee appreciates you presenting your views to it.

Any questions?

Mr. KEOGH. Mr. Chairman, it is a source of constant marvel to me, the scope and depth of my distinguished colleague's activities and this morning is another example of it.

I would, however, like to ask you a question with reference to your proposal concerning stock options. You used in your formal statement the word, "earnings." What did you mean by that?

Mr. MULTER. Stock options, as granted today, are in lieu of additional salaries or compensation to officers and employees of companies. I am not talking about the stock option that would be given to the run-of-the-mill employee where he is actually buying the stock and paying for it on the installment plan, but I am talking about the alleged incentive that big business gives to employees and officers, usually, in the top, higher echelon, to buy stock at less than market value at some future time.

The usual procedure is to offer the stock option at anywhere from 80 to 90 percent of the current market value at the time of the issuance or granting of the option which will be exercised at some future time when the stock is selling at a price two or three times the market value at the time of granting the option.

This, in my opinion, is earnings. It is compensation, and should be taxed as such when

the profit is received on the sale of that stock.

In other words, I am granted this option to buy at 85 percent of market value and 2 years from today I exercise that option and buy the stock at 85 percent of today's market value but sell it at twice that price. The difference between what I pay then and what I get for it on resale at that time is earnings to me.

Mr. KEOGH. I see.

You mean earnings to the holder of the option. Is it your recommendation that the difference between the sale price and the option price should be taxed to him as ordinary income in the year received?

Mr. MULTER. Yes, sir; that is what I am suggesting.

Mr. KEOGH. You are, in effect, disagreeing with the proposal of the Treasury Department in that area that the individual be given the 5-year averaging?

Mr. MULTER. I am in agreement with the averaging provision. I would not pay the full tax in the one year if the provision for averaging is enacted as part of the law. I think that is a very essential part of the tax recommendation.

Mr. KEOGH. My reaction to your statement as you delivered it was you were placing a greater burden on the individual who exercises the stock option than even the Treasury and the President have proposed in the message and testimony?

Mr. MULTER. You had a right to draw that conclusion from my statement standing alone without further explanation.

Mr. KEOGH. You referred to the bill, H.R. 4184, and indicated, at least gave me the impression, you were increasing the retirement income credit to the recipients of public retirement systems, local, State, and Federal. Is that the purpose of the bill?

Mr. MULTER. Yes.

Mr. KEOGH. Well, would you accord the same treatment to those who receive retirement annuities from private pension plans?

Mr. MULTER. Yes. The point is, the income that has been used to buy those annuities whether privately or from Government by deposits or withholdings in a Government pension system, has been income to the payer in the first instance on which he paid the tax.

Mr. KEOGH. Not for the share of the employing agencies that the Government contributes and in the case of the Federal retirement system not for the difference between the percentage contributed and the benefits that the Congress have voted the Federal employees which represents to those individuals a virtual tax free gift, not of 52-cent dollars like in the corporate plans but of tax dollars?

Mr. MULTER. You are quite right. To that extent, my plan would be a subsidy to that pension or annuity. But I say we must do it because these pensions and annuities have been bought on the basis of what they were worth many years ago and for persons getting $2,400 pensions today they can hardly live on it. When they originally sought to buy that pension or annuity, it was enough in those days. Today it is not.

Mr. KEOGH. Well, with the personal exemptions and with the retirement income credit accorded those individuals under existing law, in my opinion the tax burden of an annuity of $2,400 a year is not very heavy.

Mr. MULTER. It hits hardest the single person, the widow or widower, who gets the smaller exemption.

Mr. KEOGH. Well, there are sociologists who will argue that perhaps they should bear a greater burden.

Thank you, Mr. Chairman.

The CHAIRMAN. Any further questions? We thank you, Mr. MULTER.

Mr. MULTER. Thank you.

VICIOUS ATTACK ON COACH PAUL BRYANT

Mr. MARSH. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. SELDEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SELDEN. Mr. Speaker, as an alumnus of the University of Alabama, I condemn the vicious and irresponsible March 23 Saturday Evening Post attack on Coach Paul Bryant.

The charges contained in the Post article are little short of ludicrous. Those of us who know Paul Bryant and his devotion to the best interests of the University of Alabama and collegiate athletics generally are amazed and shocked that any magazine could sink to this low level of journalistic irresponsibility.

The Saturday Evening Post article is replete with half-truths and vicious innuendo, based on the flimsiest of testimony. That the magazine published this material without so much as contacting Coach Bryant tells us a great deal about the Saturday Evening Post's type of reporting.

Dr. Frank Rose, president of the University of Alabama, and the university board of trustees early this week responded to the Post's attack by expressing complete confidence in Paul Bryant. These expressions of confidence followed an investigation of the charges made by the magazine article, and I believe they reflect the feeling of the people of Alabama regarding this unwarranted attack.

DECLARATION OF CENTRAL AMERICA

Mr. MARSH. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. SELDEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SELDEN. Mr. Speaker, on Monday of this week, President Kennedy began a 3-day visit to San José, Costa Rica, for the purpose of meeting with the Presidents of Guatemala, El Salvador, Costa Rica, Honduras, Nicaragua, and Panama. It was my privilege to attend this meeting at the invitation of the President along with my colleague from the House of Representatives, the gentleman from California, Representative MAILLIARD, Republican; and with Senators FULBRIGHT, Democrat, of Arkansas; Senator MORSE, Democrat, of Oregon; and Senator HICKENLOOPER, Republican, of Iowa.

As a member of the bipartisan congressional group at the San José meeting and as chairman of the Subcommittee on Inter-American Affairs, I was especially concerned with the need for action to curb the Communist subversive threat in Central America.

The final Declaration of Central America issued by the heads of state in attendance calls for an April meeting of the ministers of government "to develop and put into immediate effect common measures to restrict movement of their nationals to and from Cuba and the flow of material, propaganda, and funds from that country."

The declaration also states that the April meeting is to take specific action toward increasing air and sea surveillance and interception of any Cuban Communist movement of money, propaganda, material, or arms to any area of Central America.

These points closely follow the recommendations made by the House Subcommittee on Inter-American Affairs in its recent report dealing with subversive activities and traffic.

Should this implementing action follow in April, an important step will have been taken toward reducing the Castro Communist subversive threat to the hemisphere.

In addition to the proposed April meeting, the declaration contains pledges on the part of both the United States and participating Central American governments designed to further the creation of a Central American Economic Community.

As press reports have indicated, the President and his party were enthusiastically received in San José. Despite unprecedented Communist propaganda aimed at undermining inter-American confidence in our leadership, it was most encouraging to find in Central America obvious and sincere friendship for the President and the people of the United States.

PROTECTION FOR SMALL BUSINESS IS IMPORTANT, TOO

Mr. MARSH. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD and include a news item.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, together with other members of the Select Committee on Small Business, I have been gratified at the decision of our able chairman, the gentleman from Tennessee, the Honorable JOE L. EVINS, to proceed at once with hearings by the full committee concerning the impact of international trade upon the American small business community. This is a most important matter, one that holds deep implications for the prosperity of not only small businesses, but, indeed, for all of America.

Much has been said about the opportunities offered the small businessmen of the Nation by increasing their markets in foreign lands. As trade is a two-way street, the opportunities also exist for smaller firms through the importation of foreign goods.

An example of this has been the use of imported steel wire rod by several hundred small processing and fabricating firms. Steel wire rods have been in short supply domestically. Prices charged for wire rods have, in some instances, been higher than those charged by the steel mills for mesh wire fabricated from the rods, according to charges filed with the Federal Trade Commission. Further, there have been allegations by some small businessmen that prices on wire rod have been kept high while finished product prices were slashed for the express purpose of squeezing out these small, independent firms.

Many of the steel mills of the Nation are engaged in dual distribution of a great number of products. As an example, they manufacture wire rod, which they sell to small processors. In addition, they also fabricate the same products made by these processors and sell them in direct competition with the products of their customers.

A news item from the March 19 issue of the Wall Street Journal indicates that the Treasury Department has recently ruled that these wire rods are being imported at cutrate prices in violation of the U.S. antidumping law, the matter has been referred to the Tariff Commission for decision as to whether U.S. steelmakers are being harmed. I submit that of at least equal importance is the question of whether the banning of these imports would not do irreparable damage to the small businesses presently purchasing the imported rods. Particularly so, since it appears that these small firms cannot afford to purchase domestically produced rods, regardless of whether the importing continues or not.

This is the kind of question upon which much light can be shed by the hearings recently announced by Representative EVINS.

It seems to me that, as a condition precedent to the banning of further imports of steel wire rods at present prices as sought by our domestic steel mills, the question of the price squeeze tactics apparently being used by the domestic steel industry to the detriment of independent small businesses must be fully resolved. To this end, it is my intent to fully investigate this matter as part of the hearings on dual distribution which will be held by the Subcommittee on Distribution next month. If our domestic steel mills are guilty of the tactics with which they have been charged, it is clear that the banning of these imports could serve only to snuff out a number of small business concerns.

Chairman EVINS will, I am sure, at the hearing on foreign trade by the full committee, fully investigate all aspects of the tariff problem involved here. As an adjunct to this, my subcommittee will attempt to determine what impact upon small business the dual distribution of products manufactured from wire rod, such as mesh wire, is having upon the small businesses manufacturing these products.

I insert the news item, mentioned above, at this point in the RECORD:

[From the Wall Street Journal, Mar. 19, 1963]

The Treasury Department upheld the complaint of U.S. steel mills that hot-rolled carbon steel wire rods are being imported from Belgium at cutrate prices in violation of the U.S. antidumping law.

The Treasury referred the case to the Tariff Commission, which must decide whether the imports are injuring U.S. steelmakers. If it decides they are, the Tariff Commission is empowered to boost customs levies to bring the imports in line with domestic goods.

A controversy has long been simmering between U.S. producers of wire rods and domestic users who have been buying the product from foreign mills. These users insist the steel industry's effort to reduce the wire-rod imports, if successful, could put some of the fabricators out of business.

TO CONSIDER OTHER COMPLAINTS

Under the antidumping law, the Tariff Commission has 3 months to decide the Belgian rod case. Treasury officials said they hope to use the time to rule on other sections of the complaint involving steel rods imported from West Germany, France, Luxembourg, and Japan.

Six U.S. steel mills participated in the original charge against wire-rod imports. They were Bethlehem Steel Corp., Colorado Fuel & Iron Corp., Jones & Laughlin Steel Corp., Republic Steel Corp., Armco Steel Corp., and Detroit Steel Corp. Youngstown Sheet & Tube Corp. joined later.

In their complaint, filed last September, the companies alleged that Belgian rods were being sold in the United States at from $24.95 to $25.85 a ton below the indicated value in the Belgian market.

WELL BELOW EUROPEAN LEVEL

The Treasury, in ruling that the Belgian prices had violated the antidumping law, computed a weighted average price for steel rods sold in Belgium and made a similar computation for the price paid by importers in the United States.

The average import price, a Treasury official said, was well below the European level. The official added, however, that Department rules forbid publication of the price figures used in the comparison.

An official of one of the U.S. mills that participated in the complaint said of the Treasury ruling, "We're glad to have some results, but we had hopes that the European countries would be considered together rather than separately." He said the Common Market mills operate as a single entity, through the European Coal and Steel Community, and joint consideration would have eased the investigation. Members of the Common Market, in addition to Belgium, are West Germany, France, Italy, the Netherlands, and Luxembourg.

Other sources, however, observed that U.S. mills had pushed for joint treatment by the Tariff Commission because it would have been easier for the mills to prove injury from the combined imports of all foreign nations, instead of one by one.

The impact of wire rod imports has been significant. According to industry data, foreign producers sold 645,000 tons of the product in this country last year, up from 451,000 tons in 1961 and only 54,000 tons in 1957. The imported volume in 1962 accounted for 39 percent of the U.S. wire rod market.

The Treasury estimated the value of wire rods imported from Belgium last year at $1.8 million.

Imported rods have sold for as little as $95 a ton in recent months. Prices, however, have moved to $105 to $115 a ton, still well below the U.S.-made price of generally $140 to $145 a ton.

IMPORTERS SEE DISMISSAL

Despite the price differential, U.S. importers of the foreign-made goods insist there is no violation of the antidumping law. Declared Ernest Wimpfheimer, president of the American Institute for Imported Steel, a New York trade group representing importers:

"We think that the dumping charge has no merit and the sooner we have a chance to present the evidence the sooner we can get a determination and dismiss the complaint. There is every reason to assume that this case will be dismissed by the Tariff Commission with a findings of no injury to the American steel industry."

U.S. fabricators said they have been buying the imported rods because they can't afford the higher priced domestic goods. Many contend that even if U.S. mills are able to force higher prices on imports, this won't mean more business for domestic steel makers. The fabricators said they still won't be able to afford the U.S. rods.

Nearly 300 small companies process wire rods into such products as wire staples, chain link fence and nuts and bolts, and a large percentage of them use imported steel. Some said they would try to pass higher import prices along to customers, but most insisted the market wouldn't stand this and that it would mean a sharp pinch on profit.

Some users of wire rods and drawn wire have even charged that U.S. mills have refused to cut the price of rods or wire, but have slashed prices on some finished wire products in recent years to put a squeeze on these smaller companies with which they compete for wire product business. One Texas maker of wire mesh used to reinforce concrete said it has filed complaints with the Federal Trade Commission and the Texas attorney general that U.S. mills charge more for wire used to make the mesh than they do for the finished mesh itself.

An attorney for makers and importers of European steel said some wire-rod users plan to testifiy at any Tariff Commission hearing that U.S. mills are squeezing these customers by selling wire products at a relatively small markup over the rod prices, or even at the same prices. The counsel also said he plans to offer evidence aimed at showing U.S. mills are pricing their wire rods more than $50 a ton above the cost of making them.

OTHER DUMPING CHARGES

A Midwest maker of chain-link fence and wire mesh used to reinforce concrete for such uses as garage floors, delivers the mesh to customers at Grand Island, Nebr., for a price equal to 8 cents a pound. The company currently pays about 6 cents a pound for Japanese wire rods, giving it a 2-cent spread to prepare the rods, draw the wire, fabricate the mesh and ship it to Grand Island.

But this concern said it would have to pay 7½ cents a pound for domestic rods, and freight charges to Grand Island alone would be more than that half-cent spread. If imported rods climbed another $10 a ton, or a half-cent a pound, "we'd just have to throw reinforcing mesh in mothballs," a company official said.

An eastern rod user said it would have to pay nearly $145 a ton for domestic rods, but sells its wire product for an average of only $150 a ton and has operating and overhead costs of more than $30 a ton. The company currently pays about $105 a ton for foreign wire rods and said that if the price got up to around $115, "we'd have a difficult time keeping our head above water."

An eastern make of wire for items from paper clips to fasteners for aircraft construction had a loss of nearly $100,000 last

year. The company buys 30 percent of its wire rods from abroad and says a $10-a-ton increase in rod prices would add $60,000 annually to its costs. "An increase of $10 a ton over the present level of foreign rod prices would put a certain number of people into a marginal situation, and a $20 rise—if it lasted for long—would have better than 50 percent of the people who are using imported rods operating at a loss," a Florida maker of drawn wire and reinforcing mesh said.

WOULDN'T SWING TO U.S. RODS

U.S. steel mills in the past 6 months also have filed antidumping complaints against European and Japanese producers of standard pipe, Japanese makers of hot-rolled sheet, and Canadian producers of reinforcing bars.

Many wire-rod customers insist higher foreign rod prices wouldn't swing them to domestic rods, which would still be too high in price unless U.S. mills abandon their policy of not cutting rod prices to meet import competition.

The eastern company that buys 30 percent of its rods from abroad said that as foreign-rod prices rise, "the saving on the 30 percent we buy is less effective. We could not afford to do other than buy a larger percentage from abroad to keep our average cost of supply down." Many rod users contend the antidumping drive seems so pointless that U.S. mills must be waging it for some reason such as attempting to create a general hostility toward imported steel.

OUTCOME IN DOUBT

Domestic steel mills that make wire rods say they don't know what the final outcome of their antidumping drive will be. But some feel that if import prices are boosted a bit, and they can count on these prices staying there, then the U.S. mills will be able to trim their own prices enough to win back some business. "Until the antidumping law is enforced, it's impossible for the domestic mills to know what we are going to do to get this business back. We have got to decide where we stand first," one major producer said.

Steel mills deny any effort to put a squeeze on their wire rod customers. A few insist they have at times offered price concessions on rods. And while most mills concede they haven't tried to bring the price of rods down to meet import prices, they insist these prices are far too low to attempt to compete with them and they have no assurance they wouldn't go still lower if they did make the try.

Some steel sales officials said they have met price reductions on many fabricated wire products but not on wire rods because there seemed more justification for adjustment on fabricated wire products. Less drastic cuts were needed on the fabricated products and a greater profit margin was available to play with, they said. "Unlike rods," said one official, "you have a chance to be competitive with the going price on mesh."

Mills don't deny they have, in past years, been unable to provide all their customers with desired wire rod tonnages because of short supply. One steel executive says, however: "I wish we were short today—I'll take all the orders we can get."

And while wire rod users are unhappy about the steel industry's antidumping drive, they aren't necessarily opposed to the principle of dumping charges. One Eastern wire mesh maker has filed charges with the Customs Bureau that Belgian and French wire mesh producers have dumped their product in this country. The concern says the Bureau threw out the Belgian case, but hasn't ruled on the French case.

A PLEA FOR CORRECTION OF AN UNFAIR POLICY

Mr. MARSH. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. JOELSON] may extend his remarks at this point in the RECORD and include a letter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. JOELSON. Mr. Speaker, I am inserting in the RECORD a copy of a letter which I have written to Secretary of Defense, Robert S. McNamara. It brings to light a most unfair situation which cries out for correction:

MARCH 20, 1963.

Hon. ROBERT S. MCNAMARA,
Secretary, Department of Defense,
Washington, D.C.

DEAR MR. SECRETARY: I want to call to your attention a situation which I believe merits your careful consideration. Admiring your performance in office as I do and realizing how overburdened you are with work, I hesitate to add to your workload. However, I feel impelled to write to you because of a policy which I feel to be unjust and definitely detrimental to servicemen's morale.

The policy to which I refer is one under which servicemen are required to reimburse the Government for damage to Government property which was caused in the line of duty. As I understand it, these charges are assessed even though the damages are not caused through any willfulness or recklessness. Within the past week, two such cases involving constituents have been called to my attention.

In the first case, a private on duty who while driving a jeep became involved in an accident, has been required to pay damages of $276 which are being deducted from his monthly paychecks. I might add that the serviceman claims that he did not have a driver's license when he entered the service, but was taught to drive while in the Army.

The second case, although even more glaring, is obviously the result of some type of administrative error. In that case, a young serviceman was a passenger on a vehicle which was in an accident in Germany. This resulted in his sustaining a depressed skull fracture lacerating the brain. He now has practically no vision in his right eye and severe neurological disturbances which I need not specify here.

The serviceman was discharged from service and granted a 70-percent total disability rating. Shortly thereafter he received a letter advising him that he was "pecuniarily liable to the United States of America in the amount of $1,619.86 to cover the damage to the truck." Since the serviceman was merely a passenger in the truck at the time of the accident, the assessment of damages against him was obviously an administrative error, but my point is that it is unfair to assess such damages even against the driver if the accident was not due to negligence of a wanton or willful type.

Servicemen cannot control their assignments and should not, therefore, be held accountable for damage to equipment upon which they are ordered to work.

I do not question the need for economy in the armed services, but surely in view of the huge amounts expended by the military, there must be a better starting place than these charges to our servicemen which can cause severe hardships to the men and their families.

Sincerely,

CHARLES S. JOELSON,
Member of Congress.

AMERICAN WORKING WOMEN

Mr. MARSH. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. SICKLES] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SICKLES. Mr. Speaker, at the present time, there are almost 25 million women in the work force of our Nation. There are 3 million American families who depend almost entirely on the earnings of a woman. There is scarcely a major American industry which does not depend in some measure on the skill, training, intelligence, and efficiency of its feminine employees.

The American woman has traveled far from the era when she was considered the property of her husband, only slightly more valuable than his cattle. However, there are still areas where—through ignorance, prejudice, or crass-profit interests—she is denied fair treatment. Women who work find that time after time the choicest jobs go to men no better and sometimes less qualified than themselves. In case after case, men doing the same work, with the same skills, and the same qualifications receive higher pay. National differentials range from 42 percent among salesworkers to 68 percent among clerical workers.

I think we all agree that women are entitled to their full rights as American citizens. Failure to guarantee these rights works hardships not only on the women themselves, but on the families they support. It unnecessarily and unreasonably lessens purchasing power at a time when increased buying is a needed stimulus to our economy. It prevents the full utilization of workers' skills thereby adversely affecting production, as well as morale.

I believe that we need every national asset functioning to its fullest extent. We cannot afford the waste produced by this discrimination against our working women. In line with this, I am introducing an equal pay bill similar to the measure introduced by Representative EDITH GREEN to help remedy the situation by prohibiting discrimination on account of sex in the payment of wages by employers involved directly in interstate or foreign commerce. It sets up procedures for complaints, investigations, and, where violations are found, enforcement. It authorizes the Secretary of Labor to act to correct violations by informal, or if this fails, legal means.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CONTE, for 15 minutes, today.

Mr. PRICE, for 30 minutes, today.

Mr. ASHBROOK (at the request of Mr. HALL), for 15 minutes, today.

Mr. WHITENER, for 1 hour, on March 25.

Mr. RYAN of New York, for 2 hours, on March 28.

Mr. CRAMER, for 30 minutes, on Monday, March 25, 1963.

Mr. HEMPHILL (at the request of Mr. MARSH), for 1 hour on Tuesday, March 26, and Wednesday, March 27, and to revise and extend his remarks and include extraneous matter.

Mr. HARVEY of Indiana, for 30 minutes, on Monday, March 25, 1963.

Mr. ALGER, for 1 hour, on Wednesday, April 3, and 1 hour on Monday, April 8, 1963.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HOSMER in two instances and to include extraneous matter.

(The following Members (at the request of Mr. HALL) and to include extraneous matter:)

Mr. FINDLEY.

Mr. BERRY.

Mr. ANDERSON.

Mr. ASHBROOK.

(The following Members (at the request of Mr. MARSH) and to include extraneous matter:)

Mr. POWELL.

Mr. HEMPHILL.

Mr. GARMATZ.

Mr. BOGGS.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 212. An act to amend section 904, title 38, United States Code, so that burial allowances might be paid in cases where discharges were changed by competent authority after death of the veteran from dishonorable to conditions other than dishonorable; and

H.R. 2085. An act to amend the Internal Revenue Code of 1954 to provide that the deduction for child care expenses shall be available to a wife who has been deserted by and cannot locate her husband on the same basis as a single woman.

ADJOURNMENT

Mr. MARSH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 13 minutes p.m.), under its previous order, the House adjourned until Monday, March 25, 1963, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

569. A letter from the Chief Justice of the United States, transmitting an additional amendment to the amendments to the Rules of Civil Procedure for the U.S. district courts, which was ordered printed as House Document No. 48 of the 88th Congress (H. Doc. No. 48, pt. 2); to the Committee on the Judiciary and ordered to be printed.

570. A letter from the Secretary of Agriculture, transmitting a report entitled "A Plan for Strengthening Utilization Research and Development," pursuant to Senate Resolution No. 415, 87th Congress; to the Committee on Agriculture.

571. A letter from the chief Scout executive, Boy Scouts of America, transmitting the Annual Report of the Boy Scouts of America for 1962, which represents their 53d year, pursuant to a Federal charter granted on June 15, 1916 (H. Doc. No. 85); to the Committee on Education and Labor and ordered to be printed.

572. A letter from the Secretary of the Interior, transmitting a report on the Dixie project, Utah, pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 86); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

573. A letter from the Secretary of the Interior, transmitting a report on the Buttes Dam and Reservoir, Middle Gila River project, Arizona, pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 87); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

574. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled, "A bill to establish a Commission on Rural Life to study the changing scope of rural America, and for other purposes"; to the Committee on Agriculture.

575. A letter from the Secretary of Agriculture, transmitting a draft of a purposed bill entitled, "A bill to amend the Watershed Protection and Flood Prevention Act" (68 Stat. 666, as amended); to the Committee on Agriculture.

576. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, relative to reporting that the appropriation to the Department of Labor for "Unemployment compensation for Federal employees and ex-servicemen," for the fiscal year 1963, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

577. A letter from the Secretary of the Army, transmitting the semiannual report of the Department of the Army contracts for military construction awarded without formal advertisement covering the period July 1 through December 31, 1962, pursuant to section 605 of Public Law 87-554; to the Committee on Armed Services.

578. A letter from the Director, Office of Emergency Planning, Executive Office of the President, transmitting the semiannual report on borrowing authority for December 31, 1962, pursuant to section 304(b) of the Defense Production Act as amended; to the Committee on Banking and Currency.

579. A letter from the Acting Archivist of the United States, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

580. A letter from the Chairman, Federal Communications Commission, transmitting a copy of the report on backlog of pending applications and hearing cases in the Federal Communications Commission as of January 31, 1963, pursuant to Public Law 554, 82d Congress; to the Committee on Interstate and Foreign Commerce.

581. A letter from the Governor, Canal Zone Government, transmitting a draft of a proposed bill entitled "A bill to authorize the issuance of certificates of citizenship in the Canal Zone"; to the Committee on the Judiciary.

582. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to remove the percentage limitations on retirement of enlisted men of the Coast Guard, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

583. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting reports concerning visa petitions which this Service has approved according the beneficiaries of such petitions first preference classification under the act, pursuant to the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H.R. 1988. A bill to provide for the settlement of claims of certain residents of the Trust Territory of the Pacific Islands; without amendment (Rept. No. 110). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 844. A bill to declare that certain land of the United States is held by the United States in trust for the Oglala Sioux Indian Tribe of the Pine Ridge Reservation; with amendment (Rept. No. 111). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 845. A bill to declare that certain land of the United States is held by the United States in trust for the Oglala Sioux Indian Tribe of the Pine Ridge Reservation; without amendment (Rept. No. 112). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 2635. A bill to amend the act of August 9, 1955, for the purpose of including the Fort Mojave Indian Reservation among reservations excepted from the 25 year lease limitations; with amendment (Rept. No. 113). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Missouri: Committee on House administration. Senate Concurrent Resolution 29. Concurrent resolution to print with illustrations "A Report on U.S. Foreign Operations in Africa," by Senator ALLEN J. ELLENDER; without amendment (Rept. No. 114). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABBITT:

H.R. 5009. A bill to provide a uniform rate of duty for portable container locks; to the Committee on Ways and Means.

By Mr. BARRY:

H.R. 5010. A bill to protect the right to vote in Federal elections free from arbitrary discrimination by literacy tests or other means; to the Committee on the Judiciary.

By Mr. BRUCE:

H.R. 5011. A bill to provide for the striking of medals in commemoration of the 150th anniversary of the statehoood of the State of Indiana; to the Committee on Banking and Currency.

H.R. 5012. A bill to provide for the issuance of a special postage stamp in commemoration of the 150th anniversary of the admission of the State of Indiana to the United States to be celebrated in 1966; to the Committee on Post Office and Civil Service.

By Mr. BURKHALTER:

H.R. 5013. A bill to authorize the Housing and Home Finance Administrator to provide additional assistance for the development

of comprehensive and coordinated mass transportation systems in metropolitan and other urban areas, and for other purposes; to the Committee on Banking and Currency.

By Mr. DANIELS:

H.R. 5014. A bill to provide for the crediting for civil service retirement purposes of certain service rendered by civilian employees of nonappropriated fund instrumentalities of the Armed Forces; to the Committee on Post Office and Civil Service.

H.R. 5015. A bill to provide under the social security program for payment for hospital and related services to aged beneficiaries; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 5016. A bill to amend title 10 of the United States Code to authorize educational institutions to be reimbursed for facilities furnished for Reserve Officers' Training Corps programs; to the Committee on Armed Services.

By Mr. DERWINSKI:

H.R. 5017. A bill to provide for the issuance of a special postage stamp in commemoration of the 250th anniversary of the birth of Padre Junipero Serra; to the Committee on Post Office and Civil Service.

By Mr. DOWDY:

H.R. 5018. A bill to protect postal patrons from obnoxious and offensive mail matter; to the Committee on Post Office and Civil Service.

By Mr. FINO:

H.R. 5019. A bill to amend the Hatch Act to permit all officers and employees of the Government to exercise the full responsibility of citizenship and to take an active part in the political life of the United States; to the Committee on House Administration.

H.R. 5020. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for income tax purposes of commutation fares paid by an individual in traveling to and from work; to the Committee on Ways and Means.

H.R. 5021. A bill to amend the Internal Revenue Code of 1954 to provide that any unmarried person who maintains his or her own home shall be entitled to be taxed at the rate provided for the head of a household; to the Committee on Ways and Means.

By Mr. FLOOD:

H.R. 5022. A bill to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems, both public and private, in metropolitan and other urban areas, and for other purposes; to the Committee on Banking and Currency.

H.R. 5023. A bill to provide for assistance in the construction and initial operation of community mental health centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 5024. A bill to improve, strengthen, and accelerate programs for the prevention and abatement of air pollution; to the Committee on Interstate and Foreign Commerce.

By Mr. GAVIN:

H.R. 5025. A bill to amend the Communications Act of 1934, with respect to the hours of operation of certain broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. GIAIMO:

H.R. 5026. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. GILBERT:

H.R. 5027. A bill to amend the Clayton Act to prohibit restraints of trade carried into effect through the use of unfair and deceptive methods of packaging or labeling certain consumer commodities distributed in commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. GRAY:

H.R. 5028. A bill to amend the Communications Act of 1934, with respect to the hours of operation of certain broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H.R. 5029. A bill to authorize the Secretary of Commerce to employ aliens in a scientific or technical capacity; to the Committee on Interstate and Foreign Commerce.

H.R. 5030. A bill to repeal section 303(b) of the Interstate Commerce Act, as amended, relating to the water-carrier bulk commodity exemption, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 5031. A bill to authorize the Secretary of Commerce to utilize funds received from State and local governments for special meteorological services; to the Committee on Interstate and Foreign Commerce.

By Mr. HARVEY of Indiana:

H.R. 5032. A bill to amend the Federal Trade Commission Act, to promote quality and price stabilization, to define and restrain certain unfair methods of distribution and to confirm, define, and equalize the rights of producers and resellers in the distribution of goods identified by distinguishing brands, names, or trademarks, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HEMPHILL:

H.R. 5033. A bill to amend title II of the Social Security Act to reduce from 72 to 70 the age at which beneficiaries are no longer subject to restrictions on outside earnings; to the Committee on Ways and Means.

By Mr. HERLONG:

H.R. 5034. A bill to amend section 218(d)(6)(C) so as to require that coverage by the old-age and survivors' disability and insurance program in States permitted to divide retirement systems for State and local employees shall cover a majority of the members of such a retirement system at the time the agreement therefor is entered into; to the Committee on Ways and Means.

By Mr. HOLIFIELD (by request):

H.R. 5035. A bill to amend the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

H.R. 5036. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. KASTENMEIER:

H.R. 5037. A bill to control the human intake of agricultural commodities containing radioactive substances, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. KASTENMEIER (by request):

H.R. 5038. A bill to amend title 39, United States Code, with respect to postage rates on certain educational kits, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KEOGH:

H.R. 5039. A bill to amend the Internal Revenue Code of 1954 to provide an increase in the amount for which a credit may be allowed against the Federal estate tax for estate taxes paid to States; to the Committee on Ways and Means.

By Mr. KING of New York:

H.R. 5040. A bill to amend section 114 of the Federal-Aid Highway Act of 1956 to state the policy of Congress with respect to reimbursement for certain highways on the Interstate System; to the Committee on Public Works.

By Mr. LANGEN:

H.R. 5041. A bill to provide for the application of power revenues from reclamation projects to the reduction of the public debt; to the Committee on Interior and Insular Affairs.

By Mr. LIBONATI:

H.R. 5042. A bill for the relief of certain officers of the naval service erroneously in receipt of compensation based upon an incorrect computation of service for basic pay; to the Committee on the Judiciary.

By Mr. McCLORY:

H.R. 5043. A bill to amend the Internal Revenue Code of 1954 to provide a credit against the Federal income tax for employers who hire additional employees; to the Committee on Ways and Means.

By Mr. McMILLAN:

H.R. 5044. A bill to amend the act entitled "An act to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. McMILLAN (by request):

H.R. 5045. A bill to authorize a grant for carrying out a project of construction for the expansion of the facilities of the Washington Hospital Center in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MATHIAS:

H.R. 5046. A bill to authorize judicial officers to require the giving of evidence relating to crimes committed in the District of Columbia; to the Committee on the District of Columbia.

H.R. 5047. A bill to amend the Federal Coal Mine Safety Act so as to provide further for the prevention of accidents in coal mines; to the Committee on Education and Labor.

By Mr. MULTER:

H.R. 5048. A bill to amend section 207 of the National Housing Act to eliminate the provision presently limiting mortgages thereunder to the cost of the physical improvements involved; to the Committee on Banking and Currency.

By Mrs. MAY:

H.R. 5049. A bill to assist the States to provide additional facilities for research at the State agricultural experiment stations; to the Committee on Agriculture.

By Mr. MILLS:

H.R. 5050. A bill to amend the Internal Revenue Code of 1954 to provide that, in the case of gasoline used in vehicles furnishing taxicab service, 2 cents of the 4-cent Federal gasoline tax shall be rebated to the ultimate purchaser of such gasoline; to the Committee on Ways and Means.

By Mr. MONAGAN:

H.R. 5051. A bill to amend section 1461 of title 18 of the United States Code with respect to the mailing of obscene matter, and for other purposes; to the Committee on the Judiciary.

H.R. 5052. A bill relating to the power of the States to impose use tax assessments with respect to sales in interstate commerce; to the Committee on the Judiciary.

By Mr. MURPHY of Illinois:

H.R. 5053. A bill to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PEPPER:

H.R. 5054. A bill to amend the Small Business Investment Act of 1958, the Investment Company Act of 1940, and for other purposes; to the Committee on Banking and Currency.

H.R. 5055. A bill to amend the Small Business Investment Act of 1958; to the Committee on Banking and Currency.

H.R. 5056. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of small business investment companies; to the Committee on Ways and Means.

By Mr. RHODES of Pennsylvania:

H.R. 5057. A bill to amend title II of the Social Security Act to increase to $1,800, the

annual amount individuals are permitted to earn while receiving benefits under such title; to the Committee on Ways and Means.

By Mr. RIVERS of South Carolina:

H.R. 5058. A bill to rescind and revoke membership of the United States in the United Nations and the specialized agencies thereof, and for other purposes; to the Committee on Foreign Affairs.

H.R. 5059. A bill to provide for the issuance of a special postage stamp honoring William Sidney Porter who wrote under the name "O. Henry"; to the Committee on Post Office and Civil Service.

By Mr. ROOSEVELT:

H.R. 5060. A bill to provide for the registration of contractors of migrant agricultural workers, and for other purposes; to the committee on Education and Labor.

By Mr. ROSENTHAL:

H.R. 5061. A bill to amend the Arms Control and Disarmament Act to eliminate the ceiling upon amounts that may be appropriated to carry out that act; to the Committee on Foreign Affairs.

By Mr. ST GERMAIN:

H.R. 5062. A bill to authorize a 5-year program of grants and scholarships for collegiate education in the field of nursing, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SICKLES:

H.R. 5063. A bill to prohibit discrimination on account of sex in the payment of wages by employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination; to the Committee on Education and Labor.

By Mr. SNYDER:

H.R. 5064. A bill to amend title II of the Social Security Act to include Kentucky among those States which are permitted to divide their retirement systems into two parts for purposes of obtaining social security coverage under Federal-State agreement; to the Committee on Ways and Means.

By Mr. TEAGUE of California:

H.R. 5065. A bill relating to the interest rates on loans made by the Treasury to the Department of Agriculture to carry out the programs authorized by the Rural Electrification Act of 1936; to the Committee on Agriculture.

By Mr. VAN DEERLIN:

H.R. 5066. A bill to provide for the construction of a Veterans' Administration hospital at San Diego, Calif.; to the Committee on Veterans' Affairs.

By Mr. WHITTEN:

H.R. 5067. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. WILSON of Indiana:

H.R. 5068. A bill to strengthen State governments, to provide financial assistance to States for educational purposes by returning a portion of the Federal taxes collected therein, and for other purposes; to the Committee on Education and Labor.

By Mr. ZABLOCKI:

H.R. 5069. A bill to amend the Internal Revenue Code of 1954 to provide a 30-percent credit against the individual income tax for certain educational expenses incurred at certain public and private institutions of higher education and high schools; to the Committee on Ways and Means.

By Mr. BARRY:

H.J. Res. 331. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. CLARK:

H.J. Res. 332. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. DANIELS:

H.J. Res. 333. Joint resolution designating the 6-day period beginning April 15, 1963, as "National Harmony Week," and for other purposes; to the Committee on the Judiciary.

By Mr. DOWDY:

H.J. Res. 334. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts:

H.J. Res. 335. Joint resolution designating the 17th day of December of each year as "Wright Brothers Day"; to the Committee on the Judiciary.

By Mr. MONAGAN:

H.J. Res. 336. Joint resolution proposing an amendment to the Constitution of the United States to permit the use of prayer in public schools; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H.J. Res. 337. Joint resolution extending an invitation to the International Olympic Committee to hold the 1968 winter Olympic games in the United States; to the Committee on Foreign Affairs.

By Mr. PEPPER:

H.J. Res. 338. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H.J. Res. 339. Joint resolution authorizing and requesting the President to issue annually a proclamation respecting the ringing of bells in celebration of the anniversary of Declaration of Independence; to the Committee on the Judiciary.

By Mr. STINSON:

H.J. Res. 340. Joint resolution to amend title 39, United States Code, to prevent the use of stopwatches or other measuring devices in the postal service; to the Committee on Post Office and Civil Service.

By Mr. WATSON:

H.J. Res. 341. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.J. Res. 342. Joint resolution proposing an amendment to the Constitution of the United States permitting the offering of prayers in public schools; to the Committee on the Judiciary.

By Mrs. DWYER:

H. Con. Res. 117. Concurrent resolution expressing the sense of Congress that the anniversary of the signing of the Declaration of Independence should be observed throughout the United States by the ringing of bells, requesting the President to issue a proclamation to this effect, and calling on civic and other community leaders to encourage public participation in such observance; to the Committee on the Judiciary.

By Mr. SNYDER:

H. Con. Res. 118. Concurrent resolution expressing the determination of the United States with respect to the matter of general disarmament and arms control; to the Committee on Foreign Affairs.

By Mr. WILLIS:

H. Res. 296. Resolution to print as a House document, the Fourth Annual Report of the Commission on International Rules of Judicial Procedure; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. JONES of Alabama: Memorial of the Alabama Legislature, known as Senate Joint Resolution 9, which deplores the exodus of continent-based textile plants to Puerto Rico to take advantage of income tax regulations indigenous only there and jeopardizing the healthy future of statewide textile and other industries and demands an equalization of income taxes between the island and continental United States; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of Georgia, memorializing the President and the Congress of the United States to resist any changes in the present capital gains tax laws, relating to the cutting or disposal of timber, and for other purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ANDERSON:

H.R. 5070. A bill for the relief of Branko Cule; to the Committee on the Judiciary.

By Mr. CHENOWETH:

H.R. 5071. A bill for the relief of the Norvell Bros. Painting & Decorating Co.; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 5072. A bill for the relief of Ignazio Rinella; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 5073. A bill to confer jurisdiction on the U.S. District Court for the Southern District of New York to hear, determine, and render judgment on the claims of Lawrence Nestor against the United States; to the Committee on the Judiciary.

H.R. 5074. A bill for the relief of Valdo Santoro; to the Committee on the Judiciary.

By Mr. HAGEN of California:

H.R. 5075. A bill for the relief of Renzo Giretti; to the Committee on the Judiciary.

By Mr. HARRISON:

H.R. 5076. A bill relating to the exchange of certain lands between the town of Powell, Wyo., and the Presbyterian Retirement Facilities Corp.; to the Committee on Interior and Insular Affairs.

By Mr. HAWKINS:

H.R. 5077. A bill for the relief of Sun Young Choy; to the Committee on the Judiciary.

By Mr. JOELSON:

H.R. 5078. A bill for the relief of Mrs. Beatrice D'Errico; to the Committee on the Judiciary.

By Mr. JONES of Alabama:

H.R. 5079. A bill for the relief of Robert L. Yates and others; to the Committee on the Judiciary.

By Mr. KIRWAN:

H.R. 5080. A bill for the relief of Mrs. Stojanka Frankovich and her son, Zvonimir Frankovich; to the Committee on the Judiciary.

By Mr. McMILLAN:

H.R. 5081. A bill to authorize the Commissioners of the District of Columbia to sell a right-of-way across a portion of the District Training School grounds at Laurel, Md., and for other purposes; to the Committee on the District of Columbia.

By Mr. MARTIN of California:

H.R. 5082. A bill for the relief of Herminia C. Balagot; to the Committee on the Judiciary.

By Mr. MONAGAN:

H.R. 5083. A bill for the relief of John Stewart Murphy; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H.R. 5084. A bill for the relief of Ilia Vasil Karakostas; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 5085. A bill for the relief of Emmanuel Georgious Sopassakis; to the Committee on the Judiciary.

H.R. 5086. A bill for the relief of Giuseppe Stellario; to the Committee on the Judiciary.

H.R. 5087. A bill for the relief of Fotini Selitsanou; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 5088. A bill for the relief of Dimitrious Lintzeri, his wife, Panagniota G. Lintzeri, and his minor children, Dina Lintzeri and Andrew Lintzeri; to the Committee on the Judiciary.

By Mr. QUILLEN:

H.R. 5089. A bill to grant, posthumously to the late Gen. Robert E. Lee of Virginia, restoration of full rights of U.S. citizenship; to the Committee on the Judiciary.

By Mr. RIVERS of South Carolina:

H.R. 5090. A bill to authorize the appointment of General of the Army Douglas MacArthur to the grade of General of the Armies of the United States; to the Committee on Armed Services.

H.R. 5091. A bill for the relief of Eugene J. Bennett; to the Committee on the Judiciary.

By Mr. RYAN of New York:

H.R. 5092. A bill for the relief of Shi Young Rhee; to the Committee on the Judiciary.

H.R. 5093. A bill for the relief of Rigas Giokas and his wife, Vangelya Giokas; to the Committee on the Judiciary.

By Mr. SCHWENGEL:

H.R. 5094. A bill for the relief of Geoffrey Howard Smith; to the Committee on the Judiciary.

By Mr. STINSON:

H.R. 5095. A bill for the relief of Yasuko Sugiura; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

70. By Mr. SNYDER: Petition of Malcolm W. Bayley and other citizens of the Third Congressional District of Kentucky to preserve the Monroe Doctrine; to the Committee on Foreign Affairs.

71. By the SPEAKER: Petition of Harlan Savage, president, La Habra Democratic Club, La Habra, Calif., relating to the establishment of a Scientific Constitutional Monetary System; to the Committee on Banking and Currency.

SENATE

THURSDAY, MARCH 21, 1963

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God, our Father, amid all life's changing scenes, make us conscious of Thy overshadowing presence. Thou art the love that will not let us go, the love that followeth us all the way.

We touch the hem of Thy garment in the human love which hallows our own lives and sanctifies our homes—love which, at its best, bears witness to Thee and the divine love which alone is the balm able to cure the hurt of the world.

In the midst of crushing cares, relentless demands, and tormenting fears which the Nation's problems bring, may the quieting peace of Thy presence restore our jaded souls. Give truth to our words, sincerity to our hearts, and courage to our deeds in these times that are testing as by fire the treasure bequeathed to us. So may we in our day make patriotism beautiful with loyalty and dedication to this free land of our love and prayer. Amen.

THE JOURNAL

On request of Mr. HUMPHREY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 19, 1963, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 29) to print with illustrations "A Report on U.S. Foreign Operations in Africa," by Senator ALLEN J. ELLENDER.

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

H.R. 242. An act to amend section 1820 of title 38 of the United States Code to provide for waiver of indebtedness to the United States in certain cases arising out of default on loans guaranteed or made by the Veterans' Administration; and

H.J. Res. 234. Joint resolution to provide for the reappointment of John Nicholas Brown as Citizen Regent of the Board of Regents of the Smithsonian Institution.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 212. An act to amend section 904, title 38, United States Code, so that burial allowances might be paid in cases where discharges were changed by competent authority after death of the veteran from dishonorable to conditions other than dishonorable; and

H.R. 2085. An act to amend the Internal Revenue Code of 1954 to provide that the deduction for child care expenses shall be available to a wife who has been deserted by and cannot locate her husband on the same basis as a single woman.

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were each read twice by their titles and referred as indicated:

H.R. 242. An act to amend section 1820 of title 38 of the United States Code to provide for waiver of indebtedness to the United States in certain cases arising out of default on loans guaranteed or made by the Veterans' Administration; to the Committee on Labor and Public Welfare.

H.J. Res. 234. Joint resolution to provide for the reappointment of John Nicholas Brown as Citizen Regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

LIMITATION OF DEBATE DURING THE MORNING HOUR

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

On request of Mr. HUMPHREY, and by unanimous consent, the Committee on Agriculture and Forestry was authorized to meet during the session of the Senate today.

On request of Mr. HUMPHREY, and by unanimous consent, the Antitrust and Monopoly Subcommittee on the Committee on the Judiciary was authorized to meet during the session of the Senate today.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

ESTABLISHMENT OF A COMMISSION ON RURAL LIFE

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to establish a Commission on Rural Life to study the changing scope of rural America, and for other purposes (with accompanying papers); to the Committee on Agriculture and Forestry.

AMENDMENT OF WATERSHED PROTECTION AND FLOOD PREVENTION ACT

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Watershed Protection and Flood Prevention Act, as amended (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Labor for "Unemployment Compensation for Federal Employees and Ex-Servicemen," for the fiscal year 1963, had been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

REPORT ON DEPARTMENT OF THE ARMY CONTRACTS FOR MILITARY CONSTRUCTION AWARDED WITHOUT FORMAL ADVERTISEMENT

A letter from the Secretary of the Army, transmitting, pursuant to law, a report on Department of the Army contracts for military construction awarded without formal advertisement, for the 6-month period ended December 31, 1962 (with an accompanying report); to the Committee on Armed Services.

REPORT ON BORROWING AUTHORITY

A letter from the Director, Office of Emergency Planning, Executive Office of the President, transmitting, pursuant to law, a report on borrowing authority, dated December 31, 1962 (with an accompanying report); to the Committee on Banking and Currency.

REMOVAL OF PERCENTAGE LIMITATIONS ON RETIREMENT OF ENLISTED MEN OF THE COAST GUARD

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to remove the percentage limitations on retirement of enlisted men of the Coast Guard, and for other purposes (with accompanying papers); to the Committee on Commerce.

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES IN THE FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, Washington, D.C., transmitting, pursuant to law, a report on the backlog of pending applications and hearing cases in that Commission, as of January 31, 1963 (with an accompanying report); to the Committee on Commerce.

REPORT OF U.S. INFORMATION AGENCY

A letter from the Director, U.S. Information Agency, Washington, D.C., transmitting, pursuant to law, a report of that Agency, for the 6-month period ended December 31, 1962 (with an accompanying report); to the Committee on Foreign Relations.

REPORT ON CONTRACTS NEGOTIATED FOR EXPERIMENTAL, DEVELOPMENTAL, OR RESEARCH WORK

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report on contracts negotiated for experimental, developmental or research work, for the 6-month period ended December 31, 1962 (with an accompanying report); to the Committee on Government Operations.

REPORT ON BUTTES DAM AND RESERVOIR, MIDDLE GILA RIVER PROJECT, ARIZONA

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on the Buttes Dam and Reservoir, Middle Gila River project, Arizona (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT ON THE DIXIE PROJECT, UTAH

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on the Dixie project, Utah (with an accompanying report); to the Committee on Interior and Insular Affairs.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION, GLEN ELDER UNIT, SOLOMON DIVISION, MISSOURI RIVER BASIN PROJECT, KANSAS

A letter from the Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands in the Glen Elder Unit, Solomon Division, Missouri River Basin project, Kansas (with an accompanying paper); to the Committee on Interior and Insular Affairs.

AMENDMENT TO RULES OF CIVIL PROCEDURE FOR U.S. DISTRICT COURTS

A letter from the Chief Justice of the United States, transmitting, for the information of the Senate, an amendment to the amendments to the Rules of Civil Procedure for the U.S. District Courts, adopted March 18, 1963 (with accompanying paper); to the Committee on the Judiciary.

ISSUANCE OF CERTIFICATES OF CITIZENSHIP IN THE CANAL ZONE

A letter from the Governor, Canal Zone Government, Balboa Heights, Canal Zone, transmitting a draft of proposed legislation to authorize the issuance of certificates of citizenship in the Canal Zone (with an accompanying paper); to the Committee on the Judiciary.

REPORTS ON PETITIONS TO CLASSIFY STATUS OF CERTAIN ALIENS FOR FIRST PREFERENCE

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports on petitions to classify the status of certain aliens for first preference (with accompanying papers); to the Committee on the Judiciary.

REPORT OF BOY SCOUTS OF AMERICA

A letter from the chief Scout executive, National Council, Boy Scouts of America, New Brunswick, N.J., transmitting, pursuant to law, a report of that organization, for the calendar year 1962 (with an accompanying report); to the Committee on Labor and Public Welfare.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Idaho; to the Committee on Finance:

"SENATE JOINT MEMORIAL 12

"A joint memorial to the Honorable Senate and House of Representatives of the United States in Congress assembled and to the Honorable Secretary of the Treasury of the United States

"We, your memorialists, the members of the Senate and the House of Representatives of the Legislature of the State of Idaho, assembled in the 37th session thereof, do respectfully represent that:

"Whereas it is reported some high placed officials have endorsed the recommendation of the Secretary of the Treasury to disallow capital gains tax treatment under the provisions of current IRC 631–A (formerly 117K) on privately owned timber subsequently processed or manufactured by the same owner into lumber or other forest products; and

"Whereas IRC 631–A has had the effect in Idaho of encouraging the growth of privately owned forests such as tree farms; despite the risk and hazard of fire, insects, disease and the payment of ad valorem taxes on both land and trees for a period of up to 100 years with the forest crop of trees being the only growing crop on which ad valorem tax is paid each year. Logs and lumber from the tree crop are again assessed as personal property and tax paid on the assessed value on the second Monday in January of each year thereafter; and

"Whereas most operators have deemed it essential to possess a reserve of privately owned timber to insure the continuity of economic units and stable employment rather than depend on public sources of timber with the indefinite and vascillating policies of the latter, and

"Whereas the American lumber industry is, and has been, adversely affected by constantly increasing imports, mostly from Canada. The imports from the latter amounted to 17 percent of 1962 U.S. production, which was 14 percent more than for 1961; and which Government is aiding and assisting its industry in the promotion of the exploitation of foreign markets, and

"Whereas the blowdown as the result of a windstorm in 1962 of some 10 billion feet of timber on the Pacific Coast will add to already existing competitive problems, and

"Whereas an investor who purchases forest, fruit or nut trees for resale would not be deprived of capital gains tax treatment whereas the timber-owning, job-furnishing operator would not be accorded similar treatment, and

"Whereas the repeal of IRC 631–A would force an incentive for a policy of "cut out and get out," which were the common practices of early day lumbermen in the northern tier of States at the beginning of the 20th century; now, with progressive, enlightened sustained yield forest practices in effect on private ownership, the proposed tax change would leave no other alternative than a return to the regressive policy of 50 years ago of "cut out and get out", and would: (1) Destroy the incentive for maintaining intensified forest yield management with a goal of perpetual sustained yield of a timber crop; (2) have a devastating effect on county, school, and municipal tax valuations for necessary tax revenue in counties having substantial private ownership; (3) after allowing the denuded land to go for taxes and reverting to public ownership, there would be no tax revenue, as the Government does not pay taxes. Or only many years in the future when the 25-percent return from Federal forest sales might be available on reforested land, would Idaho counties receive any return of tax revenue; (4) create such a situation profitwise that it would be impractical, if not impossible, for timber-owning companies to stay in business; and

"Whereas the "cut out and get out" policy would have a depressing effect on the market value of publicly owned timber as well as disrupting the orderly disposal of the annual growth; and

"Whereas privately owned forest owners have neither received nor requested subsidies, or price supports from public sources: Now, therefore, be it

"Resolved by the 37th session of the Legislature of the State of Idaho, now in session, the senate and the house of representatives concurring, That the Congress, the President, and the Secretary of the Treasury of the United States of America are hereby respectfully petitioned that in the interest of maintaining our second largest industry—forest products—that IRC 631–A should neither be tampered with nor repealed; and be it further

"Resolved, That the secretary of state of the State of Idaho be, and he hereby is authorized and directed to forward certified copies of this memorial to the President, Vice President, and Secretary of the Treasury of the United States, the Speaker of the House of Representatives of the Congress and the Senators and Representatives representing this State in the Congress of the United States.

"W. E. DREVLOW,
"President of the Senate.
"PETE T. CENARRUSA,
"Speaker of the House of Representatives."

A resolution of the House of Representatives of the State of Arizona; to the Committee on Finance:

"HOUSE MEMORIAL 2

"A memorial urging the Congress of the United States to pursue an equitable fiscal policy for the purpose of preserving the economic freedom of the citizens of the United States of America

"To the Congress of the United States:

"Your memorialist respectfully represents:

"Whereas the economic freedom of each of the citizens of the United States is in peril because of the fiscal policy being followed; and

"Whereas a primary element of freedom for each citizen is fiscal stability; and

"Whereas during the past decade the Government of the United States has been pursuing a fiscal policy which is endangering the fiscal stability of each citizen of the United States.

"Wherefore your memorialist, the House of Representatives of the State of Arizona, prays:

"1. That the Congress of the United States set a firm fiscal policy which will guarantee to each citizen economic freedom.

"2. The Secretary of State of Arizona is directed to transmit a copy of this memorial to the President of the Senate and the Speaker of the House of Representatives of the United States and to each Member of the Arizona congressional delegation."

"Approved by the Governor March 11, 1963."

A resolution of the House of Representatives of the State of Georgia; to the Committee on Finance:

"HOUSE RESOLUTION 206

"A resolution urging the Governor of the State of Georgia and the Georgia congressional delegation to resist any changes in the present capital gains tax laws, relating to the cutting or disposal of timber; and for other purposes

"Whereas forest land comprises 25,772,200 acres, 69 percent of the total land area of the State; and

"Whereas 23,931,100 acres are in private ownership and constitute 93 percent of the total forest land; and

"Whereas these forest lands are providing approximately a gross return of $1 billion to the State's economy through forest industries; and

"Whereas forest industry represents the third largest dollar volume of industry and supports 200,000 or more persons annually; and

"Whereas Georgia has led the Nation in reforestation for many years, having converted almost 700,000 acres from cropland to trees under the soilbank program in recent years; and

"Whereas investments are made for long periods of time during which they are continuously subject to many hazards, such as fire, insects, disease, and market fluctuations; and

"Whereas the State and Federal Governments have encouraged forestland owners to develop previously unproductive lands for timber products; and

"Whereas Georgia leads the Nation in the number of acres under the tree farm program; and

"Whereas an incentive must exist to encourage the production of crops that must be produced over two or more decades before any substantial financial return is realized; and

"Whereas the capital gains tax treatment on long-term timber gains recognizes these various factors; and

"Whereas this type of tax treatment has been effective in stimulating private forest owners to adopt management plans and programs to produce timber to meet the national needs; and

"Whereas private forest land is in a wide variety of ownerships with 197,000 owners in Georgia; and

"Whereas the repeal of capital gains taxation will materially reduce the ability of private individuals and industry to continue reforestation and will accelerate the cutting of present timber growth; and

"Whereas forestry has made its greatest advances during the last 20 years as the result of stimulus of capital gains: Now, therefore, be it

"Resolved by the House of Representatives, that the Governor of the State of Georgia and all members of the Georgia congressional delegation are urged to do everything in their power to maintain the present capital gains tax treatment regarding the cutting or disposal of timber; and be it further

"Resolved, That the clerk of the house of representatives is hereby instructed to transmit a copy of this resolution to the Governor of the State of Georgia and to each member of the Georgia congressional delegation.

"GLENN W. ELLARD,
"Clerk."

A resolution of the House of Representatives of the State of North Dakota; to the Committee on Public Works:

"HOUSE CONCURRENT RESOLUTION L—PEMBILIER DAM AND RESERVOIR

"Concurrent resolution endorsing and supporting the construction of the proposed Pembilier dam and reservoir project and commending the agencies participating in its investigation and planning

"Whereas the proposed Pembilier dam and reservoir on the Pembina River, near Walhalla, N. Dak., is progressing to the point where a report thereon by the investigating agencies of both Canada and the United States can be expected before another session of the legislature; and

"Whereas the surveys, investigations and studies so far made all indicate economic feasibility, that the construction thereof would insure control of flooding on the Pembina River, adequate municipal and industrial water supplies for several communities in both countries, also supplemental water for potential irrigable areas, and for other beneficial purposes; and

"Whereas the International Joint Commission has devoted much time and study to this proposal and has individually and collectively toured the Pembina River basin and inspected the various sites and areas involved in the proposed project: Now, therefore, be it

"Resolved by the House of Representatives of the State of North Dakota, the Senate concurring therein; That the 38th Legislative Assembly of the State of North Dakota hereby reaffirms its wholehearted endorsement and support of the Pembilier dam and reservoir project aforesaid, commends the International Joint Commission and all the agencies of both Canada and the United States participating in the important investigative and planning activities for their faithful and conscientious devotion to their task and trusts that the definite report thereon will become available sometime during the next fiscal year; and be it further

"Resolved, That copies hereof be transmitted by the Secretary of State to the President of the United States; Secretary of the Department of State; President of the U.S. Senate; Chief of Engineers, U.S. Army Corps of Engineers; District Engineer, St. Paul Office of U.S. Army Corps of Engineers; Commissioner, Bureau of Reclamation; Chairmen of the Canadian and United States Sections, International Joint Commission; Members of the North Dakota delegation in Congress; and the Governor of North Dakota.

"STANLEY SAUGSTAD,
"Speaker of the House.
"GERALD F. STAIR,
"Chief Clerk of the House.
"FRANK A. WENSTROM,
"President of the Senate.
"HOWARD F. DOHERTY,
"Secretary of the Senate."

A resolution of the House of Representatives of the State of North Dakota; to the Committee on Public Works:

"HOUSE CONCURRENT RESOLUTION X—EROSION CONTROL AND BANK STABILIZATION, MISSOURI RIVER, N. DAK.

"Concurrent resolution urging early completion of spot bank stabilization and erosion control adjacent to the Missouri River

"Whereas the Garrison Reservoir was constructed to provide, and has provided, substantial benefits to the entire Missouri River basin for municipal and industrial water supplies, sewage dilution, flood control, navigation, irrigation, power generation, and other beneficial uses; and

"Whereas that reach of the Missouri River between the Garrison Reservoir and the Oahe Reservoir constitutes an unprotected portion of the river extremely vulnerable to erosion from erratic water releases; and

"Whereas since the construction of the Garrison Dam, without supplementary erosion control or bank stabilization structures, the clear water being released from the Garrison Reservoir is eroding approximately 500 acres yearly of valuable bottom land from the banks of this stream; and

"Whereas future releases will increase the loss to 800 acres or more annually; and

"Whereas specific areas constituting several thousand acres of land are threatened by erosion should the erratic pattern of water released from Garrison Reservoir be continued; and

"Whereas the problem appears to be the responsibility of the Corps of Engineers; Now, therefore, be it

"Resolved by the House of Representatives of the State of North Dakota, the Senate concurring therein, That the U.S. Congress is respectfully urged to direct the Corps of Engineers to forthwith undertake emergency measures to prevent this impending irreparable loss through construction of spot revetment works between the Garrison and Oahe Reservoirs in consultation with the North Dakota State Water Conservation Commission so corrective stabilization will be applied to the areas imperiled; and be it further

"Resolved, That sufficient copies of this resolution be forwarded by the secretary of state to each member of the North Dakota congressional delegation for their own use and for appropriate distribution to congressional committees, officials, Representatives and Senators.

"STANLEY SAUGSTAD,
"Speaker of the House.
"GERALD F. STAIR,
"Chief Clerk of the House.
"FRANK A. WENSTROM,
"President of the Senate.
"HOWARD F. DOHERTY,
"Secretary of the Senate."

BILLS INTRODUCED

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

By Mr. CHURCH (for himself and Mr. GOLDWATER):

S. 1152. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions to candidates for elective Federal office or to political parties; to the Committee on Finance.

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

By Mr. MONRONEY (for himself and Mr. MAGNUSON) (by request):

S. 1153. A bill to amend the Federal Airport Act to extend the time for making grants thereunder, and for other purposes; to the Committee on Commerce.

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

By Mr. HUMPHREY:

S. 1154. A bill to provide for the conveyance of certain mineral rights to Christmas Lake, Inc., and Karlson Development Corp.; to the Committee on Interior and Insular Affairs.

By Mr. JORDAN of North Carolina:

S. 1155. A bill for the relief of the estate of Paul F. Ridge; to the Committee on the Judiciary.

By Mr. CURTIS:

S. 1156. A bill to provide for the increased use of agricultural products for industrial purposes; to the Committee on Agriculture and Forestry.

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

By Mr. YARBOROUGH:

S. 1157. A bill to amend the Civil Service Retirement Act to provide for the inclusion of certain additional types of compensation within the meaning of the term "basic salary" for the purposes of such act; to the Committee on Post Office and Civil Service.

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

By Mr. AIKEN:

S. 1158. A bill for the relief of Samuel C. Neiburg; to the Committee on the Judiciary.

By Mr. PASTORE (by request):

S. 1159. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; and

S. 1160. A bill to amend the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. HARTKE:

S. 1161. A bill to repeal section 13a of the Interstate Commerce Act; to the Committee on Commerce.

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

By Mr. MOSS:

S. 1162. A bill for the relief of Ginseppe Stracquadanio; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 1163. A bill to amend certain provisions of the Area Redevelopment Act; to the Committee on Banking and Currency.

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

By Mr. KENNEDY:

S. 1164. A bill for the relief of Miss Katina J. Nakopoulos; to the Committee on the Judiciary.

By Mr. RIBICOFF:

S. 1165. A bill for the relief of Dr. Florencio A. Hipona; to the Committee on the Judiciary.

By Mr. HART:

S. 1166. A bill to authorize the Secretary of the Interior to enter into contracts and make grants for research and development in furtherance of the purposes of the act of May 16, 1910 (36 Stat. 369; 30 U.S.C. 1, 3, 5, and 7), as amended and supplemented; to the Committee on Interior and Insular Affairs.

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

By Mr. HRUSKA:

S. 1167. A bill for the relief of Mrs. Felicite A. Clignett; and

S. 1168. A bill to amend section 144 of title 28 of the United States Code; to the Committee on the Judiciary.

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

By Mr. JACKSON (for himself and Mr. MAGNUSON) (by request):

S. 1169. A bill to authorize a per capita distribution of $350 from funds arising from judgments in favor of any of the Confederated Tribes of the Colville Reservation; to the Committee on Interior and Insular Affairs.

By Mr. CLARK (for himself, Mr. MORSE, Mr. RANDOLPH, Mr. MCINTYRE, Mrs. NEUBERGER, and Mr. WILLIAMS of New Jersey):

S. 1170. A bill to assist in the provision of housing for elderly persons, and for other purposes; to the Committee on Banking and Currency.

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

By Mr. CLARK (for himself, Mr. HUMPHREY, Mr. MORSE, Mr. HART, Mr. YOUNG of Ohio, Mr. DOUGLAS, and Mr. WILLIAMS of New Jersey):

S. 1171. A bill to authorize the issuance of a special issue of bonds in order to afford an opportunity for the people of the United States, through the purchase of such bonds, to participate in the financing of peace-keeping activities of the United Nations; to the Committee on Foreign Relations.

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

CONCURRENT RESOLUTION

COMMITTEE TO EVALUATE FOREIGN AID PROGRAM IN EACH COUNTRY

Mr. COOPER submitted a concurrent resolution (S. Con. Res. 34) to express the sense of Congress that the President appoint a committee to evaluate our foreign aid program in each country and report its finding to the President and Congress, which was referred to the Committee on Foreign Relations.

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

RESOLUTION

ESTABLISHMENT OF SELECT COMMITTEE ON CONSUMERS

Mr. JAVITS (for himself, Mr. COOPER, Mr. PROUTY, Mr. KEATING, and Mr. SCOTT), submitted a resolution (S. Res. 116) to establish a Select Committee on Consumers, which was referred to the Committee on Banking and Currency.

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

PROPOSED INCOME-TAX DEDUCTION FOR POLITICAL CONTRIBUTIONS

Mr. CHURCH. Mr. President, I introduce, on behalf of myself and the junior Senator from Arizona [Mr. GOLDWATER], a bill to amend the Internal Revenue Code to allow a deduction for contributions to candidates for elective Federal office or to political parties.

In an article published last August in the New York Times magazine, I dealt with the rising costs of running for office, and argued for several reforms to relieve candidates and political parties from the necessity of relying too much on large contributors—which in practice generally means either big business or big labor—for the money needed to finance political campaigns. In the article, I wrote:

> Campaign costs have simply grown too big for the average candidate to cope with. Political elections have been subject to the same rising costs that have affected all our lives in recent decades. This has been aggravated by the rapid growth in population requiring more and more voters to be reached, and by the introduction and expansion of television, which is not only expensive but essential as a campaign medium.

Later in the article, I pointed out:

> Congressional candidates have employed many methods for raising campaign funds in small amounts from the public at large. Yet most of them have proved unproductive. Door-to-door solicitations have been tried, but seldom have they yielded substantial returns. Any number of candidates have sought to raise money with return-mail appeals, usually with the most disappointing results.
>
> As a consequence of such experiences, most congressional candidates have been left with no alternative but to depend upon the large contributor for their campaign money.

Mr. President, as one remedy for this situation, I proposed to the tax laws an amendment to furnish an inducement to the small contributor, the individual citizen of modest means. I suggested that each taxpayer, in computing his taxable income for the year, ought to be allowed to deduct up to $100 for contributions made to either the candidates or the political party of his choice. I said that—

> Our tax laws should be designed to encourage more people to support, with their dollars as well as with their votes, the whole of the election process, for this is the lifeblood of a free society.

The bill I now introduce would accomplish this result. The fact that the Senator from Arizona [Mr. GOLDWATER] joins me in sponsoring the bill demonstrates that the proposal enjoys both Republican and Democratic support. For this purpose, we have created a liberal-conservative axis, spanning the width of the Senate and the width of the political spectrum. We share a common concern that present trends have brought about an excessive polarization in our politics, and we believe this bill would be a constructive step toward proliferating the financial base of costly campaigns. The bill would furnish to the individual taxpayer an incentive to contribute a modest amount, either in support of the political party of his choice, or of a candidate he favors, and thus would tend to free those who hold high public office, and those who aspire to it, from undue reliance upon a few large contributors.

I ask unanimous consent that the full text of the article to which I have referred be printed at this point in the RECORD, and that the bill be received and appropriately referred.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the article will be printed in the RECORD.

The bill (S. 1152) to amend the Internal Revenue Code of 1954 to allow a deduction for contributions to candidates for elective Federal office or to political parties, introduced by Mr. CHURCH (for himself and Mr. GOLDWATER), was received, read twice by its title, and referred to the Committee on Finance.

The article presented by Mr. CHURCH is as follows:

CAMPAIGN MONEY—HOW MUCH? FROM WHOM?

(By Senator FRANK CHURCH)

WASHINGTON.—A prominent citizen of my State announced his candidacy for Governor

by declaring he was not a politician but a businessman. "The word 'politician' is a nasty word," he was quoted as saying.

Now, Idaho usually enjoys clean government and there is no question that the Government of the United States is untainted by the kind of pervasive corruption which plagues so many other governments in the world. Why, then, should "politician" still be regarded as a nasty word?

The ambassador of an Asian country asked me this very question just a few weeks ago. Ironically, the country he represents is nearly engulfed by graft. Yet, he said, "In my country, as in most others I have known, public service is thought to be the highest calling. To become a member of the parliament is the noblest ambition a man can hold."

If we don't accord the same prestige to Members of Congress, it is not because we fail to hold our politicians to strict account. Anyone entering Congress from private life becomes at once aware of the higher standard of behavior expected of him.

Indeed, we are so accustomed to having our politicians tread the straight and narrow that the occasional scandal in public life will produce far more indignation than any comparable scandal elsewhere. A few deep freezers discredited the entire Truman administration; the gift of an oriental rug and a vicuna coat not only drove Sherman Adams from the White House, but shook public confidence in the administration of Dwight Eisenhower for months afterward. The affair of Billie Sol Estes has rocked the New Frontier as no other single episode.

This could be true only in a country where the people expect, and usually get, honest performance in public office. In short, it isn't corruption in Congress that puts the taint upon the term "politician." It isn't what we do in Congress but how we get into Congress that accounts for the lingering suspicion in the public mind.

Campaign costs have simply grown too big for the average candidate to cope with. Political elections have been subject to the same rising costs that have affected all our lives in recent decades. This has been aggravated by the rapid growth in population requiring more and more voters to be reached, and by the introduction and expansion of television, which is not only expensive but essential as a campaign medium.

The recent announcement that some network TV shows will be shortened by 5 minutes to allow senatorial, gubernatorial, and other local candidates time for paid political broadcasts during this general election campaign is encouraging news. Prime evening time is usually difficult to buy except in 15- and 30-minute segments. Similar time was afforded presidential candidates in 1956 and 1960, but this is the first breakthrough for local candidates; it should help.

Laws forbid candidates to spend more than the barest minimum of their own funds, but most candidates could not begin to afford the whole cost, even if it were permitted. Therefore, contributions must be sought, and the question at once arises: How much, and from whom?

To help furnish an answer to this question, President Kennedy appointed a special Commission on Campaign Costs, composed of a group of distinguished citizens experienced in raising money for either the Democratic or Republican Party, together with several nationally recognized academic authorities on the subject. They spent months studying the problem, and the President has now submitted their recommendations to Congress.

Unfortunately, the commission confined itself to the financing of presidential campaigns. Congressional contests were ignored, though clearly they constitute the more urgent problem. Of course, presidential campaigns are immensely expensive, but it is much more difficult for congressional candidates to raise the money they need, and they are far more vulnerable to pressures from special-interests groups.

In an effort to escape these pressures, congressional candidates have employed many methods for raising campaign funds in small amounts from the public at large. Yet most of them have proved unproductive. Door-to-door solicitations have been tried, but seldom have they yielded substantial returns. Any number of candidates have sought to raise money with return-mail appeals, usually with the most disappointing results.

Representative WILLIAM H. AYRES, Republican, of Ohio, is said to have run a newspaper ad during a campaign which read: "BILL AYRES Needs Your Help." In the ad, AYRES requested $1 contributions. In a single newspaper, the ad cost $200. Total returns attributed to the ad amounted to $51.

As a consequence of such experiences, most congressional candidates have been left with no alternative but to depend upon the large contributor for their campaign money. I recall a Congressman once telling me that his entire campaign had been financed by not more than 20 contributors. "They were the only ones on my side who could afford sizable donations," he said.

As a candidate for reelection to the Senate this year, I am acutely aware of how badly we need to reform the methods for raising money to finance campaigns for Congress. And I know we shall never achieve these reforms until the public acquires a better understanding of the problems we face.

Congressional campaign costs vary greatly from State to State. A House candidate running in 1 of New York City's 19 districts would find telecasting prohibitively expensive and wasteful, since it would reach millions of people who are not involved in his election. A candidate for the single House seat representing the State of Nevada not only must make use of television to reach his constituents, but is compelled to do so on what amounts to a network basis.

A Senate candidate in a State like Idaho may hope to meet personally a very high proportion of the voters, while a candidate for the Senate in a State like California wouldn't even try. I have heard of Senate campaigns in which upward of a million dollars was spent by each side. My own successful campaign for election to the Senate in 1956 cost barely more than $40,000—and my Republican opponent's just over twice that amount.

But the problem for the Idaho candidate can still be more difficult than for a candidate in California. Hundred-dollar-a-plate dinners are not uncommon in States with large metropolitan centers. Yet my friends felt that they were aiming very high when they scheduled a $12.50-a-plate fundraising dinner in my honor in Boise a few months ago.

People in the smaller States either do not have or are not accustomed to giving the amounts of money necessary for modern campaigning. The inevitable consequence is that candidates on both sides are compelled to accept help from outside their own State. This circumstance is not well understood by many of the voters in these States, and there is often bitter criticism of big contributions which cross State lines.

Seldom is the big contributor, whether in or outside the State, so brash as to offer a campaign contribution to a Congressman or Senator at a time, or in a manner, which tends to link the money to a pending bill. But occasionally this happens. A classic example occurred in 1956, when the Harris-Fulbright natural gas bill was under consideration by the Senate.

The late Senator Francis Case of South Dakota was up for reelection, and it was thought that he was inclined to support the bill, which would have exempted independent natural gas producers from Federal utility rate control. Then, on February 3, Case strode out onto the Senate floor to announce he would vote against the bill—because improper influence had been exerted on him to vote for it, in the form of a $2,500 cash donation which he had refused.

On February 7, a Senate select committee was established to investigate the incident. During the committee's hearings on the contribution, John M. Neff, a lawyer representing the Superior Oil Co. of California and Texas, was identified as the immediate donor. Later testimony, however, revealed that the money was from the personal funds of Howard B. Keck, president of the Superior Oil Co. The Senate committee's report, released 2 months later, said that "the objective of the individuals who initiated and carried out this chain of events was to influence by political contribution the vote of a Member of Congress."

Fortunately, cash bribes are about extinct as a method of attempting to influence votes in the U.S. Congress. Yet the problem of exerting influence through heavy, though legitimate, campaign contributions still remains unsolved. The late Senator Richard L. Neuberger of Oregon once wrote:

"If MAURINE (Mrs. NEUBERGER, then an Oregon State legislator and now her husband's successor in the Senate) or I ever would take $100 in cash behind the locked door of a hotel room to cast our vote for or against a specific legislative bill, we would be guilty of receiving a bribe. But if, at the next election, we accept not $100 in cash but $1,000 in a check from the same donor, it is all perfectly legal, providing the check is made out to the Neuberger-for-election committee."

I don't hold that the large campaign contribution necessarily clamps a manacle upon either a candidate or an elected official. The candidate, of course, must scrupulously refuse any contribution tendered for a commitment which would restrict his freedom of action if elected; the elected official must make his convictions and his conscience the final arbiters of his vote. I believe that nearly all the Members of Congress—Senators and Representatives alike—do their utmost to live up to these standards.

Still, given the infirmities of human nature, there is always the danger that a certain bias, favorable to the big contributor, will weigh upon the judgment of even the most objective legislator. For this reason, and because so general a dependence upon the big contributor erodes public confidence in the "politician"—and thus weakens popular respect for the very processes of representative government—there is a real and immediate need for changes in the methods of financing our election campaigns.

I would suggest as the minimum required, the following:

1. Let the television stations in each State set aside, as a public service, a reasonable amount of free time to be equally divided between the two parties during the general election campaign.

If local stations would offer this time on a voluntary basis, as the national networks did for the two presidential candidates in 1960, it would work a significant reduction in the high cost of campaigns and help candidates for major State and congressional offices to free themselves from undue reliance upon big contributors.

2. Let the tax laws be revised to furnish an inducement to the small contributor, the individual citizen of modest means. Each taxpayer, in computing his taxable income for the year, ought to be allowed to deduct up to $100 for contributions made to either the candidates or the political party of his choice.

Our tax laws should be designed to encourage more people to support, with their dollars as well as with their votes, the whole of the

election process, for this is the lifeblood of a free society.

3. Let us gather public support behind those methods for raising campaign funds which draw from the many and not from the few. The fund-raising banquet, if the price of the tickets is within the reach of the average voter, is one method. The citizens' committee openly soliciting at large is another.

In this connection permit me a personal reference. During my first campaign for the Senate in 1956, I lacked the money for more than the very minimum of television time, and so I spent 9 months on the road, with my wife at the wheel of the car, going from store to store, from farm to farm, from house to house, knocking on doors in order to meet the people personally.

A thick, protective callus formed between my right thumb and forefinger from shaking hands, which led one pundit to comment: "FRANK CHURCH is the only lawyer in Idaho with a callus—on his hand."

But despite rigorous efforts to cut costs, and although I engaged no advertising agency, wrote my own copy, and depended solely upon the services of volunteer workers, it soon became evident that I couldn't begin to finance my campaign on the offerings of small contributors. I discovered what every candidate for Congress learns, that big contributions are essential.

The largest contributor to my campaign was the National Committee for an Effective Congress, a nonpartisan citizens' action group which undertakes to raise money for selected congressional races. One of the purposes of the committee is to increase the number of small contributions to campaigns, thus broadening and diversifying the sources of political funds and consequently relieving candidates of the pressure to answer to specific interests.

The money donated to me was raised principally through a series of advertisements bearing the caption, "A Clean Politics Appeal," calling for personal contributions from the readers of such newspapers as the New York Times and the St. Louis Post-Dispatch, and such periodicals as the Reporter, Commonweal, and the Saturday Review.

The money came in $1, $5, $20 amounts. To this day, I do not know the identity of the individual contributors. Moreover, neither then nor since has any member of the committee ever asked me to vote a given way on any issue.

It is true that the National Committee for an Effective Congress usually supports liberal candidates, whether they be Democrats or Republicans. I think it would be desirable for a comparable committee to be organized for the purpose of giving a similar type of support to conservative candidates.

These three proposals, when taken together, would help materially to reduce the importance of the big contributor in our political campaigns.

Honesty in government, in the last analysis, will always depend upon the integrity of the men who hold public office. But if we can shift to the people at large the responsibility they should bear for financing our political campaigns, then far more public confidence in our representative form of government will result, the public service will recapture that prestige to which it is entitled, and the institutions of free government will be strengthened throughout the land.

Mr. GOLDWATER. Mr. President, will the Senator yield at that point?

Mr. CHURCH. I am happy to yield to the distinguished Senator from Arizona.

The VICE PRESIDENT. The time of the Senator from Idaho has expired.

Mr. CHURCH. I ask unanimous consent that I may have 2 additional minutes.

The VICE PRESIDENT. Without objection, it is so ordered. The Chair recognizes the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I merely wish to state on the floor of the Senate my pleasure in joining with the distinguished Senator from Idaho in presenting a long overdue bill. Several Congresses ago I served on a Select Committee To Investigate Lobbying and Campaign Expenses. During that time it became very obvious that some approach like the one now proposed should be made and would have to be made if we in politics would be able in the future to meet the rising costs of campaigns. I am very glad that the Senator from Idaho has introduced his bill. I suggest that he might allow it to be held at the table for a day or two, because I feel, since we are all plagued with the same curse, that all Senators, both the Republicans and Democrats, might wish to join in sponsoring the bill.

Mr. CHURCH. I shall be very happy to do so. Other Senators, including the distinguished Senator from Tennessee, have offered different versions of the bill in the past. There is widespread interest in the subject on both sides of the aisle.

Mr. President, I ask unanimous consent that the bill may lie on the desk for the remainder of the week in order that other Senators who may wish to add their names as cosponsors may have an opportunity to do so.

The VICE PRESIDENT. Without objection, the bill will be held at the desk as requested by the Senator from Idaho.

Mr. HUMPHREY. Mr. President, I wish to commend the Senator from Idaho on his bill. I shall look it over, and most likely I shall associate myself with it.

I could not help but note that the distinguished Senator from Arizona had announced that he was a candidate for reelection. I am becoming a little concerned about this bipartisan play this morning. I trust that what we have heard is not an announcement of a new "Union" ticket under new financial auspices. But if it is, may I say that it could not involve two more worthy gentlemen.

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

Mr. CHURCH. If I have any time remaining, I shall be happy to yield.

Mr. CANNON. Mr. President, on behalf of the distinguished Senator from Idaho, I request 1 additional minute.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. CANNON. As chairman of the Subcommittee on Privileges and Elections of the Senate Committee on Rules and Administration, I wish to state that last year the subcommittee held extensive hearings on a bill in the nature of the one proposed, and recommended to the Senate the passage of a measure very similar to that covered by the bill introduced by the Senator from Idaho. Unfortunately, the bill was subject to a point of order in that it did not originate in the House. An identical bill was introduced in the House, but the House failed to take action on it. I am sure that the sense of this body was in favor of a bill of the nature of the one that the Senator has introduced. I feel sure that if the House would see fit to act on a similar type of bill, the Senate would have no difficulty in passing such a measure.

Mr. CHURCH. I thank the Senator. I hope the committee will give favorable consideration to the bill this year.

Mr. GOLDWATER obtained the floor.

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

Mr. GOLDWATER. I shall be happy to yield if I can secure some additional time.

Mr. DIRKSEN. I shall see that the Senator has his 3 minutes.

Mr. GOLDWATER. I yield.

Mr. DIRKSEN. Would the $100 deduction allowed each taxpayer be in addition to the $12 billion deficit we already face?

Mr. GOLDWATER. Naturally, if we deny the general fund moneys, it would be included in any deficit. But I believe the proposal would work a much better purpose on moral grounds. For that reason I can support the measure.

Mr. DIRKSEN. I merely wished to be sure whether a further diminution of revenue would be contemplated.

Mr. GOLDWATER. Any time that we disallow money to the Federal Treasury, our deficit problems are increased. However, I think in the Senate we could correct that if we could get the other side to work very closely with us.

AMENDMENT OF THE FEDERAL AIRPORT ACT TO EXTEND THE TIME FOR MAKING GRANTS THEREUNDER

Mr. MONRONEY. Mr. President, by request, I introduce, for appropriate reference, on behalf of the chairman of the Committee on Commerce and myself, a bill to amend the Federal Airport Act to extend the time for making grants thereunder, and for other purposes.

This bill, which is part of the President's legislative program, extends the existing law, which expires June 30, 1964, for 3 years to June 30, 1967.

The bill provides for extension of the appropriation authority for the 3 additional fiscal years at an annual level of $75 million. This extension is considered essential to satisfy the firmly projected needs of the national airport system. The urgency of these needs is indicated by the fact that applications are now pending for improvements at 540 airports during fiscal 1964 which would cost a total of approximately $150 million, and these applications must be considered on the basis of the existing $75 million per year funding. In fiscal 1962, eligible project requests totaled $149,782,000, and in fiscal 1963 these applications totaled $140,114,000.

Since its inception in 1947, the act authorizing Federal grants to local communities for the construction and improvements of airports on a matching fund basis has provided funds for 5,372

separate projects leading to improvements at 1,762 airports. Through January 1 of this year, Federal funds totaling $721,861,000 have been granted for these purposes. Sponsoring communities have expended $748,866,000 in this period of tremendous growth in our civil aviation industry.

Throughout the history of this program the emphasis has been on safety, for it has been through the improvement of runways, runway lighting, and other nagivational and terminal facilities that the use of the airplane has developed into a routine necessity for many millions of our citizens.

Fully 50 percent of the users of our airport and airways facilities are military aircraft. The airport improvements made possible under this legislation have therefore been of vital significance to our military aviation capabilities.

The rapid expansion of air transport needs and requirements could justify an increase in this program to permit matching grants totaling $100 million a year. However, the realities of the present overall budget situation, and particularly our national defense needs, rule out such an increase at this time. A larger and larger percentage of our people are relying each year on air transportation. From 1957 to 1961 the total flight time of our general aviation fleet increased from 10,738,000 hours per year to 12,650,000 hours. The explosive development of our air transport industry in the past decade has been possible to a large extent through this program. In 1952, 27½ million persons bought airline tickets in the United States. Last year this figure had more than doubled to 61,700,000. In 1952, at 141 control towers then in operation a total of 15,814,000 landings and takeoffs were recorded. Ten years later, with 270 towers operating, landings and takeoffs had nearly doubled to 28,200,000.

In 1952, this country had 52,670 licensed aircraft. On January 1 of this year 85,669 aircraft were using the airports of this country. This steady and ever-increasing growth of our air transport fleet will continue.

Without question, this program must be continued and must be efficiently and expeditiously administered to meet the additional air traffic demands throughout the 50 States, Puerto Rico, and the Virgin Islands. Dependable and evermore rapid transportation is essential to our economic security. Our national security also requires the development of these transportation facilities.

The grants provided by this act have been, and will continue to be, the basis for increasing the accessibility of air travel and air transport in both urban and rural regions of the country. The act establishes criteria enabling the development of our huge metropolitan air traffic centers as well as the establishment of profitable and usable airports of more modest size within the financial means of smaller communities.

I would like to cite now the principal features of the existing law and set forth a number of proposed changes incorporated in this bill.

First. The existing law expires June 30, 1964. Proposed change extends act for 3 years, expiring June 30, 1967.

Second. Existing law authorizes a total of $225 million available at rate of $75 million annually. No change.

Third. Existing law provides special $7 million annual set-aside for general aviation to relieve congestion at high-density airports. No change.

Fourth. Existing law disallows Federal contribution for items not directly related to safety, that is, terminal buildings, and so forth. No change.

Fifth. Existing law allows 75 percent contribution for certain landing aids, that is, in-runway lighting, runway distance markers, and so forth. No change.

Sixth. Existing law provides for apportionment to States—under area population formula—75 percent with 25 percent placed in discretionary fund. Proposed change: Apportionment to States would be decreased to 50 percent and amount placed in discretionary fund increased to 50 percent.

Seventh. Existing law provides an annual amount available to Hawaii of $731,618—$131,618 under State apportionment plus $600,000 special set-aside. Under existing law the amount annually available to Puerto Rico is $600,000 and to the Virgin Islands $300,000. Proposed change: It would eliminate the $600,000 set aside for Hawaii, treating Hawaii as any other State. It would treat Puerto Rico and the Virgin Islands equally, each entitled to $450,000 annually. These proposed changes must be reviewed very carefully to make sure that international air traffic needs are not neglected.

Eighth. Existing law permits 50 percent Federal contribution for planning costs, provided grant agreement for a specific project is entered into. Proposed change: Adds new provision for advanced planning grants up to 66⅔ percent of total estimated planning cost.

Ninth. Under existing law funds allocated to any State under the apportionment formula which are not obligated within 2 fiscal years revert to the discretionary fund. Proposed change: Reduces from 2 years to 1 year the time such funds will revert to discretionary funds. This was proposed under the previous act but met with strong objections from airport operators who claimed that 1 year did not allow adequate lead time to arrange for planning, financing, and so forth.

The bill has a new provision requiring that as a condition to any grant the Administrator must satisfy himself that reasonable effort, including the enactment of zoning laws, has been made to restrict the use of land adjacent to the affected airport so as to make it compatible with the operation of the airport. This requirement for such assurances can in future years insure greater safety in the operation of aircraft and great comfort and livability in areas adjacent to major airports. The Agency recognizes that proper zoning by airport sponsors is not always possible. This is especially true where multiple jurisdiction is involved. At the same time, corrective zoning is impossible in many already developed areas. Therefore, it proposes to require assurances with respect to land uses only where feasible under the circumstances.

I question personally the proposal reducing the percentage of funds to be apportioned among the States. At the present time, 75 percent of available funds are apportioned among the States on an area population basis. This bill would decrease this apportionment to 50 percent and place 50 percent in the discretionary fund. The present act provides that 25 percent of the money be placed in the discretionary fund. I am convinced the present allocation formula has proven efficient and effective. Because of much greater traffic density in heavily populated areas, the construction dollar benefits more citizens. Local financing certainly is more easily accomplished in populous transportation centers.

I am sure also that amendments will be carefully considered to eliminate the proposed redistribution to the discretionary fund of all apportioned funds unobligated at the expiration of 1 year rather than at the end of 2 years as now provided. The present provision provides local communities with crucial leadtime in the development of airport projects. It permits the phasing of construction at the cost economical and efficient time schedule with the certainty that Federal funds will be available over a longer period.

One of the most progressive features of this proposal would authorize advance planning grants up to 66⅔ percent of the estimated planning costs, thus encouraging more adequate planning by local sponsors in advance of the preparation and submission of requests. The existing Federal Airport Act authorizes Federal reimbursement of 50 percent of certain planning costs incurred in connection with a specific project. Because Federal financial participation occurs only after the project for which the planning was undertaken is approved, we have found that communities are reluctant to undertake extensive airport planning. However, only through careful advance planning can we be certain that construction on the airport proceeds in the most economic and orderly manner. We believe the additional funds expended for planning at this predevelopment stage will be fully offset by a reduction in future construction costs.

Careful, cautious, but quick planning for future airport needs was never more important than it is today. The phenomenal growth of our aviation industry means that each month more and more planes will be landing and taking off from our airports, and more and more people will be crowding through our terminals. The economic growth of communities throughout the Nation depends upon the extension of this program. It has been an outstanding success in the past and holds the promise of even greater benefits for the future.

Mr. President, I ask unanimous consent that the bill be printed at the end of my remarks and that it be allowed to lie on the table for 5 days so that the Senators who wish to cosponsor the bill may do so.

The VICE PRESIDENT. The bill will be received and appropriately referred;

and, without objection, the bill will be printed in the RECORD and will lie on the table, as requested by the Senator from Oklahoma.

The bill (S. 1153) to amend the Federal Airport Act to extend the time for making grants thereunder, and for other purposes, introduced by Mr. MONRONEY (for himself and Mr. MAGNUSON) (by request), was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2 of the Federal Airport Act (49 U.S.C. 1101) is amended:

(1) by striking out the designation "(a)" at the beginning thereof;

(2) by inserting the words "(except advance planning for which specific grants have been made)" immediately after the word "specifications" in the present paragraph (6);

(3) by striking out the subsection heading "Airport Classifications" and all of subsection (b).

SEC. 2. Section 4(a) of such Act (49 U.S.C. 1103(a)) is amended by inserting "and advance planning therefor", immediately following the word "development".

SEC. 3. Section 5(d) of such Act (49 U.S.C. 1104(d)) is amended to read as follows:

"APPROPRIATION AUTHORIZATION FOR ADVANCE PLANNING AND PROJECTS

"(d)(1) For the purpose of carrying out this Act in the several States, in addition to other amounts authorized by this Act, appropriations amounting in the aggregate to $201,300,000 are hereby authorized to be made to the Administrator over a period of three fiscal years, beginning with the fiscal year ending June 30, 1965. Of amounts appropriated under this paragraph $67,100,000 shall become available for obligation, by the execution of grant agreements pursuant to section 12, beginning July 1 of each of the fiscal years ending June 30, 1965, June 30, 1966, and June 30, 1967. All funds appropriated for these and prior fiscal years shall continue to be so available until expended.

"(2) For the purpose of carrying out this Act in Puerto Rico and the Virgin Islands, in addition to other amounts authorized by this Act, appropriations amounting in the aggregate to $2,700,000 are hereby authorized to be made to the Administrator over a period of three fiscal years beginning with the fiscal year ending June 30, 1965. Of the amounts appropriated, $900,000 shall become available for obligation, by the execution of grant agreements pursuant to section 12, beginning July 1 of each of the fiscal years ending June 30, 1965, June 30, 1966, and June 30, 1967. All funds appropriated for these and prior fiscal years shall continue to be so available until expended. Of each such amounts appropriated during the fiscal years enumerated herein 50 per centum shall be available for Puerto Rico and 50 per centum shall be available for the Virgin Islands. Amounts appropriated pursuant to this section prior to fiscal year 1965 shall be available in accordance with the provisions of this paragraph in effect on January 1, 1963."

"(3) For the purpose of developing, in the several States, airports, the primary purpose of which is to serve general aviation and to relieve congestion at airports having high density of traffic serving other segments of aviation, in addition to other amounts authorized by this Act for such purpose, appropriations amounting in the aggregate to $21,000,000 are hereby authorized to be made to the Administrator over a period of three fiscal years, beginning with the fiscal year ending June 30, 1965. Of amounts appropriated under this paragraph $7,000,000 shall become available for obligation, by the execution of grant agreements pursuant to section 12, beginning July 1 of each of the fiscal years ending June 30, 1965, June 30, 1966, and June 30, 1967. All funds appropriated for these and prior fiscal years shall continue to be so available until expended."

SEC. 4(a) Section 6(a) of such Act (49 U.S.C. 1105(a)) is amended as follows:

(1) by striking out "75 per centum" and inserting in lieu thereof "50 per centum";

(2) by striking out "and the fiscal year immediately following" in the second sentence;

(3) by inserting "for advance planning or" immediately following the word "grants" in the second sentence;

(4) by inserting immediately before the period at the end of the second sentence the following: ": *Provided,* That any funds authorized to be obligated prior to fiscal year 1965 shall be apportioned in accordance with the provisions of this subsection in effect January 1, 1963."

(b) Section 6(b)(1) of such Act (49 U.S.C. 1105(b)(1)) is amended:

(1) by striking out "Twenty-five per centum" and inserting in lieu thereof "Fifty per centum";

(2) by inserting immediately before the period the following: ": *Provided,* That any funds authorized to be obligated prior to fiscal year 1965 shall be placed in the discretionary fund in accordance with the provisions of this paragraph and subsection 6(c) in effect January 1, 1963."

(c) Section 6(b)(2) of such Act (49 U.S.C. 1105(b)(2)) is amended:

(1) by inserting "advance planning grants or" between the words "for" and "such" in the first sentence; and

(2) by inserting "advance planning or" before "projects" in the second sentence.

(d) Section 6(c) of such Act (49 U.S.C. 1105(c)) is amended:

(1) by inserting "advance planning and" immediately preceding "projects";

(2) by striking out "two fiscal years" and inserting in lieu thereof "fiscal year".

SEC. 5. Section 7 of such Act (49 U.S.C. 1106) is amended:

(1) by inserting in the section heading "Advance Planning And" immediately preceding "Projects";

(2) by inserting "advance planning and" immediately preceding "projects" where that word first appears in the text.

SEC. 6. The Act is amended by adding a new Section 8 to read as follows:

"ADVANCE PLANNING GRANTS"

"For the purpose of developing airport layout plans and plans directly related to eligible construction projects, the Administrator is authorized to make grants to sponsors, based upon approved advance planning proposals, for not more than 66⅔ per centum of the estimated planning cost. For the purposes of this section, "airport layout plan" means a plan for an airport showing boundaries and proposed additions to all areas owned or controlled by the sponsor for airport purposes, the location and nature of existing and proposed airport facilities and structures, and the location on the airport of existing and proposed nonaviation areas and improvements thereon."

SEC. 7(a) Section 9(a) of such Act (49 U.S.C. 1108(a)) is amended by:

(1) inserting "Advance Planning Proposals And" immediately preceding "Projects" in the title to section 9.

(2) by inserting "an advance planning proposal or" immediately following "Administrator" where that word first appears in the first sentence.

(b) Section 9(b) of such Act (49 U.S.C. 1108(b)) is amended by striking out "submission of a project" and inserting "submission of an advance planning proposal or a project".

(c) Section 9(c) of such Act (49 U.S.C. 1108(c)) is amended by striking out "submission of a project" and inserting "submission of an advance planning proposal or a project".

(d) Section 9(d) of such Act (49 U.S.C. 1108(d)) is amended by striking out "that the project will contribute" and inserting "that the project is not inconsistent with existing plans for the development of the area in which the airport is located and will contribute".

SEC. 8(a) Section 10(a) of such Act (49 U.S.C. 1109(c)) is amended to read as follows:

"Except as provided in subsections (b), (c), and (d) of this section, the United States share payable on account of any approved project under this Act shall not exceed 50 per centum of the allowable project costs".

(b) Section 10(b) of such Act (49 U.S.C. 1109(a)) is amended by striking out "(1), and the maximum United States share under subsection (a)(2),".

(c) Section 10(c) of such Act (49 U.S.C. 1109(c)) is amended by striking out the parentheses and all words within the parentheses and inserting ", not to exceed 75 per centum,".

SEC. 9. Section 11 of such Act (49 U.S.C. 1110) is amended:

(a) by adding a new paragraph (4) as follows:

"Appropriate action, including the adoption of zoning laws, has been or will be taken, to the extent feasible, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations including landing and takeoff of aircraft".

(b) by renumbering the present paragraphs (4) through (8) as (5) through (9), respectively.

SEC. 10. Section 12 of such Act (49 U.S.C. 1111) is amended:

(1) by changing the first sentence to read as follows:

"Upon approving an advance planning proposal or a project application, the Administrator, on behalf of the United States, shall transmit to the sponsor or sponsors of the advance planning proposal or project application an offer to pay the United States share of the planning costs or allowable project costs."

(2) by striking out "of the project" where it appears at the end of the third sentence:

(3) by changing the fifth sentence to read as follows:

"Unless and until such a grant agreement has been executed, the United States shall not pay, nor be obligated to pay, any portion of the costs which have been or may be incurred."

SEC. 11. Section 14 of such Act (49 U.S.C. 1113) is amended:

(1) by inserting "advance planning costs or" immediately preceding "allowable" in the second sentence;

(2) by striking out "of the project" where it appears in the second and third sentences;

(3) by inserting "advance planning or" immediately preceding the term "airport development" wherever it appears.

(4) by inserting "plan or" immediately preceding the word "development" where it appears the second time in the fourth sentence.

INCREASED USE OF AGRICULTURAL PRODUCTS FOR INDUSTRIAL PURPOSES

Mr. CURTIS. Mr. President, today I am reintroducing a bill to carry out the recommendations of the Welsh report on agriculture. I send the bill to the desk and ask that it be appropriately referred.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1156) to provide for the increased use of agricultural products for industrial purposes, introduced by Mr. CURTIS, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. CURTIS. Mr. President, it will be recalled that a few years ago the Congress passed a proposal of mine which called upon President Eisenhower to appoint a bipartisan Commission to find new industrial uses for the products of our farms. This five-man Commission was headed by Mr. J. Leroy Welsh, of Omaha. The Commission secured the voluntary services of some 200 leaders in agriculture, chemistry, engineering, industry, and research.

These experts were divided up into a number of task force groups. They performed their services without compensation and many of them even declined to submit a bill for their travel expenses. The Commission reported in general that the problem of farm surpluses could be solved by finding new uses for the products that we can produce on the farm.

The program recommended by the Welsh Commission was divided into three parts. These parts were: research, trial commercialization, and pilot testing.

The bill I am introducing today is similar to S. 714 which was introduced in the last Congress, with one important addition.

This addition consists of a new section which calls upon the Secretary of Agriculture to cooperate with municipalities and others in research on the problems of air pollution, through the use of alcohol made from farm crops as a component of motor fuel. This should be of interest to all of our great cities.

For instance, a well-qualified source expresses the opinion that a reduction in the level of unburned hydrocarbons through the use of alcohol-gasoline blends could have an immediate effect on the Los Angeles smog problem. This authority contends that such a blend of motor fuel could reduce the unburned hydrocarbon emission approximately 50 percent. There is a reasonable possibility that after such a plan had been followed for a few years, accompanied by additional research, it could bring about even greater benefits.

After preparing the bill and these remarks, there came to my desk an article published in the Omaha Herald of March 18, 1963. It was published on the front page of that newspaper. It is entitled "Smog-Free Fuel Could Cut Grain—Two Headaches Solved at Once." The article was written by Bob Considine and bears the dateline of New York. I ask unanimous consent to have the article printed in full at this time in my remarks.

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

SMOG-FREE FUEL COULD CUT GRAIN—TWO HEADACHES SOLVED AT ONCE

(By Bob Considine)

NEW YORK.—The Southwest Research Institute of San Antonio, Tex., has produced a remedy calculated to do something constructive, simultaneously, about the Nation's colossal grain surplus and Greater Los Angeles smog.

Here's the pitch:

Turn the mountains of Government-owned wheat into alcohol, dump some of it in the oceans of gasoline burned in cars every day, and presto. Smog-producing exhaust gases will be reduced by as much as 60 percent.

So will the burden on the back of the American taxpayer, who not only buys the subsidized grain but foots the $1 million a day rent bills to store it and other surpluses.

GRAIN, SMOG GROWS

The grain stocks grow larger each day, and the smog gets thicker not only over Los Angeles but over an increasing number of cities.

These two apparently unrelated headaches have long been the concern of Nebraska grain dealer J. Leroy Welsh, who headed President Eisenhower's commission to find industrial uses of surplus grain.

He persuaded the Nebraska Department of Agriculture and Inspection to turn the problem over to the remarkable San Antonio research outfit.

The research team began with a discouraging hurdle: Alcohol has long been used as a car fuel, notably in racing cars, but the cost has been commercially prohibitive.

HURDLE CLEARED

The researchers cleared the hurdle by getting more out of the alcohol they made from wheat. Mixed with high-test gas to the degree of 25 percent, the blended fuel was just as efficient as high-test gas at average car speeds, and almost as efficient at low and high speeds.

Remarkable differences showed up in the reduction of exhaust gases. Early findings indicate that the use of this in the Los Angeles Smog Control District would reduce the unburned hydrocarbon emission approximately 50 percent.

In the course of its study, Southwest Research Institute wizards devised a new concept in auto motors, one that will increase compression and efficiency by as much as 50 percent—and, not incidentally, make better use of an alcohol-gasoline fuel if that comes about.

ONE FOR THE ROAD

Major car companies are seeking rights to mass-produce the motor.

"Give your gasoline one for the road," is the slogan at the research center.

"The entire wheat surplus could be wiped out in less than a year if the fuel people accept this program," the institute's bright young president, Dr. Martin Goland, said.

"It is also quite conceivable that farmers would in the future be urged to raise more wheat, and other grains that can be reduced to alcohol, instead of being subsidized not to plant.

LOT OF PRESSURE

"We could unload the heavy burdens of subsidy and storage. As for the big fuel companies, they've been under a lot of pressure to do something about their role in smog. They should regard this development with enthusiasm."

Unless something is done to devour the mounting grain surplus we'll all be up to our hips in it. Every time the Government in effect bribes a farmer to take X number of acres out of production, another section of government, Federal or State, broadcasts new ways and means of coaxing the earth to yield greater gains.

Mr. CURTIS. Mr. President, it has long been my hope that alcohol produced from grain could be used as a part of our motor fuel. Farmers buy a great deal of gasoline and tractor fuel. Certainly they should be allowed to produce their own fuel. The number of cars in the country is constantly increasing and likewise the motor fuel market is increasing. European countries have blended alcohol into their gasoline up to 25 percent. Were we to blend alcohol into our gasoline to the extent of 10 percent, it would require more than 1 billion bushels of grain a year. In other words, that one use alone could go a long way toward solving the grain surplus problem.

The U.S. Department of Agriculture, in its report, based on the work of the agricultural research service at Peoria, Ill., said on June 9, 1954:

Because of extensive practical experience in the use of alcohol-gasoline blends in foreign countries and laboratory and road studies made in this country, it is evident that the use of alcohol as a fuel for internal combustion engines is practical from the technological standpoint.

However, we face a very definite obstacle in regard to this. It is an economic fact that gasoline can be produced cheaper than alcohol. Consequently, no one selling gasoline is going to turn to a blended alcohol. In peacetime, under our free American system, we cannot compel that to be done by law.

I am thoroughly convinced that a broad program of research will lower the cost of producing alcohol from farm products. At the present time, when we make alcohol out of farm products, we have a protein residue that is a very valuable food for animals, however, with improved methods brought about by research and trial commercialization, it is believed that the alcohol can be extracted, and the protein residue will be a fine human food. Its value will then be many times greater than its value for livestock food. The alcohol will become more or less a byproduct and can be sold at a price that will enable it to compete with gasoline for a part of the motor fuel market. So, while a portion of the motor fuel market is not the farmer's at this time, it is not an impossibility that one day it will be.

A number of leaders in the petroleum industry are not adverse to these efforts. They realize that the farmers are purchasers of their products. Oil companies are taxpayers too and should be interested in farm program costs. They realize that farm prosperity means a great deal to the prosperity of our country. Furthermore, the same companies will be selling the motor fuel at all the filling stations in the country, regardless of the components of that fuel. They are not going to lose the business.

Incidentally, it is my objective and that of the Welsh Commission that the Government enter into the field of research, trial commercialization, and pilot testing with limited subsidies, but that the results be turned over to private enterprise. We do not advocate a program of Government-owned plants and Government manufacturing of products from the farm or from any other source.

Our surpluses are primarily starches. From starch we make alcohol, and from alcohol we can make rubber, plastics, and a thousand and one things that are now being made from other materials.

We are not limited by any means to motor fuel and rubber and like products. There are literally hundreds of possibilities of making industrial uses of agricultural products. These include solvents, surface coatings, medicines, chemicals, building materials, containers, utensils, electronic components, fibers, films, explosives, adhesives, lubricants, insecticides, waxes, drilling muds, paints, varnishes, and even paving materials.

Practically all of the research that has been carried on in behalf of agriculture has had to do with increased production. This is necessary and wise because it lowers costs. We have failed to carry on an adequate program to find new markets and new uses. In fact, it is believed that only about one-sixteenth of 1 percent of the gross sales of agriculture has been used on research to find new uses of agricultural products.

By contrast, industry is currently investing about $11 billion a year in research. The result is a constant flow of new and improved products. These new products—the result of modern research—have provided the foundation for new industries, new consumer demand, more jobs and more business. This research by industry is continuous, systematic, and intensive. I find no fault with it. I merely point out that a similar research program should be carried on in behalf of agriculture.

Because research has gone on in industry and it has been lacking in agriculture, the farmers of America have lost many of the markets they previously had. For instance, linseed oil has been replaced as a component of paint to a large extent. Were we using the same amount of linseed oil per gallon of paint as we did back in the thirties, the farmers could plant an additional 1 million acres of flax.

Half of the market for natural fibers, including cotton, wool, and silk, has been taken over by synthetic fibers. Two-thirds of the shoes now are made partly or wholly of leather substitutes. Soap made from natural fats has lost out to detergents. In the last 10 or 12 years, the use of detergents per person has increased from 1 pound to 15 pounds per year, while the use of soap has decreased from 23 pounds to 8 pounds a year.

Perhaps one of the most discussed problems over the country is the heavy traffic and the difficulty of finding a parking place. This indicates that the United States is using a great amount of rubber, although there are many, many uses for rubber besides that which is used by the automobile industry. A small portion of this rubber is natural rubber, but most of it is synthetic rubber. If only part of this synthetic rubber market would be supplied with synthetic rubber made from alcohol made from grain, it would take hundreds of millions of bushels a year. This was done during World War II under the rubber czar, Mr. William Jeffers. As the program progressed the cost lowered materially, again pointing up the need for trial commercialization and pilot testing to make these proposals economically feasible.

Research should be carried on to find the additional uses for the 55 million tons of legumes produced annually in the United States. One of the task force groups of the Welsh Commission made an estimate of the untapped possibilities in this field. This estimate included a billion dollars worth of protein, carotene worth $2¾ billion, vitamin E worth $2 billion, vitamin K worth $115 million, xanthophyll worth $12½ billion, and chlorophyll worth $19 billion. These figures sound a bit fantastic, but they show that these materials in our legumes are waiting to be used and developed for medicinal and other nonfood uses.

Another task force, working on potatoes, reported:

> The potato industry is confident that a materially enlarged research and development program would so expand the market that surpluses would disappear and it might even be necessary to increase production.

Likewise, the task force on sugar had this to say:

> The sugar industry is confident that these industrial uses will be developed, to the extent perhaps of utilizing an extra million tons of sugar by 1965 and 2 million tons by 1975. This would add more than 10 percent to the projected 1965 demand and more than 16 percent to the projected demand for 1975. Sugar is an inexpensive, exceptionally pure, and chemically very reactive material, adaptable for many large-scale industrial applications. Present industrial use is small, but a dozen years of research have turned up some highly promising leads.

Not all of the new uses that are economically possible of our farm crops are confined to crops already being raised. The Welsh Commission had a task group on new crops. It is estimated that about 250,000 plants are on the earth that have been identified. We have only domesticated around 150. There remain about 249,850 plants that should have our attention because they can supply many things needed in our economy.

A new type of bamboo can be produced in the South, especially in areas that have had to cut down their cotton acreage, which would be very valuable in preventing a paper shortage in this country. It is estimated that this could take a million acres.

Due to research already carried on, safflower is now an important crop in Nebraska. In addition to its food value it is being sold to manufacturers for alkyd resins, enamels, varnishes, and high-quality paint.

Instead of our resorting to abaca and sisal to supply our cordage and rope, we should develop the sansevieris, a commonly used house plant known as a snake plant. This promises a market for possibly a hundred thousand acres.

Our economy could use 200,000 acres of kenaf to make fiber for post office twine, carpet yarn, camouflage, and burlap instead of using imported jute.

Wax is now in demand in industry. We ought to be producing 150,000 acres of Simmondsia from which a needed high quality wax can be produced.

We import our tannins used in the production of leather. This tannin could be supplied from canaigre and we could perhaps use a hundred thousand acres of that crop.

Mr. President, it is entirely possible that if a broad program of research and trial commercialization can be undertaken, many of these things I have mentioned can be developed. It is also possible that some of them will not prove practical, but in this process of research we will develop many things that I have not mentioned or that were not even thought of by the fine individuals who worked on the Welsh Commission report.

The important problems facing our Nation have been solved, if they have been solved, by education, research and trial and error endeavors. It is my opinion that it will be along this line that progress comes to American agriculture. It will not come through political answers or a negative approach of reducing the number of acres that a farmer can farm. A reduction of acres has not provided the answer. We have not yet scratched the surface in increased productivity.

In developing such a program for agriculture there is a definite part to be played by government. Individual farmers, unlike a great corporation extending from coast to coast, cannot do their own research. This must be done by government. It must be research for the purpose of finding new uses and new markets.

The program that I advocate and that is advocated by the Welsh Commission falls into three parts. First, is research. That is most important, but it must not end there. Research merely for the shelf, for someone to read years later, if ever, does not provide the answer.

In the second place, the Government must sponsor a program of trial commercialization and pilot testing. The Government should take the ideas developed in our laboratories and try them out as pilot operations sponsored by the Government and on a contract basis handled by private enterprise.

Thirdly, it calls for a program of limited subsidies on a test pilot basis to both farmers and industry, to get the program started. Farmers cannot be expected to plant one of the untried 250,000 plants existing on the earth if they have no hope for a market. Industry likewise cannot build factories to use the products of the farm until they know that the crop is available, that it will afford a product the American public wants, and they can produce it economically. Consequently, on a trial basis, on a pilot testing basis, the Government should finance such a program. I would be willing to reduce other parts of the agricultural budget to finance this program.

The results of all this research, trial commercialization and pilot testing, which will have been supported by limited subsidies, will then be turned over to all segments of our economy which are non-Government, to the end that it will be used by private enterprise, and that competition will prevail.

To further this program the Government should forthwith cause the Commodity Credit Corporation to make surpluses available to Government laboratories, private laboratories, universities and private businesses for research purposes without cost.

The Government should be authorized to enter into contracts to furnish,

at low price, surplus agricultural products over a period of 5 or 10 years to any business to manufacture new industrial products. The present subsidy now being paid for exports should be extended to domestic concerns which would put the surpluses to new uses which are for other than human or animal consumption. Such a business should by contract be assured of their supply of raw materials over a period of years so they could depend on it.

A program of industrial uses when it becomes a reality, or any other farm program, cannot succeed if the United States is flooded with agricultural imports from other countries.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD at this point Legislative Resolution 25 passed by the Legislature of the State of Nebraska. The resolution points out the injury suffered by our farmers and ranchers from the increased imports of livestock and meat and meat products.

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

LEGISLATIVE RESOLUTION 25

Whereas this legislature wishes to focus the attention of the Nation and the Federal Government upon the probability that the rising volume of imports of mutton, pork, beef, and veal into the United States has been a factor in contributing to the serious decline of livestock prices; and

Whereas the imports of beef and veal, product weight, for the 11-month period of January through November of 1962, totaled 884 million pounds, which volume was equal to 9 percent of the U.S. production of beef and veal during this same period and represented a 39-percent increase from the 635 million pounds of beef and veal imported during the same period in 1961; and

Whereas the imports of pork for the first 9-month period of 1962, totaled 151,464,000 million pounds, which volume was 22 percent greater than during the same period in 1961. Pigskin imports during the first three quarters of the year 1962 were up 150 percent; and

Whereas imports of all red meats during the first three quarters of 1962 were up 36 percent: Now, therefore, be it

Resolved by the members of the Nebraska Legislature in 73d session assembled:

1. That the Nebraska Legislature hereby petitions the executive branch of the Federal Government, the Senators and Congressmen from Nebraska to exercise their authority immediately under the powers and privileges granted in Public Law 87-794, and to further consider the wisdom of flexible quota of imports to balance the consumptive need, in relation to U.S. domestic production.

2. That action be taken immediately because the situation is unusually serious and requires correction at the earliest possible moment.

3. That copies of this resolution be transmitted by the clerk of the legislature to the President of the United States, and to each Member from Nebraska in the U.S. Senate and in the House of Representatives.

Mr. CURTIS. Mr. President, the bill which I have introduced, if promptly enacted, would relieve the present situation and would, without a doubt, increase the price of cattle and hogs and sheep to our farmers and feeders. Our big increase in imports has occurred in the last few years. This bill which I have introduced, S. 1126, would place an additional 25 percent ad valorem duty on all imports of livestock, meat and meat products which were in excess of the level of imports for the calendar year 1957.

Mr. President, when the administration presented its trade bill to Congress last year, I voted against the measure. It was unwise. The damage it will do to agriculture was foreseeable.

During the course of the consideration of the trade bill, a number of amendments were offered which would have been beneficial to agriculture. They were all opposed by the administration forces and all defeated. I offered an amendment which would have directed our negotiators to hold down our annual imports of agricultural products to the 1957 level and to maintain our annual exports at not less than the 1957 level. That amendment, like the others, was opposed on the Senate floor by administration forces and defeated. We are now suffering the consequences.

The European Common Market is a good thing for Europe. It will bring political unity. It is a private enterprise operation and it will give to the European countries a strength which will be a bulwark against communism.

The trade policy of this administration in respect to the European Common Market has been totally unrealistic and unsound. Administration sources presented the Common Market to the people of the United States as a free trade movement. The fact is, it is a protectionist movement. The Common Market seeks to abolish trade barriers between the member nations in Europe, but establishes protection around the outer rim of the Common Market countries. It is their intention to produce for themselves all of the agricultural products and other products they possibly can. The Common Market of Europe aims to do for Europe what the Constitution of the United States did for our States in 1787. Barriers were then abolished between the several States, but a tariff policy was adopted for the entire United States. That policy developed a strong economy for the United States.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks my individual views as printed in the report of the Committee on Finance when the Kennedy trade bill was before the Senate.

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

INDIVIDUAL VIEWS OF SENATOR CARL T. CURTIS, ON H.R. 11970

This measure goes far beyond the existing trade agreements program and I do not favor its enactment in its present form.

The European Common Market is a very desirable entity. It will lead to greater unity among the nations of Europe; it will elevate their economies and strengthen their political ties. It is a fortress against international communism and our national policy should be to encourage and to cooperate with the Common Market. The bill presented by the committee will not, in my opinion, be mutually advantageous to the United States and to the European nations. Both need each other and whatever weakens the United States weakens Europe.

Under the trade agreements program existing for more than a quarter of a century the Congress has delegated its constitutional powers to levy, modify, and repeal taxes, and its powers to regulate portions of our commerce to the executive. In the past there have been certain limitations in this delegation of power. In most recent years the Congress has provided for safeguards such as the peril point and escape clause procedures. The measure before us departs from all these previous concepts.

Our reciprocal trade program of the past is not free of criticism. The United States has allowed foreign countries to impose many nontariff barriers against us such as quotas, embargos, import licenses, unreasonable inspection, variable import fees, currency manipulations, and other harassments. In the past the Congress has authorized the President, in his negotiations, to lower tariffs by 50 percent. Under the successive acts passed, the United States has bargained away 80 percent of its tariffs and bargaining power. The result is not praiseworthy. The average U.S. tariff on dutiable goods at present is 11 percent while the average for other major industrial nations is 14 percent. Many important examples are in greater contrast—for instance, the tariff on European cars sold in the United States is 6½ percent and the tariff on American cars, under EEC proposals will soon be 22½ percent. Many other unfair situations can be cited especially in connection with our agricultural products. Candy is a widely consumed item and is made entirely from agricultural products. We permit candy to come in from Switzerland, France, Germany, or England under a tariff of 14 percent. American-made candy shipped to many of these nations faces a tariff of 30 percent. The farmers want to trade with the Common Market countries. We are the world's most efficient and lowest cost producers of agricultural products. Under the variable duties now in effect within the Common Market countries, the products of American farmers face a tariff in the Common Market countries, as of August 1, 1962, at least six times as high as corresponding tariffs on identical items imported from the Common Market into the United States. In addition to the inequality of tariffs facing the United States, we meet continually countless instances of the imposition of nontariff barriers mentioned above.

It is my belief trade negotiations can be carried on that would be mutually advantageous to the United States and to other countries. It must be a two-way street. The only safeguards remaining in the bill before us are ineffective. Discretionary power is given to the President, without limitation, to raise tariffs, to any level or to impose any other trade restriction. These provisions are not guidelines for negotiation. They will be applied, if at all, after the fact. They will subject the President to innumerable requests and pressures from deserving industries at home and will create ill will for the United States within foreign countries if they are ever applied.

The bill before us eliminates the peril-point procedure. No longer will the Tariff Commission, after it has made its studies, advise the President before the negotiations at what point injury might occur. This measure abandons the policy of economically sound increased trade and proceeds upon an admission that negotiations will be consummated to the injury of segments of our economy. The escape clause is shorn of effectiveness in existing law.

The powers delegated to the President are vastly greater than the powers heretofore delegated. He may, through negotiation, lower all tariffs from their present level, a level lower than almost any other country, by an average of 50 percent. An additional list of commodities is subject to being lowered more than 50 percent—in fact down to zero. The President is specifically authorized to negotiate away all tariffs now less

than a 5-percent ad valorem equivalent. In these two latter categories of additional power will rest many of our agricultural products.

Prior acts had, as their goal, an expansion of trade and an increase of jobs. This measure substitutes a Government-managed economy for the United States and for foreign countries with shocking disregard for business and employment results. The bill sets up a superunemployment compensation system in addition to individual programs of our 50 States. It is another major step toward federalizing our unemployment systems. The bill permits workers or management to seek a finding that they are injured by imports. A worker so found to be unemployed by the reason of imports will be entitled to unemployment compensation for 52 weeks at approximately 65 percent of his salary. This will amount to almost twice the average rate of unemployment compensation paid by our States. He will receive these benefits for 52 weeks, a longer period than is provided by most State unemployment compensation systems.

If this Federal unemployment compensation system becomes the law it will bring about many inequalities and many instances of unfairness. A person whose unemployment is caused by the Executive granting concessions to destroy his job will draw a higher rate of unemployment compensation, for a longer period, than his neighbor who is secondarily unemployed because his employment was based upon goods or services provided to the business which closed because of imports. Attention is called to the testimony in the hearings of longtime, well-qualified administrators of State unemployment compensation systems who testified against this provision of the bill.

This measure is defective in its unprecedented and far-reaching delegation of power. It is lacking in that it fails to provide guidelines before agreements are entered into with foreign nations to protect the United States from arbitrary barriers or to protect the U.S. domestic market from excessive and uneconomic imports. The measure should be materially revised or delayed until January when such revision could be made.

CARL T. CURTIS,
U.S. Senator.

BASIC SALARY OF FEDERAL CIVIL SERVICE EMPLOYEES FOR RETIREMENT PURPOSES

Mr. YARBOROUGH. Mr. President, I introduce, for appropriate reference, a bill to permit Federal employees to have withheld from their pay for retirement purposes their appropriate share of compensation for overtime, night, holiday, and similar work.

Under the present Civil Service Retirement Act, as amended, only basic salary is subject to the 6½-percent payroll deduction, which is then transferred to the civil service retirement fund. The definition of basic salary in the current law does not permit credit for work in excess of the normal 40-hour tour of duty.

The objective of the legislation is to expand the statutory definition to include the various types of pay enumerated above for retirement purposes.

Over the years of an employee's career, this could mean a slightly higher annuity based upon the additional contributions he makes resulting from work in these categories.

The individual who is required to spend hours over and above the normal work cycle or who must perform service on a less desirable shift is certainly performing work, just as he would under normal circumstances. Yet, under existing law, he may not add the value of his work to his retirement account.

Fundamentally, a staff retirement program is designed to permit employees to cease working after the required years of service and at the required age with a reasonable expectation of continuing income to maintain them during the later years of life. This bill is simply an extension of that principle to allow workers to acquire retirement credit for certain periods of works upon payment of their normal share of the retirement cost.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1157) to amend the Civil Service Retirement Act to provide for the inclusion of certain additional types of compensation within the meaning of the term "basic salary" for the purposes of such act, introduced by Mr. YARBOROUGH, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

REPEAL OF SECTION 13A OF INTERSTATE COMMERCE ACT

Mr. HARTKE. Mr. President, in 1958, believing that the railroads then were on the verge of bankruptcy, Congress enacted an amendment to the Interstate Commerce Act along with a package of other measures intended to provide emergency help to what was then regarded as a sick industry. This legislation was known as the Transportation Act of 1958 and most of its provisions were, I believe, warranted as measures intended to bring about more equitable treatment of the railroads, even though we now are aware that the railroads were nowhere nearly as sick in 1958 as they had led many of us to believe.

One provision of this legislation, however, has been the subject of strong controversy ever since its enactment. I refer to that strange provision of law which became section 13a of the Interstate Commerce Act. This section, according to its legislative history, was intended to provide a means by which the railroads could circumvent State agencies which the railroads claimed has been treating them unfairly by denying them permission to discontinue passenger trains for which there was no longer a need. This law has now been in effect for more than 4 years and during that time more than 220 trains have been completely discontinued and 51 additional trains have been partially discontinued as a result of this statute. It would seem that 4 years is certainly long enough for any railroad which may have been unfairly treated by the State agencies to have taken advantage of this enactment and to get rid of any unprofitable trains it may have been unfairly compelled to continue.

I am therefore, today, introducing a bill which would repeal section 13a of the Interstate Commerce Act. This measure would return to the States and to the railroad commissions the authority over passenger train discontinuances which they had always exercised prior to the 1958 amendment. It is my belief that the State railroad commissions, which are most familiar with the needs for service in a given area, are the most logical agencies to determine whether or not the public convenience and necessity requires continued passenger train operations. I believe that action to repeal section 13a is essential at this session of Congress if the public is not to be denied passenger train service which it still requires. The provisions of section 13a, to my mind, are unique in the legislative history of our country in that, in effect, they give to the railroads themselves as a public utility the right to regulate themselves insofar as passenger train operations are involved. In fact, this law has frequently been criticized for its lack of adequate protection of the public interest.

Among the ways by which section 13a clearly ignores the public interest are the following:

First. It permits the railroads to discontinue passenger train service by the mere posting of a notice unless the Interstate Commerce Commission decides that it should act on the notice and hold a hearing. Such action is entirely discretionary with the Commission.

Second. The public is denied the right to appeal a passenger train discontinuance to the courts, but the right of such an appeal is preserved for the railroads whenever the Interstate Commerce Commission orders them to continue a train. Lopsided justice is no justice at all.

Third. Discontinuances of passenger trains are permitted to take place without any requirement for the holding of a public hearing.

Fourth. Railroads are permitted to discontinue interstate passenger train operation without being required to justify such action.

Fifth. If the Interstate Commerce Commission does decide to hold a hearing, the law requires the public to prove that the continued operation of the interstate passenger train will not be an undue burden on the railroad, although the public can only secure such proof from material which only the railroads can supply.

Sixth. The law permits the railroads to withhold from opponents of proposed discontinuances all material needed to prove undue financial burden until the day of the hearing, if one is held.

Section 13a thus places a completely unrealistic and unfair restriction upon efforts by the public and even the Interstate Commerce Commission to keep a passenger train in operation. One of the provisions most damaging to the public interest is that which authorizes automatic discontinuance of interstate passenger trains unless the Interstate Commerce Commission renders a final decision within 4 months of the original discontinuance date. This unreasonable time limit clearly denies the public adequate time to prepare its opposition to the discontinuance.

There is much evidence that many railroads have used section 13a deliberately to downgrade passenger train service in order to eliminate trains. The present law permits the ICC only to look

at the facts—or alleged facts—which the carrier decides to disclose in the application submitted and it is not permitted to examine the motives of the carrier in seeking to abandon trains. The Commission is limited to determining, solely on the basis of the evidence before it, whether the public convenience and necessity requires the continuance of the train and whether that continued operation will be an undue burden on the railroad. Thus, under the present law, the Commission is required to permit the discontinuance of a train on which the service has deliberately been deteriorated.

Many of the State laws, which were made ineffective by section 13a, on the other hand, permit the State commissions to require continued service on specific schedules and with specific equipment, and this authority thus can prevent deliberate destruction and reduction of service. Section 13a, however, has left the Interstate Commerce Commission powerless to set minimum service standards.

The need for repeal of section 13a has been repeatedly pointed to by the State railroad commissioners. Regularly at the annual convention of the National Association of Railroad and Utilities Commissioners, the delegates have voted to adopt a resolution calling for repeal of this legislation.

In conclusion, I submit the following tabular summary, compiled as of February 7, 1963, of section 13a cases which have arisen since the Transportation Act of 1958 was enacted:

	13a(1)	13a(2)	Total
Number of applications	86	26	112
Number of trains involved	316	142	458
Number of trains discontinued	188	41	229
Number of trains partially discontinued [1]	51	0	51
Number of trains completely or partially discontinued	239	41	280
Number of trains ordered to keep operating [2]	41	67	108
Number of trains where case was dismissed or withdrawn	24	27	51
Number of trains involved in cases still pending	12	3	15

[1] A partially discontinued train would be one that was ordered to operate during only a portion of the year—such as holiday seasons—one where service was cut during several days of the week, etc.

[2] Most of the orders stipulating that a train must keep operating were for the usual 1-year moratorium, allowing a new application after 1 year. Thus, the same "trains" will appear in the figures more than once. Therefore, since a case-by-case rather than train-by-train method is used for record purposes, the figures are not completely additive.

Mr. President, I ask unanimous consent that the text of my bill be published in the RECORD at the conclusion of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1161) to repeal section 13a of the Interstate Commerce Act, introduced by Mr. HARTKE, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 13a of the Interstate Commerce Act is repealed.

AREA REDEVELOPMENT ACT AMENDMENTS OF 1963

Mr. DOUGLAS. Mr. President, I introduce, for appropriate reference, the Area Redevelopment Act Amendments of 1963.

Two years ago it was my privilege to be the chief sponsor of S. 1, the area redevelopment legislation which was finally enacted into law on May 1, 1961. In the short period of time that has elapsed, the Area Redevelopment Administration has made tremendous strides in assisting in the rejuvenation of many local economies that had suffered from persistent economic distress. In less than 24 months, the agency has designated eligible for assistance under the terms of the act 996 local areas and 51 Indian reservations in 50 States, Puerto Rico, the Virgin Islands, Guam, and American Samoa; received 792 overall economic development programs from 792 areas and 42 Indian reservations in 48 States; approved the overall economic development plans of 700 areas and 36 Indian reservations; approved 724 projects in 47 States, American Samoa, and Puerto Rico, which will create approximately 35,000 direct jobs and countless more new jobs through the indirect effects of increasing economic growth and prosperity in these areas; and approved 345 training and subsistence programs to assist over 18,000 previously unemployed in developing new skills for new jobs.

More specifically, the Area Development Administration has approved 139 industrial loans at a total cost of approximately $42 million; 78 public facility projects totaling approximately $25 million in the form of loans and almost $17 million in the form of grants. At the same time, the agency has approved 162 technical assistance projects at a total cost of $5.4 million.

However, the task of the Area Redevelopment Administration is far from completed. Therefore, the administration has proposed legislation to extend and improve the Area Redevelopment Act, which I am introducing today.

Basically, the bill would—

First. Increase the authorization for industrial and commercial loans from $100 million to $250 million for industrial or commercial projects in areas designated under section 5(a) of the act—so-called urban areas.

Second. Increase the authorization for industrial and commercial loans from $100 million to $250 million for industrial or commercial projects in areas designated under section 5(b) of the act—so-called rural areas.

Third. Increase the authorization for public facility loans from $100 to $150 million.

Fourth. Increase the authorization for public facility grants from $75 to $175 million.

Fifth. Permit the required 10-percent local contribution for industrial or commercial projects if it is in the form of a loan to be repaid concurrently with financial assistance extended by the Area Redevelopment Administration.

Sixth. Increase the authorization for technical assistance from $4.5 to $10 million.

I hope that the Senate will be able to act quickly on this request of the administration for amendments to the Area Redevelopment Act. The Secretary of Commerce, in his letter of transmittal to the President of the Senate, has ably stated the case for this legislation. Secretary Hodges said:

> The Area Redevelopment Act embodies the primary legislative authorization for attacking the problem of unemployment and underemployment in those areas of the Nation which are suffering the greatest economic adversity. The problems of these pockets of distress—and the measures which are appropriate to their economic revitalization—are distinct and in addition to the economic challenges which face the Nation as a whole. Impressive strides have been made under the area redevelopment program. A continuation of this essential work is dependent upon additional appropriation authorizations. Also, experience in administration has indicated the need of certain modifications to more effectively attain the objectives of the act.
>
> I commend this proposed legislation to you as being in the greatest national interest.

Mr. President, I ask unanimous consent that there be printed in the RECORD immediately following my remarks a detailed analysis of the provisions of the Area Redevelopment Act amendments of 1963.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the analysis will be printed in the RECORD.

The bill (S. 1163) to amend certain provisions of the Area Redevelopment Act, introduced by Mr. DOUGLAS, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The analysis presented by Mr. DOUGLAS is as follows:

STATEMENT OF PURPOSE AND NEED FOR THE AREA REDEVELOPMENT ACT AMENDMENTS OF 1963

GENERAL

The attached amendments would allow the Area Redevelopment Act more fully to meet the needs for which it was created through increased fund authorizations and flexibility. These amendments are based upon the experience of the Area Redevelopment Administration during the period May 1, 1961, through February 28, 1963, and are more fully described below.

Section 2: Declaration of purpose.

Section 3: Amendments to section 6(b).

(a) Authorization to increase the total amount of industrial and commercial loans outstanding: Section 6(b)(1)(A) of the Area Redevelopment Act now places a $100 million ceiling on the total amount of loans and/or purchases of indebtedness outstanding for commercial or industrial projects in areas designated under section 5(a) of the act. Section 6(b)(1)(B) places a similar limitation on the amount of loans or purchases of indebtedness outstanding for such projects in areas designated under section 5(b) of the act. It is the purpose of section 3(a) of the proposed amendments to raise the ceilings on the total amounts of loans outstanding under each of these sections from $100 to $250 million.

As of February 28, 1963, the Area Redevelopment Administration had instructed the Small Business Administration to execute loan agreements amounting to $20,431,335 in

industrial and commercial loans for projects in 5(a) redevelopment areas and $17,711,442 for projects in 5(b) areas. In addition, the Area Redevelopment Administration has project applications in the total amount of $86,431,967 pending for projects in 5(a) areas and $118,510,788 pending for projects in 5(b) areas. Evidence indicates that loan activity will continue to rise steadily. Assuming a gradual increase in the present rate of loan approvals, the Area Redevelopment Administration could have approximately $425 million in loans outstanding under section 6 by June 30, 1965, if there were no statutory limitations. It is clear that the present ceilings imposed by section 6(b)(1) of the Area Redevelopment Act will be reached considerably before the act's termination on June 30, 1965, unless otherwise amended.

(b) Refining the minimum 10 percent requirement: Section 6(b)(9)(B) requires at least 10 percent of the aggregate cost of an industrial or commercial project for which an ARA loan is sought, to be supplied by a public or semipublic body in the form of equity capital or as a subordinated loan with delayed repayment. The proposed amendment to this section would authorize the minimum 10 percent money to be repaid during the same time but at no faster rate than the financial assistance extended under section 6 of the Area Redevelopment Act.

ARA has experienced great difficulty in obtaining the required 10-percent money in order to advance the economies of redevelopment areas. In fact, there is a direct relationship between the severity of the economic problem and the difficulty experienced by communities attempting to raise the required funds. The present proposal would not eliminate the 10-percent requirement but would make it possible for redevelopment areas to attract additional financial sources which are presently unable to participate in projects because of the statutory restrictions on repayment.

Section 4, authorization to increase the total amount of loans for public facilities outstanding: Section 7(c) of the act places a $100 million ceiling on the total amount of public facility loans which can be outstanding at any one time for public facilities under section 7. The purpose of this amendment is to increase the total amount authorized to be outstanding from $100 to $150 million.

As of February 28, 1963, the Area Redevelopment Administration has instructed delegate agencies to execute loan agreements amounting to $24,777,200 in public facility loans for projects located in areas designated under section 5 of the Area Redevelopment Act. Loan applications were pending in the amount of $13,178,525 for such projects. However, the pending applications figure does not include anticipated loans resulting from the denial of section 8 applications in whole or in part. Evidence again indicates that loan activity resulting from sections 7 and 8 applications will continue to rise steadily. Assuming a gradual increase in the present rate of approvals, the Area Redevelopment Administration could have more than $100 million in loans outstanding under section 7 by June 30, 1965, but for the present $100 million limitation.

Section 5, authorization to increase the total amount which can be appropriated for grants for public facilities: Section 8(d) of the act authorizes $75 million to be appropriated for the purpose of making grants for public facilities under section 8. This amendment would increase the total amount authorized to be appropriated for this purpose for the duration of the act from $75 to $175 million, and would enable it to remain available until expended when so specified in appropriation acts.

The appropriation for fiscal year 1963 in the amount of $35 million for public facility grants, together with the $40 million previously appropriated for fiscal year 1962, exhausts the authorization under the act for this purpose. As of February 28, 1963, applications for grants totaled $26,875,566. Obligations for 1964 are currently being estimated at $35 million, with a minimum 10-percent increase estimated for 1965. The requested increase in authorization to $175 million takes into account both the $75 million previously appropriated and the approximately $75 million currently projected, with some leeway for anticipated increases. If the statutory authorization is not increased, ARA's public facility grant program will go out of existence at the end of fiscal year 1963.

Section 6, amendments to section 11:

(a) Authorization to increase the annual amounts which can be appropriated for technical assistance: Section 11 of the act authorizes appropriations not to exceed $4.5 million annually to provide technical assistance useful in alleviating or preventing excessive unemployment or underemployment. The purpose of this amendment is to increase the annual amount authorized to be appropriated for this purpose from $4.5 to $10 million.

Under its present authorization, the Area Redevelopment Administration as of February 28, 1963, had approved contracts in the amount of $1,651,000 for technical assistance. Applications for such assistance had been received in the total amount of $25,799,248. Of this total, approximately $11 million of these applications were received in fiscal year 1963. Currently, applications are arriving at a rate of $1 million per month. Experience has shown that this assistance is of great value, and it it anticipated that the rate of applications will continue to rise.

(b) Amendment to make explicit discretionary authority to require repayment of technical assistance: The additional language makes it clear that the Secretary has the authority to require repayment of funds advanced for technical assistance in appropriate cases.

Section 7, procuring the services of experts and consultants under section 12(10): This section governs the procurement and payment for services of experts and consultants hired temporarily by contract or appointment to assist the Secretary in carrying out the provisions of the act. It limits temporary services to 6 months, omits mention of intermittent services, and limits the per diem allowance in lieu of subsistence to $15. The proposed amendment would modify the provisions of this section in conformity with 5 U.S.C. 5a by authorizing the procurement of temporary services of experts or consultants up to 1 year instead of 6 months and providing for intermittent services, thereby explicitly assuring to ARA the authority customarily available to executive departments in this regard. It would also automatically conform the authorized per diem allowance to the current applicable rate prescribed in the standardized Government travel regulations, which is now $16.

Section 8, authorization for appropriated funds to remain available until expended and for depositing certain appropriations in the area redevelopment fund: The proposed amendment to section 23 will provide for appropriations being made on a basis where funds may remain available until expended. In addition, funds appropriated for the purpose of making loans under sections 6 and 7 of the act are directed to be deposited in the area redevelopment fund which is established by section 9(b) of the act. This amendment further provides for payments of interest to the Treasury on use of funds appropriated to the area redevelopment fund.

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent that the bill entitled "Area Redevelopment Act Amendments of 1963," introduced today by the Senator from Illinois [Mr. DOUGLAS] be held at the desk until next Wednesday for additional cosponsors.

The VICE PRESIDENT. Without objection, it is so ordered.

IMPROVEMENT OF THE MINING INDUSTRY

Mr. HART. Mr. President, I am deeply concerned about the decline of the mining industry in Michigan's Upper Peninsula and elsewhere in the United States. I have been counseling with experts at various colleges and universities, including the Michigan College of Mining and Technology, as well as in the Bureau of Mines and the Area Redevelopment Administration. Indeed, as far back as June 22, 1961, the Senate Committee on Interior and Insular Affairs held a hearing on the subject at my request.

From these explorations it is evident that the single most helpful avenue to pursue to help this industry and the people who want to work in it is through research. We have outstanding technical ability in the United States and especially in Michigan, but funds are in very short supply.

It appears logical for this research to be under the administration of the Bureau of Mines in the Department of the Interior. And, it appears equally logical and desirable for the Bureau of Mines to be authorized to utilize professional skills, not available in sufficient quantity in its staff, from other sources by contract or grant. This procedure would permit the Nation to step up its attack on the sticky problems standing in the way of maximum resource utilization. Unfortunately, however, I find the Bureau of Mines is not presently authorized by law to make grants or contract for research of the type I have in mind.

The bill I am now introducing would provide authority for the Secretary of the Interior to enter into contracts with and make grants for the conduct of research and development programs of the Bureau of Mines. This proposed legislation, if enacted, will enable the Bureau to draw on large supplies of scientific and engineering talents and technologic resources to supplement and complement the Bureau's own scientific establishment. Thus augmented the Bureau of Mines will better provide for the Nation's expanding needs for minerals and for the welfare of the people engaged in obtaining mineral commodities.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1166) to authorize the Secretary of the Interior to enter into contracts and make grants for research and development in furtherance of the purposes of the act of May 16, 1910 (36 Stat. 369; 30 U.S.C. 1, 3, 5, and 7), as amended and supplemented, introduced by Mr. HART, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

AFFIDAVITS OF BIAS OR PREJUDICE

Mr. HRUSKA. Mr. President, I introduce, for appropriate reference, a bill to amend section 144 of title 28 of the United States Code. The measure is identical to S. 2478, which was reported favorably with amendments and passed the Senate on October 3, 1962. Unfortunately, it did not reach the House in time for consideration by that body last session.

The bill makes a significant, but not sweeping, change in the procedure for passing on affidavits of bias or prejudice in the Federal court. Under the present law, when a party to an action files an affidavit of personal bias or prejudice against the judge before whom a matter is pending that judge may determine whether it is sufficient to warrant disqualification from further consideration of the case.

The indelicate nature of the situation alone suggests that the judge against whom the affidavit is filed should not pass on its sufficiency. The proposed amendment to section 144 accomplishes this purpose by requiring that its disposition be placed in the hands of another judge. The bill also changes the time when such an affidavit may be filed to reflect the current court practices in setting down cases for trial.

In its midwinter meeting last month, the Judicial Conference of the United States reaffirmed its support of the measure. Because the bill is highly desirable, it is my hope that it will receive the early consideration and approval of the Congress.

I ask unanimous consent that the text of the bill be printed at this point in my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1168) to amend section 144 of title 28 of the United States Code, introduced by Mr. HRUSKA, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 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."

UNITED NATIONS PEACE BONDS

Mr. CLARK. Mr. President, I introduce for appropriate reference to the Committee on Foreign Relations a bill to authorize a special Treasury issue of United Nations peace bonds designed to give the American people an opportunity for the first time to demonstrate in a tangible, effective manner their support for the peacekeeping activities of the United Nations.

Senators HUMPHREY, MORSE, HART, YOUNG of Ohio, DOUGLAS, and WILLIAMS of New Jersey have consented to join me as cosponsors of this measure.

The bill would direct the Treasury to make available for public purchase for a 2-year period a special $50 million issue of peace bonds for use by the President in support of the peacekeeping operations of the United Nations. Notification and approval of Congress would be required for all expenditures. The bonds would yield the same rate of interest as U.S. savings bonds when held to maturity 25 years from date of issue, and, like savings bonds, they would be redeemable according to a preassigned schedule of values. They would be sold on a discount basis in small denominations of $25 to $1,000, and no person would be allowed to hold more than $10,000 of bonds at any one time.

Many Members of Congress seem to be under the impression that most of the U.N. financial problems were taken care of last year by the enactment of legislation authorizing U.S. matching purchases of up to $100 million of United Nations bonds. Unfortunately, this is not the case.

Due primarily to continuing, highly successful peacekeeping operations in the Congo, the Middle East and elsewhere, the U.N. deficit, which stood at $72.4 million last December 31, is expected to increase to $126 million by June 30 even if no new peacekeeping assignments are undertaken. This latter estimate takes into account all receipts expected from the U.N. bond sales, which are not expected to exceed much more than $150 million in all, although $200 million were authorized, and, as of March 1, $126 million actually sold.

Congo expenses have already dropped somewhat from the $10 million per month cost averaged last year, and it is hoped that they will drop to $5 million per month by the middle of this year, but they cannot drop much further in the immediate future because of heavy reconstruction, development, and technical assistance obligations. Middle East expenses continue at about $1.6 million a month.

The World Court advisory holding last summer that emergency U.N. costs of the Congo and Middle East forces constitute a legal obligation of all members was approved by resolution on a vote of 76 to 17 in the General Assembly last December. To date, however, this action has not had an appreciable effect on cutting members' arrears, although it is hoped that it will have such an effect in the future when members are threatened with automatic loss of voting powers under Charter Article 19 when 2 years' arrearages accumulate. The Soviet Union will reach this stage in January of 1964 unless it makes new payments.

A 21-nation working party was formed at the last U.N. session to study future financing of the United Nations. This group will report to a special session of the Assembly in mid-May, but no miracles are expected. The U.S. position at the meetings of the group has been that our Government will not pay more than 32.08 percent of the cost of peacekeeping operations in the future—the same share as we pay of the regular assessments. Indeed there is reported to be a healthy consensus at the United Nations against any one nation assuming a larger share of U.N. support than the United States has been shouldering, although the wisdom of the rigid, percentage cutoff is questionable. We spend more than the total current deficit of the United Nations daily for defense—or every 4 months for chewing gum.

Clearly the United Nations must find new and reliable sources of funds if its effectiveness is to be maintained or increased. The people of this country and other countries should be given the opportunity to supplement the support given to U.N. activities by their governments.

Legally the United Nations belong to its member governments, and the latter have been jealous not to dilute their control over the organization by authorizing individuals to have an equity in the United Nations. If the United Nations fails, however, the loss in terms of increased tensions and risks of war will be borne equally by the governments and the peoples of the world.

All popular opinion polls show that support for the United Nations in this country and elsewhere is broad and deep.

A Gallup poll early in 1962 showed that 83 percent of the people think it very important that the United States make the U.N. a success. A poll I took in Pennsylvania at the same time showed that an overwhelming 87 percent of those responding favored U.S. efforts to strengthen the United Nations. The millions who have listened or watched anxiously the U.N.'s deliberations during severe international crises in recent years know of the vital role the organization has played in providing a forum for venting national emotions and in actually supplying the means of establishing or maintaining the peace in trouble spots around the globe. The U.N.'s efforts for peace are acceptable frequently where no nation or group of nations, no matter how well intentioned, could prevent war by unilateral threats of action.

I think the popular subscription to "peace bonds" in the United States would surprise the cynics who tend to deprecate the U.N. and the antiinternationalists who think the United States should always go it alone.

In the last Congress when I introduced a like measure, a number of influential nongovernmental organizations, foreign policy, and labor groups in particular, testified in support of the proposal at a hearing before the Foreign Relations Committee in July. State Department and Treasury officials appeared in support of it, although a basic misun-

derstanding developed as to the authority of the President to use the funds realized from the bond sales over and beyond amounts otherwise authorized and appropriated for U.N. support activities or merely to displace such appropriations.

I have amended the bill, first, to make clear that the moneys made available to the President from the bond sales shall be in addition to and not in lieu of any other amounts appropriated for U.N. support purposes, and expendable only after Congress has been notified and had opportunity to disapprove planned expenditures; second, to provide peace bond holders with a return equal to the going rate of interest on U.S. savings bonds, which happens to be 3¾ percent at present, rather than 2 percent as suggested earlier; third, to limit the period of issue to 2 years and the total face amounts to $25 million per year; and fourth, to specify use of the funds to support special peacekeeping operations of the United Nations rather than general U.N. activities. I am hopeful that the amended bill will again receive administration approval and be enacted by the 88th Congress.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1171) to authorize the issuance of a special issue of bonds in order to afford an opportunity for the people of the United States, through the purchase of such bonds, to participate in the financing of peacekeeping activities of the United Nations, introduced by Mr. CLARK (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Foreign Relations.

SELECT COMMITTEE ON CONSUMERS

Mr. JAVITS. Mr. President, I submit, for appropriate reference, a resolution to create a Select Committee on Consumers in the Senate, analogous to the existing Select Committee on Small Business. The bill is cosponsored by Senators COOPER, KEATING, PROUTY, and SCOTT.

This means of aiding the interests of consumers has been a constant cause of mine since I have been in the Congress. The measure I am introducing today is identical to those I proposed in the 86th and 87th Congresses.

In July, 1962, President Kennedy appointed a Consumers' Advisory Council, somewhat along the lines of a promise he made during the 1960 campaign. At that time I placed in the RECORD a New York Times editorial stating that the appointment of the advisory committee while laudable could express only a pro forma interest in consumer problems. Only a committee in each House of Congress could represent significantly the fact that ours is a consumers' economy. Legislation handled by a variety of standing committees affects the interests of consumers in, for example, consumer frauds, quality, prices and productivity. Yet there is no single forum in which the consumers' interest in all such legislation can be adequately taken into consideration in a comprehensive way, just as the Small Business Committee represents comprehensively the problems of the small business community.

Nothing has come to my attention since the creation of the advisory committee to change my view that a congressional committee is vitally needed. I strongly urge the administration to take the same view and support this measure.

The VICE PRESIDENT. The resolution will be received and appropriately referred.

The resolution (S. Res. 116) was referred to the Committee on Banking and Currency, as follows:

Resolved, That (a) there is hereby established a select committee of the Senate to be known as the Select Committee on Consumers (referred to hereinafter as the "committee") consisting of seventeen Members of the Senate, of whom eleven shall be members of the majority party and six shall be members of the minority party. Members and the chairman thereof shall be selected as soon as may be practicable after the date of adoption of this resolution, and at the beginning of each Congress commencing thereafter, in the same manner as members and chairmen of standing committees of the Senate are selected. Vacancies in the membership of the committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments thereto are made.

(b) The committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate, and from time to time may establish such subcommittees thereof as it may determine to be required for the performance of its duties. A majority of the members of the committee, or any subcommittee thereof, shall constitute a quorum thereof for the transaction of business, except that such committee or subcommittee may fix a lesser number thereof as a quorum for the purpose of taking sworn testimony.

(c) No legislative measure shall be referred to the committee, and it shall have no authority to report any such measure to the Senate.

SEC. 2. (a) It shall be the duty of the committee to conduct a continuing comprehensive study and investigation with respect to—

(1) the nature and extent of economic problems of consumers within the United States;

(2) the extent to which authority heretofore conferred by law upon executive, administrative, and regulatory agencies of the United States provides effective means for the solution of consumers' problems; and

(3) the nature of any additional legislative or other measures necessary or desirable for the solution of such problems.

(b) The committee shall report to the Senate from time to time the results of its studies and investigations, together with its recommendations for any additional legislative or other measures which it may determine to be necessary or desirable for the solution of economic problems of consumers.

SEC. 3. (a) The committee, or any duly authorized subcommittee thereof, is authorized to (1) hold such hearings; (2) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (3) require, by subpena or otherwise, the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (4) administer such oaths; (5) take such testimony either orally or by deposition; and (6) employ and fix the compensation of such technical, clerical, and other assistants and consultants as it deems advisable, except that the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1949, as amended, for comparable duties.

(b) With the prior consent of the executive department or agency concerned and the Committee on Rules and Administration, the committee, or any duly authorized subcommittee thereof, may utilize the services, information, and facilities of any such department or agency and may employ on a reimbursable basis the services of such personnel of any such department or agency, as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee thereof, the committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the chairman of the committee determines that such action is necessary and appropriate.

SEC. 4. Until an appropriation is made for the payment of the expenses of the committee, such expenses, in an amount not to exceed $———, may be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ADDITIONAL COSPONSOR OF RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the senior Senator from Idaho [Mr. CHURCH] be added as a cosponsor of Senate Resolution 30, a measure to broaden the legislative authority of the Select Committee on Small Business.

I also ask unanimous consent that on the next printing of the resolution the name of the senior Senator from Idaho [Mr. CHURCH] may be added to the list of those Senators who are cosponsoring the measure.

The VICE PRESIDENT. Without objection, it is so ordered.

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. MONRONEY:

Excerpts from address by Senator MCCLELLAN, delivered at Tulsa, Okla., on March 8, 1963, before the Arkansas Basin Development Association.

SOVIET TECHNOLOGY ANALYZED IN RECENT STUDY

Mr. KEATING. Mr. President, the West German embargo on the sale of large-bore steel piping to the Soviet Union is an encouraging sign of a more realistic free world attitude toward trade with the Communist bloc. For many years the Sino-Soviet bloc has been able to procure from the West vital machinery and equipment needed to build up Communist military and economic strength. According to press reports, the Department of State fully backed the West German ban on the sale of this steel pipe, after it was classified as strategic by the North Atlantic Treaty Organization.

Mr. President, I applaud this action by the Department of State, and I hope this is an omen of a firm U.S. policy on this subject, and that whatever steps are necessary will be taken to make certain that all our allies stand behind the decision of the Federal Republic.

One of the real difficulties in coordinating Western efforts against the Soviet economic offensive was pinpointed in a Washington Post editorial published yesterday. The editorial reads in part as follows:

> What is at fault here is a situation which makes NATO's export controls a matter of ad hoc political maneuver instead of common constant policy. COCOM, the existing NATO mechanism, provides only for voluntary adherence to a thin list of banned goods, while the United States applies strict legislative controls to a thick list. Thus an item like pipeline is strategic and banned on this side of the Atlantic but—despite the NATO action of last November—available for export at a given country's discretion on the other side. A common NATO policy on exports to the Communist bloc is clearly needed.

The action of the West German Government this week evidenced its good faith in wanting to form such a common policy; and we must make every effort to get the same cooperation from our other NATO allies.

Coming in the wake of a barrage of vicious slanders by the Soviet radio and press, the determined position of the German Government deserves commendation. Soviet attacks on the German Government have been growing in intensity since Chancellor Adenauer's original move, 3 months ago, banning sales of steel pipe to the Soviet Union.

It is particularly appropriate today, when former Foreign Minister Von Brentano is visiting the United States, to express the approval of the American people of the ban which has been maintained by the Federal Republic.

International communism has made all too clear its objective of world conquest. On more than one occasion, Khrushchev has threatened our annihilation and burial.

Since our conflict with communism is economic as well as political, we have nothing to gain in this struggle by helping the Reds build up their economy by filling gaps in their technology. It is ridiculous, and perhaps suicidal, for the United States or any of its allies to contribute in any way to the building of Soviet military or industrial strength. I do not know of any businessman who would consider it sound practice to help his competitor put him out of business.

A new trade agreement signed between France and the Soviet Union, which is to run through 1965, represents a trade increase of up to 15 percent over that under the previous trade pact. Among the items which France will supply to the Soviet Union are machinery for chemical, paper, pulp, electronic, and food industries, machine tools, pipe, nickel, and other goods. In return, the Soviet Union will supply France with anthracite coal, oil, manganese, and other commodities.

This is only one of a number of agreements signed during the past 3 years between the Soviets and our allies. Statistics show that the trade between Great Britain, Italy, and West Germany, on the one hand, and the Soviet Union, on the other, has been steadily growing since 1956. Among the goods which our allies are shipping to the Soviet Union are items of definite strategic importance.

It is obvious that the arrangements we have made with our allies to control the flow of strategic goods to the Soviet Union have not been completely effective.

It is suggested in some quarters that the United States should scrap or relax restrictions on trade with the Communist bloc; first, because our allies are not cooperating; and, second, because Soviet technological advances have equipped the Communist bloc with everything we have.

It is certainly true that our allies have not fully cooperated; and it is not a secret that the greatest offender has been Great Britain, whose former President of the Board of Trade, Mr. Peter Thorneycroft, currently her Secretary of Defense, as far back as October 1953, advocated the lifting of the ban on the shipment of strategic materials to countries in the Soviet bloc.

But certainly it is not true that the Soviet bloc no longer requires, in order to achieve its various goals, advanced machinery and technology from the free world. The Soviet Union is in dire need in many industrial areas of advanced equipment and engineering know-how; and reports that the Soviet Union today is self-sufficient in terms of her industrial needs are refuted by the Soviets themselves.

A recent study entitled "Quality Control and Reliability in the U.S.S.R.," by Mr. Joseph A. Gwyer, senior research analyst in the Library of Congress, prepared as background material for his lectures before the various sections of the American Society for Quality Control, reviews pertinent data on the subject contained in Soviet technical and scientific publications reaching this country. His findings, based on statements of personnel representing a cross-section of the Soviet technological community, as well as top political leaders of the Soviet Union, are startling in the degree to which they expose the substandard quality of both industrial and consumer goods mass-produced in the Soviet bloc.

In his answer to those who have judged Soviet progress on the basis of their successful ventures into outer space, Mr. Gwyer has this to say:

> Such feats are less attributable to the volume and quality of industrial output than to the ability of a ruthless totalitarian system to allocate by decree its best brains and almost unlimited material resources to the solution of a problem which is given the highest priority by the leaders of the system. * * * These Soviet spectaculars were, in fact, attained through crash programs conducted at the expense of research and development that does not contribute directly or indirectly to the military effort.

Mr. Gwyer points out that the Soviet's mass-produced nonmilitary goods are definitely not of a high quality. Disclosures that 3 out of 10 Soviet tractors, 6 out of 10 automobiles, 1 out of 4 pieces of construction machinery, and 1 out of every 3 metal-cutting machine tools are systematically idle because of the substandard quality of parts and assemblies are definite evidence that the Soviet emphasis on quantity, rather than on quality, of goods produced, is having a detrimental effect on the entire economic structure of the Soviet Union. A similar situation exists with respect to diesel engines, electric motors and generators, chemical processing equipment, compressors, gages, measuring equipment, testing equipment, as well as spare parts for all of these; and also on batteries, spark plugs, tires, agricultural implements, telephones, television and radio receivers, refrigerators, washing machines, vacuum cleaners, light bulbs, and similar equipment. According to calculations by Soviet specialists, this substandard production costs the Soviet Union fantastic amounts of money yearly. In 1958, these losses amounted to between $16.5 and $22 billion—150 to 200 billion rubles, old currency. Mr. Gwyer cites a knowledgeable Soviet engineer as saying that the situation is so bad that "a number of establishments and scientific-technical organizations do not know the actual precision, reliability, service life, and resistance to wear of most important types of equipment manufactured by the Soviets."

The inability of the Soviets to solve these problems was also the subject of Khrushchev's tirade before the Central Committee of the Communist Party on November 19, 1962. His remarks included references to the effect that the Soviets should "utilize that which the capitalists have—that which is rational and economically advantageous."

He even pointed to "western efficiency through competition" citing the experience of General Motors, Ford, and Chrysler in solving their production problems.

In summing up his study, Mr. Gwyer states that the Soviets do have the necessary theoretical knowledge of the problem, but that they have not bridged the gap between theory and practice. He writes:

> The difficulties of translating the theory into practice stem basically from organizational problems, lack of trained personnel, obsolescence of manufacturing equipment and above all, the reluctance of the state to substitute quality for quantity as the prevailing consideration in mapping its expansion goals.

Any review of East-West trade makes it evident that Soviet purchases of equipment from the West are as quite selective, indicating that most of it will be used for either military or semimilitary purposes. Machine tools, instrumentation, and electronics are given a high priority, and consumer goods receive a very low priority. The Soviets are doing their best to build up their industrial power with the free world's help, and our NATO allies have cooperated in a shocking degree in this scheme.

I hope we shall wake up to these Soviet economic tactics before it is too late. In the present state of world affairs, it is senseless to talk about scrapping controls and expanding trade with the Communist bloc. The free world's

technological superiority could be a powerful weapon in combating international communism; but, to date, our advantages have been largely forfeited by a lack of coordination and cooperation. I hope that studies such as that made by Mr. Gwyer will help promote a keener understanding of the opportunities for the West in an economic counteroffensive against the Communist bloc.

CAUTION REQUIRED IN SALE OF GENERAL ANILINE & FILM CORP.

Mr. KEATING. Mr. President, steps have been taken in recent weeks by the Department of Justice to sell the Government's holdings in the General Aniline & Film Corp., and to turn over to private enterprise the ownership and management of the company. In my judgment this company and its employees can achieve, under private ownership, levels of growth and prosperity which could not be reached under continued Government control. This view is shared by virtually every labor, management, and civic organization interested in the welfare of this giant industry and its thousands of employees. For this reason, the plan to sell the company to private enterprise generally has been welcomed.

Concern has been expressed, however, with regard to the conditions under which the company will be sold. A recent letter to me from the president of the International Association of Machinists, Mr. A. J. Hayes, emphasizes the importance of insuring "that the company will be maintained as a wholly integrated corporation continuing to function at all the locations and plants now in existence."

A resolution adopted by the American Shareholders Committee of the General Aniline & Film Corp., also emphasizes the necessity of continued operation of the company as "a wholly integrated functioning unit."

The VICE PRESIDENT. The time available to the Senator from New York, under the 3-minute limitation, has expired.

Mr. KEATING. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. KEATING. Mr. President, these communications reflect a sentiment which is shared by all of us who have been interested in promoting the interests of the General Aniline & Film Corp., its employees, and the communities in which it operates. It would be a grave mistake for this company to be sold to any small clique, for dismemberment or relocation; and every possible safeguard against such an eventuality should be provided in the sales arrangements worked out by the Department of Justice. I strongly endorse the suggestion of both the International Association of Machinists and the minority shareholders committee that the best way to promote the future of this corporation as a strong, independent enterprise is to provide for the widest possible distribution to the public of its stock.

This matter is of tremendous importance, not only to the areas in which this corporation operates, but also to the general public. The corporation is a valuable Government asset, and it should be sold in a manner which will be of maximum benefit to the economy. This will not be the case if it falls into the hands of any group more interested in exploiting the corporation's stored up resources than in promoting its future prospects. While I have no reason to doubt the good faith of the Department of Justice, this matter deserves the closest scrutiny by the Congress.

Mr. President, I ask unanimous consent that the text of Mr. Hayes' letter and the American shareholders resolution be printed in the RECORD, following my remarks, and be appropriately referred.

There being no objection, the letter and the resolution were ordered to be printed in the RECORD, and were referred to the Committee on the Judiciary, as follows:

[IAM Letter, Mar. 12. 1963]

Re: General Aniline & Film Corp.

Hon. KENNETH B. KEATING,
U. S. Senate,
Washington, D.C.

DEAR SENATOR KEATING: It has come to the attention of the International Association of Machinists that the Attorney General of the United States has authorized the formation of a committee to formulate procedures for the sale of the Government-held stock of the above subject corporation. I am sure that you are aware that our organization represents a considerable number of the employees of this corporation, and it is our desire to insure the employees that the company will be maintained as a wholly integrated corporation continuing to function at all the locations and plants now in existence.

In that it is our desire to continue the integrated operation, we are opposed to the sale of any shares of this corporation to any large company that could be considered as a competitor, and whose only purpose in purchasing the stock would be to eliminate competition and thereby close or remove one or a number of the plants which would, of course, result in unemployment to our members.

In our opinion the best interests of all parties concerned would be the sale of the Government-controlled shares to a large group of American underwriters for a wise and thorough distribution of the stock to individuals rather than to the competitors of this corporation. In order to achieve this objective we would suggest that the Justice Department prohibit competitor corporations from bidding and also purchasing the shares that will be sold and distributed by the Attorney General.

Very truly yours,

A. J. HAYES,
International President.

RESOLUTION

At a meeting of the American Shareholders Committee of General Aniline & Film Corp., held on the 8th day of March 1963, the following resolution was proposed, seconded and unanimously passed:

"*Resolved,* That it is a matter of vital concern to our country, shareholders of the company, its employees and management to preserve and continue the company as a wholly integrated functioning unit; and be it

"*Resolved,* That the American Shareholders are unalterably opposed to a sale of the vested shares to General Aniline & Film Corp.'s competitors or any other industrial combine which may seek to dismember our company and destroy competition, causing the closing or removal of plants, widespread unemployment and irretrievable loss to the shareholders; and be it

"*Resolved,* That the interest of all will be best served by a sale of the vested shares to a large group of American underwriters for a wide and wholesome distribution of the stock to American citizens only.

"In order to achieve this objective, the American Shareholders Committee urges the Justice Department to draw up a list of companies which will be prohibited from bidding and gaining control of the vested shares.

"There being no further business the meeting was adjourned.

"HAROLD RAPPE,
"Secretary."

WHAT GOES ON—DESTRUCTION OF BOMBERS?

Mr. GOLDWATER. Mr. President, because of this administration's deliberate attempt to manage the news, some confusion has arisen over a question I asked on March 9 during a speech at North Aurora, Ill. I wish to clear it up now. During my speech, Mr. President, I asked this question:

> Is it true that there are plans in the making to give up 30 of our B-47 bombers along with 30 Russian Badgers—that there would then be a gigantic bonfire in which all of these weapons would be destroyed for the benefit of mankind?

I went on to explain that this question had not been dreamed up; that I had heard on good authority that the administration was considering plans for such a pool with the Russians to destroy weapons.

Mr. President, I want to say now that my question was answered twice. Once by officials of the U.S. Arms Control and Disarmament Agency who denied the existence of such a plan. The second answer came from Secretary of State Dean Rusk in testimony before the Senate Foreign Relations Committee on March 11. Secretary Rusk not only admitted that the bomber-burning plan had been discussed in the Disarmament Agency and with other Government departments and with leaders in Congress, but he also offered the opinion that the news stories of the Disarmament Agency's denial were erroneous.

Now, Mr. President, it has been 10 days since Secretary Rusk attempted to set the record straight. Presumably he knows what he is talking about. And if he is right, then either the Disarmament Agency is guilty of crass dishonesty in its dealings with the press or the reporters who wrote the stories about the Disarmament Agency's denial are guilty of completely misunderstanding what the Agency was talking about.

In any event, I have not seen any statement from the Disarmament Agency which has attempted to clear up the impression that came from that Agency and which was distributed throughout the United States to the effect that no such bomber-burning plan was ever under consideration. And I doubt if we shall ever see the truth from this source. I believe that this Agency deliberately set about creating the impression that Senator GOLDWATER was talking through his

hat when he asked about the plan to destroy bombers in a joint disarmament display with the Soviet Union. Fortunately for the American people—who, I submit, have a right to know about any and all crazy disarmament plans that are being hatched within this Government—Secretary Rusk told the unvarnished truth. He answered questions put to him by the committee chairman, the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Kansas [Mr. CARLSON] and the Senator from Oregon [Mr. MORSE] in a way which gives the lie to Disarmament Agency assertions that it was puzzled at my question and that I might have been confusing the bomber-burning plan with a portion of the general disarmament treaty suggested by the United States at Geneva. They were not any more confused than was Secretary Rusk. They knew and he knew precisely what I was talking about. They knew I was talking about a plan that they were actively pushing within the Government of the United States. The only difference is that the Disarmament Agency, in talking with reporters for publication, failed to tell the truth and admit that they knew what I was talking about. Secretary Rusk acknowledged that he did and suggested that reporters covering the Disarmament Agency were at fault.

Mr. President, I seriously doubt if any reporters wrote stories about a denial that was not made. But I do not doubt that the issuance of deliberately false and misleading information—and then blaming the conclusions stemming from that information on reporters—may be the newest brand of news management practiced on the New Frontier to hide some of its secret activities.

And I say this is a disgraceful state of affairs. If any agency of the Government can deliberately create false information about a question raised in all good faith by a Member of the U.S. Senate, who is ever going to trust anything that agency says again? There is one thing the bright young men along the New Frontier better start learning about news management. When it is practiced in any degree and when the operation is exposed for phony, the result is a loss of confidence on the part of the American people in their own Government. This is a high price for any administration to pay for what has come to be recognized in recent months as standard operating procedure in the New Frontier. But it is the price of dishonesty in the handling of the people's affairs.

Now, Mr. President, just so there will not be any misunderstanding, I want to emphasize that Secretary Rusk, in his Senate testimony, made it very clear that this Government had not made any proposal, formal or otherwise, to the Russians on the bomber-burning plan. To quote him exactly in a reply he made to Committee Chairman FULBRIGHT—and these are his words:

> The idea is being studied. The idea is being considered. But no proposals have been made.

The VICE PRESIDENT. The time of the Senator has expired.

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

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GOLDWATER. In this connection, I want to make it equally as clear that I did not ask in the question I propounded whether a proposal had been made to the Russians. I simply asked if it were true that there are plans "in the making." And I believe it is extremely clear now that such a plan was in the making in the Disarmament Agency. But why could we not have the truth right from the beginning? What goes on in this mysterious new agency we created? Are they ashamed to acknowledge what kind of projects are under discussion? I can only say if this idea to destroy bombers is any sample, I can understand why they are reluctant for the American people to know what they are up to.

During his testimony on this subject, Mr. President, Secretary Rusk said the bomber plan was only one of a great many possible steps in the disarmament field which is under consideration. I believe it is appropriate to ask what other steps are under active study in the Disarmament Agency. These are matters which I believe directly affect the safety of the American people and the security of the Nation. They should be brought out into the light of day where the American people can see what they are and where they might lead us as a nation.

Mr. President, I ask unanimous consent to have Secretary Rusk's testimony on the bomber plan before the Senate Foreign Relations Committee reprinted in the RECORD at this point.

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

The CHAIRMAN. I have one other thing. The chairman, in his usual and inimitable way, made the point much better than I could possibly make it. I do not see why you necessarily must look forward to a continuation of this procedure in this and other cases. It seems to me you ought to be able to arrange for negotiations to be private, of course, making whatever you arrive at, if you ever do arrive at one, public.

They are quite different things.

Now, as to this question that is again in the morning paper, I believe, about the destruction of bombers, is there any relation to this disarmament business?

Secretary RUSK. Well, it has no direct relation with the nuclear test-ban discussion.

The CHAIRMAN. Not nuclear but disarmament?

Secretary RUSK. I think that story was incorrect, Senator. There has been discussion in the Disarmament Agency of a great many possible steps in the disarmament field.

The CHAIRMAN. I am not particularly interested in the substance of the other, and, as I say, this whole thing is becoming political in its nature.

This contest between who is telling the truth—I do not care whether you destroy these obsolete bombers or not, but it seems to me it ought to be possible to have whether you are or whether you are not understood, without there being implications of deception and untruths about it.

We have destroyed thousands, or hundreds, at least, of bombers in my State after World War II that were old fashioned. We are beginning to, what is it they call it, decommission these 47's now, I understand. I have heard that with one of the bases in my State, they are substituting 52's or some other number, anyway.

In any case, I see it in the paper as a matter of controversy. Can this not be cleared up or can you clear it up this morning?

Secretary RUSK. This is a point that has been discussed inside the Disarmament Agency and with the departments as one possible step which might at some stage be seriously considered. There has been no proposal made on this to other governments or to the Soviet Union on such a step.

Now, one of the elements in this sort of an idea, that you destroy mutually certain of your obsolescent weapons, is to be sure to limit the extent which weapons which are highly sophisticated, but which become obsolete as between, say, the Soviet Union and the NATO powers, do not find themselves spread all over the world and become a part of theo ther arms races that are going on in different parts of the world, and do not feed out into a lot of countries which would find them a burden and would stimulate the dangers elsewhere.

But, here, again, is a problem. We are concerned with a lot of things in the Disarmament Agency, looking at them as possibilities. We reject a lot of them; we put others up for further study. But, with reference to your earlier remark about negotiations, Senator, it is very difficult to have these things prematurely out for public debate before one even knows whether it will be well to negotiate them.

So that clarification on a point of this sort is not simple. The idea is being studied. The idea is being considered. But no proposals have been made.

The CHAIRMAN. I personally do not think much of the idea one way or the other, but I do not like to see these controversies develop which have political overtones, because, regardless of our difficulties in getting along with Russia, we do not need to tear ourselves apart internally as between the two parties over something of this kind, which, I am frank to say, I do not think is particularly significant.

And, lastly, I will just end by saying that my real suspicion about this disarmament is that this is diverting your attention and the attention of the whole Government from those areas which might lend themselves to improving our relations with our present enemies, and I doubt if this is and does contribute very much. But it is preoccupied with—you have created a whole agency for this particular activity. Nobody is very optimistic about getting anywhere. A lot doubt, even if you made an agreement, that you would achieve very much, whereas the other areas of relationships that are connected with trade, with definite human relations, which are fundamental, rather than the symptom, that you neglect by fixing your attention so strongly upon this aspect of our problem.

For whatever it is worth, there are some people who feel this very strongly.

Secretary RUSK. I think, sir, that public attention has been drawn very strongly to the nuclear test ban discussion and to the whole disarmament problem, but I do not think that means that the other problems are being neglected inside Government, to that extent.

I think, also, it is fair to say——

The CHAIRMAN. Well, for example, you are very concerned about this, but, at the same time, last year, this Government reimposed, did not reimpose—I mean it took away the most-favored-nation clause for two countries which are important in this area.

So, with one hand, you are very concerned about this, as you say, because of its peace overtones. On the other hand, we go out of our way to create worse relations with the people who are involved. We seem very inconsistent.

Secretary RUSK. Senator, my views on the most-favored nations, actually, with respect to Poland and Yugoslavia have been stated repeatedly to the Congress. I was, myself, very regretful to have that action occur. I think it has not been in our public interest to have it occur.

The CHAIRMAN. Well, it did occur, anyway.

Secretary RUSK. But I think on the disarmament point, sir, here is a place where there could be a genuine common interest between ourselves and the Soviet Union to try to move ahead, if we can.

As late as this so-called electoral speech the other day, about a week or 10 days ago, Mr. Khrushchev pointed once more to the great burden that this arms race imposes upon the Soviet Government in the allocation of its resources as between arms, on the one side, and consumer and other goods on the other.

Now, leaving aside ideological considerations, for the moment, I think an outsider would say that here is one field in which there is some basis of continuing common interest between these two groups of nations. They both have great unfinished business which calls for resources, and the arms race makes it more difficult for them to turn to that unfinished business, so that we have felt that as one of the points at which we might engage a genuine interest, that the disarmament idea, the disarmament possibility was one that ought to be thoroughly explored.

The CHAIRMAN. I do not mean to disengage complete. I think it is overemphasized, is all I meant. I think it is given more attention than it really deserves. I think it ought to be continued, and, if there is anything to it, why, take advantage of it.

But you certainly ought not to get the idea that this is the one and only way you can make progress toward peace.

That is all, Mr. Chairman.

Senator HUMPHREY. Senator CARLSON?

Senator CARLSON. Mr. Secretary, I just want to follow along with what our chairman, Mr. FULBRIGHT, mentioned in regard to this article that appeared in the paper this morning. I want to be sure that I understand you correctly. This article states that: "U.S. disarmament officials denied yesterday that any plan had been shaped for the reciprocal burning of bombers by the United States and the Soviet Union."

Do I understand your answer to our chairman was that you had been considering this?

Secretary RUSK. Yes.

Senator CARLSON. And it was part of your program?

Secretary RUSK. But I believe the reported denial itself was a misunderstanding of what the Disarmament Agency official has said.

Senator CARLSON. I am glad to get that clarification, because, as the chairman has well stated, that is one of the problems that we have up here on the Hill.

Senator MORSE. Will the Senator yield for a clarification?

Senator CARLSON. I certainly will.

Senator MORSE. I do not think the record is clear now at all, since this last response of the Secretary. I understood the Secretary to say, and he can check me, that there had been no negotiations with the Soviets or anyone else in regard to the destruction of any bombers, but that there had been discussions within our own Government as to possible programs for the demolishing of obsolete equipment including bombers. Now, if that is the statement, the record ought to show.

Secretary RUSK. That is right.

Senator MORSE. Is that your position?

Secretary RUSK. That is correct.

Senator CARLSON. I wanted to clear it up because this quote in the paper this morning says that there had been no discussion, at least for reciprocal burning. Now, the Secretary says there has at least been discussion within the Agency here in Washington in regard to this; is this correct?

Secretary RUSK. That is correct, sir.

And I added the point that I think the reporter misunderstood what the official in the Agency said, because the official did not deny that there had been discussion.

Senator CARLSON. I wanted the record to be clear on this, because I want to state categorically that there have been representatives of the disarmament representatives up on the Hill.

Secretary RUSK. That is correct. This has been discussed with leaders of the Congress as one of the possible steps that we might want to take.

Senator CARLSON. That clears that up, I hope.

Senator AIKEN. May I ask, Mr. Chairman: Does that mean that we will agree to destroy our antiquated equipment rather than selling it to the so-called developing nations? Would that not be a good agreement for Russia and the United States to make?

Secretary RUSK. Senator, I mentioned this earlier because one of the curious things about the disarmament discussions——

Senator AIKEN. I am for it——

Secretary RUSK (continuing). Has been that it tends to concentrate on the arms as between the Soviet Union and the United States without regard to the other arms races going on in other parts of the world.

At the time the General Assembly was voting for disarmament, 70 nations were asking for military assistance.

Senator AIKEN. That is right.

Secretary RUSK. We do not want to see weapons, burdensome weapons, of this sort move out into general supply in competition around the world, because they are expensive, burdensome, and, in many situations, could increase the dangers.

Senator AIKEN. I think that would be a profitable subject for discussion, and one which, perhaps, might prove more fruitful than the test ban treaty, and more immediate, perhaps.

STATES RIGHTS

Mr. ROBERTSON. Mr. President, when asked by a local friend what the recently adjourned Constitutional Convention had accomplished, Benjamin Franklin replied that they had given them "a republic, if you can keep it."

That Republic was to be founded upon a written Constitution, under which would be created a Union of sovereign States. The keystone of the arch of that Union was the rights of those sovereign States and the people thereof. Although fully embodied in the Constitution, the rights of the States were explicitly spelled out in the 10th amendment. The greatest of all Chief Justices, John Marshall, said of the 10th amendment:

> No political dreamer was ever wild enough to think of breaking down the lines which separate the States, and compounding the American people into one common mass.

From that time, until 1937, the Supreme Court honored that construction of the Constitution. In that year, the Supreme Court repealed the 10th amendment so far as constitutional restraint on the spending powers of Congress are concerned. And, in the next 25 years the Supreme Court reversed nearly 50 percent more of its previous decisions than during the first 146 years of its existence. In addition to reversing previous decisions on the meaning of the 10th and 14th amendments, the Supreme Court has, in effect, held that it can strike down any State law it pleases.

Last Tuesday, in the case of Fay against Noia, the Court struck another serious blow at the rights of the States, when it denied the right of a State to enforce its own judicial procedures in criminal cases.

The rights of the States to develop and enforce their own judicial procedures, consistent with the 14th amendment, have long been recognized as essential to the concept of a healthy federalism. Those rights are today attenuated if not obliterated in the name of a victory for the struggle for personal liberty. But the Constitution comprehends another struggle of equal importance and places upon our shoulders the burden of maintaining it—the struggle for law and order. I regret that the Court does not often recognize that each defeat in that struggle chips away inexorably at the base of that very personal liberty which it seeks to protect. One is reminded of the exclamation of Pyrrhus: "One more such victory * * * and we are utterly undone."

Mr. President, those are not my words—predicting the destruction of our Republic unless we stem the current trend to destroy the rights of the States. That solemn warning was issued by a distinguished member of our Supreme Court, Mr. Justice Clark, when he concurred in the dissenting views of Justices Harlan and Stewart in the Fay case.

Mr. President, I ask unanimous consent to have printed in the RECORD at this time, excepts from the dissenting opinions of Mr. Justice Clark and Mr. Justice Harlan.

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

Mr. Justice Clark (dissenting): "I agree fully with and join the opinion of my Brother Harlan. Beyond question the Federal courts until today have had no power to release a prisoner in respondent Noia's predicament, there being no basis for such power in either the Constitution or the statute. But the Court today in releasing Noia makes an "abrupt break" not only with the Constitution and the statute but also with its past decisions, disrupting the delicate balance of federalism so foremost in the minds of the Founding Fathers and so uniquely important in the field of law enforcement. The short of it is that Noia's incarceration rests entirely on an adequate and independent State ground—namely, that he knowingly failed to perfect any appeal from his conviction of murder. While it may be that the Court's 'decision today swings open no prison gates,' the Court must admit in all candor that it effectively swings closed the doors of justice in the face of the State, since it certainly cannot prove its case 20 years after the fact. In view of this unfortunate turn of events, it appears important that we canvass the consequences of today's action on State law enforcement.

"First, there can be no question but that a rash of new applications from State prisoners will pour into the Federal courts, and 98 percent of them will be frivolous, if history is any guide.[1] This influx will necessarily have an adverse effect upon the disposition of meritorious applications, for, as my Brother Jackson said, they will "be buried in a flood of worthless ones. He who must search a haystack for a needle is likely

[1] In the 12-year period from 1946 to 1957 the petitioners were successful in 1.4% of the cases. H.R. Rep. No. 548, 86th Cong., 1st Sess. 37.

to end up with the attitude that the needle is not worth the search." *Brown* v. *Allen*, 344 U.S. 443, 537 (1953) (concurring opinion). In fact, the courts are already swamped with applications which cannot, because of sheer numbers, be given more than cursory attention.[2]

"Second, the effective administration of criminal justice in State courts receives a staggering blow. Habeas corpus is in effect substituted for appeal, seriously disturbing the orderly disposition of State prosecutions and jeopardizing the finality of State convictions in disregard of the States' comprehensive procedural safeguards which, until today, have been respected by the Federal courts. Essential to the administration of justice is the prompt enforcement of judicial decrees. After today State judgments will be relegated to a judicial limbo, subject to Federal collateral attack—as here—a score of years later despite a defendant's willful failure to appeal.

"The rights of the States to develop and enforce their own judicial procedures, consistent with the Fourteenth Amendment, have long been recognized as essential to the concept of a healthy federalism. Those rights are today attenuated if not obliterated in the name of a victory for the 'struggle for personal liberty.' But the Constitution comprehends another struggle of equal importance and places upon our shoulders the burden of maintaining it—the struggle for law and order. I regret that the Court does not often recognize that each defeat in that struggle chips away inexorably at the base of that very personal liberty which it seeks to protect. One is reminded of the exclamation of Pyrrhus: 'One more such victory * * * and we are utterly undone.'"

* * * * *

Mr. Justice Harlan, whom Mr. Justice Clark and Mr. Justice Stewart join (dissenting): "This decision, both in its abrupt break with the past and in its consequences for the future, is one of the most disquieting that the Court has rendered in a long time."

* * * * *

"I dissent from the Court's opinion and judgment for the reason that the Federal courts have no power, statutory, or constitutional, to release the respondent Noia from State detention. This is because his custody by New York does not violate any Federal right, since it is pursuant to a conviction whose validity rests upon an adequate and independent State ground which the Federal courts are required to respect.

"A full exposition of the matter is necessary, and I believe it will justify the statement that in what it does today the Court has turned its back on history and struck a heavy blow at the foundations of our Federal system.

I. DEPARTURE FROM HISTORY

"The history of Federal habeas corpus jurisdiction, I believe, leaves no doubt that today's decision constitutes a square rejection of long-accepted principles governing the nature and scope of the Great Writ.[3]

"Habeas corpus *ad subjiciendum* is today, as it has always been, a fundamental safeguard against unlawful custody. The importance of this prerogative writ, requiring the body of a person restrained of liberty to be brought before the court so that the lawfulness of the restraint may be determined, was recognized in the Constitution,[4] and the first Judiciary Act gave the Federal courts authority to issue the writ "agreeable to the principles and usages of law."[5] Although the wording of earlier statutory provisions has been changed, the basic question before the court to which the writ is addressed has always been the same: in the language of the present statute, on the books since 1867, is the detention complained of "in violation of the Constitution or laws or treaties of the United States"? *Supra*, p. 1.

Detention can occur in many contexts, and in each the scope of judicial inquiry will differ.

* * * * *

"The question before us is the circumstances under which that custody may be held to be inconsistent with the commands of the Federal Constitution. What does history show?

"1. Pre-1915 period: The formative stage of the development of habeas corpus jurisdiction may be said to have ended in 1915, the year in which *Frank* v. *Mangum*, 237 U.S. 309, was decided. During this period the Federal courts, on applications for habeas corpus complaining of detention pursuant to a judgment of conviction and sentence, purported to examine only the jurisdiction of the sentencing tribunal. In the leading case of *Ex parte Watkins*, 3 Pet. 193, the Court stated:

"'An imprisonment under a judgment cannot be unlawful unless that judgment be an absolute nullity; and it is not a nullity if the Court has general jurisdiction of the subject, although it should be erroneous' (3 Pet., at 203).

* * * * *

"The concept of jurisdiction, however, was subjected to considerable strain during this period, and the strain was not lessened by the fact that until the latter part of the last century, Federal criminal convictions were not generally reviewable by the Supreme Court.[6] The expansion of the definition of jurisdiction occurred primarily in two classes of cases: (1) those in which the conviction was for violation of an allegedly unconstitutional statute, and (2) those in which the Court viewed the detention as based on some claimed illegality in the sentence imposed, as distinguished from the judgment of conviction. An example of the former is *Ex parte Siebold*, 100 U.S. 371.

* * * * *

"It was also during this period that Congress, in 1867, first made habeas corpus available by statute to prisoners held under state authority. Act of February 5, 1867, c. 28, § 1, 14 Stat. 385. In this 1867 Act the Court now seems to find justification for today's decision, relying on the statement of one of its proponents that the bill was "coextensive with all the powers that can be conferred" on the courts and judges of the United States. Cong. Globe, 39th Cong., 1st Sess. 4151. But neither the statute itself, its legislative history, nor its subsequent interpretation lends any support to the view that habeas corpus jurisdiction since 1867 has been exercisable whether or not the state detention complained of rested on decision of a federal question.

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"In dealing with applications by state prisoners the Court developed the doctrine of exhaustion of state remedies, a doctrine now embodied in 28 U.S.C. § 2254. In *Ex parte Royall*, 117 U.S. 241.

* * * * *

"In subsequent decisions, the court continued to insist that state remedies be exhausted, even when the applicant alleged a lack of jurisdiction in state authorities which, if true, would have enabled the federal court to act on the application immediately.

* * * * *

"There can be no doubt of the limited scope of habeas corpus during this formative period, and of the consistent efforts to confine the writ to questions of jurisdiction. But the cardinal point for present purposes is that in no case was it held, or even suggested, that habeas corpus would be available to consider any claims by a prisoner held pursuant to a state court judgment whose validity rested on an adequate nonfederal ground. Indeed, so long as the writ was confined to claims by state prisoners that the State was constitutionally precluded from exercising its jurisdiction in the particular case, it is difficult to conceive of a decision to detain in such cases resting on an adequate state ground. Even when the concept of jurisdiction was expanded, as in *Ex parte Siebold*, 100 U.S. 371, and other decisions, the matters open on habeas were still limited to those which were believed to have deprived the sentencing court of all competence to act, and which therefore could always be raised on collateral attack. It is for this reason that the Royall line of 'exhaustion' cases, relied on so heavily by the Court, has no real bearing on the problem before us. For those cases dealt only with the discretion of the court to take action which, if the allegations of lack of state jurisdiction were upheld, it would have had power to take either before or after state consideration. The issue here, on the other hand, is one of power, and wholly different considerations are involved.

* * * * *

"2. 1915–1953 period.—The next stage of development may be described as beginning in 1915, with *Frank* v. *Mangum*, 237 U.S. 309, and ending in 1953 with *Brown* v. *Allen*, 344 U.S. 443. In *Frank*, the prisoner had claimed before the state courts that the proceedings in which he had been convicted for murder had been dominated by a mob, and the State Supreme Court, after consideration not only of the record but of extensive affidavits, had concluded that mob domination had not been established. Frank then sought federal habeas, and this Court affirmed the denial of relief. But in doing so the Court recognized that Frank's allegation of mob domination raised a constitutional question which he was entitled to have considered by a competent tribunal uncoerced by popular pressures. Such 'corrective process' had been afforded by the State Supreme Court, however, and since Frank had received 'notice, and a hearing, or an opportunity to be heard' on his constitutional claims (237 U.S., at 326), his detention was not in violation of federal law and habeas corpus would not lie.

"It is clear that a new dimension was added to habeas corpus in this case, for in addition to questions previously thought of as 'jurisdictional,' the federal courts were now to consider whether the applicant had

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[2] The increase in number of habeas corpus applications filed in Federal district courts by State prisoners is illustrated by the following figures:

1941	127
1945	536
1950	560
1955	660
1960	872
1961	906
1962	1,232

(1962 and 1959 annual reports, Administrative Office of U.S. Courts, pp. 23 and 109, respectively.)

[3] For a broad range of views, see the analytical discussions of the development of Federal habeas corpus jurisdiction in Hart, Foreword, 73 Harv. L. Rev. 84; Reitz, Federal Habeas Corpus: Impact of an Abortive State Proceeding, 74 Harv. L. Rev. 1315; Brennan, Federal Habeas Corpus and State Prisoners: An Exercise in Federalism, 7 Utah L. Rev. 423; and Bator, Finality in Criminal Law and Federal Habeas Corpus for State Prisoners, 76 Harv. L. Rev. 441.

[4] U.S. Const., Art. I, § 9, cl. 2.

[5] Section 14 of the Judiciary Act of 1789, c. 20, 1 Stat. 73, 81, 82.

[6] The statutory development relating to review of criminal cases by the Supreme Court is discussed in Bator, supra, note 1, at 473, n. 75.

been given an adequate opportunity to raise his constitutional claims before the state courts. And if no such opportunity had been afforded in the state courts, the federal claim would be heard on its merits. The Court thus rejected the views expressed in *Andrews* v. *Swartz, supra,* by holding, in effect, that a constitutional claim could be heard on habeas if the State's refusal to give it proper consideration rested on an inadequate state ground. But habeas would not lie to reconsider constitutional questions that had been fairly determined. And a fortiori it would not lie to consider a question when the state court's refusal to do so rested on an adequate and independent state ground.

* * * * *

"Subsequent decisions involving state prisoners continued to indicate that the controlling question on federal habeas—apart from matters going to lack of state jurisdiction in light of federal law—was whether or not the State had afforded adequate opportunity to raise the federal claim. If not, the federal claim could be considered on its merits.

* * * * *

"A development paralleling that in *Frank* v. *Mangum* took place during this period with regard to federal prisoners. The writ remained unavailable to consider questions that were or could have been raised in the original proceedings, or on direct appeal, see *Sunal* v. *Large,* 332 U.S. 174, but it was employed to permit consideration of constitutional questions that could not otherwise have been adequately presented to the courts.

* * * * *

"To recapitulate, then, prior to *Brown* v. *Allen,* habeas corpus would not lie for a prisoner who was in custody pursuant to a state judgment of conviction by a court of competent jurisdiction if he had been given an adequate opportunity to obtain full and fair consideration of his federal claim in the state courts. Clearly, under this approach, a detention was not in violation of federal law if the validity of the state conviction on which that detention was based rested on an adequate nonfederal ground.

"3. Post-1953, *Brown* v. *Allen,* period: In 1953, this Court rendered its landmark decisions in *Brown* v. *Allen,* 344 U.S. 443, and *Daniels* v. *Allen,* reported therewith, 344 U.S., at 482–487. Both cases involved applications for federal habeas corpus by prisoners who were awaiting execution pursuant to state convictions. In both cases, the constitutional contentions made were that the trial court had erred in ruling confessions admissible and in overruling motions to quash the indictment on the basis of alleged discrimination in the selection of jurors.

"In *Brown,* these contentions had been presented to the highest court of the State, on direct appeal from the conviction, and had been rejected by that court on the merits, *State* v. *Brown,* 233 N.C. 202, 63 S.E. 2d 99, after which this Court had denied certiorari, 341 U.S. 943. At this point, the Court held, Brown was entitled to full reconsideration of these constitutional claims, with a hearing if appropriate, in an application to a Federal District Court for habeas corpus.

"It is manifest that this decision substantially expanded the scope of inquiry on an application for federal habeas corpus. *Frank* v. *Mangum* and *Moore* v. *Dempsey* had denied that the federal courts in habeas corpus sat to determine whether errors of law, even constitutional law, had been made in the original trial and appellate proceedings. Under the decision in *Brown,* if a petitioner could show that the validity of a state decision to detain rested on a determination of a constitutional claim, and if he alleged that determination to be erroneous, the Federal court had the right and the duty to satisfy itself of the correctness of the state decision.

"But what if the validity of the state decision to detain rested not on the determination of a federal claim but rather on an adequate nonfederal ground which would have barred direct review by this Court? That was the question in Daniels. The attorney for the petitioners in that case had failed to mail the appeal papers on the last day for filing, and although he delivered them by hand the next day, the State Supreme Court refused to entertain the appeal, ruling that it had not been filed on time. This ruling, this Court held, barred federal habeas corpus consideration of the claims that the state appellate court had refused to consider. Language in Mr. Justice Reed's opinion for the Court appeared to support the result alternatively in terms of waiver,[7] failure to exhaust state remedies,[8] and the existence of an adequate state ground.[9] But while the explanation may have been ambiguous, the result was clear: habeas corpus would not lie for a prisoner who was detained pursuant to a state judgment which, in the view of the majority in Daniels, rested on a reasonable application of the State's own procedural requirements. Moreover, the issue was plainly viewed as one of authority, not of discretion. 344 U.S., at 485.

* * * * *

"This brings us to the present case. There can, I think, be no doubt that today's holding—that federal habeas will lie despite the existence of an adequate and independent nonfederal ground for the judgment pursuant to which the applicant is detained—is wholly unprecedented. Indeed, it constitutes a direct rejection of authority that is squarely to the contrary. That the result now reached is a novel one does not, of course, mean that it is necessarily incorrect or unwise. But a decision which finds virtually no support in more than a century of this Court's experience should certainly be subject to the most careful scrutiny.

II. CONSTITUTIONAL BARRIER

"The true significance of today's decision can perhaps best be laid bare in terms of a hypothetical case presenting questions of the powers of this Court on direct review, and of a Federal District Court on habeas corpus.

* * * * *

"What is the reason for the rule that an adequate and independent state ground of decision bars Supreme Court review of that decision—a rule which, of course, is as applicable to procedural as to substantive grounds? In *Murdock* v. *Memphis,* 20 Wall. 590, 632–636, it was concluded that under the governing statute (i) the Court did not have jurisdiction, on review of a state decision, to examine and decide 'questions not of a federal character,' id., at 633, and (ii) an erroneous decision of a federal question by a state court could not warrant reversal if there were: 'any other matter or issue adjudged by the State court, which is sufficiently broad to maintain the judgment of that court, notwithstanding the error in deciding the issue raised by the Federal question.' (Id., at 636.)

"But as the Court in *Murdock* so strongly implied, and as emphasized in subsequent decisions, the adequate state ground rule has roots far deeper than the statutes governing our jurisdiction, and rests on fundamentals that touch this Court's habeas corpus jurisdiction equally with its direct reviewing power. An examination of the alternatives that might conceivably be followed will, I submit, confirm that the rule is one of constitutional dimensions going to the heart of the division of judicial powers in a federal system.

"One alternative to the present rule would be for the Court to review and decide any federal questions in the case, even if the determination of nonfederal questions were adequate to sustain the judgment below, and then to send the case back to the state court for further consideration. But it needs no extended analysis to demonstrate that such action would exceed this Court's powers under article III. As stated in *Herb* v. *Pitcairn,* 324 U.S. 117, 126:

"'[O]ur power is to correct wrong judgments, not to revise opinions. We are not permitted to render an advisory opinion, and if the same judgment would be rendered by the state court after we corrected its views of Federal laws, our review could amount to nothing more than an advisory opinion.'

"Another alternative, which would avoid the problem of advisory opinions, would be to take the entire case and to review on the merits the state court's decision of every question in it.

* * * * *

"Determination of the adequacy and independence of the state ground, I submit, marks the constitutional limit of our power in this sphere. The reason why this is so was perhaps most articulately expressed in a different but closely related context by Mr. Justice Field in his opinion in *Baltimore & O. R. Co.* v. *Baugh,* 149 U.S. 368, 401. He stated, in a passage quoted with approval by the Court in the historic decision in *Erie R. Co.* v. *Tompkins,* 304 U.S. 64, 78–79:

"'The Constitution of the United States * * * recognizes and preserves the autonomy and independence of the States—independence in their legislative and independence in their judicial departments. Supervision over either the legislative or the judicial action of the States is in no case permissible except as to matters by the Constitution specifically authorized or delegated to the United States. Any interference with either, except as thus permitted, is an invasion of the authority of the State and, to that extent, a denial of its independence.'

"For this Court to go beyond the adequacy of the state ground and to review and determine the correctness of that ground on its merits would, * * * be to assume full control over a State's procedures for the administration of its own criminal justice. This is and must be beyond our power if the federal system is to exist in substance as well as form. The right of the State to regulate its own procedures governing the conduct of litigants in its courts, and its interest in supervision of those procedures, stand on the same constitutional plane as its right and interest in framing "substantive" laws governing other aspects of the conduct of those within its borders.

There is still a third possible course this Court might follow if it were to reject the adequate state ground rule.

* * * * *

"This Court might grant certiorari, 'ignore' the state ground of decision, decide the federal question and, instead of merely remanding the case, issue a writ requiring the petitioner's release from custody. By this simple device, the Court, it might be argued, would avoid problems of advisory opinions

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[7] See 344 U.S., at 486. See also Mr. Justice Frankfurter's separate opinion, 344 U.S., at 488, 503.

[8] "A failure to use a state's available remedy, in the absence of some interference or incapacity * * * bars federal habeas corpus. The statute requires that the applicant exhaust available remedies. To show that the time has passed for appeal is not enough to empower the Federal District Court to issue the writ." 344 U.S., at 487.

[9] "'[W]here the state action was based on an adequate state ground, no further examination is required unless no state remedy for the deprivation of federal constitutional rights ever existed." 344 U.S., at 458.

while at the same time refraining from consideration of questions of State law.

"In short, the constitutional infirmities of such a disposition by this Court are the same as those inherent in review of the state question on its merits. The vice, however, is greater because the Court would, in actuality, be invalidating a state rule without even purporting to consider it.

"2. On habeas corpus: The adequate state ground doctrine thus finds its source in basic constitutional principles, and the question before us is whether this is as true in a collateral attack in habeas corpus as on direct review. * * * Is that federal court constitutionally more free than the Supreme Court on direct review to 'ignore' the adequate state ground, proceed to the Federal question, and order the prisoner's release?

"The answer must be that it is not.

* * * * *

The Court exceeds its constitutional power if in fact the state ground relied upon to sustain the judgment of conviction is an adequate one. See infra. The effect of the approach adopted by the Court is, indeed, to do away with the adequate state ground rule entirely in every state case, involving a federal question, in which detention follows from a judgment.

"III. ATTEMPTED PALLIATIVES

"Apparently on the basis of a doctrine analogous to that of 'unclean hands,' the Court states that a federal judge, in his discretion, may deny relief on habeas corpus to one who has understandingly and knowingly refused to avail himself of state procedures. But such a test, if it is meant to constitute a limitation on interference with state administration of criminal justice, falls far short of the mark. In fact, as explained and applied in this case, it amounts to no limitation at all.

* * * * *

"Looked at from any angle, the concept of waiver which the Court has created must be found wanting. Of gravest importance, it carries this Court into a sphere in which it has no proper place in the context of the federal system. The true limitations on our constitutional power are those inherent in the rule requiring that a judgment resting on an adequate state ground must be respected.

"IV. ADEQUACY OF THE STATE GROUND HERE INVOLVED

"It is the adequacy, or fairness, of the state ground that should be the controlling question in this case.[10] This controlling question the Court does not discuss.

"New York asserts that a claim of the kind involved here must be raised on timely appeal if it is to be preserved, and contends that in permitting an appeal it has provided a reasonable opportunity for the claim to be made. * * * In other words, the State claims that it may constitutionally detain a man pursuant to a judgment of conviction, regardless of any error that may have led to that conviction, if the relevant facts were reasonably available and an appeal was not taken.

"Under the circumstances here—particularly the fact that Noia was represented by counsel whose competence is not challenged—is this a reasonable ground for barring collateral assertion of the federal claim? Certainly the State has a vital interest in requiring that appeals be taken on the basis of facts known at the time, since the first assertion of a claim many years later might otherwise require release long after it was feasible to hold a new trial.

* * * * *

"Moreover, we should be slow to reject—as an invalid barrier to the raising of a federal right—a state determination that one forum rather than another must be resorted to for the assertion of that right. A far more rigid restriction of federal forums was upheld in *Yakus* v. *United States*, 321 U.S. 414. In that case, the Court sustained a federal statute permitting an attack on the validity of an administrative price regulation to be made only on timely review of the administrative order, and precluding the defense of invalidity in a later criminal prosecution for violation of the regulation. What the Court there said bears repetition here:

" 'No procedural principle is more familiar to this Court than that a constitutional right may be forfeited in criminal as well as civil cases by the failure to make timely assertion of the right before a tribunal having jurisdiction to determine it' (321 U.S., at 44)."

[10] In view of the concession by the State, I assume in this discussion that Noia's confession was coerced. A confession, of course, may be coerced and yet still be a wholly reliable admission of guilt. See *Rogers* v. *Richmond*, 365 U.S. 534. Whether or not Noia was guilty of the crime of felony murder, and whether the evidence of his guilt was accurate and substantial, are matters irrelevant to the question of coercion and also irrelevant here.

THE DEFICIT IN THE INTERNATIONAL ACCOUNTS OF THE UNITED STATES

Mr. PEARSON. Mr. President, the deficit in the international accounts of the United States is a matter of grave and continuing concern to the Congress. It is a problem which is seldom brought into focus in as analytical, objective and concise a manner as has recently been done by Leland James Pritchard, professor of economics and business administration at the University of Kansas.

Professor Pritchard has a long career in the study of economics and is a person highly respected by his colleagues in both the academic and business world. His analysis of the present balance of payments problem and possible solutions is of immediate interest to all concerned, primarily because of his conclusion that the present situation in which we find ourselves is not the reponsibility of the private sector of our economy but rather finds its explanation in "the vast volume of unilateral transfers—payments—made by the Federal Government to finance foreign military and economic aid."

Because I believe that the Members of Congress will find Professor Pritchard's analysis enlightening and useful, I request unanimous consent that this article, as it appeared in the Lawrence Journal World of March 18, 1963, be printed in the RECORD.

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

THE U.S. BALANCE OF PAYMENTS: THE PROBLEM AND ITS SOLUTION

With the exception of 1957, there has been a deficit in the international accounts of the United States for every year since 1950. The cumulative total of this deficit now exceeds $23 billion. This is the proximate source of our balance-of-payment problem. The problem arises from the fact that the accumulated deficits jeopardize the future gold convertibility of the dollar.

At the end of 1949 our monetary gold stocks were in excess of $24 billion while net foreign short-term claims against these stocks came to about $7 billion. Now we find the situation reversed with nearly $22 billion of foreign demand claims outstanding against our gold, and a gold stock which has shrunk to less than $16 billion. It is no exaggeration to say that the United States is only technically solvent.

If the dollar is to remain a reserve currency, which is tantamount to saying; if the United States is to remain a leader of the Western bloc, the convertibility of the dollar must remain credible—the dollar must continue to be "as good as gold."

An understanding, and acceptance, of these statements will be facilitated if we define our terms and explain some of the more salient relationships involved in balance-of-payment analysis.

The so-called balance of payments represent the aggregate volume of payments made to foreigners in a given period, and the aggregate volume of receipts from foreigners in the same period.

Types of transactions which give rise to receipts (from our standpoint) include: Exports of merchandise, services rendered to foreigners, the collection of interest, dividends, rents, and royalties from foreigners, the sale of securities to foreigners, etc.

Conversely, transactions which give rise to payments include: Imports, expenditures of U.S. tourists abroad, payments for the use of foreign-owned ships, the payment of insurance premiums to foreign-owned companies, the purchase of foreign securities, the payment of interest dividends, rents, and royalties to foreigners, etc.

In contradistinction to the balance of payments of individuals, cities, and even States, the balance of payments of the United States—and of every other nation having its own money system—always balances. Payments always equal receipts; debits equal credits. The balance of payments always balances because there can be no net transfer of bank deposits. The fact that payments can be, and are, made by using hand-to-hand currency in no way invalidates this economic law, since national regulations tend to restrict net transfers of hand-to-hand currency to inconsequential magnitudes.

Where international transactions are largely negotiated by private individuals and business firms on their own initiative, rather than through State agencies, it would only be by sheer coincidence that the payments transactions entered into in a given period came to an equality with the receipts transactions for that period. To the extent that equality is not achieved, some type or types of payments (or receipts) are necessary to fill the gap; for, as noted, the balance of payments always balances.

The stopgap payments (or receipts) involve changes in monetary gold stocks and/or net foreign short-term dollar claims. Insofar as these claims are against us they are in the form of demand and time deposits and Treasury bills. A country is said to have a deficit in its balance of payments when an export of gold is not offset by a decrease in foreign-owned short-term claims; or conversely, when an increase in foreign-owned short-term claims is not offset by gold imports.

With $22 billion of short-term claims (in effect international clearing balances) against less than $16 billion of gold, $12 billion of which is pledged (via the gold certificate) as collateral for the note and deposit liabilities of the Federal Reserve banks, the U.S. dollar could even now be dethroned if the foreign holders of these claims chose to exercise any considerable volume of their options. And they do have the option. The gold and short-term dollar holdings of foreign countries (excluding the Eastern bloc) are now in excess of $43 billion, nearly $30 billion of which is held by Western Europe. Even on the basis of an enlarged volume of

world trade this represents an excess of dollar liquidity for Western Europe. Even were the Reserve authorities to suspend the gold certificate requirement or Congress to abolish this redundant provision altogether (proposed by H.R. 642, introduced into Congress January 9, 1963), the future of the dollar as a reserve currency would remain uncertain.

How has the once almighty dollar been brought into such jeopardy? An examination of the components of our balance of payments will provide the answer. In dissecting the balance of payments we are justified in placing complementary transactions in juxtaposition; that is, receipts from exports are matched against payments for imports; receipts from services rendered foreigners are matched against payments for services rendered to us by foreigners; and capital items (interest, dividends, purchases, and sales of securities, etc.) involving receipts are offset against capital items involving payments.

For the period of our chronic deficits (since 1950) receipts from merchandise exports have amounted to $206.5 billion; payments for imports, $163.7 billion or an excess of receipts of $42.8 billion. Receipts from services total $43 billion while payments for services come to $51.3 billion or an excess of payments on service accounts of $8.3 billion. Capital account receipts during this period total $35.7 billion, payments on capital accounts, $38.5 billion or an excess of payments of $2.8 billion. Summating all of these nongovernmental transactions we find receipts equal to $285.2 billion, payments equal to $253.5 billion, leaving an excess of receipts on nongovernmental account of $31.7 billion. Obviously the private sector is not responsible for our chronic deficits. The explanation is to be found in the vast volume of unilateral transfers (payments) made by the Federal Government to finance foreign military and economic aid.

During the postwar period (fiscal years 1946–62) these outlays, on a net basis, amounted to $89.9 billion, and to $66.7 billion since 1950. The largess of the Federal Government in dispensing free dollars to foreigners has been on such a vast scale it has washed out the $31.7 billion of dollar credits accumulated by the private sector during the past 13 years and has brought about a cumulative deficit in our balance of payments in excess of $23 billion.

The obvious solution to our balance-of-payments difficulties is to reduce foreign aid. This solution is rarely suggested because of the widespread tendency in this country to regard military expenditures both at home and abroad as sancrosanct and therefore inviolate. In lieu of reducing foreign aid it has been suggested that we devalue the dollar, increase exports, and even curtail imports and foreign investment by U.S. nationals.

To meet the situation through a devaluation of the dollar, or a suspension of the convertibility of the dollar would eliminate the dollar as a reserve currency. It would destroy confidence in the country and definitely eliminate the United States as a leader of the Western bloc. Furthermore, devaluation would provide only temporary relief even if other nations did not devalue by compensatory amounts. Devaluation would not change the underlying causes of the imbalance and deficits would resume as domestic prices rose in response to the devaluation.

An endeavor to reduce the deficits through greater import restrictions or through curtailment of U.S. oversea investment would be self-defeating and contrary to our professed intentions of fostering a free world. Furthermore, capital outflows can only be moderately affected through a restrictive domestic monetary policy, and we can ill afford the higher interest rates required by such a policy. Such punitive rates would further dampen down an already sluggish economy. Direct controls must be eschewed because of their totalitarian nature.

Some expansion of exports, however, is possible. This can be achieved by providing more tie-ins of exports to our foreign aid, and by changing our selection of foreign aid beneficiaries. Under the Marshall plan aid went mostly to Western Europe and gave rise to a concomitant volume of exports: tractors from International Harvester, generators from General Electric, etc. Now our aid is mostly to governments located in east and southeast Asia, Latin America, Africa and the Middle East. Too often these governments are controlled by military strong men, wastrels and plain incompetents (these designations are not necessarily mutually exclusive); men who have difficulty distinguishing their private purse from the public treasury; who have little interest in, or aptitude for, the economic development of their countries; who lack the support of the mass of their peoples and who regard their offices as temporary sojourns for their private enrichment. For these and other reasons they prefer an anonymous Zurich bank account to spending balances allocated to them in the Chase-Manhattan Bank on machinery, equipment, and supplies that would assist in the habilitation of their national economies. So great has this dissipation of funds been that the United States has had to obtain loans from Switzerland, Italy, and West Germany to arrest the outflow of gold. Central bank and treasury loans from these countries now amount to $500 million.

In addition to obtaining loans to support the dollar, the Treasury and the Federal Reserve have entered into reciprocal currency "swap" agreements amounting to $1.1 billion with 10 foreign central banks and the Bank for International Settlements. Neither the Treasury nor the Federal Reserve has any illusions that such devices provide a substitute for policy actions to correct basic imbalances in our balance of payments. Such arrangements can only provide temporary stability to the dollar and discourage speculative forays against the dollar. All such loan and stabilization arrangements are mere palliatives. They can do no more than temporarily slow down the denudation of our gold stocks.

In some instances we could actually increase our exports by decreasing foreign aid, for, as any Yankee trader should know, it makes little sense to buy something if it can be obtained free.

Improvement in our export position could also result from spending more on research and development of civilian products, and by holding prices down, our goods would remain competitive on both a quality and a price basis. But the gains to be achieved here can easily be overestimated; for we are not suffering from declining exports. Our exports have not only increased markedly, approximately doubling in value in the 1950–62 period, but their value, as a proportion of total world trade, has not diminished.

Because the deficit in our balance-of-payments was about $2.2 billion in 1962 compared to $2.4 billion in 1961 and $3.9 billion in 1960, some believe the problem can be solved without a drastic cut in foreign military and economic aid. Those who hold to this view seem to overlook the fact that a part of the decline in the deficit is due to the payment ahead of schedule of debt service charges by West Germany and France, as well as to increased military procurement in this country and an actual reduction in oversea military personnel expenditures. And they seem far too sanguine about the possibility of expanding exports.

The maintenance of personnel overseas, a number now exceeding 600,000 not counting dependents, constitutes the principal drain on the dollar since their maintenance necessitates a multi-billion conversion of dollars into local currencies. A lesser drain derives from the rental of oversea military bases and the many other costs associated with their maintenance. On the other hand, a Polaris submarine roaming the Atlantic provides no foreign exchange problem—unless it is based abroad.

We are increasingly told that a curtailment of our foreign Military Establishment or a reduction in foreign economic aid will open the floodgates and communism will inundate the world, or, at least, would produce a loss of confidence in the United States as a leader of the free world.

Even if one subscribes to the questionable belief that our extensive oversea military bases have contained communism, the fact is that the situation has deteriorated until we have no choice except to curtail those types of foreign military and economic aid which create a drain on the dollar.

If we do not, the dollar will cease to be a convertible currency, will cease to be a reserve currency, and the United States will be forced into a high degree of economic isolation. We shall then discover that, irrespective of the number of bombers and missiles we have, we are no longer the leader of the free world; indeed, we will be held responsible (and rightly so) for scuttling a goodly share of it.

MEANINGFUL TAX RELIEF

Mr. SIMPSON. Mr. President, an editorial in the March 14 issue of the Rocky Mountain News has cut like a breath of fresh air across the administration's arguments for a tax cut with continually mounting Federal deficits.

The editorial, entitled "What's Wrong in the United States?" draws a conclusion that should be mounted on a plaque over the desk of each tax debator—the simple truth that the only way to get a meaningful tax reduction is to legislate a healthy cut in Federal spending.

To the administration's advocates of the Keynesian theory of massive Federal spending as the solution to all our economic ills, I recommend for reading the Rocky Mountain news article, and I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

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

WHAT'S WRONG IN THE UNITED STATES?

You look over the list of domestic economic troubles as noted by President Kennedy at his press conferences. There isn't one of them that a healthy tax cut wouldn't cure or at least help substantially.

And the only way to get a meaningful tax reduction is to legislate a healthy cut in Federal spending.

The basic problem is as simple as that, though the solution is difficult in the present political atmosphere.

Relief from the extortionate load of Government spending would generate energy from top to bottom. It would give people something to work for.

To hear the talk as to lack of opportunity for youth you would think there were just so many jobs until the Government passed a law to create some more. You wonder how youngsters ever got a job in the past. This same frightened scramble to divide up poverty held back recovery from the great depression and now dominates discussion of automation.

Jobs generate jobs. Wages and profits create the demand for goods, which puts more and more people to work—unless the chain is broken by bungling Government intervention or expropriation of the fruits of industry.

Talk about our crop of "war babies" growing up and needing jobs. They are relatively

few in numbers compared to the millions of refugees from communism who streamed into demoralized West Germany after the war. Work was found for all of them and West Germany actually has a labor shortage. Automation did it—along with the sane, old-fashioned fiscal policies which balanced budgets, made the mark one of the soundest currencies in history and produced the feeling of confidence in the future which comes with a rising living standard.

On the other extreme are such countries as Argentina. There is a land potentially as rich as ours—demoralized by massive governmental bungling and an inflated currency.

Argentina's trouble is our trouble, though we are not nearly so far gone and had more fat in the form of capital to eat up.

The complacent tendency in Washington to cut taxes while letting the spending run simply is a plan to eat up some more of the capital which makes jobs. By inciting more inflation it will nullify any tax cut. By breeding fear of an unsound currency it will discourage enterprise and we will have more unemployment, not less.

The prosperity of Western Europe dates from the time when it scorned the advice of our frightened liberals, hardened their currencies and started paying their bills with cash. We now owe them money in form of balance of payments. Our Government now is buying these currencies in great quantities to protect the once almighty dollar.

More vocal politicans and economists in the United States are in the grip of an economic obsession that we can borrow ourselves rich. This brand of mass insanity has run its course in Europe but still afflicts a great deal of the world including the underdeveloped countries, all of which somehow managed to eat for centuries without our help, or maybe in spite of it.

None of these new nations has a chance until it discovers that only work creates wealth and that capital accumulations must be protected if their people are to have the tools which make work productive.

Under present policies, they are frightening away capital faster than it can be poured down the ratholes thus created, through foreign aid from the U.S. Treasury.

We see two main sources of hope. One is the amazing resiliency of the U.S. economy which has survived and even progressed during a generation which has expropriated half its profits and sterilized them in wasteful Government schemes. The other is mounting impatience with the whole red-ink business, out through the country.

When the people finally sense what has been happening to them and vote their indignation, the politicians will sober up and find a way. If the country—and particularly the unemployed—are to be spared deepening troubles, that had better be soon.

ARMED FORCES CHESS TOURNAMENT

Mr. HUMPHREY. Mr. President, 3 years ago I announced to the Senate the opening of the first annual Armed Forces Chess Tournament sponsored by the American Chess Foundation. I wish to once again bring this highly commendable program to the attention of my colleagues upon the successful completion of the third servicewide chess tournament last October.

The American Chess Foundation conceived the idea of annual all-service tournaments as part of its continuing program of encouraging the playing of chess as a national sport and pastime for young and old. I fully support this objective. Chess represents a useful auxiliary to our national goal of creating a strongly intellectual atmosphere in the schools, on the job, and at home. Chess is one of the most ancient and honorable of intellectual pastimes—it is the indoor sport par excellence not only in the West but in the Orient. It is played with equal satisfaction by the international chess master or the rank amateur.

Chess on the tournament level presents the kind of rigorous intellectual challenge that should be encouraged in the United States. That our young men in the military have accepted this challenge with such enthusiasm is most encouraging. The Department of Defense should be commended for its support of the foundation's program. Similar commendation is due the United Service Organizations and member agencies for their willingness to provide essential facilities and assist in the planning of the program. And finally, those young Americans who disciplined themselves during their limited leisure hours for the rigors of tournament play should be especially congratulated.

Mr. President, I ask unanimous consent that a report on the 1962 Armed Forces Chess Tournament taken from the Army Information Digest be printed at this point in the RECORD.

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

ARMY GAINS TOP HONORS IN ARMED FORCES CHESS TOURNEY

It was check and checkmate for two Army players who moved their forces across the boards to take first and second place in the 1962 Armed Forces chess tournament held in October at the Lafayette Square USO Club in Washington, D.C. As a result, the Army holds the Thomas Emery Armed Forces chess championship trophy for a year.

Sp4c. Roy D. Mallett, of the 51st Infantry, 4th Armored Division, Germany, became the new chess champion of the military services by virtue of seven wins and two draws. Runnerup was Pvt. Harry Mayer of Special Troops, Fort Knox, Ky., with a score of six wins, two draws, and one loss. The Army also was represented in the field of 10 finalists by another competitor, Sp4c Laszlo Incze, from Fort Richardson, Alaska.

Other finalists included three entries from the Navy, three from the Air Force, and one from the Marine Corps. In addition to the Emery Cup, silver cups were presented to the first three winners and silver plaques to the seven other finalists.

The 1962 tournament is the third in a program sponsored by the American Chess Foundation with cooperation of the Department of Defense, U.S. Chess Federation, USO, and the Adjutant General's Office. It was initiated with a grant from Thomas Emery, of New York, Marine Corps veteran of World War I and internationally recognized chess master, who stresses the game's unmatched value in mental discipline and strategic planning.

At the posttourney awards dinner, Edward L. Katzenbach, Jr., Deputy Assistant Secretary of Defense for Education and Manpower Resources, cited the relevance of chess to the strategic problems of our times—to counterinsurgency, guerrilla actions, and resolution of the cold war: "The chess player understands, as we all must understand, that there may be tactical advantages to retreats in seeking victory. He understands the most important factor of all—that a pawn is not something to be taken lightly, for the least of the powers cannot only get in the way but can actually bring about the downfall of figures more powerful."

SUPPORT FOR THE CLEAN AIR ACT

Mr. HUMPHREY. Mr. President, S. 432, the Clean Air Act of 1963, introduced by the junior Senator from Connecticut [Mr. RIBICOFF], is the most comprehensive proposal on the subject of air pollution control ever put before the Congress.

The bill faces squarely the fact that while the control of air pollution is primarily a State and local responsibility, there is a corresponding Federal responsibility to provide leadership, technical know-how, and financial encouragement on a national basis to combat this national problem.

We cannot continue to go at this problem on a piecemeal basis. A national effort is essential, and a well-grounded 10-year program of research, technical assistance, and enforcement, as provided in S. 432, will give us the tools needed for the job. It is a privilege to join with the junior Senator from Connecticut in his comprehensive attack on what truly should be described as a life-or-death domestic problem.

Mr. President, I ask unanimous consent that several recent press reports from Minnesota dealing with air pollution be printed in the RECORD at the conclusion of my remarks.

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

[From the Minneapolis (Minn.) Star, Dec. 9, 1962]

AIR POLLUTION CHIEF FEARFUL OF UCLA SMOG

Malcolm McLouth, Minneapolis chief air pollution control engineer, today wrote to S. Smith Griswold, his Los Angeles, Calif., counterpart, expressing concern about what the smog might do to the Minnesota football team, which is to play in the Rose Bowl January 1.

Here is the text of the McLouth letter:

"The problem of the exact chemical analysis of Los Angeles-type smog is again a matter of concern for us in Minnesota.

"Last year a toxic substance called U. of W. was responsible for an unfortunate first half in the Rose Bowl. It was not until the second half that our scientists had devised a counter reagent but by then it was too late.

"In recent technical journals in the sports section, I have noted that a new substance called UCLA has been found in increasing quantities in airwaves in Los Angeles. Could you rush me a complete chemical and physical analysis of this new medium so that we may devise a counter reagent that will immunize our players from UCLA poisoning?"

(The University of Washington defeated Minnesota 17–7 in the Rose Bowl last January 1. Minnesota plays the University of California at Los Angeles in the Rose Bowl January 1.)

[From the Minneapolis (Minn.) Star, Oct. 10, 1961]

PIPING OFF BUS FUMES

To the EDITOR:

I noted in a September 21 letter a suggestion that buses be forced to eliminate their odor nuisance by extending the exhaust pipe to the roof. This is not a new approach as a law was proposed by the Minneapolis City Council in 1955 that would have made this

mandatory. This proposal was subsequently defeated when several disadvantages were pointed out.

Madison, Wis., did pass such an ordinance but it was later repealed after a short and unsuccessful trial run. Included in the disadvantages are the spewing of water and carbon particles on pedestrians near bus stops, the increased back pressure on the engine creating more objectionable fumes, and the heat and fire hazard created by the extended pipe.

MALCOLM E. MCLOUTH,
Chief Air Pollution Control Engineer.

[From the Duluth (Minn.) News-Tribune]

PROTECTING THE AIR FROM MOTOR POLLUTION

California is testing a variety of exhaust control devices for automobiles. These are said to remove from 60 to 80 percent of smog-producing chemical byproducts. Crankcase devices, now being installed voluntarily on new cars sold in California, are believed to remove about 20 percent of these irritants. Eventually these will be required on every car registered in California. Better air by 1966 is promised.

Smog has forced California to face this problem. Other States don't have the combination of conditions to make smog from exhaust very often, but their people deserve the purest air possible. It seems likely that all motor vehicles will have such protective devices before many years have gone by.

As the population increases, particularly in some areas, and we all use various modern mechanisms and discoveries so freely, other problems will surely bother us. Noise is one. So is the appearance of quantities of almost indestructible detergent bubbles in many drain and sewage disposal systems.

Human beings need clean air and water for a happy existence. We must be ready to pay for these with various precautions, some of them not even imagined as yet.

[From the Willmar (Minn.) Tribune, Mar. 7, 1962]

AIR POLLUTION CONTROVERSY

(By O. B. Auguston)

This evening there will be, what looms up, as a very interesting meeting of the city council when the air pollution ordinance is supposed to get its third reading. The meeting place of the council and in order to accommodate the expected crowd, has been changed from the council chambers to the city auditorium. Apparently the council will hear both pros and cons, favor and opposition, to this proposed ordinance. And we imagine the city fathers are striven between the two camps of thought. All of this controversial subject stems from the feather plant incident wherein we find a large segment of our city protesting odors which have been coming from this particular plant. And, as we have maintained before, those people have had just cause. We too believe in clean air and we should surely try to keep our air as clean and pure as possible. And surely as we have stated before, our citizens have a right to champion clean air as they often do for clean pure water. This right of our citizens should never be forgotten in this entire controversy. We live in an area of town not affected but if we were living in the area really concerned we would kick like steers with the rest of those folks. The point at issue seems to be the extent to which the proposed ordinance goes in trying to meet the problem of air pollution. Those who are seeking to encourage local industry fear that too drastic an ordinance will discourage plants from locating here, providing more employment and more payroll which our city needs. They too have a point if we are to build our city which has seen some of its payrolls decline. So one sees two forces arrayed and opposing each other and one wonders if in this matter, like most questions of this nature, there is not some middle road of compromise. An ordinance that will be strong enough to avert instances like the feather plant odors which we have found quite extreme and still not so drastic that it would become an extreme discouragement for most any kind of industry to locate in our city. We want a clean city and with as clean air as possible. At the same time we surely do not wish to establish a reputation as a city which does not want industry. Somewhere in the middle of these two schools of thought may be found a happy medium that would be acceptable to both the citizens of the community and industry or those who would promote more industry. The air pollution we have had in our city has been declared a nuisance and one only has to live in that part of town most seriously affected to so designate it. At the same time in our fervor for such an extreme case of air pollution we do not exactly want to burn down the house to catch the rats. Perhaps out of the meeting tonight will come some solution of this controversial issue. Surely we may need some sort of an ordinance that will avoid repetitions of the gravity of the feather plant nuisance odors and this perhaps can be arrived at without too severe provisions that could needlessly hurt us industrywise.

[From the St. Paul (Minn.) Pioneer-Press, Dec. 10, 1961]

CITIES SPEND MORE AND MORE FOR PURE AIR

(By Richard A. Williams)

The expression "free as the air we breathe" rapidly is going out of date.

Cities are spending more and more money to eliminate or curb the pollution which industries, homes, and automobiles pour into the air every day.

How great is the problem? Atomic fallout has received an enormous amount of publicity, but one State public health official said he is more concerned about the pollution in the air at the intersection of Seventh and Robert on a busy shopping day than he is about the fallout from atomic tests.

And he has good reason to be concerned because there is statistical evidence that air pollution contributes to lung cancer, heart disease, and other illnesses such as the bronchitis which is so prevalent in London, England.

In the Twin Cities, the most immediately noticeable effect has been irritation of the eyes. How unhealthy this is will depend upon your point of view; nevertheless, it is uncomfortable and could be the forerunner of more serious ailments.

George Rascka, associate chief of the radiation and occupational health section of the State department of health, says there are three main sources of air pollution in the Twin Cities metropolitan area.

The pollution can be attributed in roughly equal amounts to industrial, home, and automobile wastes, he said. This isn't true in other areas. In London, for instance, coal smoke predominates while in Los Angeles, where much has been done to clean up industrially, about 60 percent of the trouble is attributed to automobiles.

And home activities shouldn't be discounted. An illustration of the effect backyard activities can have on the air is the smoke haze that hangs over the city during leaf-burning time in the fall. Rascka predicts the time will come when people won't even be allowed to burn trash in their backyards.

In fact, the burning of trash and garbage at public dumps may be eliminated by the use of sanitary landfill types of disposal or through community-type incinerators.

These new methods of home waste will call for the expenditure of public funds. Industry already is being required to take steps to eliminate its stack wastes.

Now, in Los Angeles, the city officials are thinking in terms of exhaust suppressors for automobiles. These would be an expense to the owners of the vehicles.

With the St. Paul-Minneapolis metropolitan area growing the way it is, the problem is going to become more troublesome with the passage of time. There is no doubt that before the problem is licked, the air the citizens breathe no longer will be free.

But the price the citizens will pay for a breath of fresh air in the future can be reduced materially by some relatively inexpensive preventative measures now.

ADEQUATE STAFF FOR MINORITY

Mr. DIRKSEN. Mr. President, on Tuesday last the Senate was presented with the highly important matter of providing funds for the Antitrust and Monopoly Subcommittee under the leadership of the distinguished Senator from Tennessee [Mr. KEFAUVER]. In the course of the discussion, I offered an amendment to increase by $25,000 the amount to be expended by that committee for its work during the present Congress and the present calendar year. That amendment was the result of a compromise and a general discussion which was had with all parties in interest.

My very distinguished friend from Pennsylvania [Mr. CLARK] took occasion to remark that this was "a Republican maneuver"; and the distinguished Senator from Wisconsin [Mr. PROXMIRE] was impelled to remark that this was an "upside down approach to budget cutting."

I cannot leave the permanent RECORD stand in that fashion. First, I point out that I tried to cut the amount by $100,000 in the subcommittee, and it was voted down by a party vote. Second, it was agreed in the full committee that the minority should have additional staff. Third, it was agreed in the Committee on Rules and Administration, and inserted in its report, that no agreement contrived in the full committee should be impaired or modified by any reduction that might have been allowed by the Rules Committee.

All of these matters were disclosed before that time, and it just seems to me that where there is a passion for truth and fact, the whole bundle should be set forth, because the CONGRESSIONAL RECORD is read, not merely here in Washington, but in all sections of the country. It is a permanent RECORD. It is used by youngsters when they debate in high school and college. It goes to nearly all the libraries of the country. Since these debates appear in the body of the RECORD, it occurs to me that we ought to be pretty careful to set out the whole package, so all the facts are readily available and so readers do not have to skim through the whole RECORD.

It makes me a little curious and makes me wonder whether the New Frontier is going to have a new one-way street. To be logical about it, I suppose they should try to deny us all our staff, give us nobody, give us no weapons, give us no instrumentality with which to do our duty, and then let the pilloring and the

harassment of the business confraternity of the country go forward full tilt. Then we would have an open door and they could do anything they would like to contrive.

When we look at the 1960 election returns, it will be noted how close the Republicans came to winning the presidency. The minority party spoke for nearly half of the people of the country, who saw fit to vote the Republican ticket. They are entitled to be heard.

The only way they can be heard in this body is through their elected Senators. The only way those Senators can properly and adequately do their duty and discharge their responsibility is to have more personnel.

I was going to ask the Senator from Wisconsin [Mr. PROXMIRE], if he were here, what he would think if the University of Wisconsin football team trotted out on the field with 2 players and the California team in the Rose Bowl trotted out with 11 players. Someone would say, "What kind of a business is this? Is this the way to run a railroad?" [Laughter.]

Mr. President, I ask unanimous consent for 2 additional minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. DIRKSEN. The record shows that the Senator from Tennessee [Mr. KEFAUVER] has 31 on his team and it shows we have 4. That is a very considerable disparity when the minority attempts to properly do its duty.

The distinguished Senator from Wisconsin [Mr. PROXMIRE] mentioned Roscoe Drummond, celebrated columnist, in connection with budget cutting. I am glad he did. If I remember correctly, Roscoe Drummond wrote one column last year on the question of staffing, and he castigated not only those on the other side, but me and others, for failure to do something about it. I am glad to use Mr. Drummond as a witness in the case.

So, having made his case, we caused a study to be made by the Legislative Reference Service, and I expect at an early date I shall be conferring with the distinguished majority leader and the distinguished acting majority leader on the question of staff adequacy.

But I do not like to be pilloried on the floor and let it be made to appear that the minority leader has reversed course simply because he gets a few dollars out of the contingency fund. Before all of this amount can be spent, we want to get a little of it for adequate staffing.

I have only one more thing to say. There appeared in the Washington Star some weeks ago a cartoon of me by a distinguished cartoonist, Jim Berryman.

Mr. President, I ask unanimous consent for 2 additional minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. DIRKSEN. The cartoon depicted a table on which was a whole series of cutting tools for use by the minority leader when he starts out to cut the budget.

I wrote Mr. Berryman a note, "Jim, send me the original, but when you do, I want you to take the dent out of the meat ax and sharpen it with a grindstone, because I do not like to deal with dull tools." [Laughter.]

I am going to be determined that on this floor an appropriate, accurate record is made; and if it is not made I am going to get out the broadax and put it on the grindstone and then there is going to be some business.

So I say to the Senator that I am sure it was an inadvertence when he said what he did about trying to get a little money for additional Republican staff members, so that we can adequately and efficiently pursue Mr. KEFAUVER in whatever the agenda of the subcommittee is. That is little to ask, especially now that the Antitrust Subcommittee has taken on international attributes. The subcommittee is going to Brussels before Easter. They are going to talk with the Common Market. They are going to Paris. I am not going with them. I have business here, and I will send no minority staff man, either. All we want is people to help us do the work.

If we ever get around to the time where there is a constituency on the moon, and they are violating the Clayton Act or the Sherman Act or the Federal Trade Commission Act, that trip I might take sometime. However, when I do I want to be sure that we have had all the necessary staff work done so we can come back from that great stellar orb in the firmament and give the Senate a proper report.

Therefore, I was just going to put this all into one package. This staff problem has been besetting the Senate for a long time. We have been inadequately staffed. We have had 40 as against 3. We asked for five. In a way, I am sorry that we compromised. Instead of getting five, we will get four. That is awfully meager. I am willing, like Lazarus, to take whatever drops from the table, if they drop just enough for us to do our job.

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

Mr. DIRKSEN. I yield. However, I must ask for additional time.

The VICE PRESIDENT. Without objection, the Senator from Illinois is recognized for an additional 2 minutes.

Mr. HUMPHREY. I only wish that this same point had been made by my good friend 10 years ago, in 1953, when the committees had Republican majorities. I am one of those who like to see these inequities remedied, no matter how late, or how long we waited for a change. However, I wish to say to my good friend from Illinois that if he wants to take that trip to the moon, I believe we can get an even bigger appropriation.

Mr. DIRKSEN. I will not go unless the Senator from Minnesota goes also.

Mr. HUMPHREY. Further, I should like to say to him that he makes such a great contribution to our deliberations and is so jovial and makes such good sense that I hope he will decide not to go to the moon, because if he and I get together, I am sure we can agree on sending someone else. I am sure we can agree on someone else.

Mr. CLARK. Mr. President, as always, I am completely overwhelmed by the oratory of my good friend from Illinois, and his crushing and logical argument leaves me breathless for reply. His defense of minority rights in the Senate makes me recall his strong stand on the antifilibuster resolution only a short time ago.

I am quite in accord with him that there ought to be more minority staff members on all the committees. I hope that he will join with me and, I hope we will be joined by the Senator from Nebraska, whom I see on the floor now, in bringing out that resolution, for a complete investigation of all the rules and customs and manners of the Senate, including minority staffing of the committees. I for one shall be glad to support him in seeing to it that the somewhat underprivileged minority of the Senate should have an adequate number of coaches, so that when the time comes for them to stand for reelection and perhaps try to capture some of the seats on this side of the aisle, no one will be able to say that they do not know the score.

Therefore, I commend the Senator for his defense of the minority. I point out only that in connection with this particular subcommittee we are discussing, I was of the view that the subcommittee was already badly overstaffed. I had no objection whatever to the staffing being adjusted so that the minority would have appropriate representation, and I commend the Senator from Illinois for coming to the floor and speaking again on this matter. I only say, in defense of the Senator from Wisconsin, who is not here, that he was talking primarily, not about the minority staffing in the Senate, but that the honorable, able, wonderful, and historic party to which my friend from Illinois belongs, having marched up the hill in defense of cutting the budget, had turned around, like the troops of the King of France, and has increased the defense budget by over $1 billion.

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

Mr. CLARK. I am happy to yield.

Mr. DIRKSEN. I am absolutely overwhelmed by this burst of charity coming from the distinguished Senator from——

Mr. CLARK. Pennsylvania.

Mr. DIRKSEN. Pennsylvania. The distinguished Senator from Wisconsin did take occasion to point out that it was the minority leader who was asking for $25,000.

Mr. CLARK. However, he was talking mostly——

Mr. DIRKSEN. He mentioned the minority leader in the RECORD. The fact is, he came to my desk after the Committee on Rules and Administration had taken action, and he said to me, "We cannot even give you one; not even one."

Mr. CLARK. That was not the Senator from Wisconsin.

Mr. DIRKSEN. No; it was the Senator from Tennessee.

Mr. CLARK. Whose name has just come into this discussion.

Mr. DIRKSEN. Therefore, entreaties and supplications and importunities, and everything else we tried were of no avail, and we had to bring it out here on the floor of the Senate and fight it out here. I was glad to do it.

I do not like to see thousands of copies of the CONGRESSIONAL RECORD go out all over the country, and have it appear that the minority leader was reversing his position with respect to economy in the Federal budget. What we are trying to do is get enough people to help us, so that the ax might cut even deeper.

RATIFICATION OF ANTI-POLL-TAX AMENDMENT BY THE STATE OF NEVADA

Mr. HOLLAND. Mr. President, I am happy to inform the Senate that the State of Nevada on Tuesday of this week, March 19, ratified the anti-poll-tax amendment which the 87th Congress submitted to the States last year.

This brings to 23 the number of States which have ratified this important amendment, which would eliminate the prerequisite that a poll tax or any other tax be a requirement for voting in a Federal election.

I am informed that the Assembly of the Nevada Legislature ratified the amendment on Tuesday by a vote of 34 to 0. The Nevada Senate approved its resolution ratifying the amendment a month before on February 19, by a vote of 14 to 0. The action of the Nevada Assembly completes ratification of the amendment.

I wish to express my sincere appreciation to the distinguished senior Senator from Nevada [Mr. BIBLE] and to the distinguished junior Senator from Nevada [Mr. CANNON]. Each of the Senators cosponsored and supported my resolution vigorously to passage in the 87th Congress, and lent his effective assistance this year in bringing the matter to the attention of his State legislature, with the most gratifying result which I have announced today.

In addition to this good news, Mr. President, the legislatures which at present are in session in many of the other States are considering this matter at this time. Among them, either the house or the senate of the legislatures in five States has ratified the amendment. Those States are Arizona, Connecticut, Kansas, Massachusetts, and Wisconsin.

I express my appreciation to the Senators representing each of those States for the splendid progress made thus far. I hope that we soon shall hear that each of these States has completed ratification of the amendment.

Mr. BIBLE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the distinguished Senator from Nevada.

Mr. BIBLE. I appreciate the sentiments expressed by the Senator from Florida. It was a real pleasure to work with him on this measure. The unanimity in the Nevada Senate, as shown by the vote of 14 to 0, and the vote in the Nevada Assembly, of 34 to 0, likewise unanimous, indicate that the feeling of the people of Nevada is similar to or exactly the same as that of the Senator from Florida. He is to be commended for the fight he has been making.

I hope that the amendment will soon be reaching the end of the trail and that its final ratification will be consummated in the very near future.

Mr. HOLLAND. Mr. President, I am most grateful for the gracious comment of the Senator from Nevada. I do not believe that the action of the Legislature of Nevada, as shown by the results just reported, would have been possible without the very helpful work which was done by both the distinguished Senators from Nevada, through their aggressive and continuing support of the amendment.

NEWSPAPER STRIKES IN CLEVELAND AND NEW YORK

Mr. LAUSCHE. Mr. President, in my native city of Cleveland, which has a metropolitan population of approximately 1,800,000, the 2 major newspapers have not been published since November 29, 1962, because of a labor-management dispute existing between the publishers of the newspapers on the one side and 11 labor unions on the other.

In Metropolitan New York having a population of 12 million, the 8 major newspapers have been out of circulation since December 7, 1962, because of a labor dispute with the International Typographical Union.

Obviously, the owners of these newspapers as well as the workers and the general public have been seriously and adversely affected by these work stoppages. The evidences of what is going on indicate that the prospects of a discontinuance of these strikes in New York and Cleveland are practically nil. Neither the publishers nor the labor unions are prepared to yield. They are supposedly of equal strength—the one insisting upon the surrender of the other.

While this fight to the death is going on, other business enterprises and workers, and the general public, as well, are being adversely affected. The problem has reached proportions so great that the President of the United States felt obliged to make a statement in connection with the controversy. He stated that the union was "attempting to impose a settlement which could shut down several newspapers in New York and throw thousands out of work."

It is assumed that the President's statement was motivated by his knowledge that some of the New York newspapers, even before they were closed down by the strike, had severe financial problems. The eight publishers of New York and the two publishers of the Cleveland newspapers have insisted that they cannot meet the demands of the unions with any hope of survival.

The unions, on the other hand, reject the positions taken by the publishers. They contend that the publishers can meet the demands for increased pay, reformed working conditions, and for improved terms in employment security.

Recently, I read a statement attributed to the Secretary of Labor, Mr. W. Willard Wirtz, to the effect that collective bargaining in the United States is breaking down because neither management nor labor occupies a position of weakness requiring the one to yield to the other because of exhaustion. I disagree most violently with the implications contained in the alleged statements of Mr. Wirtz, the Secretary of Labor, that in our economy in labor-management disputes, the weak should yield and the strong should survive. That type of philosophy means that might is right and that ethics have no place in labor-management disputes.

If labor strikes are to be decided in our country on the basis of which of the two has the greatest economic and political power, then our democracy is doomed. I am unwilling to subscribe to that type of thinking.

Mr. President, it has been brought to my attention that a strong conviction exists in some quarters that the strikes of the typographical unions against the newspapers of New York City are tied in with the strike against the two newspapers in Cleveland in my own State of Ohio. I would, therefore, strongly urge that the Government Operations Committee of the Senate, headed by the distinguished Senator from Arkansas [Mr. MCCLELLAN], take a look at these two strike situations for the purpose of finding the answers to the following questions:

Are the two strikes tied together in any way?

Is the settlement of the Cleveland strike dependent upon the settlement of the New York City strike?

Is there an understanding among the unions involved that the picketing must continue until a settlement is reached with respect to all of the claims of all of the unions?

Is there an understanding between the New York publishers and the Cleveland publishers that no settlement shall be accepted by one or more of the publishers unless the same settlement is entered into by the unions with all of the publishers involved in the strike?

Mr. President, it is my view that the principal object of such an investigation should be the gathering of all the facts needed to serve as the basis for a legislative program which would accomplish the following goals:

An effective enforcement of the freedoms intended by the Declaration of Independence and the Constitution of the United States to be enjoyed by both the managers of business and industry and the working people of the Nation;

The prohibition and elimination of conspiratorial combinations fixing prices and illegitimate commercial practices, or practices otherwise creating monopolies at the expense of the general public;

The enactment of provisions that will insure to the workers, to the publisher, the businessman, and to the public generally, the full enjoyment of their constitutional rights without impairment because of improper combinations amounting to monopolies.

Mr. President, since I dictated this memorandum and had it typed, I read in the newspapers, this morning, that Mr. Bridges, of the Longshoremen's Union on the west coast, said that if the recommendation made for the settlement of the Longshoremen's strike had not been accepted, he would have acted to paralyze shipping on the west coast. In that event, the east coast, the west coast, and the gulf coast

would have been imperiled and shipping on all those coasts would have been shut down because of the combination of activities of labor leaders in those three areas of the country.

Mr. President, I yield the floor.

SOMETHING TO THINK ABOUT

Mr. DOMINICK. Mr. President, the December 3, 1962, issue of Steel Magazine contained on page 18 an article which reported, among other things, the award by the Department of the Interior to a foreign bidder of a contract, in the amount of $3,200,000 for eight pump turbines. The lowest bid from a domestic bidder was $3,481,000. The difference would thus appear to be a matter of $281,000; and some persons might conclude that the Department of the Interior has saved the taxpayers this sum. But has it? This is a vital question.

There has recently come to my attention an analysis of this transaction which shows that, instead of a saving to the taxpayers of this Nation, the awarding of the contract to the foreign bidder may well result in a loss of more than $1.5 million.

The analysis was prepared by the National Association of Manufacturers; and it certainly offers something to think about. I ask unanimous consent that portions of the article be printed at this point in the RECORD.

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

On the basis that the domestic bidder would have realized 10 percent profit before Federal income taxes and that this increment of earning would have been taxed at the rate of 52 percent, the tax thereon would have amounted to $181,012.

Payment of the net earning in the amount of $167,088 to the domestic bidder's stockholders might be deferred in part or all, but it would ultimately go to the stockholders and on the basis of an average tax rate of 25 percent their tax thereon would have amounted to $41,772.

On the basis that the domestic bidder's direct labor and salary costs would have been 30 percent of his bid price and that his employees would have been taxed at an average rate of 20 percent, their collective tax thereon would have amounted to $208,860.

On the basis that the domestic bidder's direct material costs would have been 30 percent of his bid price and that his suppliers likewise would have averaged 10 percent profit before taxes and would have been taxed at the rate of 52 percent, the tax thereon would have amounted to $54,303.60.

With 30 percent of the domestic bidder's price remaining for overhead expenses, which for the most part include services, supplies, replacements, etc., and with the suppliers thereon making an average of 10 percent profit with a tax rate of 52 percent, the tax thereon would have amounted to $54,303.60.

Thus, for an implied saving of $281,000 by placing this contract with a foreign bidder instead of the lowest domestic bidder, the Government stands to lose $540,251.20 in taxes just from the domestic bidder, his stockholders, his employees and his direct suppliers. If consideration is extended to indirect stockholders or owners, indirect employees and indirect suppliers, the tax loss to the Government could conceivably be two or three times the amount of $540,251.

The $3,200,000 to be paid to the foreign bidder will, of course, further deplete this Nation's gold reserves which are already approaching a sad state.

With our Nation's high unemployment and attendant high unemployment taxes to support the unemployed, together with high welfare costs for those who have exhausted their unemployment benefits, it is inconceivable that the Government would place this contract with a foreign bidder under any circumstances.

Mr. DOMINICK. Mr. President, it should be noted that the analysis dealt largely with the dollar cost, in terms of the loss of tax revenue, to the Federal Government. Even more important, to my mind, is the need, where possible, to provide job opportunities for our unemployed. Here was a clear opportunity for the Federal Government to give private industry an opportunity to prosper and expand, and thereby to provide much-needed jobs for American workers, instead of further distributing American taxpayers' funds to foreign countries, at the expense of our own citizens. The Department failed to recognize the opportunity; and the cost of Government continues to climb. This is not the only example of this mistaken evaluation of bids. Similar matters have been called to public attention in connection with Department of Defense contracts for steel and other equipment. In the evaluation of bids of this type, such opportunities for American private industry and such job opportunities for our unemployed should be taken more fully into consideration.

BARGAINING AGREEMENT BETWEEN POST OFFICE DEPARTMENT AND SIX EMPLOYEE ORGANIZATIONS

Mr. JOHNSTON. Mr. President, yesterday I had the pleasure of participating in a ceremony at which the Postmaster General signed the first bargaining agreement with six employee organizations representing the Nation's half-million postal employees. In scope, it is the largest agreement of its kind in our history.

The occasion was of great historic importance to these loyal Federal employees, and it marked a milestone for the Post Office Department in employee relations, this agreement—made official yesterday—will be good for the Federal Government and good for the employees. Not only will the provisions benefit both sides, but also this contract marks a great stride forward in the President's new labor-management program, by giving official recognition to our Federal employee organizations. I join with those who hope and believe that through this agreement we may see the dawn of a new era in the Federal service.

For many years, I have sponsored employee-recognition legislation to bring about an enlightened program such as this one. I am very much pleased that the President has moved ahead through his Executive authority in this field.

I congratulate the Post Office Department on its work in putting into effect the President's program. Much credit is due Postmaster General J. Edward Day for his untiring efforts and friendly cooperation. Credit is also due the Department of Labor for the fine pioneering work it did in establishing the ground rules for this agreement. I congratulate also my many friends—both leaders and rank-and-file members—in the employee organizations. They have worked long and hard to achieve the recognition accorded them yesterday. I rejoice that their efforts are now being rewarded.

SECRETARY McNAMARA AND THE TFX

Mr. MONRONEY. Mr. President, because of the confusion that has been generated by the Senate committee's investigation of the TFX contract, I wish to have printed in the RECORD today's article by Walter Lippmann, as published in the Washington Post.

In the article it seems to me that Mr. Lippmann has put in clear context the major issue before the Congress in this matter; namely, the right of the Secretary of Defense to be the final arbiter over the vast defense appropriations. The issue has been confused by the running newspaper stories. In this article Mr. Lippmann clearly stated the case for the one basic design for Air Force and Navy fighter aircraft and the reason why vast economies can be made by this concentration.

So, Mr. President, I ask unanimous consent to have the article printed at this point in the RECORD.

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

McNAMARA AND THE TFX

(By Walter Lippmann)

After swimming around for a while in the sea of technical detail of the TFX argument, I emerged dripping with facts and wondering, since there is so much that I do not understand, whether there is anything which I am entitled to write about. However, while I have nothing to say about the use of titanium, of thrust reversers in supersonic flight, or even about high inlet ducts in the propulsion system, there is, I think, a simple and important question at the heart of the argument between Secretary McNamara and his critics.

There are, as I see it, no villains involved, and there is not a shred of evidence to show that the contract went to the General Dynamics Corporation because the Vice President is from Texas, or that Senator JACKSON has been doing anything improper because the Boeing Co. is from the State of Washington. The crux of the argument is not technical, military, or political, but economic. From the beginning Secretary McNamara's conception has been governed by his intention to keep the defense budget, which is already enormous, from becoming uncontrollably larger.

In order to keep military spending within some limit, it is necessary to sacrifice perfectionism in the choice of weapons. If money did not matter, each of the three military services could be allowed to build for itself the most perfect specialized tactical fighter. But since money does matter, the Defense Department has to forgo demanding the best weapons that unlimited money could buy and to content itself with the less perfect weapons that will do the military job. Secretary McNamara's friction with the uniformed hierarchy stems from his commitment to the basic proposition that if military spending is not to run wild, the weapons chosen have to be fully adequate but less than perfect.

Thus, Secretary McNamara has, as Mr. Reston reminded us the other day, canceled the nuclear powered airplane and the Skybolt missile, he has opposed the all-out development of the RS-70, and has given up two or three other very expensive projects which, in his judgment, are not necessary military weapons but military luxuries. In the same way of thinking he has been insisting that for the new supersonic tactical planes, which both the Navy and the Air Force need, every effort should be made to develop one tactical fighter plane that can be adapted to the needs of each service.

The whole controversy turns on this. The General Dynamics proposal is very much nearer to being one plane for both Navy and Air Force than is the Boeing proposal. According to Secretary McNamara, the Boeing proposal is in fact for two much more specialized fighter planes. The General Dynamics proposal is for "an air-frame design that has a very high degree of identical structure for the Navy and the Air Force versions," whereas in the two Boeing versions "less than half of the structural components of the wings, fuselage, and tail were the same."

To illustrate how wasteful is overspecialization, Secretary McNamara tells us that the Navy now has a large number of aircraft out of operation for lack of spare parts while the Air Force has a $2.2 billion inventory of spare parts that are "already obsolete and practically worthless."

The judgments which Secretary McNamara is making in the choice of these very expensive weapons are judgments which somebody has to make. Congress has the right and the power to hold him accountable for them. Congress is not qualified and it hasn't the time to make those judgments itself. Congress also has the opportunity to review the Secretary's decisions. For these new complicated weapons systems take years to develop.

But the kind of judgment which Mr. McNamara is making is the kind of judgment the Secretary of Defense is meant to make. That is one of the main reasons why his office was created. We know from experience that it has not always been easy to find a Secretary of Defense who was competent to do that. In Secretary McNamara the country has a Secretary of Defense who in his training, in his practical experience, and in his technical knowledge of production, is remarkably, perhaps uniquely, qualified to pass judgment on a problem like that of the TFX.

NELLE WYRICK LEWIS

Mr. MONRONEY. Mr. President, early this year, one of Oklahoma's most distinguished women passed away. Mrs. Nelle Wyrick Lewis, who became one of Oklahoma's first women lawyers, first woman marshal of the State supreme court, and chief law clerk of the same court, passed away in Washington on January 15 of this year.

Mrs. Lewis was the wife of Gen. William C. Lewis, and the mother of Gen. William C. Lewis, Jr. Her husband served Oklahoma in many capacities—as U.S. district attorney, as State senator, and as an outstanding military leader in two World Wars. Her son has, since 1949, served as administrative assistant to Senator MARGARET CHASE SMITH, of Maine. He, too, holds a general's commission in the Reserves. Because of Mrs. Lewis' achievements and because of her great courage, I ask unanimous consent to have printed in the body of the RECORD the eloquent tribute to her which her son, William C. Lewis, Jr., has written in her memory.

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

NELLE WYRICK LEWIS, JANUARY 24, 1892–JANUARY 15, 1963, ARLINGTON NATIONAL CEMETERY

Because we feel that those who have been so thoughtful in their expressions of sympathy and condolences would be interested in certain facts of the life of Nelle Wyrick Lewis, whose internal beauty equaled her external beauty—and more important, because of how her experiences can possibly give hope to others—this is sent to you.

She was a remarkable woman of outstanding professional achievements. She did not attend college until her son was 6 years old. At that time (accompanied by her son), she returned to her native State of Tennessee and attended Cumberland Law University at Lebanon and from which she received her bachelor of laws degree. The motivation came during the time her husband was in the military service in World War I.

But before she completed her studies, received her law degree and passed the Oklahoma bar examination, World War I had long before ended. And instead of entering the practice of law at that time with her husband, she accepted appointment as marshal of the supreme court of the State of Oklahoma. She was the first woman to ever hold the position of marshal of a State supreme court. Subsequent to this, she became the chief law clerk of the Oklahoma Supreme Court. In this position, her principal responsibility was to supervise the drafting of legal opinions rendered by the members of the court. She wrote many of the original drafts herself—and had the distinction of being rated by two successive chief justices as the "best brief lawyer in the State of Oklahoma."

When the family moved to Duncan, Okla., she formed the law partnership of Lewis & Lewis with her husband—and after several years she retired from full practice but did not become inactive. A great source of pride to her was an event in 1939, when, upon the motion of her husband, she and her son were admitted to practice before the Supreme Court of the United States. On that occasion, the then Chief Justice Charles Evans Hughes observed that such was a historic first for the Court—the first time that an entire family where there was one child or more had participated in an admission ceremony before the Court.

She used to speak of this in connection with another distinction of which she was proud—that she "was the only woman whose husband and son were Generals in the Air Force Reserve."

What was practically unknown about her was that she was a woman of great political acumen—and that it was she who provided the backbone and impetus to the penny-postcard organization campaign for the successful candidacy of another great woman, MARGARET CHASE SMITH, for U.S. Senator in 1948. For the organization of that campaign was built upon the financial shoestring of a penny-postcard followthrough to the thousands, who signed the primary papers of MARGARET CHASE SMITH.

As outstanding as these achievements are, they do not reflect the true greatness of Nelle Wyrick Lewis—and the potential value of her life to others. These were accomplishments of happiness. Yet, she did far more in accomplishments marked with discouragement and saddened by tragedy in her health.

If the latter accomplishments could be summed up in one word, that word would be "comeback." In normal terms, "comeback" signifies the unusual and rare recovery from failure, loss or defeat.

But Nelle Wyrick Lewis made so many unbelievable comebacks that ultimately those comebacks were regarded by her, and the members of her family, as routine and normal—and certainly not rare. In fact, at the time she did finally pass away both she and her family were confident that she would make another one of those remarkable comebacks to which they had become accustomed.

She lived 29 years beyond the first time that doctors said she would die. That first gloomy prediction was back in 1934 when she and her husband were in an automobile accident and in which she suffered a fractured skull and three broken vertebrae and other serious injuries. Her doctors said that she would not live through the night. She suffered through a long and difficult year, but she came back with full recovery.

Next she suffered illness with her mouth and there was serious suspicion that she had cancer of the tongue. But she came back on that and ultimately the condition cleared up.

Her next illness was colitis, which her doctor said she would have the rest of her life. But, in time, she came back on that and recovered fully from it.

Her next illness was anemia. But again, in time, she made a comeback on that and with full recovery.

In 1950 in Waterville, Maine, she had her first heart attack. This was to be the first one on which she would make unbelievable recoveries.

In March 1952 she suffered a series of strokes and the doctors at George Washington University Hospital gave her only 6 hours to 6 months to live. Again in July 1952 she suffered a second series of strokes and was given no more than 6 months to live. Her paralysis was practically complete as she could not talk, she could not move her limbs, and her vision was blurred, as was her memory.

Some cells of her mid-brain were destroyed by the strokes—the cells which controlled her basic reflexes. Ironically, her brain cells that controlled the more advanced mental processes were not damaged. This made the situation all the more difficult for her for while her intelligence continued as bright as ever, she was unable to express thoughts because she could not talk, could not see clearly and could not even make signs because of the paralysis of her limbs.

But again, she made a remarkable and unbelievable comeback—for she taught the remaining unimpaired cells of her mid-brain to do the work that the dead cells had done before. It was a long and difficult battle but she won—and her comeback and recovery was so complete that she regained her sight to the extent of wearing glasses only for reading, of walking with a cane only to steady her, and regaining her speech fully.

In fact, on the very night that she finally passed away she was answering the telephone with the vibrance and bell-tone clarity that many people earlier had characterized as the "best telephone voice they ever heard."

She suffered the unbelievable number of some 2 dozen heart attacks. Repeatedly her doctor said that she could not survive during these attacks. On January 2, 1961, when she fought for 6 hours, her doctor requested authority for an autopsy from her family. Between May 1962 and January 1963, she had 12 heart attacks of the magnitude requiring hospitalization. In early December when she was at the hospital as a result of the ninth of these 12 attacks, her doctor told her family that she would never leave the hospital. Yet, she not only recovered from that attack sufficiently enough to return home—and to enjoy a full Christmas at home—but she similarly recovered from two subsequent attacks.

She would recover so well and so quickly from the attacks that as few as only two or three days hospitalization would be required. Indicative of her confidence and courage was the fact that when her husband and son took her to the hospital in these attack

times—her son driving and her husband administering oxygen on the way—she would caution them against getting nervous. As she left the house on her last attack, her confidence and courage was shown when she said she wanted her small transistor radio to take to the hospital with her.

In spite of all this physical adversity, she lived a full and happy life—for she never really was an invalid simply because she just didn't permit herself to be.

This remarkable medical history of Nelle Wyrick Lewis is given not just as a tribute to her—but also to demonstrate what courage can accomplish—and to give courage to those who may have lost hope—to show what can be accomplished even in the face of physical adversity.

Its objective is to encourage afflicted persons—and their families so endeared to them—to make adjustments—to live their lives with as much happiness, optimism and faith as they can—and to resist the understandable despondency that can paralyze the lives of such persons and their families.

For if Nelle Wyrick Lewis had let such despondency capture her and her family, she would never have enjoyed the tall and stately green spruce and fir trees, the beautiful white birches, and the ocean at her home in Cundys Harbor, Maine—she would never have enjoyed the beautiful Maryland spring with its myriad of multicolored blossoms of the dogwood, redbud, apple, peach, and cherry trees; and the azaleas, forsythia and mock orange plants; the cardinals, bluebirds, robins, mockingbirds, and even quail; and the chipmunk, squirrels and rabbits that she watched through the picture window from her comfortable rocking chair at the home of her son—she would never have enjoyed the miracles of television that kept her active mind abreast of the public and political affairs, in which she had such a keen interest.

Repeatedly she counseled that if you believed in something strongly enough and set your heart on achieving it enough, you would realize your dreams. She practiced, and literally lived, what she counseled, in spite of physical adversity, until her remarkable heart finally went to sleep.

Yes, she was "quite a girl"—even if we do say so.

SOUTH DAKOTA'S JOE FOSS FEATURED IN AIR PROGRESS MAGAZINE

Mr. McGOVERN. Mr. President, one of the most dramatic chapters in World War II is the story of South Dakota's Congressional Medal of Honor winner, Joe Foss. Foss, who later served as the Governor of my State, was the first American fighter pilot of World War II to equal Capt. Eddie Rickenbacker's World War I score of 26 enemy planes shot down.

Now serving as the commissioner of the new American Football League with headquarters in Dallas, Tex., Joe Foss continues to hold our admiration for his brilliant work as a Marine pilot in World War II. Air Progress magazine in the April–May 1963 issue features a dramatic account of Mr. Foss' achievements. I ask unanimous consent that this article be printed at this point in the RECORD.

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

CAPT. JOSEPH J. FOSS

Congressional Medal of Honor winner Capt. Joseph Jacob Foss was the first American fighter pilot of World War II to equal Capt. Eddie Rickenbacker's World War I victory score of 26 victories. Foss, a U.S. Marine flier, registered all his victories in the short period of 3 months—during which time he was suffering from malaria. Although the majority of the Marine ace's victims flew the technically and numerically superior Mitsubishi Zero, Joe Foss and his men turned the tide in the violent air fighting over the steaming jungles and shark-infested sea.

Foss was born April 17, 1915, in a small white farmhouse a few miles east of Sioux Falls, S. Dak. His parents of Norwegian and Scotch-Irish descent were simple living, hard-working farmers. As a boy, Joe roamed the countryside trapping wild animals for extra money. His dad, a superb marksman with a rifle, taught Joe all that he knew about guns. When Joe was a senior in high school, his father was killed and the responsibility of running the farm fell on the young man's shoulders.

Joe wanted a college education and he entered Augustana College in Sioux Falls in 1934, but he found it difficult to run the farm and study, too, so he left college after his freshman year. Then a dry season descended upon the area and the crops failed. Determined to get a college degree, Foss entered Sioux Falls College the following year and worked as the college janitor to support himself and his family. He was a member of the football and track teams and also did some boxing during his sophomore year. He sold 20 acres of farmland plus his car, and worked in his spare time in order to pay for his junior and senior college years which were spent at the University of South Dakota. He was graduated in 1940.

The future ace's first airplane ride occurred in 1934; by 1937 he had learned to fly in a Taylorcraft. Whenever he had a few dollars, Joe Foss would rent a plane at the local airport. He took ground school training at Rickenbacker Field near Sioux City. In February 1940, with $5 in his pocket, the airminded youth hitchhiked to Minneapolis to enlist in the U.S. Marine Corps. Second Lieutenant Joseph Foss won his wings in March 1941, and was made an instructor. On January 1, 1942, Foss was sent to photo school at Pensacola and then was posted in San Diego with a reconnaissance squadron. When he requested fighter duty, he was told that his 27 years made him too old. But repeated requests finally bore fruit and Lieutenant Foss was made executive officer of Marine Fighting Squadron 121 at Camp Kearney, Calif., August 1, 1942. Eight days later he married his childhood sweetheart, June Shakstad. By September 1, 1942, Capt. Joe Foss and VMF–121 were on their way to the South Pacific.

The squadron was equipped with six-gun Grumman Wildcats. Sixteen planes were on active duty. Foss led eight of these while the squadron leader led the remainder. The men liked Foss and called him "Old Foos." Flying from Henderson Field on Guadalcanal he shot down his first Zero on October 13, 1942. The Japanese pilot had surprised the Wildcat from 6 o'clock high, but his shots missed. As the Zero sped by, Foss fired and the Mitsubishi exploded. Then three more Jap fighters attacked the isolated flier. Their lethal fire put holes in his wings and destroyed the Grumman's oil system, causing the engine to overheat and freeze up. With the Zeros still attacking, Foss made a dead-stick landing back at his field unharmed. This fracas taught Foss a lesson—after this he kept a sharp lookout in all directions at all times. In fact, he soon earned the nickname of "Swivel Neck Joe."

Marine Fighting Squadron 121 was kept busy escorting torpedo planes and dive bombers, strafing Japanese supply areas, and intercepting enemy bombers. During the afternoon of October 23, Captain Foss took off on his second flight of the day to intercept a formation of 16 Japanese bombers with Zero escort. As 5 Zeros dived to the attack and Joe turned his flight toward them he spotted 20 more Mitsubishi fighters joining the melee. As he dived to gain speed, Foss fired at a Zero tailing a Wildcat and the enemy plane exploded with a blinding flash. A split second later he followed another Zero into a loop and destroyed it while both were inverted at the top of the maneuver. Coming out of the loop, Foss fired at a third Japanese fighter which crashed into the sea. The Marine flier's fourth victory for the day was another Zero sent down in flames.

Joe Foss' ability to score so rapidly is attributed to the fact that he was a superb marksman. The enemy appeared doomed once he pressed the firing button. The flight leader, in many cases, had to break away from a dogfight because of plane damage, shortage of fuel or ammunition. To conserve the latter, Foss often used only four of his six guns, alternating to conserve ammunition.

His victories mounted quickly. On October 25, Joe Foss shot down five Japanese aircraft. Five of his Wildcats were attacked by six Zeros that morning and "Old Foos" quickly rode the tail of one attacker, firing at long range. As its pilot bailed out the Mitsubishi disintegrated. Before the pieces had fluttered into the sea, Foss was slamming .50-caliber bullets into the belly of the second Zero and sent this crashing into the sea also.

That afternoon his third Zero of the day blew up after a short burst. Its engine almost smashed into the captain's wing man. During the confusion another Zero dived on the ace but the Jap's aim was poor. As the enemy plane sped by, Fosr sent it down out of control. When the pilots returned to the field almost out of fuel and ammunition, throttled back for landing, more Zeros attacked and shot down one of the unsuspecting marines. With two Zeros on his tail, Joe climbed into a cloud and quickly turned in a complete circle. When the trio emerged the Wildcat was behind the Japanese. With his last few rounds of ammunition, Foss racked up his 5th victory of the day, his 16th of the war.

After dispatching two reconnaissance float planes and a Zero on November 7, Captain Foss became separated from his flight. As he headed for home he was forced to fly through violent rain squalls which drove him far off course. When his engine began smoking and then stopped, Foss put the Wildcat into a long glide and dead-sticked to a belly landing in the water. The rough landing split the fuselage and the fighter sank almost immediately with the startled pilot trapped inside his flooded cockpit. Five, ten, twenty, thirty feet beneath the shark-infested waters until, at last, Joe Foss managed to break free and shot to the surface. The ace used chlorine capsules to keep the sharks away as the twilight turned to darkness.

After hours in the water, Joe heard the sound of a canoe and muffled voices, but he remained silent as the searchers circled about since the occupants could have been Japanese or unfriendly natives. Upon hearing a few English words, Foss finally cried out and was hauled aboard by a local white planter and helpful natives. He was taken to a mission on a deserted island and was well cared for until the U.S. Navy picked him up with a PBY Catalina flying boat. When Foss returned to Guadalcanal he loaded his Wildcat with razor blades, chewing gum, tobacco, cigarettes and magazines, and dropped all this in a sack over the mission in thanks for their kindness to him.

Adm. W. F. "Bull" Halsey presented Captain Foss with the Distinguished Flying Cross on November 9, 1942. The captain's flight outfit became known as "Joe's Flying Circus" and collected 72 victories during the time that Foss was in command.

Soon after the Distinguished Flying Cross presentation Captain Foss became severely ill while flying; by the time he landed he could

hardly sit up. With a fever of 104 degrees, there was no question but that Joe had a bad case of malaria. On November 19, he was flown to New Calendonia in a C-47. During his illness Foss lost 37 pounds. By November 30, the ace was in Sydney, Australia, on sick leave and it was here that he met two other famous aces of World War II—"Bluey" Truscott and "Killer" Caldwell.

One month later Joe Foss was back on Guadalcanal and on January 15, 1943, he was in a very tough dogfight over New Georgia, during which he shot down 3 more Zeros which brought his "destroyed" total to 26.

Eleven days later he was ordered back to the States. Although he stopped at Espertu Santo until February 17 to regain some of his strength, during the trip home he again became ill with malaria and was just about given up for dead on several occasions. But he shook it off and as the leading ace of the U.S. Armed Forces landed on the West Coast on April 19, 1943, and was given a hero's welcome. He was cheered, made speeches, conferred with the top brass on tactics and equipment.

Foss was ordered to the White House where, on May 18, 1943, President Roosevelt presented him with the Congressional Medal of Honor, the highest award the United States has to offer. In view of his extensive and successful battle experience the Armed Forces valued his ideas on air fighting and Joe became a tactical advisor to the U.S. Marine Corps.

Promoted to the rank of major, the ace agitated for more action and was placed in command of a marine squadron flying Vought F4U Corsairs. After training at Santa Barbara, the unit was in the South Pacific by March 1944. On many occasions Joe Foss flew with Col. Charles Lindbergh who was a technical representative of the Vought-Sikorsky Co.

After the War in 1946, Foss started a flying service with one airplane. Within 3 years, the outfit had 14 planes and 12 employees. Joe resigned his commission in the Marine Corps to become a lieutenant colonel in the U.S. Air Force Reserve. He then organized the South Dakota Air National Guard and became its commander and then chief of staff. He entered politics and was elected State representative from Minnehaha County in 1948 and 2 years later ran unsuccessfully for the governorship of South Dakota.

Foss returned to active duty with his Air National Guard in 1951 during the Korean conflict, but could not obtain a combat assignment due to an Air Force ruling which prohibits Medal of Honor winners from accepting frontline duties. The colonel went to Washington to seek a waiver of this ruling and even offered to give back his medal but he was politely refused. This was a man who really wanted to fight for his country.

In 1953, Foss was promoted to the rank of brigadier general in the South Dakota National Guard. The following year he was elected Governor. He is now the commissioner of the new American Football League with headquarters in Dallas, Tex.

Joe Foss will always be remembered as being typical of the handful of U.S. pilots who fought our Nation's enemies under the most adverse conditions and, with determination and skill, stopped the Japanese advance during one of the darkest periods in this country's history.

SENATOR BURDICK MAKES IMPORTANT AGRICULTURAL ADDRESS

Mr. McGOVERN. Mr. President, Senator BURDICK, of North Dakota, was a featured speaker at the Farmers Union Central Exchange banquet in St. Paul on March 6. On that occasion he delivered one of the most thoughtful and provocative addresses on the agricultural problems of today which I have yet seen. The Senator, who is known as one of the Nation's most distinguished authorities on agricultural problems, concentrated his remarks on the forthcoming wheat referendum. He asserted that this spring's wheat referendum is the "single most important event in agriculture this year."

I hope that the Members of the Congress will read Senator BURDICK's address and that what he has to say will be taken very seriously not only by his colleagues in the Congress, but by farmers who will be participating in this spring's wheat referendum.

I ask unanimous consent that this superb address be printed at this point in the RECORD.

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

REMARKS OF SENATOR QUENTIN N. BURDICK AT FARMERS UNION CENTRAL EXCHANGE BANQUET, MARCH 6, 1963

I consider it a real pleasure and a distinct honor to appear before the representatives of a great cooperative. Your institution has placed in the hands of farmers from my State of North Dakota and the great area of the Midwest tools with which to gain a better life on the farm. Great credit is due you for your part in the fight to retain and keep traditional rural America as a place for American families—a place where churches, schools and communities can exist and serve. The stress of economic forces has been difficult in the past. Your fathers and my father, Usher L. Burdick, served in the cause of the American farmer then. We must do it now. We must do it for the national interest and the national economy. Today we face a period of great crisis—a period of great decision, which will affect the economy of that vast area of the midwest extending from the Canadian border down the Missouri-Mississippi Valley.

The single most important event in agriculture this year will be the national wheat referendum.

The economic stakes in the referendum are tremendous. The choice wheat farmers make will be final and conclusive.

If two-thirds of the voting farmers approve, then the two-price wheat certificate program for 1964 will go into effect and farmers will be assured of a high level of wheat income with very little reduction in acres. The program also makes possible the orderly disposal of our surplus stocks of wheat which—unless reduced—threatens the whole price structure of our wheat markets.

On the other hand, if one-third plus one of the voting farmers reject the program, then I hesitate to predict the chaos and the disaster that will result—not only for wheat farmers but all of agriculture.

Most of the farmers served by this great regional cooperative—Farmers Union Central Exchange—grow wheat as a major cash crop. This is particularly true of those of you who live in Montana, North and South Dakota, Wyoming, and western Minnesota. There is not one among you who hasn't been deeply concerned in recent years with the increasing gravity of the wheat problem. Under the previous administration—under Mr. Ezra Taft Benson, in case you have forgotten—surplus stocks of wheat were permitted to pile up year after year for 7 consecutive years—until we had well over a billion bushels in our Government inventory.

That's the problem we inherited when the present administration took over in 1961.

It's not easy—and it's not pleasant—to remedy a chronic problem of such magnitude. It's not easy or pleasant for an administration nor for Congress charged with the responsibility of finding a workable solution—and certainly it is not easy or pleasant for the farmers who have the problem on their backs.

But this administration and the Democratic 87th Congress did not duck the problem—we did not run away from it and pretend the problem wasn't there.

As all of you know, we immediately took positive measures—and we did it against the bitterest, most obstructionist kind of partisan opposition.

Early in 1961 Secretary Freeman stepped up our wheat shipments abroad—both in dollar cash sales and through an expanded food-for-peace program. By 1962 we were shipping more than 700 million bushels of wheat abroad—that's more wheat than we use for all purposes here at home in 1 year.

In the closing days of the 87th Congress—against solid Republican opposition in both Houses of Congress—we passed the Food and Agriculture Act of 1962 which included the 1964 wheat program.

It was our judgment then—as it is now—that a two-price wheat certificate program is constructive, realistic, and workable legislation. There really is nothing now in the program. The two-price idea has been carefully considered by some of the best farm statesmen in Congress for many years. The two-price plan was written into the 1956 farm act but was vetoed by President Eisenhower for an entirely different reason. The certificate idea has been proposed and discussed by competent and thoughtful people in agriculture for over 30 years. The program assures the wheat grower $2 a bushel for 80 percent or more of his quota and around $1.40 for the balance.

The program is designed to reduce our surplus stocks of wheat to 600 million bushels within 4 years—this is an amount considered necessary for national security.

In addition the 1964 program further supplements the wheat growers' income by offering diversion payments for land taken out of wheat. These payments are at a rate of 30 percent of parity times normal average yield for the 10-percent mandatory cut in acreage and 50 percent of parity times normal average yield for additional acres.

The end result is that wheat growers will have a national wheat income equal to 1962, even with slightly reduced acres. The program is designed to bring in a wheat income of from $2.3 to $2.4 billion which I think is a very favorable level of income compared to other segments of agriculture.

Anyway you want to look at it—the issue—the only issue—in the national wheat referendum this year is economic. It is not a political test of strength—though some would like to have you think so. It is not a conflict of ideologies—though some would have you believe it is. It is not a test of a farmer's loyalty to one farm organization or another. It is simply a matter of dollars and cents—nothing more.

Do you want more wheat income or less? Do you want to reduce surpluses or add to them? Do you want order and stability in the market place or do you want chaos and disaster? Do you want $2 wheat or do you want 90 cent wheat?

I think the great national debate now going on about the 1964 wheat program is healthy. I wouldn't want it any other way. But in this instance, the tactics and public statements being made by the opposition point up how desperate they are—how intellectually bankrupt they are. The opposition has made us more concerned, more knowledgeable about the program, and more determined that the 1964 wheat program should be approved in this year's referendum.

It might be well to spend a few moments to sift the fiction from the facts.

Claims are being made that wheat farmers have nothing to lose if they vote down the program because—they say—Congress is patiently waiting at their beck and call to write another wheat program—a better program, mind you—as soon as the referendum is over.

I don't think many farmers will be hoodwinked. At least, I hope not.

There is absolutely no basis to believe or hope that Congress can or would pass another wheat program if farmers turn down this one in the referendum.

In the first place, Congress is in no mood to do it. The truth is, Congress is sick and tired of the wheat problem. The 87th Congress passed the program and now if farmers turn it down, the only logical interpretation Congress can make is that farmers don't want any program.

I'm not the only one who says this and believes this.

Here is what President Kennedy said on the subject in his farm message to Congress on January 31 of this year: "Net farm income at the end of 1962 was $1.8 billion a year more than it was in 1960 * * * The increase in farm income has generated added business for rural industries and farm communities, putting millions of dollars in Main Street cash registers and adding at least 200,000 jobs to the national economy * * * The successes of these principles have been made possible by a series of congressional and executive actions undertaken in the last 2 years * * * The success of these principles also calls for an affirmative vote in the forthcoming wheat referendum to be held under the permanent legislation enacted by the Congress last year. If two-thirds of the wheat producers vote this spring to approve the bushel marketing program authorized by that law, the present income of our wheat farms will be protected and the overhanging surpluses of wheat will be further reduced. Failure to approve the wheat program will leave the wheat farmer without either supply management or effective price supports—at the mercy of unlimited production and unprotected prices. I do not believe that anyone who clearly understands the choice would prefer a return to the depression conditions that preceded the initiation of price supports a generation ago. New legislation for wheat is neither necessary nor feasible this year."

Senator ELLENDER, the distinguished chairman of the Senate Agriculture Committee, had this to say—and I quote: "In my humble judgment it would be calamitous to the wheat farmers of the Nation if a negative vote is cast because Congress cannot and should not take action to further deal with the wheat problem for this year."

Congressman FRANK THOMPSON of New Jersey, I think accurately reflects the attitude of nonfarm Congressmen when he said, "If wheat farmers don't want a program which has scant support from the people in my district, neither do I."

There are 435 Members in the House of Representatives. Since the reapportionment resulting from the 1960 census, there are only 131 seats from farm districts—out of the 435. The attitude of Congressman FRANK THOMPSON, and other city Congressmen like him is important, since they represent the urban majority in the House. I knew FRANK THOMPSON when I was a Member of the House in the 86th Congress, and we could generally rely upon his vote for farm legislation. Because he came from a nonfarm district, he cast some very difficult votes—very unpopular votes among his constituents. When he says "if the wheat farmers don't want a program which has scant support from the people in my district, neither do I," I am certain that is what he and others like him will do. So don't rely upon any hope that a better wheat bill, or any wheat bill will be passed this year.

It is being said during this referendum campaign that if the 1964 wheat program is approved in the referendum, then government will be running the farms and not the farmers.

It is interesting to note, the opposition who is making this ridiculous claim, are the very same people who come back to Congress year after year and ask for renewal of almost identical programs for rice, tobacco, cotton, wool, and sugar. I say that if farm programs are right and necessary for these major crops—they are equally necessary for wheat—and with no more danger of government interference or controls. And I may point out, that if farmers want stabilized prices and supports, then there is no alternative but to comply with quotas. There is no other way. And the Department of Agriculture neither can nor wants control of the Nation's farms—and it never will.

Regulation and management does not mean loss of freedom or independence. Management of production in line with demand has been practiced and used by almost every other segment of our economy except agriculture. And I think it is about time farmers be given a chance to employ the same production and market techniques that have long been enjoyed by oil companies—the steel and auto industries—to mention just a few.

The claim is being made that the price of wheat would never go below $1.35 or $1.40 a bushel if the program is voted out in the referendum.

Even if this were true—which it isn't—that price level of $1.40 would be a disaster level for 90 percent of the wheat farmers in the Nation.

The facts are, wheat would probably go down to less than a dollar a bushel. I'll tell you why.

If there is no program for 1964, wheat farmers in the desperate and lonely effort to maintain gross income, would plant at least 65 million acres—that's a conservative estimate.

On that 65 million acres, farmers would harvest something like 1.5 billion bushels—that is 300 to 400 million bushels more than we could possibly use at home and ship abroad.

You pile that 400 million bushels on top of the present surplus stocks of a billion bushels and what do you think will happen to the price of wheat? The bottom would drop out and you'd be lucky to get 90 cents.

This would be bad enough if only wheat farmers got hurt—and thousands upon thousands would. But dollar wheat would wreck the feed grain market and it would wreck the livestock market. Cheap feed means cheap hogs—cheap cattle—cheap poultry—cheap eggs—cheap milk and cheap butter.

Knock out the 1964 wheat program and you would start a chain action that will knock down farmers in other areas of agriculture like bowling pins.

The claim is made that major wheat States in the Great Plains have lost acres to Eastern States and Southern States. This is absolutely untrue.

In fact, all major wheat States in this area have maintained their historical percentage of the national wheat allotment or have gained sizable increases in acreage at the expense of other States.

It has been claimed that the wheat grown in the Great Plains is superior wheat and is not the cause of our surpluses.

It is true that hard winter and hard spring wheat are superior in breadbaking qualities. But it is the soft wheats that are in most demand for ready-mix pastries and cakes and cookies. The biggest bulk of wheat in surplus is grown right in the Great Plains area. This is a fact we must face—as unpleasant as it may be. We cannot run from it—we cannot sweep the surplus under the rug and forget about it.

The opposition says "vote down this program and we'll get you a better one."

Well, nobody that I know has seen such a program. All we know is what they tell us. First, apparently, they want a massive land retirement program—a super soil bank. It would be tremendously costly, in terms of payments, to retire 65 million acres—and in terms of dried-up towns and closed-up businesses and of people seeking work in cities—it would be sheer disaster.

Secondly, they say wheat would then be sold at cash market prices and these prices would be sufficient—in time—because the production of wheat would be in line with demand.

The facts are, before all this would happen—before the price of wheat on the open market got up to a high stable level—there would be precious few family wheat farmers left. The sheer attrition of dollar wheat would see to that.

My friends, I have lived among you long enough to know that none of you are falling for these claims. The stakes in the referendum are great. The choice you will make is final and irrevocable. There will be no second chance. I urge you to consider your decision thoughtfully—based on facts. These facts are available to you—at your local ASC offices—from your local cooperative—at your county agent's office—at your land grant colleges. All major organizations, cooperatives and commodity groups directly concerned with wheat and feed grain—with one exception—are urging farmers to approve the 1964 wheat program.

But you must remember—the opposition needs only one vote to your two votes to defeat it. So it takes more than good attitude—it takes your vote.

It will take the dedication and determination of the type of men who built the Central Exchange.

Again I wish to say that it has been a great pleasure to be with you this evening. May I extend to your board of directors, your manager and to you, best wishes in your deliberations here in convention, and in all your operations at home.

SOUTH DAKOTA FARM YOUTH'S VIEWS ON AGRICULTURE

Mr. McGOVERN. Mr. President, one of the most sincere and effective statements concerning the problems confronting our farm families that has come to my attention in recent months is a letter I received from a young high school senior in White Lake, S. Dak., Mr. Larry Vissia.

Larry is an honor student and a delegate to Boy's State with a most promising future. Yet, limitations beyond his control have made it virtually impossible for his family to operate their farm successfully. He has indicated that he would be pleased to have his letter placed in the CONGRESSIONAL RECORD.

I ask unanimous consent that Larry's letter be printed at this point in the RECORD.

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

MARCH 2, 1963.

DEAR SENATOR MCGOVERN: Excuse me for bothering you like this because I know you receive many letters and you are very busy with your job.

I am a senior in White Lake High School and this spring I will graduate hoping to go onto college. As you know White Lake is a small town with farming as its life

blood, but what is going to happen to this small town if the present trend keeps up? Every year thousands of farmers in South Dakota and across the Nation are leaving hoping to go to the city to try to find employment. Let me give you an example:

In 1956 a man with five boys had to give up farming because the landlord of this farm sold it to another person who put it in the soil bank. This person who bought it was rich; he had several sections of land already and he did not need it. The farmer, who was set off the farm lost all his livestock and machinery to pay off a mortgage. He tried to start farming again, but there were no farms available. Why? Because these farms are in the soil bank and the large farms are buying out the small farmer. Where are all the small farmers going? To the city because they have no other alternative. Now to get back to this farmer. He is now a construction worker and a farm laborer. He works in the summer and has to draw unemployment in the winter. He wants still to get back on the farm, but he cannot because of the prices on pigs and cattle, and the price of feed. The price of hogs now is 15 cents and you have to pay 79 cents per pound at the grocery store. It costs you about $25,000 to start farming now and in order to get a loan you have to have a certain size farm and certain qualifications. This farmer I am talking about is 57 years old. How is he to get back on the farm at his age. Every day I have to look at his and his wife's down-hearted faces because they can't. You see they are my parents.

I received honor grades in school and last year I was a Boy's Stater. I have to make a choice now whether to go on to college or to stay home and help my parents get back on a farm. But how in the world am I going to do this? I am only a 17-year-old boy. Something has to be done about the situation of the farmer, and I hope that you will try to ease the situation.

I love and respect my parents very much and I want to do my best to please them. What should I do in this type of situation? I know my parents want me to stay and help them, but still they want me to go to college, too.

I have always admired you since I shook hands with you at Fish Lake last fall. I would very much like to have your opinion on this. Could this be just between you and me? Thank you very much for listening to this.

Respectfully yours,

LARRY VISSIA.

NATIONAL RICE WEEK

Mr. TOWER. Mr. President, most Americans tend to think of Texas as a beautiful land with vast herds of cattle, numerous oil wells, great cities, pretty girls, a wonderful climate, and unlimited opportunity for the young at heart. And all this is true.

However, Texas has much more than this. The State produces, as a rule, more rice than is produced in any of the other States of the Union. I say as a rule, for occasionally we allow one of the other States to come in first. We do this to keep them from getting an inferiority complex.

But I rise today not to say a few kind words about Texas, for all the world knows we are a modest people, but to say a word about the domestic rice industry's program of self-help.

As my colleagues know, the week of March 17 through 23 is National Rice Week. Capitol cafeterias and restaurants on Wednesday of this week featured free servings of rice with the compliments of growers, millers, and Members of Congress from the rice-producing States.

The rice industry has undertaken an extensive campaign of advertising this month in an effort to boost their sales. Advertising of rice is being done by private brand distributors and the Rice Council, a national organization of the rice industry for promoting domestic consumption. The council is supported by voluntary contributions from all rice growers and millers.

Mr. President, I offer my congratulations to those rice growers and millers who are doing what they can, on their own initiative, to increase the sales of their products.

And I urge my colleagues to partake of rice when they have the opportunity—Texas rice if at all possible.

PROFIT IN RECLAMATION

Mr. ENGLE. Mr. President, the Central Valley project is a blue chip investment. That is proven by the 1962 annual report for this great and growing reclamation project in California which shows that at its 25th anniversary it is financially solvent in high degree.

Last year the Central Valley project earned a net profit of $8,131,000 which was turned in to the U.S. Treasury. This net income, mind you, was over and above operation and maintenance expenditures, over and above provision for replacement and depreciation, and over and above interest paid on the power investment and the municipal water investment.

The new report just issued by the Bureau of Reclamation shows that the Central Valley project's 1962 gross income from irrigation repayment, power sales, municipal and industrial water sales totaled $17,865,000. The liabilities that I mentioned, including interest, totaled $9,734,000. The net for the year was $8,131,000.

Let me comment further about that interest item. We generally think of reclamation projects as being interest-free. Of course it is the irrigation costs that are interest-free. In the case of the Central Valley project, which observed its 25th birthday last October, it has now piled up accrued interest on its power and municipal water supply investments of more than $25 million.

In addition, in the same period, it has returned to the Treasury net operating income of $106 million. And in 25 years the value of its crop returns to the farmers it serves has reached a total of $2,300 million.

Mr. President, I think that is a pretty good financial record. One fundamental reason why it is so good, so far as repayment is concerned, is that on the Central Valley project we held on to the electric power as an integral part of the project. Proceeds from the publicly built, publicly owned, publicly operated power facilities account for 77 percent of the operating revenue of the Central Valley project to date. Irrigation repayment has accounted for about 20 percent; municipal and industrial water sales 3 percent. Obviously, power is the paying partner.

I said the Central Valley project is a growing project. The Trinity River division, which will add more power revenue, is just getting into operation. The San Luis division, authorized 3 years ago, is now under construction. The new Auburn Dam-Folsom South Canal unit is proposed for authorization by this Congress as another badly needed and likewise highly feasible addition to the project. I expect to request hearings on S. 351, my Auburn-Folsom bill, as soon as the Bureau of Reclamation's new engineering report on the unit reaches the Congress.

Mr. President, I am proud of the Central Valley project and the multiple benefits it has conferred on the people of California. I am proud of its sound repayment record. I am proud to have been the author or coauthor of every addition to the project since the initial authorization in 1937. The entire Congress can rightly share this pride which, I am sure, will be enhanced by the new Auburn-Folsom unit proposed in S. 351.

ANNUAL REPORT OF THE LIBRARY OF CONGRESS FOR 1962

Mr. JORDAN of North Carolina. Mr. President, during the last session of Congress I had the honor and the pleasure of serving as chairman of the Joint Committee on the Library, of which I remain a member. In that capacity, I gained new insight into the importance of the Library of Congress not only to the parent body but to the Nation. We have reason to be proud of our Library—the National Library of the United States—and the imagination and competence with which it is administered by Dr. L. Quincy Mumford and his able staff.

In his annual report to Congress for the fiscal year 1962, which was recently published, Dr. Mumford gives an account of his stewardship, pointing out, among other things, that 22 percent of the funds appropriated to the Library for fiscal 1962 were returned to the Treasury in the form of income. I believe that his report warrants our careful attention. Consequently, I would like to summarize it for the RECORD.

In the report Dr. Mumford examines—

First, the role of the Library of Congress as the National Library of the United States and the need for a commission on the Nation's library problems;

Second, the Library's efforts toward automating the information systems of research libraries in general but particularly that of the Library of Congress—one of the first Government agencies to mechanize its business operations;

Third, the present status in the Library's desperate need for space;

Fourth, the resounding success of the Library's Public Law 480 program to acquire and catalog foreign publications for 22 American libraries;

Fifth, the growth of the Library's collections by nearly 700,000 items to a total of nearly 42 million—in circumstances that dictate comprehensive collections to serve national needs but selective acquisition;

Sixth, the Library's many-faceted cataloging and classification programs

to control research materials—among them a publication called the biggest bargain of the year;

Seventh, an impressive array of new or expanded reference services to Congress, Government, and the public—especially scientists—as outlined below;

Eighth, varied national and international activities in cultural fields in which the Library has long been active because of its unusual collections—in music, poetry and literature, and fine prints;

Ninth, a staggering increase again in the sale of printed cards, the deposit of $2,792,099 in the U.S. Treasury from the sale of cards and technical publications, and the success of an experiment with card distribution; and

Tenth, the highest number of copyright registrations in history, fees of $1,043,588 (which funds are deposited in the Treasury) for registrations and other services of the Copyright Office, and issuance of a report on revision of the U.S. copyright law.

THE ROLE OF THE NATIONAL LIBRARY

In its continuing appraisal of its role and obligations, the Library of Congress had an opportunity in fiscal 1962 to review in depth certain basic assumptions about it in relation to a memorandum prepared by Douglas W. Bryant of Harvard University Library for Senator CLAIBORNE PELL, of the Joint Committee on the Library, for the purpose of constructive discussion. That objective, Dr. Mumford reports, was realized, and both the memorandum and an accompanying report on it by Dr. Mumford are published as an appendix to the Librarian's annual report.

Questions were raised in the Bryant memorandum with respect to the place of the Library of Congress in the Federal Government, its formal designation as the National Library of the United States, and a change in name to reflect such designation. Dr. Mumford points out that "the Library of Congress is in fact the national library of the United States" and that "the Congress, the Nation, and other countries fully recognize this role." He believes that Congress, moreover, "is willing to support not only this concept but programs in keeping with it." He notes that a change of name would "throw away the symbol of prestige and influence that years of leadership on both the national and international scenes have built," and that, although favoring formal recognition of the Library as the National Library, he would prefer to retain its name and its place in the legislative branch, and that "more than a century and a half of history cannot be abrogated."

Dr. Mumford reports also on his recommendation for a high-level permanent commission, created by Congress and appointed by the President, to consider the constantly developing and changing library problems of the Nation—whether at the Federal, State, or local level and whether in school, university, or public libraries—if the American library world is to meet the challenges created by the Nation's educational and research needs.

AUTOMATION SURVEY

After several years of study by members of the Library staff, the Library of Congress obtained in 1961 a $100,000 grant from the Council on Library Resources, Inc., for a survey in depth of the possibilities of automating the information system in the Library of Congress in particular and in research libraries in general. A team of experts engaged shortly before the beginning of fiscal 1962 completed its study after the fiscal year had closed, and a final report is expected in the spring of 1963.

Meanwhile, Dr. Mumford reports on supporting studies and on efforts to share experience with other libraries, and he adds:

> There is good reason to believe that the answer to the basic question—Is automation of the information system in a large research library * * * technically feasible?—will be in the affirmative. But solutions must be found for the whole range of problems involved in the task.

In addition to that survey, the Library also has underway a study of using a small-scale computer in its business operations, which were among the first in the Government to be mechanized.

SPACE PROBLEMS

Long-sought suitable space to provide partial relief for the Library's overcrowded conditions until a third building can be built was at least found late in fiscal 1962; 80,000 square feet of space with adequate weight-bearing capacity for heavy library materials and card-stock will be made available late in 1963 or early in 1964 in the Naval Weapons Plant, for the renovation of which Congress has provided a supplemental appropriation.

Plans for a third Library building were radically altered by the proposal for a Madison Memorial to be built south of the Library and to contain space for Library collections; since such space would provide for only about 24 percent of the Library's projected needs for 25 years but would permit scaling down the size of the third building, plans for a smaller third building were drawn by the Architect of the Capitol in fiscal 1962.

Dr. Mumford also reports on adjustments made within the present two buildings to create usable space, but little or nothing more can be done there. He concludes his introduction to his annual report that "in a third building there is hope."

PUBLIC LAW 480 PROGRAM

The first year of the Library's program to acquire foreign research materials under Public Law 480, as amended, was a resounding success in the 3 countries to which the program is limited and for the 22 American libraries that received the publications. From India, Pakistan, and the United Arab Republic some 400,000 publications were shipped to the Library of Congress and to 21 other research libraries by the close of fiscal 1962, after only a few months of actual operation. The participating libraries are contributing to the cost of operating the program and have also combined to finance cataloging programs for the materials received.

THE COLLECTIONS OF THE LIBRARY OF CONGRESS

Since a research library must grow if it is to serve its users, and since the National Library must have comprehensive collections, 664,313 items were added to the permanent collections in fiscal 1962. That number—about a quarter of a million fewer than usual—resulted from a highly selective acquisitions program. Simultaneously, surplus and deteriorated materials were "weeded out" where possible, and newspapers which have been microfilmed were removed from the collections. The total collections now number more than 41,879,900 items and include more than 12,534,000 books and pamphlets, 17,989,000 manuscripts, 3,088,000 photographic negatives, prints, and slides, 2,684,000 maps, 2,110,000 volumes and pieces of music, 587,000 fine prints and reproductions, 592,000 volumes in raised type, 481,000 containers of "talking books," 160,000 bound volumes of newspapers, 76,000 reels of microfilmed newspapers, 147,000 other reels and strips of microfilm, 150,000 microprint cards, 53,000 microcards, 68,000 reels of motion pictures, 120,000 phonograph records, and 1,033,000 broadsides, posters, and other materials.

CATALOGING AND CLASSIFICATION

A major characteristic of a national library is an active program for bringing under control materials for research not only in its own collections but in those of other institutions so that library users may exploit them. The many-faceted efforts of the Library of Congress in this field began more than half a century ago, and the current status of many such projects is discussed in the pages of the annual report.

But the most interesting for fiscal 1962 is a 6-pound, 1,100-page catalog published at no expense to the Government, "The National Union Catalog of Manuscript Collections." Compiled and produced by the Library of Congress through a grant from the Council on Library Resources, this initial volume represents this country's first success in bringing bibliographic control to the tremendous numbers of manuscripts that are scattered throughout the land in thousands and thousands of collections. At $9.75, it is described by Dr. Mumford as "one of the biggest bargains of the year for research institutions."

REFERENCE AND BIBLIOGRAPHIC SERVICES

The account of the Library's increased reference services in their many aspects is a formidable story in itself—without regard to the initiation of new services. Among them, in brief, fiscal 1962 saw—

First, a new high in research and reference work for Congress in response to 142,400 inquiries, 99,400 of which were answered by the Legislative Reference Service and 43,000 by the Law Library and the Reference Department—(for the Legislative Reference Service, the 99,400 inquiries represented an 18-percent increase;

Second, the loan of more than 2 million items within the reading rooms and 217,000 on interlibrary loan;

Third, an increase of 12 percent in readers using the national books-for-the-blind program and an 11-percent increase in circulation of such books, to

which 562 new titles were added in multiple copies; and

Fourth, an extensive list of publications prepared and issued by the Library to guide scholars to materials on subjects of vital importance to the Nation.

Fiscal 1962 also saw the success of a service initiated by the Library shortly before the year began—a scientific and technical literature-searching service, available to industry on a fee basis. In this same field, there is such a multiplicity of resources for information that the Library in 1962 made plans to set up also, through a grant from the National Science Foundation, a National Referral Center for Science and Technology. This national clearinghouse will identify and keep a record of the proliferating sources of information, wherever located, and will tell inquirers where to go for the answers to their queries in the field of science and technology. This Center became operational on March 4, 1963.

CULTURAL ACTIVITIES

A brief review of the Library's cultural activities of the last four decades is included in the annual report, in addition to current programs. There is also a report on the Library's program of lending materials for exhibition in this country and abroad, with emphasis on its traveling exhibits of fine prints and on reactions to them.

INCOME-PRODUCING OPERATIONS

For fiscal 1962, Congress appropriated to the Library of Congress $17,193,700. Other funds are available to the Library from gifts, grants, and transfers. Annually, two income-producing operations in the Library return moneys to the U.S. Treasury, and in fiscal 1962 their combined returns to the Treasury represented more than 22 percent of the Library's appropriations for the same period. When the sale of printed catalog cards and technical publications boomed again to a new high in fiscal 1962, the card division deposited in the Treasury a total of $2,792,099 from this service that is so useful to other libraries and scholars. In the Copyright Office, registrations passed the quarter-million mark for the first time in history—254,776—and fees for these and other services brought in $1,043,588.

Other operations of the card division included an experiment to distribute sets of printed cards to wholesale bookdealers and publishers to accompany books purchased by libraries. More than 4,880,000 cards were sold thus. Total cards sold numbered 42,386,314—compared with 35,678,496 the year before.

Among Copyright Office activities were the preparation and publication of a comprehensive "Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law," which summarizes the present law and presents specific recommendations for a new statute. Wide discussion of it has been held and comments collected and analyzed by the Copyright Office.

CHICAGO OUTLOOK FORUM SUPPORTS CONSUMER TAX CUT

Mr. DOUGLAS. Mr. President, in the light of the popular view that the financial community almost unanimously believes that the emphasis of a tax reduction should be on stimulating investment and not consumer demand, I should like to insert into the RECORD a clipping from the March 7 issue of the Journal of Commerce indicating an opposite opinion expressed by four prominent Chicago bankers.

At the monthly outlook forum sponsored by the Chicago Association of Commerce and Industry, Mr. Tilford Gaines, vice president, First National Bank of Chicago; Mr. Arnold C. Schumacher, vice president, Chicago Title and Trust Co.; and Mr. Herbert E. Neil, Jr., economist, Harris Trust & Savings Bank, all agreed that a tax cut should be aimed at stimulating consumer spending rather than corporate investment.

I ask unanimous consent that the article from the March 7, 1963, edition of the Journal of Commerce, be printed at this point in the RECORD.

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

ECONOMISTS CONTEND CONSUMER SPENDING SEEN GOAL OF TAX CUT

(By Murray Harding)

CHICAGO, March 6.—A tax cut should be aimed at stimulating consumer spending rather than corporate investment, agreed three economists at the monthly economic outlook forum sponsored by the Chicago Association of Commerce and Industry.

A fourth pointed out that investment had been strongly prodded already by the 7-percent investment tax credit and new depreciation guidelines established last year.

FAVOR SHOT IN ARM

Favoring a shot in the arm for consumer spending was Tilford Gaines, vice president, First National Bank of Chicago; Arnold C. Schumacher, vice president, Chicago Title & Trust Co.; and Herbert E. Neil, Jr., economist, Harris Trust & Savings Bank.

The increase in capital spending by businesses in 1963, put at 3 percent by a McGraw Hill survey, had been somewhat underestimated, declared George Cloos, senior economist of the Federal Reserve Bank of Chicago. The increase was 9 percent in 1962, and he predicted it would be in the same range this year despite a stuttering start caused partly by the dock strike.

A 12-percent decline had been forecast for railroad spending in the survey but more recent soundings indicated a 20-percent increase, he noted. Similarly, steel, petroleum, and auto company spending were all running ahead of the McGraw Hill estimate.

The tax credit and depreciation guidelines had a more invigorating effect than anticipated, he said. The Treasury thought that less than half the $4.7 billion added depreciation would be, resulting in a revenue loss to the Government of only a little more than $1 billion.

Actually, said Mr. Cloos, businesses were likely to take the full amount possible for 1962, and the total might run higher than the Treasury figured it could. Deferral made no particular sense, he explained, since money taken down was worth more now than in the future, even disregarding inflation, because of the interest it could earn.

If fully utilized, the credit and depreciation revisions would have the same effect as a cut in the corporate tax rate from 52 percent to 45 percent; either would cost the Treasury about $3.5 billion of the $50 billion annual corporate tax bill, he said.

RECORD SIGHTED

Using the Treasury's estimates of possible tax savings and projecting a modest increase in profits this year, Mr. Cloos said that corporate cash generation could approach a record $40 billion. He defines cash generation as the amount a company has left after taxes and pays out for dividends and depreciation reserve. The existing mark of $35 billion was set last year; the highest figure prior to 1960 was $31 billion.

Many firms, increasingly confident about the outlook, have indicated the extra cash will be used for added capital spending, he said.

Mr. Cloos took no position on how a tax cut should be oriented, but argued that no matter which was stimulated, consumer spending or capital investment, the other would be favorably affected.

"They work on each other and I think both will be higher in 1963," he said.

"The No. 1 problem is reaching a level of reasonably full employment," said Mr. Gaines, "A tax reduction directed at increasing the national growth rate though greater capital investment could have the effect of stimulating growth at a given level of underemployment."

It was not true, he stressed, that faster economic growth would automatically increase employment, nor that employment could not be expanded without an increased rate of economic growth.

Confusion arose because of the aggregate indexes, like gross national product, used to measure growth, he said. Productivity should be rated by the labor input per unit of output, and manufacturing productivity, which theoretically would be stimulated most by added investment, was already the fastest growing segment of the economy.

Over the last 5 years, production of goods had increased 17 percent while manufacturing employment was cut back 2½ percent. In the same span, consumer spending for goods had tailed off.

SHIFT IN EMPLOYMENT

He noted that employment was shifting from industrial to service industries, like utilities, transportation, communication and financial institutions, where the rate of growth was slower, and suggested this might be the reason the economy appeared to be marking time.

Mr. Schumacher remarked that the stimulator effect of service industries, long a "stepchild" to economists, was underestimated. They were buyers of equipment products, as well as increasingly substantial employers.

"We have moved through a capital goods cycle and are beyond it now," he declared. Rather than investment incentives, "we need stimulation of middle income consumers."

Mr. Neil agreed with Mr. Gaines that a tax cut should be used to spur consumer buying in an effort "to push the economy back up to full utilization."

HOW TO CONSPIRE TO FIX PRICES

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "How To Conspire To Fix Prices," which is a reprint from the Harvard Business Review of March–April 1963.

This article is a humorous reflection in an ironic tone on the lessons to be learned from the now famous price-fixing cases in the electrical equipment industry. Although written with considerable humor, it describes realistically the modern-day price-fixing conspiracies which were so typified by the electrical price-fixing cases. It indicates not only the folly of such conspiracies under the law but also when considered from the

viewpoint of the businessman without regard for the law. I believe it will be informative and interesting reading on the subject of price fixing in violation of our antitrust laws.

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

HOW TO CONSPIRE TO FIX PRICES

(By John Q. Lawyer)

(EDITOR'S NOTE.—It has been a firm policy of Harvard Business Review to identify authors of all articles and letters, but in this instance we are making an exception, and calling attention to it by the use of a name that is obviously a pseudonym. We do so in the belief that because of the author's involvement as an attorney in a number of pending cases, the use of his actual name might be both unethical and prejudicial.)

Now that the smoke has lifted from the price-fixing conspiracy rubble of the electrical-equipment industry, boardrooms across the Nation will be submerged in pipe-sucking reflection on the lessons to be learned from it. Surely a most striking aspect of this antitrust fiasco is that so many capable executives could make such a botch of the relatively simple job of running a tidy conspiracy. Many basic rules of successful conspiring were sadly neglected.

GETTING STARTED

The fundamental rule of conspiring is:

Rule 1: Do not overlook the fact that the purpose of a price-fixing conspiracy is to make more money than you would have made if you had not conspired in the first place.

A most disturbing aspect of the electrical-equipment debacle was that several conspirators simply did not believe that they (and their companies) could make more money fixing prices than competing. As one $100,000-per-year executive explained it:

"These conspiracies had been going on for decades. [Actually, they apparently date back to the old 60–40 agreement between General Electric and Westinghouse, made in 1896.] They were virtually an industry tradition. I was convinced that I could make a hell of a lot more money without going to the meetings. By getting my sales up, I could cut costs so low that I would clean the board. But suppose this didn't work out. Suppose there was a recession or something which I couldn't possibly foresee. If things went badly for my division, everyone would say that I had refused to be reasonable, that I had been the cause of the fall in prices and profits—and I would get it in the neck.

"But, if I played along and did what my predecessors had been doing for years and profits went dry, I would get sympathy instead of condemnation. Everyone would say that I was doing my best in a depressed market—and my job would not be jeopardized.

"I couldn't afford to take the chance of not going to the meetings and playing the game."

This kind of thinking is what game theorists lovingly refer to as "playing the minimax solution." By this they mean making the best of a bad situation. What the corporate strategist does not do is try to make the biggest profits possible for his company and win the biggest incentive bonus for himself. Rather, he seeks to maximize the chance of not losing.

This is, of course, sound strategy. But it is not sound conspiracy. While a minimax player remains in good stead with top management in the short run, he is likely to end up in jail in the long run; and that is not good for anyone's job rating.

From the company's point of view, such a situation is bad business. If bigger profits can be made by competing than by conspiring, it behooves top management to stamp out the meetings. Conspirators may be reluctant to give them up. They have to worry not only about profits, but also about keeping their jobs. Getting the message across to them will be a tough job. But tough as it may be, top management's next rule of successful conspiring is clear:

Rule 2: Don't wink at a conspiracy unless it is a moneymaking proposition.

This sounds obvious, but it is not. Figuring out whether a conspiracy will be profitable is a tricky business. Too often, top management is guilty of accepting tradition without question. Therefore, its first operating rule should be:

Operating rule 2a: Get your economists and market analysts busy. Do not continue a profitless conspiracy. And, if you are not now conspiring, do not overlook this potentially profitable marketing technique.

An effective conspiracy permits a group of corporations to set their collective price just as though they were one company, i.e., a monopoly. If, however, you are already top dog in your industry by virtue of your lower costs and if your greater efficiency makes it possible for you to squeeze out of the market any competitor you want, then think twice before conspiring. By going along with your less efficient coconspirators, you may be siphoning off to them some of your profit potential.

But if you are one of the high-cost companies in the industry, beware. The more efficient companies may discover their mistake after the conspiracy is under way and then stab you in the back. The general rule is:

General rule 2b: Price-fixing works best where no one conspirator has a substantial cost advantage over his coconspirators.

Suppose that you and your market analysis team have thought it through carefully and are convinced that price conspiracy is what your profit picture calls for. You are, however, faced with a reluctant competitor. How can you persuade him to join? (If it happens that the reluctant dragon is also much more efficient than you are, you will need some sure tool for keeping him in line, once you get the conspiracy rolling. The mere threat on your part to "cop out" is not enough. Such a threat is a two-edged sword.) There is an answer to this problem:

Rule 3: Threaten a reluctant conspirator with antitrust action in order to bring him into the fold.

This basic rule seems anomalous. But it is not, as these cases show:

Case 1: If the doubting Thomas already has 61 percent of the market, your job is easy. Say to him, in an offhand way (preferably in an informal atmosphere, such as the country club or a hospitality room): "Tom, I notice you already have 61 percent of the market. If you get much bigger, you'll have Loevinger on your back."

This should do the trick. But if it does not, see that Tom's company does get bigger. Suppose you usually get 9 percent of the market. For the next couple of months, make it a point to let Tom get all the business you usually get. That will give him 70 percent of the market and will surely attract the attention of the Antitrust Division, particularly if accompanied by a well-timed news item or poison-pen letter. While a costly gambit, if your economists have done their job, you will know to the penny whether it is worth it.

An attractive feature of this approach is that you can do it all by yourself even if you are a relatively small part of the industry. Of course, if you can get your fellow would-be conspirators to help out, a faster, better job can be done with less cost to you personally.

Case 2: Suppose, however, Tom does not have 61 percent of the market. He only has 33 percent of the market which, as is well known, "is not enough."[1] If Tom is, in fact, much more efficient than any of his competitors but, being canny about antitrust, prefers to let sleeping dogs lie and not drive them all out of business, you still have the problem licked. Simply say (under the same circumstances as in case 1): "Tom, you old deceiver [smile] you are too much for me and the rest of the fellows. We can't compete with those low costs of yours." Then, proceed not to for a couple of months.

The only additional difficulty you will encounter in case 2 is that it will take more than one would-be conspirator to get Tom's market share up to 70 percent.

Case 3: The real test comes when Tom's company is just as (or more) inefficient as every other company in the industry and when he accounts for only a small part of the market. This is a relatively unlikely situation because, odds on, under such circumstances Tom will want in as badly as you do.

If Tom is too stubborn to see reason, you will simply have to bluff it through in the manner described in cases 1 and 2 and hope for the best. If he is really hopelessly inefficient, you may want to consider the possibility of driving him out of business as quietly as possible. This latter course is not without risks.

ALTERNATIVES TO CONSIDER

Even though you have decided that it would be profitable to give up competing, it does not logically follow that you must conspire. Other, less exotic, avenues of noncompetition should first be explored:

Rule 4: Before conspiring, be sure that follow-the-leaderism and conscious parallelism are not in the cards. They are much less dangerous and work every bit as well.

Follow-the-leaderism is a terrific way of not competing. It works especially well when your industry makes a large variety of shelf items. And it has the enormous advantage of not being illegal—at least, not very.

Further, it is very economical. It involves no traveling expenses. All companies (except one) can give up printing price books. The larger the number of items and the more frequent price changes, the bigger the savings on this important item.

Annoying details of covering your tracks are eliminated. You simply announce (publicly) that from now on you will follow Amalgamated's prices; throw away your salesmen's out-of-date pricebooks and you are ready to begin not competing. There is no risk of suspicion or mistrust between you and your fellow noncompetitors because nobody is trusting anybody.

An appealing feature of follow-the-leaderism is the delightful incantation which goes along with it:

Incantation rule 4a: A successful leader-follower constantly repeats the incantation, "A like price is a competitive price, a like price is a competitive price, a like price is * * *."

Anyone with a modicum of economic sophistication knows that there is only one price in a perfectly competitive market. (Of course, this is also true in a perfect monopoly, and probably true in a perfect oligopoly. Further, it is probably correct that no such thing exists as "perfect competition," "perfect monopoly," or "perfect oligopoly." But these sorts of hypersophisticated statements rarely get stated.) A neat variation on this theme is to argue as follows:

"An equal price is a competitive price. If the prices of various sellers on a given product are different, the purchaser has no choice. He must buy from the lowest price seller—or risk looking like a nut. But if the prices are the same, the purchaser can shop around and buy from whomever he wishes. His consumer's sovereignty is restored."

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[1] See *United States* v. *Aluminum Co. of America*, 148 F. 2d 416, 424 (2d Cir. 1945)

Once follow-the-leaderism is firmly entrenched in your industry, worries about cutthroat competition and being priced out of the market are ended. One cannot ask more than this, even from a conspiracy.

A really important advantage of follow-the-leaderism is that it permits the leader to set his prices as if he is the only seller, i.e., a monopolist. This is so because he knows that only one price will prevail in the market—the one that he sets. This is a good break for him, and he undoubtedly will be gratified about the situation even if he had no part in its creation. And since your prices will be the same as his, his monopoly advantages will rub off on you.

The mood of cooperation which follow-the-leaderism creates has much to recommend it. By escaping the nagging irritations of having to set your own prices, by avoiding worry about being undercut, and so forth, you free yourself to devote your management talents to industrial statesmanship. This, in turn, will give a resounding boost to your corporate image.

The only drawback with follow-the-leaderism is that if you quit following, the leader may decide to take you to task for destroying the industry's spirit of cooperation. But you run this risk with other pricing policies, too, so you have not lost anything by trying:

Operating rule 4b: Conscious parallelism may be illegal, but it is certainly not as illegal as conspiring. Moreover, it is hard to prove.

Conscious parallelism is legally elusive for two reasons: (1) No lawyer is exactly certain what it is; (2) lawyers seem to have great difficulty distinguishing it from cutthroat competition.

These factors pose no deterrence for the businessman. For him, effective conscious parallelism is simply a matter of:

Operating subrule 4b(1): Get to know your competitors.

Operating subrule 4b(2): Develop effective lines of interfirm communication.

Getting to know your competitors is as easy as it is pleasant. Go to conventions, trade association meetings, business seminars, and other get-togethers. Buy drinks for your competitors, play golf and bridge with them, meet their wives and families. In time you will develop the bedrock understanding of your competitors' psychology on which successful conscious parallelism is based. You will find that you can put your feet upon your desk and know exactly what "Old George" over at Amalgamated is thinking—often before "Old George" thinks it.

This specialized aptitude is not only useful for escaping the rigors of cutthroatism, which often results from inaccurately gaging what competitors will do, but can also be helpfully combined with follow-the-leaderism to avoid costly miscalculations, particularly in situations of fluctuating price or demand conditions. In addition, if you decide you must conspire, your predictive talents will be an effective bulwark against misunderstanding, which is the nemesis of a successful conspiracy.

Not enough attention has been given to one ingenious interfirm communications channel—a reliable, time-tested aid to not competing:

Operating sub-subrule 4b(2a). Get in the habit of announcing policy and price changes in the press.

The ability to second-guess your fellow parallelers is all very well. But there can be no slipups if you all read about changes in policy or prices in the newspapers before they happen. Do not keep the industry (and the Nation) in the dark. To do so invites unnecessary confusion and distrust. If the industry knows the exact amount of any planned price change, it will have no difficulty in meeting it to the penny. The risk of one or more parallelers inadvertently setting a price below or above their coparallelers and the embarrassing scramble to get back in line are avoided.

But a word of warning is in order. Only announce planned changes. Public announcement of a fait accompli may have disastrous side effects.

TIDY PROCEDURE

An executive should now be in a position to make a well-informed decision as to whether a price-fixing conspiracy is for him. If the answer is "Yes," the following rules must be adhered to scrupulously:

Rule 5: Do not have more active conspirators than necessary; do not have working-level meetings if not absolutely necessary; and do not include personnel any farther down the hierarchical ladder than is 100 percent necessary.

This rule would seem to go without saying. Yet, astonishingly, it was repeatedly violated in the electrical conspiracies. For example, without intending anything personal, to have an assistant department sales manager attending meetings in a multibillion-dollar conspiracy is preposterous. Hence:

Rule 6: Do not take notes; do not leave papers, work sheets, scratch pads, and the like lying around in hotel rooms and other meeting places; do not register under your real name; do not travel with your coconspirators in public transportation to or from meetings; do not make conspiratorial telephone calls from your office (particularly if your efficient secretary keeps a log); in other words, do not keep records of any kind.

The men in the electrical conspiracies did a little better here than on rule 5, but not well enough. Discipline fell apart particularly badly in the written-records and the registering-under-real-names departments. Admittedly, a modern executive has an almost paranoiac desire to get things in writing. But the desire must be resisted. If you feel yourself weakening, bear in mind:

Operating rule 6a: If it cannot be done without writing it down, do not do it.

Operating rule 6b: If you feel you must have something in writing, you are temperamentally unsuited to conspiring.

The most common problem encountered by otherwise competent executives is that using aliases, burning scratch pads, and the like gives them what one described as "a sort of Harry Bridges feeling." This feeling is psychologically repellent to some managers. However, experience has shown that such repulsion can be overcome. Indeed, deeper within the psychological makeup of most executives is a secret enjoyment and appreciation of counterespionage techniques. Hence:

Operating rule 6c: Learn to take pride in a scratch pad well burned or an alias well rendered.

By so doing, bonus psychic rewards will be reaped from a properly managed conspiracy. Accordingly:

Rule 7: Do not meet in hotel rooms if you can avoid doing so.

This rule is difficult to explain rationally. The fact is that Department of Justice and congressional committee investigators are particularly fond of sniffing around hotels. And, though it repels the modern mind, it is difficult to avoid the conclusion that hotel rooms are jinxed—at least insofar as price-fixing conspiracies are concerned. And:

Rule 8: Avoid complicated schemes.

Nothing titillates the curiosity of a Federal investigator more than a complicated scheme such as "phase of the moon." He responds like a jigsaw puzzle addict with a 10,000 interlocking-piece picture of the Bay of Biscayne on a rainy Sunday afternoon. Simple agreements such as, "You take 50 percent of the market, George, and I'll take 25 percent," are more prosaic—but every bit as effective, if not more so. And they are much less exciting to would-be trustbusters.

So much for the "thou shalt nots." What about the affirmative techniques of efficient price fixing, which are much more stimulating for the conspirophile? This brings us to:

Rule 9: Have some reason for meeting besides fixing prices.

It does not matter what the reason is. A convention, vacation, golf, meal, drinks—all are fine. As one conspirator explained it, "I don't know what the devil lawyers talk about after dinner, but businessmen talk about business, and business means prices." This has a strong ring of plausibility. You can hardly send a man to jail for discussing prices over a cup of coffee. Therefore:

Rule 10: Gripe a lot, especially about prices.

Successful price fixers invariably sandwich into their business day endless hours of griping about depressed prices, rising labor costs, and so forth. An expert conspirator can disguise a complicated agreement so thoroughly that it is indistinguishable from a grumbling complaint.

Mastery of the griping technique leads the aspiring conspirator naturally and easily to two grand rules:

Rule 11: Develop a jargon.

Rule 12: Send up "trial balloons."

These two rules, taken in tandem, form the ultimate in sophisticated conspiring. They are perhaps best illustrated by an example: Imagine a meeting. A 3-hour presentation by the group's economist of charts, bar graphs, and economic analysis has just been completed. (Nothing blurs tracks like 3 hours of economic analysis.) Conversation ensues:

"GEORGE LEADER. 'Fellows, we must do something about prices. They're really bad.'

"Chorus. 'Old George has something there, all right; damned if they aren't. It's all Hoffa's fault.'

"GEORGE LEADER. 'If we could get prices up a little bit, say 2.79 cents per pound, I think we could hold the line.' ['Holding the line' is a favorite phrase of almost all successful conspirators. It is classic, artful, price-fixing jargon.]

"Chorus. 'Yes, yes, we must hold the line. Damned if Old George hasn't got something there. Sure would be grand if we could get prices up 2.79 cents per pound.'

"GEORGE LEADER. 'If someone would send up a trial balloon [rule 12], I'm sure everyone would follow.'

"Chorus. 'That's right; if only someone would run it up the flagpole, everyone would salute.'

"GEORGE LEADER. 'Boys, I'm sure that someone is bound to run it up the flagpole in the next 11 or 13 days—or so.' [At this point, George fixes Frank Follower with a menacing stare.]

"FRANK FOLLOWER. 'I certainly wouldn't be surprised [warm smile] if someone did just that in the next 11 to 13 days—or so.' [The meeting breaks up with cheering and huzzahs as everyone drains his drink and departs.]"

This type of meeting is price-fixing at its very best and its moral is clear:

Rule 13: Remember that the line between overt price collusion and mere discussion of a common problem is fine indeed.

When the conspiracy is functioning smoothly, it is time to think about maximizing efficiency. Bearing in mind that the reason the conspiracy was organized in the first place was to make more profits (rule 1), you will find that these questions must sooner or later arise: How much profit will our conspiracy make for us? Who will get what share?

The answer to the first is simple. It will depend on the skill of the group in setting its pricing policy. The fact that the conspirators are in a position to price as though

they were one company leads to the next maxim:

Rule 14: It is advisable to have at least one member in the conspiracy who has monopoly experience.

Conspiracies most often fail before they are started. Of those which are launched, the most common cause of failure is dissension amongst the conspirators over the question of who gets how much of the swag. This leads us to a key rule:

Rule 15: Do not be greedy.

Typically, difficulties occur when one conspirator feels that another is getting "more than his share." But it does not matter how much more you get if you are better off than you would have been had you not conspired. To conspire harmoniously:

Operating rule 15a: The share of each individual conspirator relative to the shares of any or all of his coconspirators must be, by mutual consent, treated as irrelevant.

If this rule is not followed, bickering, hostility, and ultimate collapse of the conspiracy will result. Accordingly, the following philosophy should be uniformly pursued by all conspirators, to the exclusion of any other philosophy:

Operating rule 15b. If you are getting more than you would have gotten, stay in; if you are not, get out.

So much for sharing the spoils. Another common source of quibbling in otherwise effective conspiracies is the question of who will get which bid. This aggravating problem of musical chairs has been the downfall of many excellent conspiracies.

A highly efficient answer, sometimes known as the "Fellner solution," is recommended. It can be stated as follows:

Optional rule 16: Do not overlook the possibility of dividing up sales revenues at the end of a prearranged conspiracy accounting period, irrespective of who actually made the sales.

Here is how this method works: During a conspiracy accounting period, say, 3 months, make a rough attempt to keep to the prearranged market shares of each conspirator in the allocation of bids. But do not worry if the market shares and the bids actually obtained get slightly out of line. At the end of the 3-month period, have an accounting with conspirators who have exceeded their market share—paying rebates to those who have not.

Strict adherence to the Fellner solution will eliminate a great deal of intraconspiracy tension. It has, unfortunately, one modest drawback: it poses some tricky difficulties for each conspiring company's accounting department. These are, however, largely a matter of aesthetics. Experience with the Fellner solution suggests that, in fact, such a challenge brings out the artist in most accountants. Any accountant worth his salt will find pleasure and satisfaction in untangling the rebates, and then carefully retangling them in his T-accounts and profit and loss statement.

A good optional course to follow is:

Operating optional rule 16a: Have at least one member in the conspiracy who has accounting experience.

Another obstacle commonly encountered is the competitor who, through unenlightenment, inadvertence, or plain unpleasantness refuses to conspire. In such a case, stern measures are required:

Rule 17: Have an adequate contingency fund for educating (or eliminating) mavericks.

Many avenues for effective employment of the conspiracy contingency fund—to which all members have contributed on a pro rata basis—are available. Most commonly, such funds are used to subsidize the member who is forced to compete with the maverick. Another popular tactic is to elect one member to compete with the maverick, giving him appropriate subsidization from the contingency fund. Designation may also be done in a kind of Russian roulette style, rotating member by member as each bid arises, with the understanding that when the maverick strikes, the member with that bid number will do the job of breaking him in—or just breaking him. But do not forget:

Important operating rule 17a: Avoid giving the appearance of selling below cost. It antagonizes the Federal Trade Commission.

What are the proper areas for price conspiracy? Philosophically speaking, it is inescapably true that:

Philosophical rule 18: Conspiracies work best on shelf items, but are least necessary. They work worst on special-order items, but are most needed in these areas.

As one frustrated conspirator put it, referring to the electrical fracas, "It's damned hard to conspire about a $17 million turbogenerator. It's a lot easier when you are selling watt-hour meters or something like that." Why is this so? First, price books are not generally available for items made to specification. When they are, they are not reliable. Secondly, follow-the-leaderism and conscious parallelism are easily created for stock items and can be effectively combined with a well-organized conspiracy. Thirdly, the artful conspiratorial techniques that are outlined in rules 10 to 12 are not readily applicable to specially designed products. More specificity is needed.

The slightest change from standard "specs" clogs the wheels of conspiracy. It forces conspirators to wrestle with bidding problems in great detail. This, in turn, leads to more meetings, more scratch pads, more notes, and more telephone calls (violating rule 6). It necessitates more conspirators, some of whom may have to be drawn from the lower operating levels of the member companies (violating rule 5). It may even require "working meetings," and this is absolutely incompatible with a smoothly functioning conspiracy. Perhaps worst of all, it opens up myriad opportunities for bickering, dickering, and nit-picking.

I have no ready answer to this problem. American industry appears inescapably skewered on the horns of a dilemma. Caution should be the watchword of would-be conspirators selling special-order items. Hence:

Operating rule 18a: If you sell special-order items, do not allow your enthusiasm to conspire to get out of hand.

PROBLEM OF APPREHENSION

The possibility of apprehension is, of course, an important element in the decisional thinking of conspirators and would-be conspirators. The rational conspirator not only weighs this possibility in his initial decision to enter a conspiracy, but engages in a a continuous process of reevaluation during the conspiracy's duration. A reliable rule to observe is:

Rule 19: When the heat is on, get out.

Extensively applied in both economic and noneconomic conspiracies, rule 19 has stood the test of time. A conspirator cannot find a more reliable benchmark.

Rules 5 through 12, as well as operating rules 6a and 6b—if scrupulously observed—have a salutory impact on the apprehension potential of a conspiracy. Another rule, frequently recommended by old-school conspirators, is that solid citizens are less likely to end up in the jug than unsolid citizens. This has not proved reliable in recent years. The better rule now appears to be:

Rule 20: Do not worry about being a good citizen and a respected member of the community. It will not help you.

Certain Members of Congress and of the administration are notorious for the dim view with which they regard identical prices. They are joined by an uncomfortably large majority of economists in the belief that "strict price uniformity outside the organized exchanges is * * * conclusive proof of collusion in a world like ours where supply and demand are constantly changing." [2] This situation has led to a popular rule among conspirators, to wit: Steer clear of identical prices at all costs.

In the above-quoted standard text, "The Theory of Price," George J. Stigler advises that "the best policy of concealment for collusive oligopolists at the present time is to purchase a table of random numbers and quote agreed prices subject to a small random addition or subtraction." [3]

Unfortunately, the Department of Justice attorneys' dogged refusal to be deceived by "phase of the moon" conspiring techniques suggests that they, too, have discovered Stigler's sound advice. Another better rule is, therefore, apparent:

Rule 21: Do not worry about avoiding identity of price. This will not solve your problem.

There are, no doubt, many useful and original rules for conspiring which have not been discussed here. It is only commonsense that a would-be conspirator should:

Rule 22: Get the advice of an experienced conspirator.

CONCLUSION

Sooner or later, however, after all the expert conspirators have been consulted, the neophyte will have to make up his own mind. To conspire or not to conspire; that is the question.

The rules outlined above, if scrupulously followed, will make this an easy decision. For the mathematically inclined, would-be conspirator, the following, more precise formulation would be a useful guideline:

$$r_c > c_o^f + c_o^p + a \cdot c_a^f + a \cdot c_a^p$$

This rule states that a price-fixing conspiracy should be entered when (and only when) the returns from conspiring (r_c) exceed the operating costs to the firm of conspiring (c_o^f), plus the personal operating costs to the conspirator (c_o^p), plus the anticipated costs to the firm of apprehension (c_a^f), discounted by a factor reflecting the likelihood of apprehension (a), plus the personal apprehension costs to the conspirator (c_a^p), similarly discounted.

In using this handy formula, beware of negative personal apprehension costs ($-c_a^p$). One case dramatically illustrates this problem:

Prior to his apprehension in the electrical industry cases, a middle-management executive was earning a salary of $47,000 per year and commuted to work each morning in 30 minutes. When apprehended, he was dismissed from this seemingly lucrative position, but fortunately was able to secure new employment. His salary is now $70,000 per year, and he commutes to work in 20 minutes.

However, the wealth of data made available to students of conspiracy by the electrical-equipment cases strongly suggests that such negative apprehension costs are the exception rather than the rule. It seems appropriate, therefore, to conclude with a moral:

Moral: Even price fixers who do not get caught may not benefit by conspiring.

TAX REDUCTION PROGRAM DESCRIBED IN UNDERSTANDABLE LANGUAGE TO CHICAGO AUDIENCE BY ASSISTANT TREASURY SECRETARY SURREY

Mr. HARTKE. Mr. President, on March 18, 1963, Stanley S. Surrey, Assistant Secretary of the Treasury, spoke before the Union League Club of Chicago on the proposed tax cut.

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[2] George J. Stigler, "The Theory of Price" (New York, the Macmillan Co., 1952), p. 240.

[3] Ibid., p. 240.

Mr. Surrey brought out some pertinent and interesting facts in his remarks which I think are worthy of the attention of the Members of this body. Therefore, I ask unanimous consent that his remarks be printed in the RECORD.

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

REMARKS BY THE HONORABLE STANLEY S. SURREY, ASSISTANT SECRETARY OF THE TREASURY, BEFORE THE UNION LEAGUE CLUB OF CHICAGO, CHICAGO, ILL., MARCH 18, 1963

Today, after 25 months of recovery from the last recession, although gross national product, personal income, and retail sales are at record levels, our economy is still operating far below where it could be—and moving at a rate of growth that will leave us far short of where we could be in the years ahead.

The gap between our economic accomplishment and our economic potential has persisted for 5 years. That gap at present represents $30 to $40 billion in total output, $18 to $20 billion in wages and salaries, and $7 to $8 billion in business profits. It is also reflected in an unemployment rate of more than 6 percent and our persistent large budget deficits, which have totaled $30 billion in the last 6 fiscal years.

Our failure to move ahead more rapidly leaves our economy all the more vulnerable to the damaging effects of another recession. The best way to avoid a recession or to moderate its effects is to make a sustained effort to accelerate growth—which will increase employment, output, income, business profits, and tax revenues.

To do nothing at this time would be to gamble with our economic security and with our hope for a better tomorrow. I believe nearly all of us recognize this, and that there is a general consensus today on the need to accelerate our economic growth. The consensus goes even further. It has become increasingly clear that a major contributing factor to our inability to achieve greater economic activity lies in our tax system.

For our high tax rates—forged in the necessity of war and maintained during the inflationary period of high postwar demand—have in recent years become a major deterrent to economic expansion. Their role, with the changing character of our economy, has shifted from that of holding down inflation to one of holding down growth.

These high rates operate to repress economic activity, with the result that tax revenues are reduced. The recent persistent large budget deficits reflect the inability of a lagging economy to produce enough tax revenue to meet the demands of national security, space exploration, and an expanding population.

Our repressive tax rates simply soak up too many dollars that would otherwise increase consumer spending, or finance new business investment, or provide added incentives to both individuals and businesses to produce more, earn more, and invest more. High tax rates are serious restraints on private incentives, and they unduly reduce the profitability of private enterprise. By weakening consumer demand they sap one of the strongest forces influencing business investment—the prospect of profit through expanding markets.

Here also, therefore, the discussion of recent weeks has shown a remarkable consensus—that income taxes must be reduced. But there are some who believe this reduction should wait until Federal expenditures are greatly reduced.

Some believe a cutback of at least $4 to $5 billion is required—such as would be involved in holding total expenditures at the 1963 level—while others believe far greater cuts should be made before we can proceed with tax reduction. But imposing such rigid conditions on tax reduction is far more likely to make tax reduction impossible or to substantially reduce the benefits of a tax cut to the economy. We must not let the agreement we have finally achieved for revision of our tax structure be destroyed by an unwillingness to be realistic about our present expenditures.

This administration has already shown that it recognizes the need to hold expenditures down. This year, with the exception of space, defense, and interest costs, President Kennedy's 1964 budget actually shows a reduction in total expenditures. This was achieved despite the fact that over the past 9 years this sector of the budget has increased by an average of 7.5 percent a year.

The many billions that would have to be cut from the budget to achieve the large absolute expenditure reductions that some would require as a condition to tax reduction must presumably come at least in part from defense and space programs. Our country's defense requirements and its place in the frontier of space exploration simply do not permit large reductions in these areas.

Apart from the damage to vital programs that would result from large expenditure cuts, a sharp cutback in Government spending could well result in an economic downturn which would shortly reduce revenues to the point where deficits might actually increase.

A sensible program of expenditure control—not rigid or impossible conditions of large expenditure reductions—will permit us to proceed with the tax revision we all agree is needed. But no one should believe that this course means a resignation to continued deficits.

The best way to balance the budget is first to balance the economy. This requires significant tax rate reduction that will add to incentives to work and invest, to purchasing power, and to the flow of investment funds. The increased economic activity generated by such a rate reduction will, within a few years, even at the new lower tax rates, bring in more tax revenue than we would have had otherwise. Thus the renewed vitality in the private sector, fed by new investment, new demand, and new incentives, would provide increasing tax revenue which can and will be used to achieve a balanced Federal budget. The entire increase in revenues which we foresee as a benefit of tax reduction will not be spent by Government. A portion of it will be used to reduce the deficit. President Kennedy made that clear in his budget message when he stated:

"As the tax cut becomes fully effective and the economy climbs toward full employment, a substantial part of the revenue increases must go toward eliminating the transitional deficit. Although it will be necessary to increase certain expenditures, we shall continue, and indeed intensify our effort to include in our fiscal program only those expenditures which meet strict criteria of fulfilling important national needs."

The point I want to make is that you can work toward balancing the budget far more effectively, far more constructively, far more safely, by means of a responsible, balanced tax program combined with firm and rational expenditure control than you can by attempting massive and immediate spending cuts.

The first course demonstrates faith in the latent vitality of our free market economy. It indicates a belief that our economy can move ahead, wipe out the temporary additional deficit from the tax cuts, and through an accelerated rate of economic growth move on toward full employment and a balanced budget. The other course could, if put into effect in the current economic climate, produce results of the kind its supporters most want to avoid.

It is clear, then, that our country is not moving ahead as fast as it can and must. It is clear that the restraints of the income tax structure are a major cause of our economic lag and that revision of the tax structure is therefore an imperative task. There is also increasing recognition that despite our present deficit the path to a balanced budget is through a tax reduction in a climate of expenditure control. The final, hard step remains—to reach agreement on the details of the tax revision. This revision must provide maximum benefit to the economy at a minimum of budgetary cost, and do so in a manner that is fair to all taxpayers. The tax program the President has proposed fully meets these requirements.

The chief revision in the President's program—its No. 1 reform—is a very large reduction in the rates of the income tax. The individual rate scale at the completion of the program would be reduced from the present range of 20 to 91 percent to a lower range of from 14 to 65 percent—with rates throughout the scale 20 to 30 percent lower than today. The corporate normal tax rate would be 22 percent for the first $25,000 of profit—27 percent less than the present 30-percent rate. This is the only rate that concerns 80 percent of our corporations. The maximum corporate rate would drop from 52 to 47 percent.

These are sweeping rate changes that significantly pull down the rates of tax. An individual concerned with his marginal rate of tax—what will the Government take as its share of the added dollar he earns through a risky investment or increased personal effort—will find the Government taking 20 to 30 percent less than it does today. On the corporate side, after-tax profitability on new investment under the combination of the 1962 program, with its investment tax credit and depreciation reform, and the proposed rate reduction, is increased by almost 30 percent.

The cost of the rate reductions in the President's program comes to $13.7 billion—over $11 billion for individuals and over $2.6 billion for corporations. Yet this much revenue must be involved if the rate reductions are to be as significant and effective as the President has recommended. Anything less simply means a lesser rate reduction. Thus, a rate reduction involving, say, $7.5 billion for individuals is, of course, a rate reduction—but will not yield a rate scale from 14 to 65 percent. Somewhere in that scale—at the bottom, at the top, in the middle, or all along—the rates will have to be significantly higher than those proposed by the President. The barriers to private incentives and higher demand simply would not come down as far as the President has recommended.

The President has, in addition, recommended several reforms—all of which involve a revenue cost—to alleviate certain hardships under the tax structure which rate reduction alone cannot eliminate. One reform creates a minimum standard deduction to help low-income families, particularly those with many dependents. This proposal for a minimum standard deduction achieves the effect of an increase in personal exemptions, strongly urged by many in our society, at a revenue cost of only $310 million, by focusing that loss directly in the area of hardship. Another reform would benefit and treat more fairly taxpayers over 65, particularly those who are still working. Other changes would benefit taxpayers whose employment requires them to move to a new community, taxpayers who must provide care for their children in order to work, and people whose incomes fluctuate sharply from year to year. One reform, designed to promote civilian research and technology, benefits business directly by providing for the

immediate writeoff of equipment used in research and development. Surely the need for these changes is evident.

The rate reductions, plus these structural reforms or changes, involve a revenue cost of nearly $14.5 billion. Together, they represent a program of significant and effective rate reduction complemented by relief of obvious tax hardships and a needed incentive to civilian technology and increased productivity. Programs which involve a lesser revenue cost than $14.5 billion for these purposes must mean less significant rate reductions and the elimination of some or all of the hardship-relieving and growth-inducing reforms. They must involve less incentive to private initiative and activity. In terms, therefore, of rate reduction and incentive, in terms of hardship relief and increased growth, they are "second-best" programs. They cannot, of necessity, be as effective as the program proposed by President Kennedy.

But $14.5 billion is a large revenue cost. Our Federal budget is in a deficit position, brought on by necessary increases in defense, space and public debt interest expenditures and by a failure of the economy to operate at full potential—the very failure the tax program is designed to meet. Firm Presidential expenditure control—which has even lowered remaining budget expenditures from the 1963 level—has kept the budget deficit to $9.2 billion, apart from the tax program. Under these conditions the most appropriate course is to seek an overall tax program that permits us to achieve in a fiscally responsible way the full rate reduction and hardship relief afforded by the $14.5 billion figure—rather than to seek a "second best" rate reduction or to incur a greater increase in the deficit than is required.

The tax program permits the accomplishment of the benefits of the $14.5 billion proposals in a fiscally responsible way through two measures: One, it spaces the rate reductions in three steps, starting in 1963 and ending January 1, 1965, and two, it obtains through other structural changes and reforms, which would commence in 1964, $4.1 billion in direct revenue gains and $1.5 billion in increased budgetary receipts, or a total of $5.6 billion. The result is a net budgetary cost of $8.8 billion for the total program when completed, before account is taken of the increase in revenues resulting from economic expansion induced by the program itself.

These revenue-raising structural changes or reforms are in three groups. The first group comprises seven changes affecting individuals and totaling $3 billion, the principal ones involving a 5 percent floor under itemized deductions, the elimination of the $50 dividend exclusion and 4-percent dividend credit, and the elimination of the present tax exclusion for sick pay. These three changes would yield $2.9 billion.

The second group contains several changes primarily involving corporations, which would increase tax revenue $320 million. One would involve the allowance of only a single surtax exemption to multicorporate structures, coupled with elimination of the penalty taxes on consolidated income taxes. Another would improve tax rules affecting natural resources. Still another would put larger corporations—the 15,000 corporations with tax liabilities over $100,000—on a current-payment tax basis over a 5-year transition period, involving no increase in tax liabilities but increasing budgetary receipts by $1.5 billion in each of the 5 years. The third group involves an interrelated set of changes in the capital gains area which would yield a $750 million increase in revenue resulting from increased turnover and mobility of capital.

These revenue-raising structural reforms, while contributing to the fiscal responsibility of the overall program, are in themselves needed improvements in the tax structure. They eliminate special provisions—which now permit unfair escape from tax—and thereby increase the equity of the income tax structure. They substitute the economic marketplace for the tax avoidance device as the governing factor in the allocation of investment resources. They broaden the tax base, without harm to existing incentives, such as those involved in charitable giving or home ownership, and foster private initiative through the lower marginal tax rate they permit.

These structural adjustments, involving a change in the computation of taxable income, are in a sense made only once. The rate reductions will far more than offset these adjustments so that from the very start of the program almost all taxpayers obtain a significant net reduction in tax liabilities—the average is 18 percent.

As taxpayers subsequently increase their incomes—through wage or salary increases, increased investment, increased dividends, increased business activity—the increase in income will be subject to the far lower rate scale involved in the program. It is this year-in, year-out effect of the large rate cuts—made possible, especially in the middle and upper brackets, by the revenue-raising reforms—that will provide the basic change in the impact of the tax structure on incentives and the economy.

The large amount of revenue devoted to rate reduction will provide both increased incentives to private investment and initiative and an increase in consumer purchasing power. While some may stress increased investment incentives as the more important of the two and others may favor increased spending power, the real lesson of recent years is that both have a necessary contribution to make to our economic health.

The increase in spending power will help to absorb existing unused capacity and provide a more favorable climate in which the investment incentives of lower rates, the investment credit, and depreciation revision will operate, enabling us to move more rapidly toward full employment. The investment incentives, exerting a constantly more powerful effect as the economy moves upward, will then contribute to a continued acceleration of our rate of growth.

We should not and need not rely upon only one of those two forces for our economic advance. That is the reason for the large amount of revenue devoted to rate reductions in the President's program. A significantly lesser amount could make us choose between the forces of demand and investment. Here we find either no unanimity as to the line of choice or an unwillingness on the part of those who urge a lesser amount to face up to the task of making the choice.

In sum, the President's program is a balanced program. It is balanced in terms of time, neither attempting to do everything at once with the consequent risk of inflation and possible damage to our balance of payments, nor delaying action in the vain hope that the economy would somehow move by itself to a level which would lead to balanced budgets. It is balanced in terms of equity, with the benefits fairly distributed among all income groups of taxpayers and to corporations as well. It is balanced in terms of achieving maximum economic impact with a minimum budgetary cost, both because of the staging over 3 years and the offsetting effect of certain reforms. It is important to keep in mind that this economic impact is far greater and more immediate than the staging might indicate. By July of next year, for instance, close to $6 billion in additional spending power will have been poured back into the economy. Before 1964 is out, the tax program will have increased net after-tax income of business and individuals by more than $10 billion. In addition, income and spending will be still further increased as the economy expands in response to the stimulus provided by the tax program. Finally, the tax program is balanced because it includes both incentives to investment and an increase in demand.

The Ways and Means Committee is now engaged in its consideration of the proposed tax program—the stage where, through public hearings and otherwise, various groups seek to pull the tax revision this way or that way closer to one extreme or the other. It is the stage when those who are affected by a recommendation to change a particular provision seek to justify the present situation or to alter the recommendation.

This is the final, hard stage of tax revision—where the general consensus on the goal of greater economic activity, on the repressive effect of the tax system, on the need for tax revision and net tax reduction leaves off and the disputes over the shape of the tax revision commence.

Here clearly no general consensus on final details has yet been reached. Thus the testimony before the committee indicates a wide spectrum of opinion as to which groups should receive the tax cuts. If, for instance, the rate reductions recommended by the AFL–CIO and the NAM were both accepted by the Congress, the total revenue cost involved would be $24 billion. Necessarily, in this context of competing tax plans the proponents of each plan will criticize the President's program—but each with a different criticism. High-income taxpayers look at the larger percentage reductions in tax liabilities going to low- and middle-income taxpayers and feel that those groups are getting too much. They say some of the reforms remove the otherwise almost uniform changes in the rates. Low- and middle-income taxpayers look at the larger dollar reductions and the larger percentage increases in after-tax incomes going to high-income groups and feel that the upper-income taxpayers are getting too much. They may argue that the proposed rate scale of 14 to 65 percent is not as progressive as the present scale running from 20 to 91 percent. In reality, much of this criticism is really testimony to the basic fairness of the overall program.

Certainly improvements and helpful changes will occur as the work of the committee proceeds toward resolving conflicting views and writing the actual legislation. But those who are trying to pull the program this way or that way, or to pull out this or that part, should not lose sight of the main goal.

The goal is to move the economy closer to full employment by raising our rate of economic growth. This can best be achieved by removing the repressive effects of our income tax structure on the economy. To accomplish this result will mean far more to all taxpayers before this decade is out than will the dollars that the program will put in their pockets in 1963, or 1964, or 1965.

For the interaction of increased incentives to produce and invest, both corporate and individual, together with the increased funds available for consumer spending and for investment will create an upward spiral—not of wages and prices but of economic activity and accelerating growth—which will permit us to achieve our goal of a full employment economy.

The President's program proposes to reach this goal through a major tax rate reduction, combined with some reforms that remove hardships and some that raise revenue through broadening the tax base and eliminating special provisions. Only in this way can sufficiently large rate reductions be achieved in a fair way, without undue budgetary strain.

This is no time for half measures or attempted short cuts. There is an urgent need for action on the matter of taxes—action that is basic and lasting. The President's program is a balanced, fair and effective response to this critical need.

SLEEPING BEAR DUNES NATIONAL LAKESHORE, MICHIGAN, EDITORIAL

Mr. HART. Mr. President, the Ann Arbor News recently published an editorial giving a thoughtful presentation on the pending bills before the Congress to establish a Sleeping Bear Dunes National Lakeshore in Michigan.

The Public Lands Subcommittee of the Senate Interior Committee will begin hearings on the bill, S. 792, which Senator MCNAMARA and I have introduced, later this month.

I ask unanimous consent that the editorial from the Ann Arbor News be printed at this point in my remarks.

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

HART'S PARK BILL BETTER

Senator PHILIP A. HART says there are no important differences except size in the proposals for a Sleeping Bear Dunes National Park which he and Representative ROBERT P. GRIFFIN, Republican, of Traverse City, have introduced this year. This appears to be true, but it is an important difference.

HART's bill calls for a 77,000-acre park, including the lake a short distance inland from the dunes. GRIFFIN wants a park of only 37,000 acres, which would include North Manitou Island but stop short of the inland lakes.

There is still room for compromise on acreage, in the direction of a somewhat smaller area than HART proposes. But those who are lauding GRIFFIN's small park plan as the ultimate in protection of individual rights, and are calling HART's bill socialistic, are failing to take account of all the relevant facts.

Except in the eyes of those who just don't believe in national parks there no longer seems to be a significant difference in the provisions for protecting local property owners proposed by HART and GRIFFIN.

Both bills have provisions forbidding the Federal Government to condemn private homes. Both would give the Department of the Interior first option on private property within the park boundaries when it did go on the market, with price-setting provisions similar to those which have proven acceptable at Cape Cod National Seashore.

HART's bill would bring property around the inland lakes, just east of the dunes, under these property protection provisions. GRIFFIN's bill would draw the park boundary west of these lake properties. It would be better to have these properties stabilized by zoning codes, as provided in HART's bill, than to have them on the edge of the park, where commercialism would probably run rampant as visits by tourists to the new park increased.

Any land speculator who has ever attacked a township zoning code in court knows that such codes would not protect the inland lake properties, once a park was estabished along the lines suggested by GRIFFIN.

GRIFFIN has proposed including North Manitou Island in the dunes park, for the sake of additional shoreline. But this island is a privately operated hunting preserve, heavily stocked with deer and very short on scenery.

It is not the business of the Interior Department to operate hunting preserves. If the Department chose to include North Manitou inside the park—which is unlikely—it would have to find a way to greatly reduce and control the deer population in order to make the island usable for camping and visits by tourists. But the lack of trees and scenery would make it pointless for the Government to get into such a project.

Despite these differences, the important thing is that the idea of a Sleeping Bear National Park has bipartisan support this year, meaning that it should be possible to pass a bill for which both parties can take some of the credit.

THOMAS JEFFERSON AND THE WORLD OF TODAY

Mr. ROBERTSON. Mr. President, the Alexandria Library Co. in recent years has invited nationally known scholars and creative writers to speak on some aspects of the life, history, or culture of Virginia, or of the other Southern States, in order to remind the present generation of the great part which the South has played in creating and molding this Nation.

On March 14, 1963, the Alexandria Library Co. invited to give its annual lecture Mr. John Dos Passos, author and writer in residence at the University of Virginia. Mr. Dos Passos spoke on the topic, "Thomas Jefferson and the World of Today."

In order to give this informative and important speech the circulation which it justly deserves, I ask unanimous consent that it may be printed in the RECORD.

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

THOMAS JEFFERSON AND THE WORLD OF TODAY

Only 137 years, merely the span of a couple of long lifetimes, have gone by since Jefferson died at Monticello and, on the same Independence Day 1826, his old friend and political opponent, John Adams, died at Braintree, near Boston, whispering, so the old tradition has it: "Thomas Jefferson still survives." Both men lived to see the first half century of the Republic they had helped found. They lived to see the United States spread from the eastern seaboard to the Rocky Mountains. They lived to see the beginnings of the age of steam and of the industrial revolution. They lived to see their experiment in government strike roots and become an established nation.

Their ideas of how men should be governed took somewhat divergent paths during their long lives. Jefferson believed in government by the people by universal suffrage; Adams felt that popular democracy must be held in check by representation of the rich and well educated, and that both powers should be balanced by a strong Executive. Though they saw plenty of dangers ahead both Jefferson and Adams were able to turn their faces to the wall in their last hour happy in the assurance that the work they had done was good.

Looking back on them from the viewpoint of the mid-20th century we can see that the political attitudes of the radicals and conservatives among the men who founded this Republic were really much closer together than they seemed at that time.

When Gouverneur Morris, who was a conservative, and cynical about human capabilities for self-government, wrote to George Washington describing politics as "that divine science that has for its object the happiness of mankind," he meant the same thing by the word "happiness" that the radical idealist Jefferson meant when he drafted the Declaration of Independence. They both were thinking of the right of every man—which they considered his inalienable birthright—to live his life as he chose so long as he didn't interfere with his neighbor. They differed as to what kind of government would best preserve this right, which they agreed was based on the freedom of speech and assembly, and of the press; and on freedom to own property and to handle your property according to what seemed to be your best advantage.

Essentially the happiness they were thinking of was a moral happiness. Whether they were Deists or Congregationalists they were still too close to the old Protestant religion of salvation as a private, individual, and personal experience (the Quakers' light within) to confuse moral and spiritual happiness with affluence in material things. They believed in material well being, but as a basis for the godly life. Adams would have called it that. Jefferson and Gouverneur Morris would probably have called it the philosophic life, but essentially they would have meant the same thing.

These 137 years have seen such a transformation in American society that the aspirations of Jefferson and Adams and Washington and Gouverneur Morris and Hamilton and the rest sometimes seem to us as far away as the aspirations of Confucius. I think they are more cogent than we realize.

Of course, when I was a boy everybody told me that the dominant stamp on the American Government was Hamilton's. For many years I hope and prayed that Jefferson's tradition, with its emphasis on personal rights and decentralized administration, would prevail. Today any dispassionate appraisal of the development of this country since Franklin Roosevelt's first administration will lead to the conclusion that American institutions have evolved in a way which neither Jefferson nor John Adams nor Hamilton could have imagined.

Mass production techniques have spread physical well-being throughout the social heap, with results directly contrary to the forecasts of early 19th century economists, who from Jefferson to Marx could see only evil in the factory system. A second unforeseen byproduct has been the development of an all-encompassing and possibly stifling bureaucracy of the sort which in ancient times took something like 300 years to mature to the point where it stifled the Roman Empire.

The wise old village elders John Adams had his trust in hardly came to the fore.

Hamilton's money men, even when they attained undisputed power in the period after the Civil War, failed to produce the sort of stable ruling class on the model of the English gentry that Hamilton dreamed about.

Whatever really conservative business tradition there was in this country abdicated about the time of the panic of 1929.

The independent farmer, whom Jefferson hoped would be the cornerstone of civil liberties, has been losing ground ever since the failure of La Follette's progressivism.

Jefferson never believed the 18th century Englishman's political axiom that the rich and wellborn are politically more gifted than the poor. In August of the busy year of 1776 he wrote one of his personal friends (who was also a political opponent) Edmund Pendleton, the conservative Virginia lawyer from Caroline County, speaking of the property qualifications for voting which Pendleton wanted in the projected Virginia constitution, "You have lived longer than I have and perhaps may have formed a different judgment on better grounds; but my observations do not enable me to say I think integrity the characteristic of wealth. In general I think the decisions of the people in a body will be more honest and more disinterested than those of wealthy men."

The years I think have more or less borne Jefferson out. The various vested interests have had their fling and have vanished from the scene. The southern slaveowners almost brought the Nation to total disaster. Whenever the American capitalists who took over next messed in politics they proved themselves shortsighted and inept. Now we are governed by mass appeals and pressure groups. Occasionally I'm afraid that we'll have to admit that "the decisions of the

people in a body" have taken forms that Jefferson would neither have considered "honest" or "disinterested." Up to now the record of popular democracy has not been too bad, but the danger looms that as a result of the voters' abdication of sovereignty, a regimenting and bureaucratic Federal Government will take on powers which would have been unthinkable to Thomas Jefferson or any of the founders in their most despairing nightmares.

Politicians have to deal with the present as they see it. Our practical politicians have in their hearts, though many of them wouldn't admit it even in private, lost respect for the brainwashed masses whose votes they woo. Dealing with the mass organizations of leviathan labor and leviathan business too many of them have come to the opinion, which is beginning to be made vocal by the phrasemakers from the colleges, that the ideals and practical precepts of men like Jefferson and Adams and Hamilton are under modern conditions nugatory and void; or else merely useful for the adornment of political speeches, like the red, white, and blue bunting around the speakers' stand.

To me, on the contrary, the challenge of the times to individual liberty and individual initiative makes the thought and the practice of the men who founded this Republic more to the point, than ever.

The organization of society has changed in a century and a half, but the nature of man has not changed. A man can no more be trusted with unlimited power over his fellows today than he could in the days when the authors of the Constitution labored so hard to curb his instincts for evil.

Politics in the great sense—Gouverneur Morris's divine science—which men like Jefferson and Adams thought of as the art of influencing their neighbors for their own good, was based on a knowledge of basic factors in human behavior which haven't changed since the beginnings of recorded history.

The United States must stand or fall by the success of self-government.

If there should grow up in this country a generation of men and women who felt that the most important thing in life was to save the United States from destruction and their own liberties along with their country's, they would find in the records of the founders of the Republic a storehouse of the skills and mental attitudes they would need in their work.

They would find they needed a formula by which to apply the basic libertarian ideas as directly to modern institutionalized society as Jefferson and his friends applied them to the everyday world they knew. The formula will never be found by denying the premises on which the Government was founded.

Lord knows for the last 30 years we have done enough talking about democracy in this country. Maybe the reason why the talk doesn't turn into useful action is because the terms don't apply exactly enough in our lives as we live them. Something of that sort may help to explain our failure of nerve and failure of will as a nation upon the international scene at the moment of victory at the end of the Second World War. It is this failure which continues to threaten terrible consequences for our lives and our children's lives and for our hope of setting up some kind of civilization fit for a man to live in.

Let's have a look at what life was like in America at the end of the 18th century.

Speaking in general terms peoples' lives were assembled in two kinds of social organization. There was the New England type town where social standing depended on a combination of godliness with that possession of this world's goods which was thought of as the outward expression of divine favor. The New England town developed a paradoxical combination of social stratification with political democracy. At Harvard College students were listed according to their social standing instead of according to their scholastic ability, but that doesn't mean that literacy wasn't highly regarded by the Bostonians. The New Englanders were people of the book. Their towns were socially small oligarchies but their government was town meeting where in spite of stratification every man wellborn or lowborn had his say. This was the society which produced the Adamses.

Then there was the plantation society, where men were rated according to the acreage of their lands. The plantation society produced George Mason and George Washington and Thomas Jefferson and James Madison and the rest. In the Virginia county governments, as in rural England, the landowners were the law.

Both of these systems were subject to the stimulus of the ebb and flow of the new settlements to the westward, where skill and courage and the push necessary for survival were the most admired qualities. The educated men, the men of book learning, of all these differing communities were steeped in the spirit of noblesse oblige which was the good side of the arrogance and selfseeking of the British ruling gentry.

The thing the Americans—townsmen, fishermen, and sailors of the New England seaports; planters and merchants from the Chesapeake; hunters and furtraders from the Ohio—had in common was that they thoroughly understood the society they lived in. The technology was simple. From the time of Confucius or Abraham to the time of the American Revolution the basic operations by which men sowed crops for food and produced clothing and shelter had changed remarkably little. The tools had improved, but production was still based on the skill of the hand and the arm and the eye.

The family was everywhere the productive unit, as it was the social unit. The work of apprentices, indentured servants, Negro slaves on the smaller plantations in the South, all meshed into the framework of a man and his wife and his sons and daughters coping with life as a group.

Any tolerably bright individual knew from personal experience how wheeled carriages and sailing ships worked, understood the processes of agriculture and manufacturing, the use of money and the techniques of buying and selling on the marketplace. Much more important, they all knew by direct personal experience how the different kinds of people worked who made up their society.

They took human cussedness for granted.

None of them had many illusions about how men behaved. A radical idealist like Jefferson allowed for the self-interest (real or imagined) of the average voter or the vanity and ambition and greed of the officeholder as much as a cynical conservative like Gouverneur Morris. They were practical people in the sense that many of our politicians today are impractical people. They checked their high-sounding oratory with real events they saw happening around them.

The difference between radicals and conservatives was that they applied their knowledge according to different theories. Jefferson thought that enlightened by universal education under self-government, the people would improve themselves indefinitely. Like his Scottish contemporary Adam Smith he had almost pathetic faith in the workings of enlightened self-interest.

Both parties understood the old Adam as well as any of the more desperate demagogs we have with us today. They allowed for the old Adam's selfseeking, for his shortsightedness, his timidity, his only intermittent public spirit. The difference was that the statesmen of the early republic used that knowledge in the service of great aims. Using men as they found them, they managed, out of their debates and their bitter political struggles to set up the system of balancing powers which made possible the exuberant growth of the United States.

Jefferson led the radical wing which was in favor of more popular rule rather than less. At the same time he thought of universal suffrage always within the frame of decentralized administration.

In a letter he wrote a few days before his death refusing, on account of the state of his health, an invitation to spend that very Fourth of July which was going to be his last with a group of admirers in Washington City, he spoke happily of the blessings and security of self-government and "the free right to the unbounded exercise of reason and freedom of opinion," and rephrased the basic conviction of his life with characteristic vehemence: "The general spread of the light of science has already laid open to every view the palpable truth that the mass of mankind has not been born with saddles on their backs, nor a favored few booted and spurred ready to ride them legitimately by the grace of God."

It is one of the ironies of history, that the Communist zealots whose dogma provides them with boots and spurs to ride the mass of mankind legitimately by the grace of Karl Marx, justify themselves by the same political phraseology which the men of Jefferson's day hoped would make forever impossible the oppression of the many by the few.

The detractors of the American people naturally make a great play of our faults and our vices, but it's for our virtues that they really hate us. King George of England hated us in Jefferson's day because we had the nerve to challenge the right of a small group of privileged Englishmen to determine the destinies of their kinsmen overseas. The social engineers in the Kremlin and of Mao's imperial court in Peiping hate us because the success of our comparatively free economy, in spreading the benefits of mass production through all levels of society, challenges the Marxist dogma on which they base their dictatorship.

We must not forget that the commonest practice of mankind is that a few shall impose authority and the majority shall submit to it. Watch any bunch of children playing during a school recess. It's the habit of individual liberty which is the exception.

The remaining liberties we enjoy today, freedom to express our ideas if we have any, freedom to jump in a car and drive any place we want to on the highway and indeed to leave our own country if we have a mind to, freedom (so long as we are at peace with the union) to choose the trade or profession we want to make our living by, were won, we must never forget, by the struggles and pains of generations of English-speaking people who somehow had resistance to authority in their blood. What the generation of 1776 did was to organize those traditions into a new system.

When the British troops marched out of Yorktown to surrender to Washington's army, one of their bands played a tune called "The World Turned Upside Down." In the long run we have managed to make the promise of that tune come true. Underdog has come mighty near to becoming top dog.

I think we may add on the credit side of the ledger, that there has never been a society where so many men and women have shared a fellow feeling for so many other men and women. With every change in economic organization new class lines and stratifications have appeared, but they've hardly outlasted a generation or two. The old saying about three generations from shirt sleeves to shirt sleeves has turned out profoundly true. Compared to the rest of mankind, we've come nearest to producing a classless society. Ask any recent immigrant. Nine times out of

ten he'll tell you that what struck him first in the United States was that feeling of the world being turned upside down.

Right from the beginning the wise men have said that Jefferson's ideas wouldn't work. Washington in his last years, and John Adams and the whole Federalist Party thought majority rule through universal suffrage would be disastrous. Their reasoning was the basis of the lamentations of the school of Brooks Adams and Henry Adams at the beginning of this century. In fact I think it is safe to say that since the earliest days only a small minority have really, in the privacy of their own consciences, believed that American democracy would truly in the last analysis succeed.

The point of view of the learned and well born was admirably put forward in a letter the English historian Macauley wrote in 1857 to H. N. Randall when he was putting the finishing touches on his biography of Jefferson.

"You are surprised to learn," Macauley wrote Randall, "I have not a high opinion of Mr. Jefferson and I am surprised at your surprise. I am certain that I never wrote a line and that I never in Parliament, in conversation or even on the hustings—a place where it is the fashion to court the populace—uttered a word indicating the opinion that the supreme authority in a state ought to be entrusted to the majority of citizens told by head; in other words, to the poorest and most ignorant part of society. I have long been convinced that institutions purely democratic must, sooner or later, destroy liberty or civilization or both.

"You think that your country enjoys an exemption from these evils. I will frankly own to you that I am of a very different opinion. Your fate I believe to be certain, though it is deferred by a physical cause. As long as you have a boundless extent of fertile and unoccupied land, your laboring population will be far more at ease than the laboring population of the Old World; and while that is the case the Jeffersonian policy may continue to exist without causing any fatal calamity." (You'll recognize the theory of the last frontier which has long been popular among certain historians.) "But the time will come," Macauley went on, "when New England will be as thickly populated as Old England. Wages will be as low and will fluctuate as much with you as with us. You will have your Manchesters and Birminghams. Hundreds and thousands of artisans will be sometimes out of work.

Then your institutions will be fairly brought to the test. Distress everywhere makes the laborer mutinous and discontented and inclines him to listen with eagerness to agitators who tell him that it is a monstrous iniquity that one man should have millions, while another cannot get a full meal. The day will come when, in the State of New York a multitude of people, none of whom has had more than half a breakfast or expects to have more than half a dinner, will choose the legislature. Is it possible to doubt what sort of legislature will be chosen? On one side is a statesman preaching patience, respect for vested rights, a strict observance of public faith. On the other side is a demagogue ranting about tyranny or capitalists and usurers, and asking why anybody should be permitted to drink champagne and to ride in a carriage while thousands of honest people are in want of necessities. Which of the two candidates is likely to be preferred by a workingman who hears his children cry for bread?

"I seriously apprehend that you will in some such season of adversity as I have described do things which will prevent prosperity from returning; that you will act, like people in a year of scarcity who devour all the seed corn and thus make the next year not one of scarcity but of absolute distress. The distress will produce fresh spoliation. There is nothing to stay you. Your Constitution is all sail and no anchor. As I said, when society has entered on this downward progress, either civilization or liberty must perish. Either some Caesar or Napoleon will seize the reins of government with a strong hand or your Republic will be as fearfully plundered and laid waste by barbarians in the 20th century as the Roman Empire was in the 5th; with this difference, that the Huns and Vandals who ravaged the Roman Empire came from without, and your Huns and Vandals will have engendered within your own country by your own institutions.

"Thinking this, of course I cannot reckon Jefferson among the benefactors of mankind."

You'll recognize in this letter of Macaulay's an early statement of the underlying theme of Ortega y Gasset's "Revolt of the Masses," which is still I think the clearest expression in modern terms of the dangers of the cult of the lowest common denominator.

If there should grow up in this continent a generation of men and women ready to give up their lives to defending the last strongholds of the practice of individual liberty, their first duty would be to prove, by word and deed, that Macaulay and Ortega y Gasset were wrong. The imperative need of our time is to prove to ourselves first, and to the rest of the world after, that the methods of self-government can cope with the human problems of industrial society.

Don't let anybody tell you that Macaulay wasn't a great historian, because he was. His practical experience in Parliament gave him a particularly sharp insight into political behavior, but he had no way of foreseeing the new factors which have come into the picture. One is the immense increase in productivity. Another is the mass market which resulted from high wages.

Macaulay had no way of knowing that the American industrialist and the American farmer would be producing within a hundred years such a profusion of goods that the problems facing our political economy would be those of surplus rather than scarcity. Whenever we get a breathing space from the waste of war, we start to pile up such mountains of wheat and corn, such rivers of crude oil, such avalanches of automobiles, washing machines, hedge clippers, of everything you can think of, that the economy gets the blind staggers.

Franklin Roosevelt's New Deal revolution had all the earmarks of the sort of uprising Macaulay looked forward to with so much dread. We had our hundreds and thousands of artisans out of work. We had our mutinous and discontented labor.

"Spend spend spend. Tax tax tax. Elect elect elect" was the watchword. The sufferers marched to the polls and elected and reelected Franklin Roosevelt who sure ranted plenty about the tyranny of capitalists and bankers. The rich were despoiled through the income tax. The poor were to a certain extent subsidized. But the end result, instead of the Republic's being laid waste by the barbarians from below, was that everybody got richer. If the New Deal demagogues, ranting, as Macaulay put it, about the tyranny of capitalists, were able to produce such a successful readjustment of the economy, majority rule must have more resources than he imagined.

The trouble is that every good thing has its bad side. In Jefferson's day the average man could understand how the world he lived in worked. Today our industrial world has become so cut up into specialized departments and vocabularies, and has become so hard to understand and to see as a whole that most people won't even try. Even people of first-rate intelligence, at work in various segregated segments of our economy tend to get so walled up in the particular work they are doing that they never look outside of it. We have forgotten that citizens have duties as well as rights. Along with the benefits of the New Deal revolution came an apathetic complacency toward the general good and the neglect of inventive and original thought about sociology and politics. It is possible that future historians will discover that at the moment of its greatest material success the American Republic was brought to destruction because its people ran out of ideas.

Future historians may puzzle over the fact that just at the moment when American society was proving how versatile it was and how adaptable to changing conditions, so many well-educated young men should throw overboard the theories and practices which had brought the American system into being and turn back to the socialist dogmas of a century ago which would seem to have been discredited by the dreadful history of the Soviet Union since the time of Lenin's revolution. The subject is confused by the prevalence of a sort of totalitarian double-talk, by which the vocabulary of self-government is used to mean something quite different; but the fact remains that a great many Americans are finding it harder and harder to apply the words and phrases that fitted the agrarian society Jefferson and Madison lived in to the pyramidal structure of today's industry.

Man is an institution-building animal. Every new process for the production of food and goods or their distribution changes the shape of the lives of the men and women who take part in it. Careers have to be molded to fit each new process. People's lives become intertwined in complicated structures of vested interests. With every change adaptations are demanded. Adaptation is slow and difficult and painful. The symptoms of insufficient adaptation are maladjustment, frustration, and finally, apathy. The social structure that has grown up around the present type of industrial production has developed so fast that we haven't had time to adapt to it. In this new environment we are finding it hard, perhaps harder than we realize, to operate the institutions which the English-speaking people built up through centuries of resistance to authority. The challenge which has to be met by all Americans alive today, if their lives are not going to end in ruin and defeat, is the adaptation of free institutions to a rapidly changing industrial society.

The men who founded this Republic gave their lives to the study of how to regulate the interaction between some men's instinct to boss and take advantage of their fellow men, and the freemans' instinctive resistance to authority. They called that interaction self-government. If we are to learn to adapt self-government to the needs of an institutionalized society (the alternative is the type of universal servitude we see in its extremest form of Chinese communism) we are going to need to study the skills and aptitudes of the statesmen who so successfully fitted the old Adam of their time into a government of laws rather than of men.

It was Jefferson's sarcastic young friend from Orange County, little James Madison, who set down in the oftenquoted No. 51 of the Federalist the basic hardheaded rule which, for all these men, radical and conservative alike, became the cornerstone of their political theory: "In framing a government which is to be administered by men over men, the great difficulty lies in this; you must first enable the Government to control the governed and in the next place oblige it to control itself."

Jefferson phrased and rephrased the doctrine many times. When he was Minister to France, during the period when the Constitution was being argued in Philadelphia, he wrote a letter to his old friend Edward Carrington.

This was the same Colonel Carrington who was such a great lover of liberty that an amusing story was told of him. St. John's Church in Richmond was so crowded when Patrick Henry made his most famous oration that many of the delegates couldn't get in. Among those hanging by their eyelashes to the outside framing of the open windows was this Colonel Carrington. When Henry ended his speech with "Give me liberty or give me death" Carrington turned to his friends who were also dangling from the window ledges and begged them to see to it that when he died he should be buried on this spot where he had experienced his life's greatest moment. His tomb is still there to prove it.

Jefferson in Europe had been enjoying the music, the architecture, the light wines and the landscape, the society of attractive and entertaining women, the skillful gardening of the English and the politeness of the French, but he had been horrified to find himself living in a social system in which, as he put it in words he quoted from Voltaire, every man was either the hammer or the anvil.

"I am convinced," he wrote Carrington while trying to explain his general principles of government, "that those societies (as the Indians) which live without government, enjoy in their general mass an infinitely greater degree of happiness than those who live under the European governments. Among the former public opinion is in the place of law, and restrains morals as powerfully as laws ever did anywhere. Among the latter under the pretext of governing, they have divided their nations into two classes, wolves and sheep. I do not exaggerate. This is a true picture of Europe."

What Jefferson was saying in his characteristically extreme way was that there was a universal law in human affairs by which any group which achieved power over their fellows, whether you called them representatives, commissars, bureaucrats, or monarchs and their courts, would exploit them to the limit of their capacity.

The Marxists of Lenin's day truly thought that if they threw out the businessmen exploitation would stop. What happened was that the bureaucrats became a new and more ferocious exploiting class. The realities of the Soviet Union have disproved Karl Marx. Jefferson and his friends thoroughly understood that any dominant group whatsoever, if you gave them a chance, would exploit the people under their charge, leaving them, so Jefferson put it, the way beekeepers do with bees, just enough of their product to give them strength to keep on working.

"Cherish therefore," Jefferson went on to Carrington, "the spirit of our people, and keep alive their attention. Do not be too severe upon their errors, but reclaim them by enlightening them. Once they become inattentive to public affairs, you and I, and Congress and assemblies, judges and Governors, shall all become wolves. It seems to be the law of our general nature, in spite of individual exceptions, and experience declares that man is the only animal that devours his own kind; for I can apply no milder term to the governments of Europe and to the general prey of the rich on the poor."

Later in his life, in a letter to Dr. Cooper, looking back on the England he'd seen in the beginnings of the industrial revolution, Jefferson described the stratifications of English society as scathingly as Karl Marx did several decades later. He explained that the people were divided into an aristocracy of wealth, a laboring class, and a pauper class. "The aristocracy, which have the laws and government in their hands, have so managed them as to reduce the third description below the means of supporting life, even by labor; and to force the second, whether employed in agriculture, or the arts" (by arts he meant handicraft and machine production) "to the maximum of labor which the construction of the human body can endure, and to the minimum of food and of the meanest kind, which will preserve it in life * * * To obtain food enough and clothing, not only their whole strength must be unremittingly exerted, but with the utmost dexterity they can only keep their ground * * * Hence the industry and manual dexterity of their journeymen and daylaborers and the science of their master workmen"—I'm skipping a little—"keep them in the foremost ranks of competition with other nations: and the less dextrous individuals * * * furnish materials for armies and navies to defend their country, exercise piracy on the ocean, and carry conflagration, plunder, and devastation on the shores of all those who endeavor to withstand their aggressions."

Jefferson was writing in the full bitterness of the War of 1812. He was writing about the rising British empire (which we now look back on with some nostalgia facing as we do the advance of another and much more brutal conqueror), but it is amusing how aptly his description fits the social stratification which has developed in the Soviet Union and its satellites.

The sentences that follow might be quoted from an editorial on the suppressed revolt in Hungary. "A society thus constituted possesses certainly the means of defense, but what does it defend? the pauperism of the lowest class, the abject depression of the laboring, and the luxury, the riot, the domination and the vicious happiness of the aristocracy." (For aristocracy read bureaucracy.) "In their hands the paupers are used as tools to maintain their own wretchedness, and to keep down the laboring portion by shooting them whenever the desperation produced by the cravings of their stomachs drives them into riots. Such is the happiness of scientific England." And such we might add is the happiness of every nation in recorded history, where the power to govern has outrun the power of the governed to resist infringements on their liberty.

The profound emotional basis of Jefferson's belief in popular government was that he instinctively saw society with the eye of the underdog. In letters written at various times in his life you come across remarks about how important he felt it was, especially when he was holding public office, to break down the barriers which inevitably grew up between an officeholder and the general mass of his fellow citizens. Often he'd travel on his trips back and forth between Monticello and the seat of government in the miserable jouncing carts that were the public stages of the time, instead of in his own carriage, just for that purpose.

Now what would my imaginary generation of men and women, who would be ready to give up their whole lives to save these United States and the liberties they stand for, learn from this argument, as they followed it through the letters and statements of the statesmen and the acrimonious journalism of the day?

The first thing that would strike them would be, I think, that all these men loved the United States better than their own lives. In spite of their bitter political conflict at the time of Adams' presidency and Jefferson's leadership of the republican party, Jefferson and John Adams died friends. In spite of all his differences with Hamilton, Jefferson set up a bust of him in the hall at Monticello. In spite of Hamilton's scorn of Jefferson and his theories, he threw the votes he controlled in Congress to Jefferson in the election of 1801, because he thought it was his patriotic duty to do so.

These men of the first generation of leadership were ready, at the last ditch, to sacrifice their own feelings and even their own convictions to the country's good. They were able to stand aside enough from their own political passions to see the country's good as separate from their own aims. The United States constituted the ruling passion of their lives.

A recent example of this grand tradition was the magnificent way Senator TAFT, after he lost the Republican nomination, threw all the fading energy of the last days of his life into helping General Eisenhower win the presidency, and then into trying to help him deserve it once he'd won it. Compare this with Stalin's assassination of Trotsky or the struggles for power in the Soviet Union that followed Stalin's death and you'll understand how much we have to defend.

That year of 1776 which launched the United States was a year of gruelling work for Jefferson. It's amazing how much work people can get into a short period if they have to. When Jefferson walked up the stairs to his parlor in bricklayer Graaf's new house during those hot June days in Philadelphia to set down at his traveling desk the first rough draft of the Declaration of Independence his mind was still busy with his plans for the new constitution of his home State, where the old House of Burgesses had turned itself into a constitutional convention.

He had been trying to get himself recalled to Williamsburg so that he could take part in the crucial committee work. He was smarting under the suspicion that the Virginia conservatives were keeping him in Philadelphia because they were afraid of his radical influence in Williamsburg. There was a geographical cleavage in Virginia between the conservative tidewater landowners and the radical young man from the pioneer counties of the west. Jefferson, although Albermarle had been settled territory since his father's day, usually sided with the westerners. He felt that the work of the Virginia convention was a great deal more important for the future than the mere drafting of a state paper for Congress. The new State governments were, as he put it "the whole object of the present controversy; for should a bad government be instituted for us in future it had been as well to have accepted at first the bad one offered us from beyond the water without the risk and expense of the contest."

He'd already sent his notes as to what kind of government he thought was good to his friends in Williamsburg.

He wanted every citizen to be a property owner and every property owner to have a vote. He wanted to abolish the English custom of entail on the eldest son so that properties would be broken up at each generation by being divided among a number of heirs. He was willing to have incomes further leveled by a tax on surplus earnings. He wanted complete religious liberty, with church and state quite separate, freedom of discussion and of the press, and the gradual abolition of slavery. In the end this became the scheme along which the country developed.

All these victories for the human spirit, which our fathers took for granted have been called in question in our lifetimes.

It turned out that Virginia adopted George Mason's constitution (of course George Mason wanted a great many of the same things) but Jefferson had another chance to set the pattern for the new social order which would come out of the Revolution when he was chosen later that same fall, along with his old lawteacher George Wythe, and fastidious George Mason, and Edmund Pendleton, and one of the Lees, to take on the tremendous job of revising, modernizing, and clarifying the entire code of English law as it applied to Virginia. A challenge for Lycurgus.

A few days after George Washington wound up his retreat through the Jerseys by

whipping the Hessians at Trenton the committee met in the wintry little village of Fredericksburg up at the falls of the Rappahannock. Jefferson took home enough work from that meeting to kill a mule. "A great rubber off of dust," John Adams called him. It was in the course of this work that he worded his great statute on religious liberty, and his bill, which unfortunately turned out to be ahead of its time, to set up a free public school system in Virginia.

These country gentlemen who settled down quietly to work up a new code of laws for their country certainly had their nerve with them. They had declared war on the richest nation in the world. They were part of a scattered confederation of ill-organized settlements on the edge of an undiscovered continent between the hostile Indians and the roaring ocean. Some of their chief cities were occupied by the enemy. Their coast was blockaded by the world's most powerful fleet. The last summer's expedition to try to rally the Canadians to their cause had proved an expensive failure. Their only properly organized army, after continuous retreats, had managed one very small victory.

Nothing daunted they set to work to draw the plans for governing the nation that was yet to be.

You can catch something of the ardor of those days from the letters and documents printed in the first two volumes of the Princeton edition of Jefferson's complete papers. If there should appear this race of men and women I've been trying to imagine, hellbent on saving this Republic and the practice of personal liberty, that's where I should advise them to start their education in the art of statesmanship.

From reading the thoughts and doings of the men who found themselves in positions of leadership in this difficult season of wartime defeats they would perhaps contract the conviction that men of shrewdness and honesty and willpower can in the face of every kind of difficulty reshape a society as they live in it from day to day.

They might pick up some of the affection for the practical machinery of self-government that these men had. They might learn from them a national patriotism hot enough to cut through class lines and group pressures and local interests. They would learn that being an American is an urgent business.

The first thing it took to sit down at Fredericksburg in the winter of 1777 and start to work on a new code of laws was courage. Courage is just as contagious as cowardice. From an enthusiastic study of the daily work of the architects of this Nation, we can catch some of the feeling they had of being masters of their destiny.

Our weakness so far in the endless yelling match with the Communists and in our arguments with our allies is that the people who represent the United States seem hardly convinced at the bottom of their hearts that it is from our kind of liberty under our kind of self-government that the new and radical and adventurous methods of conducting human affairs will develop. Our public men have forgotten the passion for freedom which should be our weapon and our defense.

The Communists have often had the better of the argument during the last 20 dishonorable years—the most disheartening years in our history—because they are thoroughly convinced that they can remake the world. They have proved that they can too; the trouble is that they are remaking it in the wrong direction.

Don't we perhaps need to go to school again to the Americans who, only four or five generations ago did remake the world? They turned it upside down and remade it in the right direction. They can teach us to get our courage back. The moment we can prove to ourselves that we are masters of our destiny at home, we will maybe start to win the worldwide battle too.

HIGH SCHOOL BASKETBALL AT PANGUITCH, UTAH

Mr. MOSS. Mr. President, a most interesting and, for me, nostalgic article about the high school basketball team at Panguitch, Utah, written by John Underwood, appears in the March 4 issue of Sports Illustrated. Because the experiences of this little town and its people are rather typical of small American towns everywhere, I am asking that the article be printed in the RECORD at the conclusion of my remarks.

Panguitch is in the southern part of my State and lies in an arid plateau area, where the earning of a livelihood is still difficult and where our people must pit their energies against a sometimes hostile environment. Yet, from this little town and the other little towns of America, have come the leaders of our Nation and here has grown the culture of America. This article is about a basketball team. Most of these boys, perhaps all of them, will go on to college and perhaps few, or none, of them will return to Panguitch, but this will always be their home and their heritage.

As a footnote to the article, I would like to add that Panguitch won the consolation championship of the class B—small student body—high schools of the State of Utah on March 16, 1963. This means that the team lost its game on the first night of the tournament and won every game thereafter.

I can visualize that tournament because my father, James E. Moss, was one of the founders of high school basketball in Utah and was known affectionately throughout the State as the father of high school athletics. From my earliest childhood, I attended basketball tournaments and other athletic contests with my father. This is the first year that he has not attended the high school basketball tournament since it was founded in Utah—because he passed on last September.

I ask unanimous consent that the Panguitch article be printed in the RECORD.

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

THE ONLY GAME IN PANGUITCH, UTAH—THOSE BOBCATS CAN'T BE BEAT

The only thing that stood between Donald Ortman and basketball was his terrible modesty. Lank, limby and obviously cut for the game, Don Ortman would gladly play for Panguitch High, he told the coach in 1936, but not if it meant taking off his long pants. The coach, equally inflexible, could not agree ("Long pants?" he shrieked. "Out there on the court? Long pants?"), and Panguitch, Utah had to wait until Don's son Wally grew up before it could fully appreciate the Ortman family.

Nowadays, unabashed by the sight of his bare legs, Wally Ortman wears the conventional blue-and-white briefs of the undefeated Panguitch team and receives vast quantities of Panguitchian appreciation. This includes being a principal conversation topic on U.S. Highway 89 (Main Street) and at the Latter-day Saints Social Hall and around the corner at Daly's pool and billiard retreat. Rhyming couplets are composed by adoring teenage girls: "The score goes up, that player, golly. He's real neat, his name is Wally." His younger brothers, Kenny and Dennis, bask in his prominence and beg him to teach them to back dribble. They consider the time golden when Wally gets with them at the make-do court in the vacant corral across the road. His girl, Barbara, has promised to retrieve the ring and picture she gave to another boy after the Panguitch coach, Bob Davis, a purist, got the team to swear off girls for the season.

Wally's gray-haired mother is still his most devoted fan. She recounts Panguitch basketball lore—like the time the "sore losers" from Marysvale set fire to a neighbor's car—while she struggles with the heavy batter for Wally's favorite boiled-raisin cake or punctiliously launders his uniform. Sometimes she cries to herself as she watches him disappear up the gravel road, walking, bag in hand, to the Panguitch gym on game nights. "It's sad for parents, the way time flies," she says. "We're content and we stay. Where can we go now? But when the children get out of school, they always go. There's nothing here to keep them."

Panguitch, Utah, is a blinking amber light at a dogleg on U.S. 89, 170 miles southwest of the nearest big town, Provo, and roughly along what Salt Lake City sensationalists imagine to be the beeline taken by itinerant bank robbers and high rollers heading west for Las Vegas. A brush with such glamorous villains was suspected in Panguitch last winter when the drugstore was robbed, but other than that, Panguitch doesn't qualify as much of a sin town. The local Garfield County News reported some time ago that when a woman in nearby Escalante called to report a robbery, the sheriff (since retired) instructed her to please get the name and address of the crook and he'd be over to make the arrest.

Panguitch (Ute Indian for "big fish") squats in a water-scarce trough between the Parowan Range on the west and the Panguitch Plateau, a branch of the Wasatch Mountains, on the east. Deer are plentiful in the hills, and no self-respecting Panguitch boy will go a season without getting his buck; venison is, therefore, staple fare in Panguitch. The area is 6,560 feet above a sea most Panguitchians have never seen, and is crisscrossed with irrigation ditches partly filled with snow at this time of year. It is a gray land studded with cottonwood, ponderosa pine and native fir, but mostly there is sagebrush, uninspiring, mile after mile. The beauty is in the mountains, where there are vivid streaks of red beneath peaks that seem to have been confected with Reddi-Wip.

Because of the water shortage the population of Panguitch—1,435—has remained almost constant since the turn of the century. The people are interested in outsiders ("I have never seen a Negro," said the mother of one of the basketball players) and inquisitive about their tastes, yet they are at a loss to explain the red in their own mountains. The State's largest sawmill is at Panguitch, and there are alfalfa farms and small cattle ranches that vie for the water, but the lifeblood of the community is a million dollars' worth of tourists and hunters each year. There are 13 modern motels and 9 gas stations to snare the traveler within the town limits. In summer the principal attraction is Bryce Canyon, a sort of Grand Canyon in miniature 25 miles to the southeast (Grand Canyon itself is only 175 miles south). The hunters come by the hundreds in the fall. The sign outside town discriminates only against "peddlers and hawkers" (licenses required) and "noisy mufflers and cutouts." Panguitch cafe food is hearty and the hospitality is, too, despite regiments of big-city parking meters. (This winter a

second-string Panguitch High basketball player called Whips is famous for his fancy dribbling and fakes between and around the meters.)

The town's religious preference is Mormon, by 95 percent—which makes it a challenge for a visitor to achieve a social cup of coffee. The town's passion is basketball, and it is a challenge for anybody to talk about anything else. Bill Coltrine, a high school sportswriter for the Salt Lake City Tribune, stopped in Panguitch while vacationing last summer and was assailed by a delegation of townspeople eager to stuff him with details on the great team Coach Bob Davis was going to have. "But friends, this is July," protested Coltrine. "Nobody talks basketball in July."

"We do," chorused the delegates.

The Panguitch team had won its 16th straight and appeared well on its way to the State class B championship when Photographer Rich Clarkson and I checked into the New Western Motel down the street from the school the other day. We had driven the 71 miles from Cedar City, the nearest airport town. "You'll find people in this part of the country are very friendly," said the proprietor of the New Western, a native named Clarence Cameron. "Now, you'll be in rooms 15 and 16. But before you unpack, let me tell you about our basketball team. They've won 16 straight. Could be better than that 1957 bunch that won the State championship. And that was an exciting team. Never knew what they were going to do.

"Anyway, this could be the best we've ever had. They're fine boys, too, all of them. Joe Riggs is our little guard. We call him the Little General. Smart, very sensitive kid. His father runs the AG market in town. Just built a new house. Brent Turek is the big boy who scores so many points. His dad works for the State parks. Good job. Wally Ortman's dad has had a lot of bad luck. Been very sick. Wally's a great shooter. Lou Tibbs' dad is a rancher and a State legislator. Ned Richards' dad is the postmaster. They're big boys. Seem to get bigger every year. But listen. Let Bob Davis tell you about how they got to be the first five in the first place. Quite a scandal. Took a lot of courage on Bob's part."

Mrs. Cameron passed out dishes of peanut butter fudge ("It's my specialty") and said it wasn't unusual of a game night for Mr. Cameron to run back and forth from the motel to the gym, puffing and puffing, to get progressive accounts of the scoring. "We play Bryce Valley tonight," she said, "but there's not a seat to be had. The gym is sold out for the year. All 250 seats."

"We're getting a brand-new gym next year," said the proprietor. "Blueprints are already in. It'll cost $380,000 and will seat 2,300 people, which is 2,000 more than it'll seat now and 1,000 more than we've got people. But we're aiming to bring in the Region 9 tournament.

"Basketball," he said, "is really it in this town. Look around you at all the nets and goals in the backyards. There's as many backboards as there are TV antennas. In some places there was a basketball goal before there was indoor plumbing. Some of them still don't have indoor plumbing."

"Actually, there's no other diversion in the winter," said another Panguitch man. "Except the movie house and the pool hall. And the movie screen has a big slice in it where a kid threw a piece of cardboard. The slice always shows up on the hero's nose. And as for the pool hall, that's no place for a youngster."

"The pool hall is the blight of the community. Always has been," said a third man. "The idle brain is the devil's workshop."

Down the street there was only a handful of cars in front of the high school though it was 2 o'clock. This, it was explained, was because only a handful of Panguitch High School kids could afford cars. The bright yellow-and-silver Chevrolet, souped up to 250 horsepower, belonged to Dr. Sims Duggins' son Rodney. The Studebaker with the bongo drums in the back belonged to the marshal's son, and it was given to him because his father didn't want him flitting around in the patrol car.

There were sheep and cows in the yard across the street from the school. (Panguitch zoning restrictions, said the hotel proprietor, maybe aren't what they ought to be.) The school is a compact, two-story, buff-brick building built to last in 1937. It is right next door to the older Panguitch Junior High, which is condemned but still in use. Standing on the steps out front, one can feel the throb of the physical education students pounding around in the gym upstairs, can smell the pastry being burned in the home economics oven and can hear, from somewhere, a struggling cornet soloist playing "The Nutcracker Suite," or is it "Bye Bye Blues"?

Enrollment at Panguitch is 110, of which 64 are boys. The principal, Clifford LeFevre, a bright, middle-aged man, says he gave up ranching to return to education, and this explained the huge hide of a Hereford steer that covered one wall of his tiny office. He has a staff of only 13 and therefore requires double duty from some faculty members. In addition to his own job, LeFevre teaches biology and speech; Wrestling Coach Allen Smith is also the music teacher and directs the 30-piece band; and Basketball Coach Davis instructs in math and makes a stab at trigonometry. Davis will be qualified in chemistry as soon as he completes the biweekly course at Cedar City. Teachers get nothing extra for coaching, so Davis, father of five, with a sixth due in June (his annual salary is $4,750), works summers at the slaughterhouse in Kanab and is always on call when somebody in Panguitch needs a pig butchered or some linoleum laid. "Bob can do just about anything he sets his mind to," says Principal LeFevre.

Coach Davis is a tall, curly-haired, handsome man of 32 with a crank-and-go voice and a knowledge of basketball gleaned mostly from books ("I didn't play when I was at Brigham Young, you see"). Sitting in Principal LeFevre's office, he talked about the intricacies of his offense and how he had decided to use a double post this year. Then he was asked about the basketball scandal he'd cleared up, and about his moratorium on dating. How did a coach cope with such explosive issues?

"A couple of years ago," he said soberly, "I discovered some of the boys on the team—all of the first five, in fact—were smoking and drinking. I passed on a warning and let it ride, hoping they'd see the light. Well, there was this party. Cigarettes and beer. A couple of the boys joined in only because they knew if I found out and was going to do anything I'd have to go against them all. That's what I did. I made a clean sweep, and the next thing you know we're starting a bunch of sophomores—Brent and Wally and Joe and Lou. It was tough going for a while. I don't imagine I was too popular a fellow down at the pool hall. But it was a blessing in disguise. This team found itself. You'll see tonight. And I didn't have to worry about them. They made their own training rules and they abide by them. They're good boys."

Did they honest and truly give up girls on their own?

"Well, not exactly," said Davis, clearing his throat. "But rules are rules. Even now I have to get after them for standing around the halls mooning. There'll be plenty of time for that after the State tournament."

Principal LeFevre and his visitors stepped out into the hall. Basketball star Turek, tall and blond, and basketball star Riggs, short and brunet, were lounging by the locker of Cheerleader Melanie McEwen, soft and dreamy. "See what Coach means?" said LeFevre. On the bulletin board there was a huge chart divided into 40 squares. The first few squares had been crossed off with bold black strokes. "Countdown Calendar," read the title, and LeFevre explained that the girls had put up the poster as a reminder of that day of salvation when the ball boys, as they are called in Panguitch, would be freed from Davis' clutches. "Happy Days Are Here Again" said the caption under the last square.

As part of the general displeasure with the rules, Sophomore Sandra Crofts had written a poem (English Teacher Irene McEwen, Melanie's lovely mother, is very strong on poetry). The poem was called "Ball Season," and it portrayed the grim life of the boyless world of Panguitch girls and the girlless world of basketball players. "In bed every night, right at 10," Sandra had written sagely. "Being on the team is like being locked in a pen." She went on to say that all a girl does every day is go home to mother, and predicted that soon the girls will be dousing their hair with Brylcreem for something to run their fingers through.

The Panguitch gym was filled to popping for the game with Bryce Valley. In a front row seat Hot Rodney Duggins, the doctor's son, pointed out that on both sides the fans were sticking out onto the playing court. This was all right, he said, because it made it impossible for a Panguitch player to go out of bounds. Rodney's father leaned over to say that in days past, when crowds were not so orderly, the corners of the playing floor would actually round off with people.

The Panguitch junior varsity players won the preliminary game as the key decisions by the two officials, both Panguitch High faculty members, consistently went in their favor. "Think they're prejudiced?" said Rodney, winking wildly. Dr. Duggins said that this was, after all, just the preliminary, but he remembered a Panguitch varsity game in Marysvale when the timekeeper kept the clock between his knees, hidden from view, and the last 17 seconds took half an hour. "Then there was the referee who gave the opposition the ball while Panguitch was out getting a drink of water. The other team scored," said Dr. Duggins, "and one of our lady fans fainted on the spot." By this time the preliminary game was over and Official Maloy Dodds came over to join the conversation. When he was playing for Panguitch, he said, the ladies of Escalante used to line the street outside after a game and throw their high-heeled shoes at the Panguitch players.

The varsity game began, and Dr. Duggins noted with pride that he had delivered every boy on the starting team. "The starting teams of both schools," he added. Melanie McEwen and her cheerleaders soon had the metal-roofed Panguitch gym, the exact acoustical equivalent of a rural mailbox, rocking with repetition: "Baskets! Baskets! Baskets, boys! You make the baskets, we'll make the noise!" The boys responded, after a slow start, and soon were making baskets as fast as Melanie's group could suggest them.

Still, Bryce Valley, which had won only once previously, clung to the lead. It was sacrilege, said a Panguitch father. Coach Davis called for time. "Posing," he said to the Bobcats. "You saw a photographer out there, and you started posing." He sat back down. "Slow starts, slow starts," he muttered. "Times like this we couldn't throw the ball into the Great Salt Lake." Lou Tibbs slumped beside him, momentarily relieved of his job at forward. "Have you ever seen a worse basketball player than me?" he asked. "I think I probably have," said Coach Davis absently.

The tide, inexorable as it always is for the better, taller team, began to change. Joe

Riggs made six straight points, and Brent Turek and Wally Ortman seemed to get every rebound. Six, eight, ten, twenty ahead. The Bobcats piled it on.

They were every bit up their credits. The 6-foot-3, 180-pound Turek played with exceptional basketball sense, timing, and touch. His rebounding was superb. Wally Ortman's back dribble evoked many a long ah, and little Joe Riggs—inspired, his mother said afterward when the parents got together on the floor—scored 16 points on long one-hand shots. "Unh-unh, unh-unh, those Bobcats can't be beat," cheered the cheerleaders. Bryce Valley became Panguitch's 17th victim, 71 to 48, and the State tournament was just five games away.

"Now what do we do?" I asked Hot Rodney as the crowd filed out. It was barely 10 o'clock.

"Nothing to do," said Rodney despairingly. "Unless"—he brightened—"unless you want to ride up and down Main Street a couple times."

The next day, training rules notwithstanding, there remained the question of whether little Joe Riggs or big Brent Turek was in the lead with the beautiful Melanie. Between classes, Mrs. McEwen discussed this, but first she brought out a bundle of papers, the classroom compositions of Joe Riggs. One was entitled "Marriage Before Education?" and in it Joe wrote: "To a teenager of a small country town who has any foresight into the problems of the near future, the bonds of matrimony is a dread."

"Look at the others," said Mrs. McEwen. There was a poem, "Panguitch," in which Joe vowed to stay in his hometown "forever," and a thesis on the multiple horrors of opiate analgesics. They were well written. On one of them, Mrs. McEwen had scribbled, "You're such a swell guy."

"This is a smart, sensitive boy," she said. "But, most important, he realizes there's more to this world—and should be more to Panguitch—than basketball. Oh, they know how I feel," she went on, eyes flashing, "I'm still as much a fan as anybody. Go to all the games. But I'm also the oldest teacher here. My husband has done well in the motel business and we have been many places and seen many things. We're going to Hawaii next month and we're going to send Melanie to Paris to school if she wants to go. What I'm driving at is this: as a teacher, I want a great deal more for these kids, these very fine, wonderful kids, than just a score and a winning streak." Her voice had been rising. She stopped.

"Now," she continued quietly, "Melanie was named after that fine young woman in 'Gone With the Wind,' the one with such high character. I'm pleased to say Melanie has lived up to the image. And as for her love life, that's pretty much her own business."

Brent Turek, the third corner of the triangle, lives in Hatch, a village of 198 people, 16 miles south of Panguitch. In "My Story," a composition for Mrs. McEwen, Brent depicted himself as being initially amazed by how fast the crowd was at Panguitch High and how dumb he must have seemed. The night after the Bryce Valley game Mrs. Turek, a large, friendly, pink-faced woman, served a dinner of venison, rice, pear salad with strips of cheese, great slices of homemade bread baked in a wood-burning stove and milk. "I'm really very sorry," she said, "but there's no coffee." She said they didn't get much company in Hatch, and coffee-drinking strangers are rare. "It was funny last fall," she said. "Two bandits were supposed to be on the loose and the man on the radio said to lock your doors. Nobody in Hatch owns a lock."

It was suggested to Brent that he obviously had a talent for basketball and would surely get a scholarship offer. But what of the fair Melanie?

"Oh, gee, she's Joe's girl now, I guess," said Brent modestly. "I'm no heart smasher. Besides, girls are plenty destructive. 'Come on, come on, you don't have to be in training all the time,' that's what they say. Not Melanie, mind you, but some of them.

"Say, listen, I'd like to tell you a few things about the Mormon religion. I won't try to convert you or anything, but you'd be surprised how important it is in our lives and how much we help each other. It's a good feeling to be in touch with people. Tonight I'm going up to the Little Ranch to give them the monthly lesson. As a priest—you get to be a priest when you're 16—I'm supposed to give a lesson to two families a month. Come along and see."

The Little Ranch was another 5 miles south and apparently had fared poorly in the last 100 years. A simple unfrosted light bulb illuminated the tiny living room. There were pictures of old people on the walls, and a frayed Indian blanket covered the sofa. Mrs. Little, a painfully thin bright-eyed woman of 77, sat rocking in a misshapen black chair, her fur-lined boots unbuckled after a long day. As Brent gave the lesson—"Honor thy father and thy mother"—she nodded approvingly, interrupting on occasion to test him with a question.

When the lesson was over she said, "He's a fine boy, isn't he? And a fine Mormon. And isn't that a fine basketball team he's on? Undefeated, you know."

U.S.S. "UTAH"—UNMARKED GRAVE OF A MEDAL OF HONOR WINNER

Mr. MOSS. Mr. President, a timely and touching article, entitled "U.S.S. *Utah*—Unmarked Grave of a Medal of Honor Winner," appeared in the Navy Times of March 27, 1963. This article points out that one of the Navy heroes who lies entombed in the U.S.S. *Utah* in Pearl Harbor holds the highest military honor which this country can give, the Congressional Medal of Honor. Pending before the Senate of the United States is S. 703, which would authorize and direct the Secretary of the Navy to fly the colors of the United States above the U.S.S. *Utah*, which is the grave of 54 men who died at Pearl Harbor.

In my opinion, it is a mark of ingratitude that this Nation has so long neglected these men. Thirty-six other Members of this body agree with me, because they have joined as cosponsors of S. 703. Additional Senators are still calling into my office and asking to be placed on the bill as cosponsors. I recommend for the reading of all the Senate and for all others who see the CONGRESSIONAL RECORD, this very timely article by Bill Kreh, and I ask unanimous consent that it be printed in the RECORD at this point.

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

U.S.S. "UTAH"—UNMARKED GRAVE OF A MEDAL OF HONOR WINNER

(By Bill Kreh)

Pearl Harbor was in flames. Hoarse klaxon horns were sounding general quarters through the bark of 5-inchers and the chatter of machineguns.

The ex-battleship U.S.S. *Utah*, moored northwest of Ford Island, shuddered at her berth as she took a torpedo hit from an attacking Japanese plane. A second hit came seconds later. She started to list rapidly.

The order came:

"Abandon ship over starboard side."

On deck, a ruddy-faced, brown-haired chief watertender named Peter Tomich pushed his way back through the men who were scrambling to get over the side. He headed for the nearest hatch.

"Gotta get below to my men and my boilers or they'll blow to hell," he shouted to an officer as he pushed him aside.

Pete Tomich disappeared down the hatch that December Sunday morning. He got his men out of the engine room and secured his boilers.

Then he refused to leave his post as the mortally wounded *Utah* rolled over in the water.

Chief Tomich is still at his post within the scorched hulk of the *Utah* that lies awash off Ford Island. He and 53 other *Utah* men never made it out of the ship on Pearl Harbor Day. They've been there since—their final resting place marked only by a small bronze plaque on the *Utah*'s exposed side.

Tomich's devotion to duty and heroism didn't go unnoticed. He was awarded the Medal of Honor posthumously on March 4, 1942, by President Franklin Roosevelt—one of 15 Navy men to win the Nation's highest decoration at Pearl Harbor.

The fact that a Medal of Honor winner is among the 54 entombed *Utah* sailors was brought to attention by the officer who was skipper of the *Utah* at the time of the Pearl Harbor attack—Capt. James M. Steele, U.S. Navy Retired. He wrote to Senator FRANK MOSS, Democrat, of Utah, who is spearheading the combined campaign of Navy Times and Parade magazine to have a flag flown over the *Utah's* hulk.

"I think Chief Tomich knew he didn't have a chance of coming out alive when he went back down to his boilers," Captain Steele told Navy Times. "He deserved that medal."

The ex-U.S.S. *Utah* skipper says he believes the Japanese knew well the training value of the *Utah* to the fleet and considered her a worthy target. Captain Steele's views run counter to others' speculation that the *Utah*, which had been used as a target ship, was mistaken for an aircraft carrier by the enemy because of her stripped deck.

Captain Steele revealed that the *Utah*, besides being a target ship, had also been used as a test vessel for antiaircraft training.

"Far from being unarmed," he wrote Senator Moss, "the vessel had the most advanced antiaircraft guns in our Navy on board, some of which had not yet been installed on any of our major combatant ships."

The retired captain also made another point clear. "On December 7, 1941, the U.S.S. *Utah* was in full commission in the U.S. Navy," he wrote.

In the past, the Navy has maintained it could not, under present regulations, fly a flag on the half-submerged *Utah* because she was not in commission at the time she was sunk. Secretary of the Navy Fred Korth has told Senator Moss that the Navy would erect a flagpole and fly a flag over the *Utah* if Congress told it to and provided the money. A bill to do this—S. 703—has been introduced by Moss and is cosponsored by 36 other Senators.

The Pearl Harbor Survivors Association, composed of 12,000 members, has just put its support behind the bill.

In his letter to Moss, Captain Steele told how the *Utah* survivors used the ship's service funds of more than $1,000 to pay for the erection of a bronze plaque in the State Capitol Building at Salt Lake City in memory of their shipmates. The plaque was dedicated in 1945. It is the only place where the names of the entombed *Utah* men are inscribed.

Here, too, is where Peter Tomich's Medal of Honor is displayed—a medal which has gone unclaimed for 20 years by next-of-kin of a hero whose background is shrouded in mystery.

There's probably less known about Peter Tomich than about any other winner of the Medal of Honor in recent years. Records show he was born in Austria on June 3, 1893. He enlisted in the Navy at Newark, N.J., on January 23, 1919, and was naturalized the following October in Charlotte, N.C.

When he enlisted, he spelled his name "Tonich," but by 1922 had substituted an "m" for the "n." He never married and always gave as his next of kin, a cousin, John Tomich, 363 Brown Street, Los Angeles, Calif.

When he was killed at Pearl Harbor, the Navy's telegram to John Tomich was returned marked "address unknown." So was the letter notifying his cousin of his winning the Medal of Honor.

A check showed there was no such address in Los Angeles, nor was there any record of a John Tomich.

Exhaustive efforts were made by the Navy and the Red Cross to find some kin of Chief Tomich. An article in a national news magazine brought forth some clue to his background but no tangible leads on relatives.

One Navy officer wrote that he'd known Tomich for many years. He gave some insight into the type of man who would go back down to his boilers and certain doom in a sinking ship.

"Boilers were his life and steam was in his blood," the officer told the Navy. "He always knew the speed the ship was expected to make because he taught himself to read the signal flags—and he was always where he could read them."

"He knew his job and he knew his limitations. He was a wise and simple man * * * had no other interest in life but his boilers and his ship.

"One of the many stories about him is worth retelling. The destroyer squadron commander was a demanding soul who would ask the impossible and then want to know why it was not done expeditiously.

"One afternoon the speed was increased rapidly to full power. The steam pressure fell and some smoke was made. A little excitement ensued but when it was all over Tomich commented in his Slavic accent: 'He rings up 30 knots from stop and yells no smoke. I like to tell him that he is gottam lucky to be moving at all'."

No kin were found to claim his Medal of Honor and for nearly a year it remained filed away in the Navy Department.

In 1948, the Navy decided to name a new destroyer escort after the Pearl Harbor hero. The prospective skipper asked the Navy for the medal to be displayed in the ship. For 3 years the medal stayed with the U.S.S. *Tomich* (DE-242).

When the ship was put in mothballs in 1946, Tomich's medal was returned to the Navy. The Governor of Utah, at the suggestion of ex-*Utah* Skipper Captain Steele, asked the Navy to display it alongside the *Utah* memorial plaque in Salt Lake City. The Navy agreed, with the provision that it would be returned should a next of kin show up after all these years or if the Navy ever names another ship after Tomich.

There's a final ironic note to the Peter Tomich story. In 1936, he asked for transfer to either the destroyer *Perkins* or *Cushing*. His request was not granted—the billets for chief watertender aboard both these ships were already filled.

A few weeks later, his orders came through. They transferred him to the U.S.S. *Utah*.

It's been his home—and grave—ever since.

ADDRESS BY SENATOR GALE W. McGEE, OF WYOMING, BEFORE 13TH ANNUAL CONFERENCE OF NATIONAL ORGANIZATIONS

Mr. MOSS. Mr. President, this Nation's relationships with the United Nations have long been a subject of long and heated debate. Unfortunately, too many people are more eager to debate than they are to consider the issues at stake. For they often criticize the United Nations for doing or not doing things that organization was never designed to do.

In the interest of a realistic look at this subject and a better understanding of the role of the United Nations in our foreign policy, I would like to call the attention of the Senate to a speech made recently at the 13th Annual Conference of National Organizations by my esteemed colleague, the senior Senator from Wyoming [Mr. McGEE].

This speech not only puts the issues in proper perspective but also provides a real challenge for Americans who would destroy a valuable organization to further their own selfish ends.

Mr. President, the Senator from Wyoming [Mr. McGEE] has demonstrated, once again, his insight into the problems we face today. I ask unanimous consent that his address may be printed in the RECORD.

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

THE PART WE HAVE TO PLAY

(Address by the Honorable GALE W. McGEE before the 13th annual Conference of National Organizations, called by the American Association for the United Nations, March 12, 1963, Mayflower Hotel, Washington, D.C.)

The United Nations is today facing its most critical test in the realm of public opinion. The critical nature of this test stems from two factors—first: After a decade and a half of operations, the world dream which emerged from World War II has now been taken for granted. Second, the practical application of the operations of the U.N. has run into the many frustrations that inevitably accompany the quest for practical, political solutions to theoretical problems. In fact, we may even now be paying the price for overselling the U.N. in its adoption as a cure-all for many things.

A national attitude of taking a working U.N. for granted, however, has created a new opening for the perpetual enemies of international understanding to mobilize a new assault on the operations located on the banks of the East River in New York. The mail in my office, as I'm sure in every Senator's office, daily records a litany of hate preached by the executive secretaries of a collection of right-wing organizations. These tirades are launched from a pre-Columbian world that is still flat rather than round. The cliches of hatred are routinely regurgitated by lackeys strategically located in the home districts of all Congressmen. That the attack marshals untruth and resorts to distortion should not distract from its impact upon the misinformed or uninformed mind where it can prey on ignorance and indifference. Hitler himself taught us the deadly effectiveness of the big lie. These enemies in our midst even now not only have perfected the Hitlerian techniques, they have added their own embellishments to get the United States out of the U.N. and the U.N. out of the United States.

What this means is that you and I have to spend less time talking to each other and more time out on the front lines in the marketplace spiking the falsehoods and promoting the truth.

Typical of these is contained in a letter I received only last week from New York which inquires, "Mr. Congressman, how can we uphold the U.N. which every layman knows supersedes the Constitution of the United States? The United States has become but a tool of the Communists." The truth of the matter, of course, is that the Communists charge exactly the opposite; namely, that the U.N. is a tool of the United States. The events in Korea and in the Congo sometimes seem to lend credence to this latter charge where in both instances we decided that it was a fundamental security interest of the United States to stop the Communist Chinese from crossing the 38th parallel on one hand and from preventing the Russians from moving into central Africa on the other. In each instance, we persuaded the U.N. to endorse these responsibilities.

Or take the point raised in this letter recently received from Casper in my own State. "When are we going to withdraw from the Communist-dominated U.N. and expel the whole stinking mess from our shores?" With all of the assertions that the U.N. is a Red tool, it remains strange indeed how violently the Communists themselves oppose it and how strenuously they seek to disrupt its activity. We ought to weigh well Ambassador Adlai Stevenson's reminder that in the U.N. the free world has not lost a single vote to the Communists.

Unfortunately, the facts don't get in the way of the U.N. haters. They will continue the attack—as one did only this morning when he wrote, "I am sorry to read that you are such a champion of the dying U.N. It is a Communist, Jew-dominated Zeus god, glasshouse in New York. I hope the voters of Wyoming catch up with you on this question."

And from California, "Can't you explain to me why communism has spread so rapidly since we joined the U.N.?" This man needs to be reminded of some elementary facts of international life. One is that, so far, communism has gone nowhere in the world and stayed as an idea. It has remained only where shored up by bayonets. Even more significantly, of the 46 newly independent nations born since World War II, not a single one of them has adopted communism as its way of life.

Basic to eliminating misunderstanding about the U.N. is that we make it abundantly clear what it is not. This should then leave us with our base of operations for what it is and can do. First of all, it is not a private American club. It is truly, as its name describes, a world organization. Second, it is not an anti-Communist league. In all truth, as one woman from Illinois wrote, "I suspect there may be some Communists in that U.N. thing in New York." In fact, she ought to understand that there are also Buddhists, Presbyterians, and a wide assortment of other species currently at loose in the world. Third, the U.N. was not originally conceived as a peace-enforcing agency. It was created to talk peace, and even to make it possible but not to carry it out.

Once we accept those fundamentals, it is possible then to cast the U.N. in its proper international perspective of this moment.

(a) In keeping with that perspective, we have to see the United Nations as one of several strings to our own survival bow. The United Nations no more determines U.S. foreign policy than does NATO, or the OAS, or SEATO. The pot of international politics is continually boiling. Where it spills over may vary from crisis to crisis. How we succeed in turning down the fire may be as variable as the tongues of the flames themselves.

For example, the most critical international tension point is Berlin. Yet Berlin does not lend itself to United Nations action nearly as effectively as it does to NATO action. Emotionally, Cuba is our hottest current question. It does not lend itself to United Nations action because the U.N. is not an anti-Communist group. The OAS,

however, is more appropriately tailored for this hemisphere problem. Or in Vietnam, where no other existing agency has seemed capable of acting, unilateral activity on the part of the United States has been required. Finally, in special instances, like the Israeli-Arab question, or the Congo, the U.N. itself is peculiarly better suited to cope with those areas. What this means is that there can be no pat formula or single solution to all crises. The nature of each threat has to be assessed against the capabilities of the several reservoirs of power available to us, whether this be NATO in Berlin, OAS in Cuba, the U.N. in the Near East, or the USA alone in Southeast Asia. It permits us a flexibility and a set of alternatives for resisting the encroachments of Soviet imperialism—or anybody else's for that matter.

(b) The emergence of neutralism and national sovereignty within the U.N. constitute a new and great defense against international predators. For some, this fact alone would seem to be a reversal of international goals. Beginning with World War I, students of international policy preached the evil of national sovereignty as a cause of war. With the appearance of many new nations since the last war, however, the importance of each new country standing on its own feet and jealously guarding its independent status has come to be recognized. Irrespective of choosing up sides, or even of which side, national independence for Togo, or Indonesia, or Venezuela is a far more certain deterrent to the erosions of international communism than short-range pacts and treaties. In the United Nations independence has been dignified and upgraded. The extent to which it continues to do so can only enhance the capacities of the new states for resisting threats from the outside.

(c) Here in the United States it behooves us to avoid the pitfall of fixed percentage ceilings on our contributions to the U.N. Mindful as we must be of the disproportionate share of those burdens which we have been carrying, we, nonetheless, must be quick to weigh the consequences of the alternative. To be specific, in fixing our own percentage of contributions, we forfeit to the other side the initiative for destroying the U.N. By cutting off our contributions at whatever level arbitrarily, we leave open to the Soviets the decision simply not to pay up their share and thus destroy the U.N. I do not believe we ought to be maneuvered into that kind of bind.

(d) Keeping the U.N. in perspective requires that we continually examine its operations as a changing force. On the anvil of experience there have been hammered out new concepts of U.N. capacities. The resolution for peace during the Korean crisis is a case in point. By transferring the weight of power from the Security Council to the General Assembly, the act likewise alters the relationship of our own national interests to that body. What was then regarded as a brilliant tactical victory for the United States has left in its wake some new headaches connected with our own veto power.

Also, the role of the United Nations which the exigencies of the Congo crisis have spelled out in recent years has materially altered the peace-enforcing role of this international body. These two illustrations are sufficient to remind us that it would be folly to look upon the U.N. with fixed concepts or as a static institution. Unless or until it responds to the forces of change and our attitudes toward it react the same way, those same changing forces will tear it apart. History teaches us nothing if not the inevitability of change.

If reason and wisdom are to prevail and the opportunity for a free interchange of ideas and alternatives, individual citizens—not statesmen and diplomats—are going to have to be willing to go to bat again for the cause of the United Nations. If we're going to the luxury of a division of opinion in plotting a direction for human affairs, it is necessary that we spike now these insidious rumors and deliberate misrepresentations of the issues at stake in today's world. This cannot be fought in the chambers of the United Nations; this cannot be dealt with in releases from the Department of State; this cannot be resolved in the Halls of Congress. This must be settled first of all on Main Street.

1. The next time you hear at your bridge club, or at Rotary, or at your coffee break some of the allegations referred to earlier in these remarks, do not avoid nailing them then and there. Too many of those of us who believe have been tempted to avoid controversy rather than to accept responsibility for correcting untruth.

2. Write a letter to your editor. Recent studies are conclusive that letters to the editor, particularly in our smalltown newspapers, have become an effective instrument for reaching the public mind. The hate mongers are busy perfecting this technique. It is time we fight back in kind.

3. Get on your local radio station. Get your organization to buy time, if necessary, to reply to the charges of the McIntyres, Billy Hargises, the Paul Harveys, and the Dan Smoots. It is not a question of denying the enemies of the U.N. an opportunity to be heard but rather whether we should forfeit the field to them through indifference. The U.N. and the cause of world peace do not speak for themselves; they have to be spoken for. Peace does not just happen; it has to be sought and its cause waged as vigorously as we wage war.

Mr. YARBOROUGH. Mr. President, does that conclude the morning hour?

The PRESIDING OFFICER. (Mr. McGOVERN in the chair). Is there additional morning business?

Mr. SYMINGTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Is there additional morning business? If not, morning business is closed.

THE TFX CONTROVERSY

Mr. SYMINGTON. Mr. President, in the interest of the good name of as able a public servant as we have had in the years I have worked in the legislative and executive branches of this Government, I will discuss briefly today a subject which recently has been the source of a great deal of publicity.

I refer to the current Senate investigation of the award by the Department of Defense of the so-called TFX contract to the General Dynamics Corp., instead of the Boeing Co.; and more specifically, to an article in the Washington Evening Star of March 20, entitled: "Gilpatric Relationship Probed in TFX Award—Senators Find Pentagon Official Was in Contract Winner's Law Firm."

A great many people already know of the extraordinary qualifications for his present position that are contained in the career of Deputy Secretary of Defense Roswell Gilpatric.

In that he is one of the Nation's most prominent lawyers, it was only natural that he came to know well the managements of major companies in the aircraft and other industries, including both Boeing and General Dynamics. It is of interest that at various times he has done legal work for both these corporations; and as a result he became a friend of both William Allen, president of Boeing, and Frank Pace, then Secretary of the Army, later head of General Dynamics-Convair.

After returning in 1953 to his law firm, Cravath, Swaine & Moore, in which he was a senior partner, Mr. Gilpatric followed scrupulously the policy of never representing any member of the defense industry in matters having to do with the Defense Establishment.

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

Mr. SYMINGTON. May I conclude my statement before yielding to the able Senator from Nebraska, unless he prefers I yield at this time.

Mr. CURTIS. Before the Senator goes into other questions, I should like the distinguished Senator from Missouri to yield on the question of the law firm to which he has referred. If he does not wish to do so at this time, I shall wait.

Mr. SYMINGTON. I would appreciate it if my friend would wait. Otherwise I must yield, of course, to other Senators.

Occasionally, however, Mr. Gilpatric did serve as an adviser on other matters for such concerns as Boeing and Convair.

For example, during 1957 and 1958, Mr. Gilpatric was asked by the Boeing Co. to assist in preparing its case against the Renegotiation Board in the U.S. Court of Claims; and in 1958 he appeared as a witness for Boeing in that proceeding, testifying as to Boeing's performance in the production of B-47 bombers on the basis of his knowledge of that program during the time he was with the Air Force in the years 1951–53.

Mr. Gilpatric also served as adviser to General Dynamics Corp. during 1959 and 1960 in connection with the acquisition of a business that was not connected with the aircraft industry.

Since formed in the early part of the 19th century, Secretary Gilpatric's law firm has represented many American corporations, both large and small, which have done business with the U.S. Military Establishment. Among the firm's clients are such companies as Bethlehem Steel, Newport News Shipbuilding, Westinghouse Electric, International Business Machine, Minneapolis-Honeywell, Fairchild Camera & Instrument, Perkin-Elmer Corp., Studebaker, Olin Mathieson Chemical.

Almost always the legal work done for such concerns by the Cravath firm does not include advice and assistance to them in connection with the sale to the Government of military equipment. In the case of General Dynamics, for example, his firm advises on certain corporate and financial matters; but has nothing to do with any military procurement activities of that corporation or its divisions, such as Canadair, Convair, and Electric Boat.

But to be sure he would have no conflict of interest, when Mr. Gilpatric entered Government service in 1951, and again in 1961, he withdrew from his firm and had no connection with it during the entire period of his Government service.

In addition, his prior firm association, as well as the nature of its legal work, were made a matter of public record each time he was confirmed unanimously by the Senate Armed Services Committee, and later by the Senate itself.

With such a record of accomplishment, it is saddening to feel constrained to rise in defense of such a public servant.

Actually, this defense also constitutes a defense of scores of others who have come into Government from private life; and also citizens who, we can only hope, will in the future be willing to make the same type and character of sacrifice in undertaking Government service as has been characteristic of the career of Roswell Gilpatric.

Let us look for a minute at past history with respect to the careers of his predecessors.

Since its inception, this Nation has had in all over 100 military Secretaries; that is, Secretaries of War, Navy, Army, Air Force, and Defense.

Over two-thirds of these public servants have had a professional background, mostly the legal profession.

Amonk the latter have been such Secretaries of War as Elihu Root, Newton D. Baker, Henry L. Stimson, Louis Johnson, and Kenneth Royall.

There have also been a number of military Secretaries chosen from the investment banking profession, such as James Forrestal, Robert Lovett, and Thomas Gates.

Coming as they often have from large legal or banking firms, professional men of this type have usually had associations with broad sectors of American business, including those elements which serve the Defense Establishment.

It is a fact that it would be well nigh impossible to select a man for a Defense secretaryship from either a large law firm or banking firm who had not had some previous connection with a client doing business with the Military Establishment.

The question then may be asked: Does this state of affairs give rise to a conflict-of-interest problem comparable to that in the case of an individual who comes to the Defense Department from a corporation doing business with the military? In the latter case, however, any "conflict of interest" has been avoided by having the appointee, as a condition to acceptance of his office, divest himself of any financial interest or other connection with the business he is leaving to enter Government service.

In the case of professional men accepting Presidential appointments in the Defense Department, it has been considered proper to require that the individuals sever their relationships with their firms, afer a disclosure of the nature of the business carried on by such firms.

Thus, in the case of Secretary Gilpatric, when he appeared before the Senate Committee on Armed Services for the hearing on his confirmation on January 17, 1961, he made the following statement prior to the committee's approval of his nomination:

> Now, I did not submit to the committee any financial statement, because, I am sorry to say, I do not own beneficially any securities in any corporation.
>
> In that respect I, unhappily, do not have a conflict-of-interest problem.
>
> I do, however, want to explain to the committee my situation with respect to my law firm, because I have been a member for 20 years, except for the time I was in Government, of a firm that has served many large companies, small companies, that have done business with the Defense Department.
>
> Before I take office, if I am confirmed, I will retire, of course, from that firm, and I will have no financial or other interest in it, except that I will be paid sums of money that will represent my interest in work that was done before I left the firm; not large sums of money, but sums that represent the unbilled and uncollected work of the firm for past periods.
>
> But, I repeat, I will have no interest whatsoever in the future business of the firm, and I will sever my connection with it.

If these steps—namely, withdrawal from his law firm and disclosure of the fact that the firm's clients include companies doing business with the Defense Department—do not meet any conflicts of interest problem, no professional man with the extraordinary background of Mr. Gilpatric could ever qualify for appointment to a statutory position in the Department of Defense.

In this respect, Gilpatric's position is no different whatever from that of many of his distinguished predecessors, including his own former partner, John J. McCloy, who left the Cravath firm in 1939, to become Assistant Secretary of War under Secretary Stimson.

The latter, considered one of the greatest of all Secretaries, also came from a large New York law firm, one which numbered among its clients many concerns doing business with the Defense Department.

So much for Roswell Gilpatric, who, after these widely published stories implying, if not asserting, a conflict of interest, can receive little reward for his long and distinguished public career beyond the inner gratification which is the right of any man who knows he has served his country well.

Now as to other aspects of this TFX award.

Let me say first what I am sure all my colleagues know, namely: in no sense are these remarks to be considered any criticism of any member of the Senate Permanent Investigating Subcommittee on Investigations. There is no one in the Senate for whom I have greater respect and affection than I do for its chairman, the senior Senator from Arkansas. I served with him for many years on this committee, and know firsthand of his paramount desire to be fair and just at all times. I have the same high respect and regard for the ranking member of his committee, the very able Senator from Washington.

With that premise, and because of my growing apprehension as to what these hearings could well be doing to the true defense posture of the United States, I take the liberty of presenting a few additional thoughts.

As one who, in 1946, was assigned by the Secretary of War the task of monitoring with the Congress the original National Defense Act of 1947; and who has participated, in some fashion, in the subsequent changes in this act of 1949, 1953, and most important, 1958, I well remember that, each time the question of the structure of the organization of the Department of Defense came up for review, invariably the investigation made by the Congress resulted in this body concluding that the Secretary of Defense needed more authority to properly conduct the operations of his office; and as a result, many of the original restraints on his authority have been removed.

At this point the record should show that, as of now, and as the result of a law passed by the Congress, the Secretary of Defense has "direction, authority, and control" over the conduct of our Military Establishment.

The statute clearly spells out this authority. Therefore why this formal, continued, and intense scrutiny of his decision, which decision followed the recommendations of three of his four chief civilian heads—Deputy Secretary of Defense Gilpatric, Secretary of the Navy Korth, and Secretary of the Air Force Zuckert—the fourth, the Secretary of the Army, was not connected with the matter.

But regardless of what the Service Secretaries thought, or any member of the military, the Secretary of Defense was the only person who could make the decision in this case; because the decision involved the assignment of the development of a weapon system to one service, the Air Force, for operational use by two services, the Air Force and the Navy.

The National Security Act vests the responsibility for this type of decision directly in the Secretary of Defense. Moreover, it is the Secretary of Defense who recommends to the President and the Congress the budget for the Department. Only he can make a decision having budgetary implications in excess of $6 billion.

If this is true, even if a mistake in judgment has been made—and I do not believe any such mistake was made—the right of decision was clearly that of the Secretary of Defense.

That is the law, and anybody who opposes that position opposes the law.

There is another aspect of this matter which worries me even more, however.

Some of us have differed with the present Secretary of Defense on matters of judgment—on at least one occasion that has been true of myself. Differences in matters of judgment, however, and a formal effort to reverse a major policy decision on the grounds the Secretary has exceeded his authority, are two entirely different subjects.

If every time a disgruntled contractor, or a party in interest with a disgruntled contractor, does not obtain a contract on which the contractor has bid, a congressional investigation is thereupon requested, then much, if not most, of the time of those responsible for our defense policies—in this most critical world of

today—must be taken up in justifying an administrative decision.

It is not paradoxical that the company involved, Boeing, has received more business from the Department of Defense than any airplane company in the history of the United States.

In the 11 years, 1951 to 1961 inclusive, Boeing received from the U.S. Government $11,818,900,000.

From that business, Boeing earned a net profit of $907,700,000.

And that is not all. In addition to this tremendous amount of defense business, during these 11 years Boeing obtained $1,346,400,000 of commercial business. On this latter business they earned some $90 million.

This commercial business, on which they also profited, was primarily a fallout from their military work. Much of their outstanding success, commercially, has been the 707 series of airliners, a fallout from the B-52 bomber—as the leader in the Senate in the field of domestic aviation, my able colleague from Oklahoma [Mr. MONRONEY], well knows, along with the distinguished Senator from Washington [Mr. MAGNUSON].

In addition, they have the Minuteman program, and the Dyna-Soar, and have just received an order from the space agency, NASA, for some half a billion dollars.

Now let me turn to another aspect of the problem.

Of equal importance is what the continuation of this investigation could do to the security of the country; to our capacity to resist the obviously growing danger of Communist aggressions, from all over the world.

Anyone with experience in the military knows it is vital, under our system, that there be a proper relationship of mutual trust and respect between those who devote their lives to a military career, and those appointed under the statute to be the civilian leaders of the military.

One of the basic principles of our Government is civilian control over the military; but that control, whether real or apparent, means little or nothing from the standpoint of adequate defense unless there is mutual respect on both sides.

From many sources one hears that these hearings are now breaking down the normal mutual trust and respect between the military and its civilian leadership; and those of us in this body who have had some military experience know that morale is a priceless asset in case military action is ever forced upon us.

If these four able and dedicated Americans cannot be permitted to handle these defense problems in accordance with the law, how can we ever obtain those civilian leaders with proper experience and background, especially when recognizing the great personal sacrifices involved for them?

Despite the eminence of these civilian heads in their own communities, and in the Nation as a whole, they are now being held up to public criticism and censure because they exercised their right of judgment, under the law.

It goes further. People in my State are now asking me if lack of integrity is involved in this award.

If men who give up what these men have given up in order to serve their country in peacetime, run the risk of not only having their judgment but also their integrity attacked, what chance will there be to continue to obtain the talent vital to the security of our Nation?

I have read the statement of the Secretary of Defense; and, based on his position, I believe he made the correct decision, not only from the standpoint of the Military Establishment, in which I have had some experience, but also from the standpoint of the American taxpayer.

Even if he and his principal associates did not, however, make the correct decision, it was still their right, under the law this Congress passed; and that fact cannot be overemphasized.

In closing, Mr. President, may I say with greatest respect to all those involved, that I believe each day this attack on our civilian leaders of the Defense Establishment continues, the morale of the Armed Forces is further lowered; and such a result can only be detrimental to the security of the United States.

Therefore because of all the reasons previously mentioned and especially because of the obvious necessity for us to cope with current Communist aggression, I would hope whatever the decision, that decision be reached expeditiously and these hearings be concluded.

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

Mr. SYMINGTON. I yield to my beloved colleague the Senator from Arkansas.

Mr. McCLELLAN. Do I correctly understand that the distinguished Senator from Missouri was not criticizing the committee for its investigation?

Mr. SYMINGTON. That is right. I am not criticizing the committee.

Mr. McCLELLAN. Do I correctly understand it is the view of the distinguished Senator from Missouri that this investigation should not continue?

Mr. SYMINGTON. No. Let me say to the distinguished chairman I believe it should be continued. I hope it can be concluded as expeditiously as possible, because I believe it is detrimental to our security, since in my opinion it is reducing the morale of the Armed Forces. The able chairman of the committee and I agree on most things, and I know he wants me to express my opinion.

Mr. McCLELLAN. I do. I should like to ask the distinguished Senator if he thinks it would be well, under all the circumstances and the apprehensions that have been expressed, for the Senate simply to adopt a resolution directing that the hearings be ended and that no further proceedings be held thereunder.

Mr. SYMINGTON. No. Any such action would be implied criticism of the able and distinguished Senator from Arkansas. He knows of my devotion to him. We have differences of opinion in some matters with respect to this particular case. But I hope he will continue with his investigation. He is fair and just.

I hope, as soon as the chairman interrogates the man who, under the law, had the right to make the decision, the committee will find this decision was proper.

May I add that one of the mistakes in the Department of Defense—and many have been made—is that it felt it would be better for the Secretary of Defense to postpone his appearance. I have heard this from both sides. So if there has been any delay in calling the Secretary of Defense, it had nothing to do with the chairman. He offered to accede to the wishes of the Secretary.

Mr. McCLELLAN. Mr. President, if the Senator will yield further, I do not want to take the time of the Senate. I want to go back to the hearings. I am trying to expedite them. If my friend will yield to me for this one observation, he speaks of the military being under attack and the Defense Department being under attack. I hope it has not come to the point that if the Congress, or an arm of the Senate, under its duty as spelled out in the law, undertakes to perform that duty and inquires how that decision was arrived at, what was taken into account, whether or not the other bid or offer was valid, as good, or better—such inquiry will be characterized as an attack. If so, the Senate has authorized that attack. I do not believe it comes properly within that context.

I have done a great deal of investigating as a representative of this body. I have tried to be fair. I appreciate the Senator's having just said that I offered to let Secretary McNamara appear first and put his case before the committee and the country before any other testimony was heard. Immediately when he felt he ought to, he had his opportunity. He is offering it this afternoon and, further, implementing a statement he sent to the committee, which the committee received when he was not able to appear earlier. I think the committee is carrying out its mandate.

If it is not, the Senate can control it. It can pass a resolution and tell the committee to cease and desist in this inquiry. If it will do that, it will relieve the chairman, and I am sure other members of the committee, from a very heavy responsibility. If we make mistakes, people have a right to criticize us. If I do something that is wrong, let them criticize me. I am willing to do the best I can. I welcome criticism when I make mistakes. I do not believe that all criticism is malicious. I do not regard it that way. I welcome constructive criticism. I do believe that this committee is either carrying out the will of the Senate, and serving as an arm of the Senate, and performing a duty that it is under mandate to perform, or it is beyond its jurisdiction, and it has launched out on something in which the Senate is not interested and in which the country is not interested. If we are doing that, the Senate has a responsibility to act and to pass a resolution directing that the committee desist from further proceedings.

That is all I want to say, Mr. President. Until the Senate does that, I shall do my duty as I see it, and that is to proceed with the hearings. I shall certainly proceed with them expeditiously.

Right before me, in the newspaper, I read of complaints about witnesses being

mistreated. This committee is meeting at night in order to expedite the hearings. It is interrogating witnesses at night in order to expedite the business of the committee. I am going to stand by the committee until it can be shown that we are doing something wrong. I will stand behind the staff until it can be shown that they are doing something wrong. One member of the staff has served the committee for 16 years. He served under the present Attorney General. He is one of the top men. I do not believe that he has any such characteristics as he is being criticized for. The other member of the staff who is under criticism here is on loan from the General Accounting Office. He is a humble fellow. I never heard him raise his voice or saw him do anything improper in his work for the committee.

We might just as well get down to these things right here on the floor. If the Senate does not have confidence in the committee, it should withdraw its authority. This is not a pleasant thing. I get no pleasure out of doing hard work.

The Senator speaks about the country and about what is happening.

I say to the Senator that there is enough of a question raised here that the matter ought to be cleared up, and that the country wants it cleared up, in my judgment. I will do the best I can. I say that when all the facts are in, the record will justify the committee's being sustained in the action it has taken. If we do not get all the facts, we will get other reports which will do a great deal of harm. It is like the reports that are made to members of the press but with the admonition, "You cannot quote me. You must not say where this comes from." Yet it comes from the Pentagon. When I want to criticize anyone, or cast aspersions against anyone in Government, I never resort to going under cover or hiding behind that kind of stratagem.

Let us hope that there is nothing wrong in all this, and that at most it is a case of bad judgment or a difference of opinion. Let us hope that is all there is to it. In the meantime, I will carry out the will of the Senate. That is all I want to say.

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

Mr. SYMINGTON. I will be glad to yield, but first let me say to the distinguished Senator from Arkansas that I am grateful for his remarks. I join him in feeling that these background press conferences are dangerous. They have been going on for some time, ever since 1946 at least, when I first went to the Pentagon. They are held in order to help the press get all the story.

I am worried about the fact the Deputy Secretary of Defense said this morning that statements attributed to him by some members of the press—and he emphasized there were only some members—were at variance with what he had said.

In all my experience in government I have never known a man of higher character, or greater ability, than Roswell Gilpatric. That is one of the chief reasons I am making these remarks today. I also have complete respect and confidence in the distinguished chairman of the committee.

But I do believe, because of the turn of events, all this is affecting the morale of the Armed Forces. I am grateful to him for saying that he will conduct these hearings as expeditiously as possible. In my statement today there is no implication or criticism that he has not done so.

I now yield to the Senator from Nebraska.

Mr. CURTIS. In urging that the hearings proceed expeditiously and that they be ended soon, does the Senator suggest that they be ended before all the facts are in?

Mr. SYMINGTON. No, I do not.

Mr. CURTIS. If the Senator will yield further——

Mr. SYMINGTON. I have had some experience in the aviation industry. As long as the Senator has raised this point, I believe it is possible that I know as much about the aviation industry as most Members of the Senate. This is a technical discussion. It involves wing structure, overall performance. These are always very difficult problems to analyze in detail. Therefore, what we are doing is criticizing the judgment of the Secretary of Defense. The able Senator from Nebraska is a lawyer. What I am saying is that, even if the Secretary of Defense has made a mistake—and I have studied the record, and based on my experience I do not believe he has, but even if he has made a mistake, we, the Congress, passed a law, the National Security Act of 1947, which we further amended in 1958, and that law gives him the right to make that mistake. I do not say he did. I do not believe he did.

I say to the Senator from Nebraska, who represents a great State, the center of our Strategic Air Force, that the basis of our Military Establishment under the Constitution is civilian control. I would be a little nervous if the Secretary had gone against all his civilian advisers when he made this decision. But he did not do so. Every one of his leading civilian advisers involved in this decision recommended, without any reservation of any kind, that he make the decision which he did make.

I might add that the military board, in its final presentation to civilian authority, said that either one of these airplanes could do the job for which it was designed.

Mr. CURTIS. Mr. President, will the Senator yield further?

Mr. SYMINGTON. I yield.

Mr. CURTIS. The Senator does not believe the hearing should be ended until all the facts are in. Is that correct?

Mr. SYMINGTON. I answered that question before when the Senator raised it; of course not.

Mr. CURTIS. Has the distinguished Senator from Missouri read the classified hearings?

Mr. SYMINGTON. I do not know what classified hearings the Senator is referring to. Through the courtesy and fairness of the Senator from Arkansas, the chairman of the committee, the members of the Military Preparedness Subcommittee were not only invited to attend the hearings, but were allowed to ask questions of the witnesses. I have attended as many hearings as I could, and read as much of the proceedings as I could. I also have an expert aeronautical engineer on my staff, who has studied the hearings. I have interrogated witnesses before the committee. Let me assure the Senator from Nebraska that I have done my best to understand the subject.

Mr. CURTIS. I might say to the distinguished Senator from Missouri that I have noticed him at the hearings. I wish he could be there all the time. Before I came to the floor today I inquired of the chief clerk of the committee if anyone had withdrawn copies of the hearings to read. I was informed that not one Senator has asked for them. I inquired of the Deputy Secretary of Defense, Mr. Gilpatric, this morning, if any person other than the people connected with the Department of Defense had received classified copies of the hearings. He said that to his knowledge they had not.

Mr. SYMINGTON. I was there when that was said.

Mr. CURTIS. I noticed what the Senator said about the employment of the law firm. He read some material similar to the statement made by Mr. Gilpatric this morning, which was that in 1957 and 1958, Mr. Gilpatric performed legal services for Boeing. Also, Mr. Gilpatric's statement said that in 1959 and 1960, while he was a member of that firm, he performed services for General Dynamics.

It is also true—and I might ask the Senator if he is aware of it—that upon my cross-examination of Mr. Gilpatric, we found that there had been no employment by Boeing since 1938——

Mr. SYMINGTON. Since 1958.

Mr. CURTIS. Yes, 1958, almost 5 years ago; and upon cross examination, Mr. Gilpatric told us that the firm now—in 1963—is employed by General Dynamics.

Mr. SYMINGTON. What is the point?

Mr. CURTIS. It was employed in 1962 and 1961.

Mr. SYMINGTON. So what?

Mr. CURTIS. His statement referred only to 1959 and 1960.

Mr. SYMINGTON. Does the Senator imply that Mr. Gilpatric's statement was disingenuous; that he was trying to conceal facts? What is the purpose of the interrogation of the Senator?

Mr. CURTIS. The purpose of the interrogation is to point out that as of this hour the firm is employed by General Dynamics and has been since 1959; and that the current employment by General Dynamics was brought about by the effort of Mr. Gilpatric while he was in the firm.

Mr. SYMINGTON. I want to check the record carefully. I heard what the distinguished Deputy Secretary of Defense stated this morning. He is one of the ablest and most patriotic men I have ever known. He was Under Secretary of the Air Force when the Secretary of the Army was Mr. Frank Pace. He also told

the Senator from Nebraska, as he did the rest of us, that the founder of General Dynamics was previously a member of the law firm of Cravath, and that therefore he obviously had absolutely nothing to do with originating the relationships. The fact is that General Dynamics Corp., due in part to the success of the Boeing Co., lost more money, to the best of my knowledge, than any company ever lost on a program in the history of the free world. That is sad but true and is partly attributed to the superiority of the 707 and the 727 to other planned commercial aircraft.

Nevertheless, if the Senator from Nebraska feels that inasmuch as the former Secretary of the Army, an able and patriotic public servant who was previously Director of the Bureau of the Budget, had an opportunity to learn of the vision, ability, and skill of the Under Secretary of the Air Force of that time, and who later went back to practice law in New York—if the Senator from Nebraska feels that the former Secretary of the Army later, in private business, on his own, trying to make money for his company, made a mistake either in ethics, propriety, or intelligence, when he requested the current distinguished Deputy Secretary of Defense, who was then in private practice, to help him with his problem, as great a problem as any I know of in the history of private business in this country, I cannot agree.

Mr. CURTIS. Does the Senator from Missouri believe that the distinguished Senator from Arkansas [Mr. McCLELLAN] would proceed with an investigation because Boeing or any other company was, as the Senator has stated, "a disgruntled bidder"?

Mr. SYMINGTON. A few minutes ago I gave my opinion on that to the Senator from Arkansas. He is one of the closest friends I have in the Senate or anywhere else, a dedicated and devoted patriot. I do not in any way criticize the establishment of these hearings; nor in turn would he ever suggest to me that I could not come on the floor of the Senate and tell him, with great respect, what I felt was going on as a result of the hearings. In any case, I fully support the hearings.

All I said was, first, that I deeply regretted the implied press attacks made against one of the ablest and most patriotic men I have ever known in Government, and second, I hoped that, inasmuch as this subject is boiling over and a subject of discussion in hundreds of military establishments all over the world, they could be concluded as expeditiously as possible.

Mr. CURTIS. The Senator did refer to these hearings, and stated that Boeing was a "disgruntled bidder." Is it the intention of the distinguished Senator from Missouri to suggest that this investigation is being carried on because the Boeing Co. was a disappointed or "disgruntled bidder"?

Mr. SYMINGTON. Presumably, this investigation is being carried on because someone objected to this award not being made to the Boeing Co. Inasmuch as my able friend from Nebraska is a member of the committee, he probably knows more about that than I.

Mr. CURTIS. I should say, in response to that statement, that many military people, civilians who are not connected with either company, competent aeronautical engineers, and others, are greatly disturbed over the decision that was made.

Mr. SYMINGTON. As a former Assistant Secretary of War and former Secretary, I am not surprised that some of the military in uniform object to some decisions made by those civilians who, under our Constitution and the statute, have the right of decision.

Mr. CURTIS. Still, I cannot reconcile the position of the distinguished Senator from Missouri by citing all the millions of dollars of business which Boeing has received as a reason why this investigation should not go on.

Mr. SYMINGTON. I never cited that as a reason why the investigation should not continue.

Mr. CURTIS. What was the purpose of reciting the business that Boeing received? What does that show?

Mr. SYMINGTON. I think it shows that the Boeing Co. in the past had been treated fairly; that the Boeing Co. at present, with the Minuteman, is being treated fairly; and that the Boeing Co. in the future, if the Dyna-Soar goes into production, as I hope it will, will have been treated fairly.

Mr. JACKSON. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I yield.

Mr. JACKSON. I am sure the Senator from Missouri will agree that the amount of business which a company has is certainly not a relevant basis for the consideration of the decision whether an award of a contract should be made.

Mr. SYMINGTON. No, it is not. The only reason I mentioned it was that I have heard people felt the Boeing Co. was treated unfairly. All I can say is that the Boeing Co. has obtained nearly $11 billion in business in the last 11 years, and I think that would show it has not been treated unfairly.

When Skybolt was cancelled, the Boeing Co. received a heavy addition to their already heavy Minuteman schedule.

I hope the Senator from Washington will join with me—and I am sure he does—in the hope Dyna-Soar will continue.

I have also learned recently that NASA has given Boeing a half-billion-dollar space order.

Mr. JACKSON. I suggest that that statement is not relevant to anything which the committee is considering. If we are to say that a company which has a good business record is to be discounted in the consideration of Government contracts, if we say that the awarding of a contract is not to be decided on the merits, that is a sad day. But since the Senator has raised this question, I ask him, Who is the largest holder of defense contracts today?

Mr. SYMINGTON. Over the last 11 years——

Mr. JACKSON. That is not the question. Who is the largest holder of defense contracts, excluding this TFX contract?

Mr. SYMINGTON. I do not know. If the Senator from Washington knows, I hope he will tell us.

Mr. JACKSON. It is General Dynamics. I did not want to bring this up. I do not see why the Senator wishes to inject irrelevant questions into the particular hearing we are considering. The committee is trying to decide this question on the merits, simply to get the facts. If there is any real criticism, the Senator, who is of course an invited member of the committee can ask questions. To my knowledge, he has not attended the hearings all the time. Probably he could not have done so.

But I would suggest that those complaints be directed in the committee, where he has a chance to ask the questions and to get the information.

Mr. SYMINGTON. I do not think the Senator from Washington was on the floor to hear all my statement, else he would better understand my position and my respect for him.

Mr. JACKSON. I am sorry that I came in a little late.

Mr. SYMINGTON. I understand. With all due respect to my friend, the Senator from Washington, who knows how fond I am of him, and how much I respect him, I still will say what I believe.

Mr. JACKSON. Of course the Senator from Missouri can say what he wants to say. But let me ask whether he condones the attacks made by an unknown accuser against the Senator from Arkansas [Mr. McCLELLAN] and myself.

Mr. SYMINGTON. No. Before the Senator from Washington entered the Chamber, I expressed my opinion about the unfortunate aspects of these anonymous statements. I would never condone an attack on the Senator from Washington, because in my judgment he is one of the most able Members of the Senate, one who knows as much as any Senator about the functioning of the executive and legislative branches.

However, I do not appreciate the attacks made on a long-time friend of mine, whom perhaps I had something to do with persuading to return to Government service. I think he is as honorable as any Member of this body.

Mr. JACKSON. I have not made any attacks on him; but he did make an attack on me, and it was made from an anonymous platform. I do not mind attacks on me, but I should like to know who my accuser is.

Mr. SYMINGTON. I listened to the Secretary's statement this morning. It is my understanding of the record—of course the record will speak for itself—that Mr. Gilpatric said he did not attack the Senator from Washington.

Mr. JACKSON. Well, I shall not go into that matter now; the record will be made available to the press, and the record will speak for itself.

But I think it unfortunate to have such a development occur, when it could have been avoided by the Pentagon. On the very day when these news stories came out, the Pentagon had an opportunity to repudiate them; but the Pentagon did not do so until representatives of the Pentagon were required to come before the committee.

Mr. SYMINGTON. Mr. President, if I were in the position of the very able Senator from Washington, I would feel incensed about this matter, especially after the publication of some of the articles he showed to me. The last thing I would want to do would be to criticize him.

As I said before he came to the floor, these background press conferences have been going on in the Pentagon ever since I came here—1945, 18 years ago. That is done in an effort to help the press with their problem of getting the truth to the people—all truth which will not help a possible enemy.

I feel that one good coming from these hearings is the indication that perhaps these press conferences should be abolished. Based on the testimony of the Deputy Secretary of Defense, at least someone in that group did not carry out what the Secretary of Defense called the ground rules.

Mr. JACKSON. Mr. President, will the Senator from Missouri yield again to me?

The PRESIDING OFFICER (Mr. NELSON in the chair). Does the Senator from Missouri yield to the Senator from Washington?

Mr. SYMINGTON. I yield.

Mr. JACKSON. The Senator from Missouri is concerned with the reputations of people. Does he not think that, in fairness, he should also criticize high officials in the Pentagon who make such statements? I do not refer to statements about the background of defense problems, as such; but they should not make personal attacks, such as those which appeared in the press, attacking the integrity or the character of the chairman of the committee [Mr. McCLELLAN] or of the Senator from Washington.

Mr. SYMINGTON. Of course I agree that should not occur.

Mr. JACKSON. Of course it should not.

Mr. HUMPHREY. Mr. President, will the Senator from Missouri yield to me?

Mr. SYMINGTON. I yield.

Mr. HUMPHREY. I wish to speak only briefly.

First, I desire to have the attention of the distinguished Senator from Washington [Mr. JACKSON], who surely is highly regarded by all the Members of this body, as are also the Senator from Arkansas [Mr. McCLELLAN] and the Senator from Missouri [Mr. SYMINGTON]. I believe it fair to say that what disturbed the Senator from Missouri was the making of charges and countercharges which did not provide any information on the issue into which the committee itself seeks to probe. I believe it can well be stated now that the Senator from Missouri has not proposed that the hearings not be conducted. To the contrary, in the course of his cross-examination by the chairman of the committee, the Senator said the hearings should be conducted.

I wish to say that the chairman of the committee is working day and night, as we know; and any Senator who has served at any time on that committee knows that its chairmanship is handled with great intelligence, honor, and integrity.

I say most respectfully to my colleagues that it would be well if we could subdue the kind of personal invective which seems to be developing, because that has nothing to do with the issue.

Let me state that before the Senator from Washington entered the Chamber, the Senator from Missouri pointed out, several times, that the anonymous statements which came from the Pentagon were uncalled for. Furthermore, as was pointed out by the Senator from Arkansas, the complaint made against the committee staff is without merit and is uncalled for, and every Senator resents it.

This is the important point which we need to develop. This is what the Senator from Missouri has said very well.

Mr. SYMINGTON. I thank the Senator from Minnesota.

Mr. HUMPHREY. The important point which we need to develop is that the civilian authorities had a right to make the judgment. They may have made an incorrect judgment; that point is yet to be determined. But the law gives them this responsibility, and the civilian authorities should be respected in the position they take under the law, even if the committee itself arrives at a determination that bad judgment was exercised.

What the Senator from Missouri is rightly worried about is that a person of the character of Mr. Gilpatric would be smeared by innuendoes going back and forth in connection with a law firm with which he has been associated. I am not a lawyer; but Members of the Senate who have been associated with law firms certainly should be able to return to those firms after their Government service is terminated. Certainly if one serves in the Department of Defense at a salary of $22,000 or $25,000, and if he lives in Washington, D.C., he had better have another job to return to—either that, or be prepared to find himself heavily in debt.

It is also difficult for a Senator to live here on the salary he receives.

I believe the Senator from Missouri is making a plea that this investigation be allowed to go on without interruption and without personal invectives. I believe he is also making a plea to stand by the statute law of the country—namely, that in connection with interservice and interagency disputes, the Department of Defense and its Secretary have authority to make the final determination. What is wrong with that?

Mr. McCLELLAN. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I yield.

Mr. McCLELLAN. I wish to thank the assistant majority leader, who is a member of the committee. What he has said certainly should be done. But if, every day, we are to be confronted with anonymous statements coming from the Pentagon or with statements which, when we ask about them, those in the Pentagon admit had no basis of fact, but apparently were issued in an effort to influence the committee in some way or to deter it from doing its duty, I will not know how to proceed.

All that we in the committee want is to obtain the facts which attended the making of the award; that is all.

Mr. HUMPHREY. Mr. President, will the Senator from Missouri yield again to me?

Mr. SYMINGTON. I yield.

Mr. HUMPHREY. I think now the Pentagon has issued some mismanaged news.

Mr. McCLELLAN. Part of it was concealed news. I think the authors of these statements should be made known.

I thank the Senator from Missouri. I know of his patriotic service to the country and of his desire to protect our interests. All we want is to have the committee protected. If Senators do not favor that, they can say so.

Mr. JACKSON. Mr. President, will the Senator from Missouri yield again to me?

Mr. SYMINGTON. I yield.

Mr. JACKSON. I support the Senator from Arkansas. I would be the last who would want to indulge in personal invective in connection with such a matter.

I have the highest regard for the senior Senator from Missouri. Over the years he and I have worked together on these questions. I do say that we have a duty in the committee to make an honest judicial review. Unfortunately, all of this trouble really started across the river when the Assistant Secretary of Defense for Information and Public Affairs, Mr. Sylvester, cut loose with a shotgun charge against every member of the committee but one, alleging self-interest. The incident occurred on one weekend, and was handled on a managed platform basis. The following weekend we received a charge on an anonymous basis against the chairman and against myself.

I think that is rather sad. If there are smears, it is clear where they started. I think the time has come that when a question is to be raised about any individual or issue, it should be done out in the open and in the proper way. I am sure that my distinguished friend, the Senator from Missouri, feels that way. At least most of this controversy could be avoided.

Mr. SYMINGTON. It was a very poor job of public relations. The Senator knows I feel that way since I told him before. I agree on that point without reservation.

Mr. JACKSON. I have known Mr. Gilpatric for many, many years. He served in the Department of the Air Force, I believe as Under Secretary, from 1951 to 1953. I am sure he would desire that this matter be handled in the same fair and just way.

I merely hope and trust that the developments that have occurred will be avoided in the future insofar as personal invective is concerned. We do have a responsibility to review the acts of civilians as well as the military. Civilians can be wrong; the military can be wrong. But I must say that while the Secretary of Defense has the final say-so on the question involved, I do believe that the American people have a right to know whether his judgment was sound. We

should know, not whether he was fallible, as we all are, but whether there really was an abuse of his authority. That statement applies to the military as well as to the civilians. That is what we are trying to do, and there is no other desire.

Mr. SYMINGTON. As far as abuse of authority is concerned, I cannot agree.

Mr. JACKSON. Is it not possible for a civilian to abuse his authority?

Mr. SYMINGTON. The military said that both of those companies could do the job. The question was one of commonness, a decision between the Air Force, Navy, Defense, and the civilian heads.

As I understand under the law, in the matter of procurement, the civilian leader of the Pentagon, the Secretary of Defense, has the right to make the decision. In this case he followed the unanimous recommendation of his civilian leaders. If he was wrong—and I believe that is the only point on which the able Senator from Washington and I differ—at least he, McNamara, did what he believed was right under the law from his standpoint.

Mr. JACKSON. I did not say that he abused his authority.

Mr. SYMINGTON. I thought the Senator felt he did.

Mr. JACKSON. I said that we have a right to investigate and determine whether he abused his authority. I do not think the fact that he is acting under a statute which gives him final authority means that we cannot question the judgment that went into the use of that authority. Surely if we reached that point, it would be civilian dictatorship, and I do not believe the Senator wished to leave that impression.

Mr. SYMINGTON. I do not want to see any form of dictatorship. As a result of some unfortunate experiences, in which I had a participating part, we passed a law which gave the Secretary of Defense the authority to use his judgment to make the final decision in a matter of this character.

I want to associate myself with respect to the integrity of Mr. McNamara in the same way that I have Mr. Gilpatric. He may have made a mistake, but he did what he thought was right. And he followed the recommendations of many of his assistants in the doing of it. I am sorry this action is not approved by everyone, but in any case he had the right under the law to do what he did. That is my major point.

Mr. JACKSON. I am not attacking the integrity of the Secretary of Defense, Mr. McNamara, or the integrity of the Deputy Secretary of Defense. I am maintaining—and surely I cannot believe my friend disagrees with this statement—that we have the right to investigate to determine whether there has been an abuse of discretion by the Secretary of Defense. Surely he does not believe that we do not have that right or authority.

Mr. SYMINGTON. I agree we have the authority. I only regret the matter of the integrity of the Deputy Secretary of Defense has been in the press; and inasmuch as I believe these hearings are now affecting the morale of the armed services, I felt it obligatory for me to present respectfully my position. I know that my friend from Washington, with whom I have worked for so many years, would grant me that privilege.

Mr. JACKSON. I fully agree, but at the same time two Senators—the senior Senator from Arkansas and the junior Senator from Washington—were involved in the question, too. I share the high regard of the Senator from Missouri for people who are endeavoring to serve in a very difficult spot in the Department of Defense. But surely we have the right to conduct a judicial type of inquiry such as the chairman of the committee is endeavoring to do. That is all I have to say.

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

Mr. SYMINGTON. I yield to the able Senator from Nebraska.

Mr. CURTIS. I thank the Senator. He has been very patient. The distinguished Senator from Missouri has a very wide acquaintance among military personnel and civilians who are interested in and are familiar with our defense program. Does the Senator state that the decision that was made did not adversely affect morale?

Mr. SYMINGTON. My answer to that is that some of the people in the military feel the decision was correct. Others feel the decision was wrong. I would illustrate my answer: During World War II, before I came into the Government, it was my job to put armament on airplanes, in this country and in England. Airplanes were first designed without any guns. As a result, they had magnificent performance. The only trouble was nobody would fight them until guns were put on, so the performance was always reduced when guns were added. When that happened, the people in the armament division were pleased, but flying people were often displeased.

We will always have disagreements in the military, not only with relation to types of decisions by the Secretary of Defense like those to which we are referring—and I say this with great respect for the military—but also because the military often do not like the exercise of civilian control.

Mr. CURTIS. My question was not whether there was disagreement. My question was whether or not the disagreement had hurt morale. There is great evidence that it did.

Mr. SYMINGTON. I think the Senator is correct. Some people in the military feel very deeply about this matter. They thought a mistake had been made. It was their right to feel that way. There are also people in the military who felt a mistake had not been made. As I see it, since we had in the past such disagreements—the famous B-36 hearings, when the Secretary of Defense could not cork the bottle with decision—that was one of the reasons why, in 1958, we gave direction, authority, and control to the Secretary; so when such differences arose between various segments of the military, or between the military and the civilians, the Secretary could say, "This is it"—just as would the head of any other business, using stockholders' money, would arrive at a decision.

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

Mr. SYMINGTON. I yield.

Mr. MUNDT. The distinguished Senator from Missouri has discussed the activities of our committee primarily in two sections. One was a defense of the integrity of Deputy Under Secretary Gilpatric. In the other section he commented upon some of the activities of the committee and its investigation of the situation here. So that we may proceed, I should like to make a couple of comments in each area. I ask unanimous consent that I may make the comments not in the form of a question, and then let the Senator from Missouri rejoin me.

Mr. SYMINGTON. Mr. President, will the Senator permit me to yield first for a question by the able Senator from Oklahoma?

Mr. MUNDT. That is all right.

Mr. SYMINGTON. Could we finish our colloquy?

Mr. MUNDT. I should like to have the Senator from Missouri in the Chamber when I make my statement.

Mr. SYMINGTON. I assure my friend I shall be in the Chamber.

Mr. CLARK. Mr. President, I hope the Senator will yield to me before he concludes.

Mr. SYMINGTON. Mr. President, I now yield to the Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I have listened with great interest to the statement made by my distinguished colleague and friend, the senior Senator from Missouri, as well as the colloquy which he has had with my friend the senior Senator from Arkansas [Mr. McCLELLAN], who is one the most distinguished committee chairmen the Senate has ever had.

By voicing, as he has, in such a fair and dispassionate way, many of the details involved, which help to add knowledge with respect to the magnitude of the question and the problem involved, and by outlining the authority which Congress has seen fit to transfer to one man in order to obtain a joint service operation when that is necessary, I feel that the senior Senator from Missouri has rendered a genuine service. The subject has been handled, I think, in a most dispassionate way.

I should like to join the Senator from Missouri. I express not only my confidence in him, in the Senator from Arkansas [Mr. McCLELLAN], and in the other Members of this body, but also my confidence in those fine men who have been the pride of this administration. I speak of the Secretary of Defense and the Deputy Secretary of Defense, Mr. McNamara and Mr. Gilpatric.

If anyone wishes to call whatever this "dead cat" that has been thrown in, in some way, a conflict of interest, I merely say that the only way we could avoid that situation would be by not having competent men handling the problem. We should have competent men handling it. We could, of course, perhaps find some lawyer in New York City who does not have any clients, who does not have any practice, who does not have

any experience in industrial operations. It seems to me that that would go far beyond the bounds of propriety.

The committee is not guilty of anything. It has been construed by the press that because a man is a partner in a New York firm and because one of its clients is perhaps a very small portion of the package of business, and is a successful bidder, that something irregular is involved. Such a situation, however, does not make anybody a crook or a conspirator. It merely means that the man is a member of a firm, from which firm he resigned and to which firm he has not belonged for the past 2½ years.

We would do a great disservice, it seems to me, if we need competent men to handle a business running $52 billion a year, if we were supercritical of them in the press, or if there were intimations that they have committed some wrong.

I think that Mr. McNamara and Mr. Gilpatric are two of the finest men I have ever seen in Government. They are dedicated men. If they have made a mistake, they are, of course, subject to criticism. Certainly, the Senator from Missouri and I and every other Member of the Senate knows that if a mistake was made it was not a mistake of integrity but a mistake, perhaps, in understanding all of the ramifications involved.

I for one think this project is a good concept. There will be billions of dollars saved if we can have one common plane which can be modified slightly to serve both the Navy and the Air Force. This is an approach through which real economy can develop. The Senator from Missouri knows, as I know, that the bid by the low bidder for whatever is involved in the initial prototype is a mere fraction of what will be involved in the total.

By this bid this company has won the right for the follow-on, if a large quantity of these planes is later to be purchased.

I think this was a deal which was very carefully studied. I, for one, join in expressing my vote of confidence for the able men who run the Department of Defense.

Mr. SYMINGTON. Mr. President, I thank my able colleague the senior Senator from Oklahoma. He has said, in a very few words what it took me many more words to say this afternoon.

There is one point I should like to make for my friend from South Dakota [Mr. MUNDT]. I in no way criticized either the handling of the contract or the conduct of the committee. I do not think the Senator from South Dakota was in the Chamber when I started my remarks. I said that I hoped the hearings would be ended as soon as possible.

Mr. MUNDT. Mr. President, I have read the Senator's statement in its entirety. On that basis I desire to question the Senator.

Mr. JAVITS rose.

Mr. CLARK. Mr. President, will the Senator yield to me before he concludes?

Mr. SYMINGTON. I yield to the Senator from Pennsylvania, and then I shall yield to the Senator from New York.

Mr. CLARK. Mr. President, I want to commend the Senator for his most mature, well-mannered, and excellent remarks, delivered without rancor and without controversy.

Last week I took the floor of the Senate to defend the Secretary of Defense. I am happy to see that the Senator from Missouri, who is far better qualified than I in this area, is also defending the President's Secretary of Defense. I hope that others who belong to the President's party will feel the same way about the matter.

I wonder if the Senator has had occasion to see, in this morning's Washington Post and Times Herald, the very interesting article written by Walter Lippmann entitled "McNamara and the TFX"?

Mr. SYMINGTON. I did see it. After having read it, I was especially gratified to note the appropriate compliment paid to the Senator from Washington [Mr. JACKSON].

Mr. CLARK. Mr. President, if the Senator will yield further, I find myself in complete agreement with the statements made not only by the Senator from Missouri, but also by Mr. Lippmann in his column. I wonder if the Senator would permit me to ask unanimous consent to have the column printed in the RECORD.

Mr. SYMINGTON. I so request, Mr. President.

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

MCNAMARA AND THE TFX

(By Walter Lippmann)

After swimming around for a while in the sea of technical detail of the TFX argument, I emerged dripping with facts and wondering, since there is so much that I do not understand, whether there is anything which I am entitled to write about. However, while I have nothing to say about the use of titanium, of thrust reversers in supersonic flight, or even about high inlet ducts in the propulsion system, there is, I think, a simple and important question at the heart of the argument between Secretary McNamara and his critics.

There are, as I see it, no villains involved, and there is not a shred of evidence to show that the contract went to the General Dynamics Corp. because the Vice President is from Texas, or that Senator JACKSON has been doing anything improper because the Boeing Co. is from the State of Washington. The crux of the argument is not technical, military, or political but economic. From the beginning Secretary McNamara's conception has been governed by his intention to keep the Defense budget, which is already enormous, from becoming uncontrollably larger.

In order to keep military spending within some limit, it is necessary to sacrifice perfectionism in the choice of weapons. If money did not matter, each of the three military services could be allowed to build for itself the most perfect specialized tactical fighter. But since money does matter, the Defense Department has to forgo demanding the best weapons that unlimited money could buy and to content itself with the less perfect weapons that will do the military job. Secretary McNamara's friction with the uniformed hierarchy stems from his commitment to the basic proposition that if military spending is not to run wild, the weapons chosen have to be fully adequate but less than perfect.

Thus Secretary McNamara has, as Mr. Reston reminded us the other day, canceled the nuclear powered airplane and the Skybolt missile, he has opposed the all-out development of the RS-70, and has given up two or three other very expensive projects which, in his judgment, are not necessary military weapons but military luxuries. In the same way of thinking he has been insisting that for the new supersonic tactical planes, which both the Navy and the Air Force need, every effort should be made to develop one tactical fighter plane that can be adapted to the needs of each service.

The whole controversy turns on this. The General Dynamics proposal is very much nearer to being one plane for both Navy and Air Force than is the Boeing proposal. According to Secretary McNamara, the Boeing proposal is in fact for two much more specialized fighter planes. The General Dynamics proposal is for "an airframe design that has a very high degree of identical structure for the Navy and the Air Force versions" whereas in the two Boeing versions "less than half of the structural components of the wings, fuselage and tail were the same."

To illustrate how wasteful is overspecialization, Secretary McNamara tells us that the Navy now has a large number of aircraft out of operation for lack of spare parts while the Air Force has a $2.2 billion inventory of spare parts that are "already obsolete and practically worthless."

The judgments which Secretary McNamara is making in the choice of these very expensive weapons are judgments which somebody has to make. Congress has the right and the power to hold him accountable for them. Congress is not qualified and it hasn't the time to make those judgments itself. Congress also has the opportunity to review the Secretary's decisions. For these new complicated weapons systems take years to develop.

But the kind of judgment which Mr. McNamara is making is the kind of judgment the Secretary of Defense is meant to make. That is one of the main reasons why his office was created. We know from experience that it has not always been easy to find a Secretary of Defense who was competent to do that. In Secretary McNamara the country has a Secretary of Defense who in his training, in his practical experience, and in his technical knowledge of production, is remarkably, perhaps uniquely, qualified to pass judgment on a problem like that of the TFX.

Mr. JACKSON rose.

Mr. CLARK. Mr. President, if the Senator from Missouri will permit me to do so, I should like to yield to the Senator from Washington [Mr. JACKSON]. The Senator from Missouri has the floor.

Mr. JACKSON. I wondered whether I could clarify this somewhat.

Is there any reason why we should not criticize officials in this Administration because we happen to be members of the same political party.

Mr. CLARK. That is the privilege the Senator from Washington has, if he wishes to do so.

Mr. JACKSON. I have a good record in the Senate of supporting this administration. That does not mean that we are not at liberty to criticize acts by members of the administration.

Is that the position the Senator from Pennsylvania takes?

Mr. CLARK. I say again what I said a moment ago; the Senator from Washington is quite within his rights.

Mr. JACKSON. Is that the Senator's position?

Mr. CLARK. My position is that the Senator from Washington is quite within his rights.

Mr. JACKSON. In other words, no matter how wrong someone in this administration may be, we are not to criticize him because he is within the administration?

Mr. CLARK. The Senator has put words in my mouth which I did not speak. I have a high regard for the Senator from Washington. I am not trying to criticize him.

Mr. JACKSON. I am trying to find out the Senator's position.

Mr. CLARK. I have stated my position. I am in accord with the President. I am in accord with Mr. Lippmann.

Mr. SYMINGTON. Mr. President, I now yield to the distinguished Senior Senator from South Dakota [Mr. MUNDT]. I thank the Senator for waiting.

I hope the Senator from New York [Mr. JAVITS] will be kind enough to permit me to yield to the Senator, because he did seek the floor first.

Mr. MUNDT. Mr. President, I have only one comment to make on the first portion of the remarks by the distinguished Senator, in which he defended the integrity of the Deputy Secretary of Defense, Mr. Gilpatric.

I have no disposition to quarrel with his defense in that connection whatsoever. As a matter of fact, until this morning, when it was initiated by Mr. Gilpatric, I think there was no testimony before our committee in any way criticizing him for a conflict of interest or any other matter.

I cannot refrain, however, from expressing the wish that the distinguished Senator from Missouri might have been as considerate and as restrained with respect to possible conflicts of interest when he was questioning the former Secretary of the Treasury, Mr. George Humphrey, because that was a similar situation.

The question of conflict of interest is a very difficult one, Mr. President. I served on a Senate committee, with the Senator from Washington [Mr. JACKSON] as the chairman, when the committee made a complete study of the conflict-of-interest problem. We thought we could come up with some suggestions or recommendations for eliminating it. It is very difficult to find people with satisfactory qualifications who are not connected with various corporations, banks, or law firms.

I remember the unhappy situation which involved Mr. Harold Talbott, who I believe at one time was Secretary of the Air Force, and who I thought was a dedicated and fine public servant.

An uproar developed all across the country out of an investigation which showed that he had written a letter at one time on somebody else's stationery, and President Eisenhower promptly asked for his resignation.

I point out in this connection that I do not know any foolproof law which we could set up for any screening process. I am sure that there are people who can go in and out of law firms and back to public service, and in and out of corporations and back to public service, and never let their associations in any way influence their judgement.

I am sure it has been done in the past. I am sure it can be done now and that it can be done in the future. I am equally sure, however, that in the past, perhaps now, and it will certainly be true sometime in the future, we are going to find individuals whose judgments are colored by previous or existing associations. But I point out that the so-called conflict-of-interest issue involving Mr. Gilpatric was not initiated by the committee, but developed out of a newspaper story and was brought into the committee room on that basis.

Mr. SYMINGTON. First, with respect to the news story, the Senator can correct me if I am wrong, but I believe I read a story in which it was stated that the distinguished Senator from South Dakota stated the conflict-of-interest matter would be investigated; and when it was suggested to him that it might include Secretary Gilpatric, he said that was correct. That was before Secretary Gilpatric testified this morning.

Mr. MUNDT. May I comment on that statement? The Senator from South Dakota was asked by the press whether or not the conflict-of-interest aspects would be investigated. I said of course; in any investigation one would go into those matters. But at that time I did not know of Mr. Gilpatric's connection with the law firm and its relations with General Dynamics and did not have him in mind at all.

Mr. SYMINGTON. With respect to Mr. Talbott, Mr. Talbott was a dear friend of mine. I did my best to defend him; in fact when the problem came before the committee of the Senator from Arkansas, I discussed with the chairman the problems in connection with that investigation and received his approval to advise and consult with Mr. Talbott, even though I was on the committee. This he granted me and this I did.

Mr. MUNDT. I recall the contributions of the Senator from Missouri with regard to that question. I appreciate the contributions of the Senator in the hearings. Would the Senator like to comment?

Mr. SYMINGTON. Let me yield first to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, I think the danger that has been laid before the Senate is that the talk about conflict of interest casts a shadow on a man like Roswell Gilpatric. I repeat, these are rather serious charges—even innuendoes. It seems to me we have an obligation, in light of the sacrifices we ask of people to serve in these sensitive positions, not to cross their countenance or path with such shadows. Secretary Gilpatric and Secretary McNamara are men of unusual competence and ability. They have been recognized as such in the professional and business areas. I do not know of anything either one of them has done which would indicate that it represented an unethical practice or in any way involved a conflict of interest.

I do think these officials are obviously subject to criticism or interrogation. It cannot be said that because a man is a civilian official he is immune from investigation or inquiry. However, I think a disservice may have been done, and has been done, by the indication that there may be a conflict of interest. Lawyers have their problems about it, as do others.

When one is in a law firm, and in order to get into the Government he resigns his position from the law firm, unless he gets a lifetime appointment to the Supreme Court, there is always the possibility that he is going back to the law firm. If that situation exists, a great disservice is done to a lawyer, from his professional point of view as well as from his personal point of view, when a conflict of interest is indicated, particularly when lawyers have represented many clients.

I think the Senator from Missouri was trying to point out in a very dispassionate way that this gentleman did serve his country with distinction. He had many clients and he has represented people in different areas of the aviation industry. That is the real reason for being disturbed over the assertion or innuendo that there was a conflict of interest.

I join with the Senator from Oklahoma [Mr. MONRONEY] when he said that he knows of no two men in this Government who have had a finer record in both private and public life than Secretary McNamara and Secretary Roswell Gilpatric. Why Secretary McNamara was willing to give up a fine post in private industry and come here and take over the huge, intricate mechanism called the Defense Department and the Pentagon is something that is almost beyond my comprehension. But he has done an admirable job. He is a man of decision. That is why he was in private industry. He did not wiggle and wobble, but went to the job and did what he had to do.

The same goes for Roswell Gilpatric. He has had years of service. Whether he made a good judgment or a bad judgement is subject to individual view. That question will be determined by the committee.

Mr. SYMINGTON. I thank the able Senator from Minnesota. He always says better what others have tried to say.

I am glad to yield again to the Senator from South Dakota.

Mr. MUNDT. May I say for the benefit of the distinguished Senator from Minnesota [Mr. HUMPHREY], who, of course, has not been at the hearings, that there have been no charges nor innuendoes emanating from the committee concerning Mr. Gilpatric or any other individual in the Pentagon. The whole question of discussing the background of individuals is a prerequisite to making a good investigation. I would want to have no part of an investigation which stated as its purpose that we were not going to investigate the background of people, but simply the charges. We have made no charges. None have been made.

I pointed out earlier that Secretary Gilpatric ran into the same kind of difficulties, because of his background, that

George Humphrey and Harold Talbott encountered because of their backgrounds. I remember the Senator from Missouri rose and made a spirited defense of Harold Talbott, and in the end, because of derogatory statements growing out of charges of conflict of interest, the Government was deprived of the services of a very able public servant.

Mr. HUMPHREY. Mr. President, if the Senator will yield, I said that one of the purposes of the debate, if we can do anything today, is to set the record straight. So far as those who are interested is concerned—and the Senator from South Dakota is on the committee, and I am not—we can make clear that the so-called conflict-of-interest assertion which has found its way into print can be set straight by the statement that there is no known evidence that there exists any conflict of interest.

Mr. MUNDT. We cannot decide the issues of the investigation, here on the Senate floor today but as of 20 minutes of 3 o'clock today, which is the correct current time by the Senate clock, I can say there is no evidence I know of that would cast a blight on Mr. Gilpatric.

On the other matter, it seems to me the Senator from Missouri was proceeding on an improper basis in his efforts to try to induce the committee to close its hearings as rapidly as it can, and in questioning what the committee was actually trying to do.

Mr. SYMINGTON. The Senator is putting words in my mouth.

Mr. MUNDT. Let me quote the words from the mouth of the Senator from Missouri, then:

> The right of decision was clearly that of the Secretary of Defense. That is the law; and anybody who opposes that position opposes the law.

Mr. SYMINGTON. That is right.

Mr. MUNDT. The Senator said again:

> Differences in matters of judgment, however, and a formal effort to reverse a major policy decision on the grounds the Secretary has exceeded his authority, are two entirely different subjects.

Mr. SYMINGTON. That is correct.

Mr. MUNDT. Which implies the committee is attacking the problem on that basis. We are not. I have never heard in committee any question that the Secretary of Defense has the right to overrule the decisions of the military.

Mr. SYMINGTON. I am glad the Senator agrees with me.

Mr. MUNDT. The whole question is whether, in the exercise of that right, he utilized sound and justifiable judgment.

Mr. SYMINGTON. I am glad the Senator agrees with me. I hope he will postpone judgment on Secretary Gilpatric.

Mr. MUNDT. I have said, and I repeat, that as of 20 minutes to 3 I have heard no evidence that there is any conflict of interest, and I have formed no judgment with regard to Secretary Gilpatric.

Mr. SYMINGTON. I am glad to have the Senator take that position on the floor.

Mr. MUNDT. The Senator is proceeding on the wrong basis when he assumes that that is what the committee is trying to do, namely, to attack the right of the Secretary of Defense to make decisions.

Mr. SYMINGTON. The Senator from Missouri has a right, in a talk, to say what he wants the Senate to know. When the Senator from South Dakota says that I am criticizing the committee, he is reading into my remarks something that is not correct. I went out of my way to state that I am not criticizing the committee. I am emphasing three main points. The first is that whether this decision, this exercise of judgment, was right or wrong, under the law the Secretary of Defense has the right to do it.

Second, in my opinion the continuation of these hearings over many weeks—I believe the Senator from South Dakota said they might run through the spring——

Mr. MUNDT. It is spring now. So I suppose that is correct.

Mr. SYMINGTON. The Senator knows what I am getting at. He probably knows better than I what the press referred to.

Based on my experience, I believe all this is hurting the morale of the Armed Forces of the United States, and therefore I hope the hearings will be conducted as expeditiously as possible, and I am confident that the chairman feels this way.

Mr. MUNDT. I believe I can say for the chairman that no one has ever conducted hearings more expeditiously than he has. He told us the first time that we had a hearing, and before any minority member of the committee learned about the TFX controversy, and when we voted unanimously to proceed with the investigation, that he thought the hearings would last 4 or 5 days. I said facetiously at that time that I thought it might take that many weeks. I am convinced that the chairman will not terminate the hearings until we have had all the facts presented. We have heard, so far, only three of the major witnesses. We have heard, actually, only from John Stack, a world-wide renowned aeronautical engineer; from Col. Charles Gayle, the TFX system project officer at Wright-Patterson Air Force Base; and from George Spangenberg, the Navy Department's chief aeronautical engineer. From the Pentagon we have heard only from members of the Evaluation Board. Except for an affidavit from the Secretary of Defense which was presented to the committee in his absence.

Still to be heard from in the investigation are a number of four-star admirals and generals, including the Air Force Chief of Staff, Gen. Curtis LeMay. We have not yet heard from him. We have not yet heard from the Chief of Naval Operations, Admiral Anderson. We have not yet heard from the management and the technical people of either Boeing or General Dynamics. Of course the Senator may urge, if he wishes, that we fold up the hearings, but I believe that——

Mr. SYMINGTON. The Senator is misquoting me. I did not say that I urged the hearings be folded up. I said they should be conducted expeditiously.

Mr. MUNDT. I will read what the Senator has said:

> I would hope whatever the decision, that decision be reached expeditiously and these hearings be concluded.

Mr. SYMINGTON. That is correct, concluded after being handled expeditiously.

Mr. MUNDT. To me that means folded up.

Mr. SYMINGTON. It means expedited.

Mr. MUNDT. Very well. We agree that it should be done expeditiously.

Mr. SYMINGTON. Does the Senator agree that the hearings should be concluded as expeditiously as possible, provided the facts are obtained?

Mr. MUNDT. Yes.

Mr. SYMINGTON. Then we are in agreement on this point.

Mr. MUNDT. We are not in agreement with what the Senator has said. I read again what the Senator has said:

> Therefore, because of all the reasons previously mentioned and especially because of the obvious necessity for us to cope with current Communist aggression, I would hope whatever the decision, that the decision be reached expeditiously and these hearings be concluded.

I do not go along with believing the hearings should be concluded. I say we are proceeding expeditiously.

Mr. SYMINGTON. One of the reasons for putting that statement in my remarks today was based on a comment which the Senator is supposed to have made to the press that it looked to him as though the hearings would run for months.

Mr. MUNDT. If I was quoted as saying that, I was misquoted. I did not say it would take months.

Mr. SYMINGTON. I ask unanimous consent to put in the RECORD at this point part of the press report which referred to the statement made in this connection by the distinguished Senator from South Dakota.

Mr. MUNDT. That is perfectly all right with me.

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

MCNAMARA, AID CALLED TOMORROW FOR QUESTIONING

(By Cecil Holland)

* * * * *

Meanwhile, Senator MUNDT, Republican, of South Dakota, said he was sure the subcommittee would look into the financial connections and interests of all those who participated in the decision to award the contract to General Dynamics.

Besides Mr. McNamara these included Air Force Secretary Eugene Zuckert and Navy Secretary Fred Korth. The civilian Secretaries overruled a unanimous recommendation of military experts that Boeing be granted the $6.5 billion contract.

Senator MUNDT made the statement in commenting on reports that Mr. Gilpatric, before joining the Defense Department, was connected with a New York law firm that has represented General Dynamics in some matters. According to the testimony received by the subcommittee, Mr. Gilpatric participated in the contract award decision, although Mr. McNamara said he assumes full responsibility for the award.

Senator MUNDT also indicated that the subcommittee would look into the role of Mr. Korth in the decision. Before becoming Secretary of the Navy last year, Mr. Korth was a prominent Fort Worth banker.

However, the Senator said he doubted that the subcommittee would question Mr. Gilpatric on his law firm connections until a later time.

LONG PROBE SEEN

Senator MUNDT said the investigation probably will last much longer than the subcommittee had anticipated.

"We are getting into fields we never anticipated," the Senator said. "This conflict-of-interest thing was never in our minds until events and the reading of newspapers put it there."

* * * * *

Mr. MUNDT. Now I wish to read this statement from the Senator's speech, because it raises an implication as to what we are trying to do. I am sure that the Senator does it out of good motivation. However, it puts an entirely different focus on the hearings. I read:

Some of us have differed with the present Secretary of Defense on matters of judgment—on at least one occasion that has been true of myself. Differences in matters of judgment, however, and a formal effort to reverse a major policy decision on the grounds the Secretary has exceeded his authority, are two entirely different matters.

I say categorically, first, there has been no effort on the part of our committee to reverse a decision for any reason. We have raised no question as to whether the Secretary of Defense has exceeded his authority. Why attribute that to us?

Mr. SYMINGTON. Is the Senator asking me a question?

Mr. MUNDT. Yes.

Mr. SYMINGTON. I believe that the purpose of the hearings is to see that this contract does not go to General Dynamics. That would be a reversal.

Mr. MUNDT. There is no such purpose.

Mr. SYMINGTON. The Senator has a right to his opinion. I have a right to mine.

Mr. MUNDT. We have never been told, and we have never assumed, that the purpose was to take it away from anyone.

Mr. SYMINGTON. I am sure the Senator would not say that these hearings are being conducted for no purpose.

Mr. MUNDT. May I tell the Senator that purpose? We are trying to determine whether, rightly or wrongly, they gave it to the company which could produce an acceptable plane at the cheaper price. Secondly, we are trying to determine if they gave it to the company which could produce a plane which provides, at the present stage of the art, the best possible plane available from American producers. I am more concerned as to whether we are getting in this TFX plane, a plane which measures up to the capabilities of American industry to provide a plane of maximum performance, than I am as to whether or not we paid $100 million or $500 million too much for it, because, if in fact, a better plane is available than the one for which we have contracted, we have virtually squandered the whole $5 billion. I am sure that the former Secretary of the Air Force, the distinguished Senator from Missouri, will agree that we need the best possible plane, not one that is second best. That is what we are trying to determine.

Proceeding with the Senator's statement, I am, like the Senator from Washington, a little perplexed as to this recital of the financial integrity and engineering ability of the Boeing Co. The Senator failed to put in a similar review of the financial success of General Dynamics. I suppose that will be available to the committee.

Mr. SYMINGTON. No; the Senator is incorrect. In debate I volunteered the fact that in recent years General Dynamics lost more money than any other corporation in the history of the free enterprise system.

Mr. MUNDT. At all events, the Senator realizes that he is in dispute with Mr. McNamara in this connection, because——

Mr. SYMINGTON. I would like to have the Senator from South Dakota guide me with respect to where I am in dispute with the Secretary of Defense.

Mr. MUNDT. If the Senator will let me finish the sentence, I will be glad to provide some guidance.

Mr. SYMINGTON. I yielded to the Senator from South Dakota for a short statement. He has been proceeding now for 15 minutes. The Senator from New York [Mr. JAVITS] has been on his feet for not less than a half hour. I am glad to yield to the Senator, so that he can explain anything he wants to explain.

Mr. MUNDT. The Senator from Missouri has been on his feet a while himself. The Senator from Missouri is in dispute with the civilian officials in the Pentagon, who say that one reason why they believe the contract should have gone to General Dynamics is that on the basis of experience Boeing has had some criticism about the correctness of some of its estimates. It would seem to me that a company which has done so well in the past might be inclined to do well in the future, as against a company which, the Senator now says, has lost more money than any other company ever lost in American history. I did not know that.

I have one more comment to make in connection with the Senator's talk. This arose out of the basis on which our investigation is being held. Perhaps I can save time by inserting in the RECORD the facts which are sanitized, publicized, uncensored, and made available to the public, so by studying this RECORD all citizens will have the data needed to help them formulate their own judgment concerning the kind of evidence which our committee has been considering, as against that which has been imputed to us.

I have an unclassified table showing the operational comparisons of the two TFX proposals, the one by General Dynamics, the other by Boeing.

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

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

Operational comparison of 2 TFX proposals—General Dynamics versus Boeing as evaluated by U.S. Air Force

[Only subcommittee selected items are shown]

	General Dynamics	Boeing
Cost factors:		
Contractor's proposal (millions) [1]	$5,455.5	$5,364.2.
Air Force program estimate (millions)	$7,083.2	$6,983.0.
Air Force program estimate adjusted figure	$5,803.0	$5,387.5.
Performance comparisons:		
1. Ferry range (nautical miles)	X	X plus 1,100 miles.
2. Reaction time at minus 65° F. (minutes)	2 times X	X.
3. Landing distance over 50-foot obstacle (feet)	X plus 590 feet	X.
4. Deceleration device	Dive brakes and spoilers	Thrust reverser.
5. Air Force estimate of Navy weight (pounds)	X plus 2,208 pounds	X.
6. Air Force estimate of Navy mission A (loiter time in hours)	X	X plus 30 minutes.
7. Air Force estimate of Navy mission B (loiter time in minutes).	X	5½ times X.
8. Aircraft carrier spotting [2]	X plus 5	X.
9. Avoidance of foreign object damage	Deflectors	High scoops.
10. Area intercept mission (radius in nautical miles) [1]	X	X plus 177 miles.
11. Ordnance carrying capability (pounds of demolition bombs):		
Wings out	X	X plus 69 percent.
Wings in	X	X plus 11 percent.
Contractor's proposed ordnance loading: [1]		
12. Nuclear bombs	X	X plus 50 percent.
13. Air-to-ground missile	X	X plus 50 percent.
14. Demolition bomb	X	X plus 105 percent.
15. Cluster dispenser	X	X plus 180 percent.
16. Fire bomb	X	X plus 250 percent.
17. Land mine	X	X plus 70 percent.
18. Rocket launcher	X	X plus 44 percent.
19. Air-to-air missile	X	X plus 100 percent.
20. General Dynamics superior on supersonic speed		
21. Boeing superior on subsonic speed		
22. Commonality of parts, General Dynamics is superior		

[1] Contractor data.
[2] Navy evaluation.

Mr. MUNDT. Mr. President, I point out and emphasize, for the guidance of those who read, that this information is with respect to the present stage of the investigation, with many competent witnesses yet to be heard, and with the Secretary of Defense now in the hearing room waiting and ready to testify. On the basis of the evidence now before the committee—which is available at this time—there are 22 different performance criteria listed, comparing the performance of the two TFX planes. On only three of them is the preference given to

General Dynamics, as against the preference given on about 16 or 17 to Boeing.

It is evidence of this type, Mr. President, that the committee has been receiving and considering and which perplexes and puzzles us as to the reasons the Pentagon insisted upon the more expensive plane with the poorer performance evaluations.

On some comparisons there is apparently equal ability. There are some comparisons as to which there is a reasonable argument, such as the relative merits of dive brakes and spoilers as against thrust reverser. With respect to the deceleration device, General Dynamics uses dive brakes and spoilers, while Boeing proposes thrust reversers.

Finally, with regard to the attacks made upon our committee, I am happy that the Senator from Missouri joins with the rest of us in regretting the kind of attack which comes from the Pentagon upon the integrity of the chairman and the rest of the members of the committee. The Senator from Missouri has himself served on committees which have been under attack.

Mr. SYMINGTON. That is correct.

Mr. MUNDT. He recognizes that such attacks are somewhat distasteful.

Mr. SYMINGTON. I had the honor to serve with the distinguished Senator from South Dakota on such a committee not too many years ago.

Mr. MUNDT. Every one of us was constantly under attack.

Mr. SYMINGTON. That is correct.

Mr. MUNDT. In that connection, my experience on investigating committees of Congress dates back to the time when I served on the House Committee on Un-American Activities, under the chairmanship of Martin Dies. For some strange reason, I have been assigned to investigating committees from that time until now and have the perhaps doubtful distinction of having served more years on congressional investigating committees than any other Member in the history of Congress.

I must say that in all my experience, except for this, the most exciting experience was as a member of the Committee on Un-American Activities, under Martin Dies, when that committee was investigating the allegations of communism in the Government, and almost everyone in the administration was attacking our committee. At no time since then have I seen a congressional committee subjected to as determined a drumfire attack from a Government Department as has occurred from the Pentagon on the McClellan committee in the instant case.

People will read in the Washington Evening Star tonight, for example, under the banner headline "Air Force Hits TFX Probe Tactics," still another item indicative of the extremes to which the Pentagon will go. Let me read from the article:

> The report, prepared by an Air Force officer for internal Air Force use, says the questioning was so rough that one man "collapsed from nervous exhaustion and reoccurring ulcer" and that two others "showed signs of deep fatigue."

As I said in the committee room today, the military personnel of the country, including emphatically members of the Air Force, have demonstrated a stamina, a fighting capacity, and a capacity to serve which, it seems to me, negatives any suggestion of their being any validity in the suggestion that Air Force officers are collapsing all over the place because Jerome S. Adlerman has asked them some pertinent questions. I cannot conceive of any questions he could ask which would be so rough that the fighting heart of the Air Force was going to faint away, because our American airmen have well earned their reputation as gladiators. It illustrates the hyperbole involved, the extremes to which some go in attacking this committee in almost an hysterical manner—certainly in an unrealistic one.

I hope that if nothing else grows out of the colloquy on the floor today, a cease-fire order will be issued from the Pentagon or from places higher up in Washington to get off the backs of the committee, and let us proceed in an orderly and objective fashion.

Mr. JAVITS. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I yield to the Senator from New York.

Mr. JAVITS. I shall be very brief, because I know that the Senator from Washington and the Senator from Pennsylvania have been waiting to speak.

First, as to Under Secretary Gilpatric, he is a New York lawyer. I have known him for many years. I understand very well the problems of lawyers in large firms who retire from those firms to enter government service. It is our objective to get the best men at the salaries allowed, and we will jeopardize getting them if we impugn their motives. I say this advisedly. I do not question Under Secretary Gilpatric or any member of the committee, whatever may have been Mr. Gilpatric's connection with the law firm, or our connection—and that includes my own—in the interest of getting the maximum amount of business for our States. It is a fact that one of the parties involved is Grumman, which has important manufacturing interests in my State. I question as little the bona fides of Mr. Gilpatric as I do of my own, in my own field, to rise above any such considerations in a matter so critically important to the defense and security of America as is this contract which we are discussing, and the end result which it will mean to the security of our Nation.

I join with the Senator from South Dakota [Mr. MUNDT] in calling for a standstill, a freeze, upon all of the recriminations, back and forth, which have only sought to divert the distinguished chairman of our committee. I have been a lawyer in the trial courts for almost 30 years. I will testify to the fairness, decency, and lack of intimidation with which he is conducting the hearing. The answer is to get on with it.

But certainly a man like Mr. Gilpatric is entitled from me, a fellow lawyer from New York, perhaps above anybody else, to an absolutely clean bill of health in this matter, as he is, in my judgment, from the Senator from Washington or any other member of the committee, notwithstanding any very ill-advised comments made off the cuff or off the top of his head by anybody from the Pentagon.

I am delighted to join with all Senators in nailing that and laying it at rest.

Second, it is my judgment that what we are seeking to determine—and I am sorry that I differ with the Senator from South Dakota in the objective of this hearing—is to determine whether there has been an abuse of discretion. I was delighted to hear the Senator from Washington say that very thing. The question of whether he made a mistake in judgment or not is a matter of basic policy within the constitutional prerogative of the civilian head of the Department of Defense. If I were convinced, to the bottom of my being, that Secretary McNamara made a mistake in judgment, that there was not an abuse of discretion due to some outside influence, or whatever other errant consideration there was in coming to such a finding, I think it is extremely important to air this matter.

I do not believe the 21 or 22 criteria now set forth in the Record—and I think the Senator from South Dakota was quite right to use whatever he could in that regard, without investigation—represents the whole basis on which the decision will have to be made. We also have to decide if there were requirements far above the specifications required of those airplanes. In other words, if we are dealing with specifications beyond the specifications set up by the Department, then we are dealing in an area which other considerations, like those of common use between the Army and the Air Force, become particularly pertinent and important to the decision of the Secretary.

So, unless we find an abuse of discretion, this matter must remain exactly as it is, whatever we report, but the report of this committee will have a material effect on the whole matter.

Finally, and most important, we must consider the morale of the Armed Forces. Probably the single most important question in the whole discussion relates to the morale of the Armed Forces. I have served, the Senator from Missouri has served, almost every Senator involved has served in the Armed Forces, and we know that men will have to fly this plane, whether it is the one which Secretary McNamara picked or the one that was rejected, insofar as Boeing is concerned. Men will have to fly the plane, and the morale of the Air Force is critically important. I think we have a job—and this is collective to all of us—to establish, absolutely and firmly, the morale of the Armed Forces. If we should decide that this contract is to be awarded on the basis of a superior civilian decision, then it is our job also to rally behind the decision the full moral support of the Armed Forces. I think a grave danger exists. It is a fact that military officers are testifying the other way, and that their testimony is being kept from the public. Furthermore, more of that may occur.

Therefore, Mr. President, it is our duty to see to it that the facts are made known, and that, when this matter is concluded, we, ourselves, shall have

acted to fortify the Armed Forces of the United States.

As a member of the committee headed by the gifted Senator from Arkansas [Mr. McCLELLAN], I thank the Senator from Missouri for his contribution to our consideration of this matter.

Mr. SYMINGTON. I thank the Senator from New York.

Let me say that I had the privilege of serving as Assistant Secretary of War for Air and Secretary of the Air Force at the time contracts were awarded for the construction of the B-47 and the B-52, perhaps the greatest airplane ever flown. I approved those contracts after study, but have not approached this matter from that point of view. Furthermore, I did not and do not wish to become involved in a technical discussion this afternoon.

Next, Mr. President, let me say that I agree thoroughly with the Senator from New York, who served in the military as a distinguished officer during the last World War, that the morale of the Armed Forces is being adversely affected by these hearings. Anyone who reads the sad and unfortunate article appearing this afternoon in the newspapers and that has been referred to knows that such an article is bound to affect adversely the proper intertwining of the civilian and military in our system.

Next, Mr. President, I refer to the Secretary of Defense. I think highly of him, and know he has the right, under the law, to have direction, authority, and control in connection with this decision, and he has made the decision to the best of his ability. He may have erred in arriving at his judgment, but I am sure he felt he did the correct thing and I happen to agree with him.

Finally, Mr. President, let me present that I have been around this Capital for many years—indirectly, for more than 40 years; and directly, in Government service for some 18 years. The more I see of life, the more important I think it is to try to have justice done, especially to one's friends. I am sure no member of the committee on the Senate had anything to do with the unfortunate stories about Mr. Gilpatric. I know of no one in Government who ever served more ably than he has. My statement today is made primarily because of the attacks against him that have appeared in the press. Whenever a friend of mine in whom I believe, and who is serving the Government to the best of his ability, is unfairly attacked in the press, I intend to take the floor to defend him.

Mr. President, I yield the floor.

Mr. McCLELLAN. Mr. President, I share the sentiments which have been expressed in regard to expediting the hearings.

This morning we undertook to hear Secretary McNamara. At his request, we scheduled his appearance. In the meantime, we could not ascertain the source of the derogatory statements which issued from the Pentagon under an injunction not to reveal the author of the statements. So, as the first witness today, we had Mr. Gilpatric, the Deputy Secretary, who finally acknowledged that he had held the press conference; and I am told by the press that that is where the members of the press got the information.

Furthermore, that delayed us and prevented us from hearing the Secretary. But while we were holding the hearing this morning on the complaint, and were trying to ascertain the source of the derogatory news article which went out last Sunday, another one came out, right in our teeth. I hold in my hand today's Washington Star, and the principal headline reads as follows: "Air Force Hits TFX Probe Tactics—Abuse Charged Against Staff of McCLELLAN."

Mr. President, if they want the hearings expedited—and let me say that already, in two instances, they, themselves, have retracted their statements; they did so this morning, when they said they did not mean any such thing—I do not know what they will say about this new article; but I state to the Senate that it is not true.

Senators speak of defending their friends; but I do not believe that the three staff members mentioned in the article are at all of the character described in the article. One of them has served the Government for 16 years; and for approximately 8 years of that time, I believe, he served under the distinguished Attorney General.

Mr. President, such tactics cannot be defended. If Senators are going to defend their friends, I shall defend the distinguished staff members who must do work which often is not pleasant.

If the hearing is being delayed and if there is a lack of expedition, the fault lies with those who are trying to obstruct it and interrupt it. So far as I know, that is not coming from the legislative branch. It is coming from the Pentagon; and when I make that statement, Mr. President, I am not hiding behind anonymity. I make that statement. This morning I made it in the committee; and now I make it again, here on the floor of the Senate.

At this time I must leave the Senate Chamber, to attend the committee hearing, where the Secretary is waiting. I ask my colleagues who serve with me on the committee to join me now in attending that hearing. Let us go there now and hear the Secretary as long as we can.

I have another appointment this afternoon, and I shall have to adjourn this hearing early. But I ask the Senators who serve on the committee to go with me to the committee hearing, and let us give the Secretary an hour of the time of the committee, and thus expedite the matter.

Mr. SCOTT. Mr. President, I say to the Senator from Arkansas, "Godspeed."

Mr. MAGNUSON. Mr. President, there has been a great deal said here today about the purpose of the investigation conducted by the McClellan committee on the awarding of the TFX contract. The award, of course, involved, in the end, two companies, one the General Dynamics Co., and the other the Boeing Co. of my home town, Seattle.

Although the contract itself, so far as the Boeing Co. is concerned, was mainly concerned geographically with the Wichita, Kans., division of the Boeing Co., the Senator from Washington, my colleague [Mr. JACKSON] and I, of course, have a deep interest in the matter. We are, first of all, very proud of the record of the Boeing Co. in the field of defense, commercial airplanes, and other pioneering efforts which the company has engaged in over the years. We are also proud of the fine engineering staff which has been assembled by the company over many, many years. It has been called by Defense officials on many occasions, the finest engineering staff, particularly in the aerodynamic field, in the United States, if not the world.

So we have had an interest in this matter, as would any two Senators representing the State of Washington, the home base of the Boeing Co.

We, of course, knew that Boeing Co. and General Dynamics were the two companies being considered, some months prior to the time the award was finally made. As such, we were hopeful the Boeing Co. would be awarded the contract, because we were confident they could do the job demanded by the Defense Department, and had an adequate staff in engineering, a work pool, to do the job. And second, we were the representatives from the home area of the company. We, of course, did not at any time think that the contract should be given to any company which would not be in the best interest of the country and produce the best possible airplane in this important field at the lowest cost.

The contract was awarded, and this investigation is going on. I joined with my colleague when the question was asked as to who started this investigation. It was started by people who had some doubts about whether or not the award was made in the best interest of the country and if it was the type of plane that was really wanted.

Also I joined with my colleague from Washington in the hope, too, that the committee would take a look at this award to see exactly what happened and to determine, as the Senator from South Dakota said today, whether or not we were going to end up with the best possible defense vehicle. At no time did the junior Senator from Washington or I, directly or indirectly, try to influence anyone in the Pentagon or anywhere else in the Government regarding the award. We were hopeful the contract would be given solely on its merit and solely on the basic criterion of who could produce the best type of plane the Defense Department said it wanted for this country.

I believe my colleague [Mr. JACKSON] stated he called once or twice regarding the status of this particular contract; and I think I did on one or two occasions. By "status" we meant when they expected to give the award and how far it had proceeded along through the evaluation boards and the different studies. That is all.

I must say for the RECORD that no one in the Boeing Co. and no Boeing official ever suggested to any of us that we should do anything political about this contract; and I am sure this statement applies to the delegation in the House who represent the Seattle area, and I am sure this is true also for that section of the country represented by the Senators from Kansas, or the Representatives

from the Wichita area, where the Wichita division is located.

The Boeing officials, in discussing the matter with me, said they wanted absolutely no politics involved in it at all. We discussed it in a general way. They wanted the matter decided on the merits. They were so sure of their own ability to be able to stack up on the merits on this particular plane that they almost leaned over backward.

A great deal has been said in the past few days that there has been some interest on the part of the Senators in regard to this contract, particularly with respect to Senators who serve on the committee. I believe at one time the Deputy Secretary of Defense, on a television broadcast, mentioned that two powerful Senators from the State of Washington were involved. He referred to me and the Senator from Washington [Mr. JACKSON], who is a member of the McClellan committee.

I wanted the record to be clear that the Boeing officials and anyone cognizant with this matter had pinned their hopes on this being decided on the bare merits of the ability of the Boeing Co. to produce the kind of plane that the Defense people said was needed in the interest of this country.

We know, of course, what it means to bid on contracts. Sometimes a bid is difficult to make, and very often it does not necessarily mean that the low bidder will perform his contract in a way that it will cost the Government exactly what was bid, or vice versa. That is because on a matter of this kind there are thousands of engineering changes. That necessitates many changes in the contract.

They felt that they could do this job and do it well. They spent a great deal of time and effort on it in their engineering department. They wanted the award to be made in the highest possible sense, fairly and in the best interests of defense, lacking of politics.

I do not know what the committee will come up with. Their inquiry is a perfectly proper one. It is to find out, not the right of the Secretary of Defense to make the decision, but how the decision was made, and whether in the end the country is going to get what he and the rest of his people think they should have of this plane.

I reserve judgment on this matter until the committee makes its findings.

I have received many letters from my constituency at home and from others, asking what we are doing about this. A great deal stems from the fact that the Pentagon itself has released certain portions of its testimony to the press. Other portions have been held in executive session. Therefore, it is difficult to get all of the facts and to put them together. When the committee finally concludes its work and makes a report, only then will the case be clearly stated. We, of course, are looking anxiously toward that report.

Mention was made today about the morale of the military. We better, also, consider the morale of the country. When so much of the taxpayers' money is being spent for a weapon, the people want to be sure not only that we are getting our money's worth, but also that they are getting the best possible product. If awards are made contrary to this or with political influence, therefore, their morale and faith in government would be shaken.

Many of the people who have written to me from my home State of Washington, particularly from the Seattle area, have been very fair in their comments. I should like to read an excerpt from one letter as typical:

> I have, with intent interest, followed the investigation of the TFX contract. It is quite true that I am a resident of Seattle and, therefore, have an interest in the growth of the Boeing Co. However, this letter is not motivated by such regional loyalty. I am quite sure I would feel the same if, under the circumstances, Douglas or Lockheed Aircraft Co. were involved.
>
> It is extremely disturbing to think that the U.S. Government will not accept the principles of the competitive bidding system which is, as you know, one of the mainstays of the free enterprise system in America.
>
> And, when any firm submits a bid that is superior in design and lower in price and has that bid rejected for what appears to be political reasons, I think the consequences can be disastrous and will most certainly result in the future loss of confidence in our Government.

This citizen's morale is just as important as the military.

I do not say what the writer suggests, that there were political reasons involved in this award. I do not know. I am sure the committee will continue expeditiously to get all the facts, and come to a conclusion on this. However, I believe this letter is typical, because the general tenor of what has been released so far and of all the stories relating to this contract certainly justify any private citizen feeling what this writer states.

If that is the case, I know the committee will not only discover it but will pass upon whether the award was rightly made or that there was an abuse of discretion.

Here is another letter. The writer says, in part:

> The fact that Boeing lost the contract is important, but it is not as important as the question of why and when in the military affairs of this country such things could happen as we read in the reports.

All this involves the morale of the people. Up to date they have been wondering whether there is something here that is not right. This must be resolved for the morale of everyone.

Some newspaper articles have been confusing to us. I quote from one. The headline states: "Solon Charges Favoritism in Plane Contract." I read from it the following:

> Senator JOHN L. MCCLELLAN, Democrat, of Arkansas, said today he will expect the Secretaries of Defense and Air Force to explain what he termed "unusual" steps in the award of the TFX warplane contract.

Actually, the Senator from Arkansas did not charge favoritism. He used the word "unusual." But this is what the public is getting from the release of fragmentary parts of the testimony by the Pentagon. No wonder the Senator from Arkansas uses the word "unusual."

I have a legitimate interest in this matter. It has been most objective. The Boeing Co., of course, naturally was disappointed, as were we, because they felt they could do the job on this particular project better than anyone else.

Mention was also made today of the amount of money which Boeing has received over the years and of the profit it has made on both commercial and military contracts. I am sure the figures which have been given are correct. They might seem to be a little large. But I remind the Senate that Boeing Aircraft Co., pioneered in this field long before any of the rest of the companies ever existed or had a name. So it is only natural that Boeing should have received many contracts, dating back to the early days of the Boeing Aircraft Co. They developed a know-how. Boeing has not received any more military contracts than have been justified by their know-how and ability to do the job, and the fact that they submitted engineering estimates and lower bids was because of their faith in this know-how. Secondly, they could do the job on time.

The RECORD ought to show also, looking back upon a 10-year period, that four or five companies, including Boeing, Lockheed, North American, Douglas, and perhaps others, have shared fairly equally in the awarding of defense contracts.

It was somewhat ironical today, as I listened to the Senator from Missouri [Mr. SYMINGTON] make his speech, to recall that when he was Secretary of the Air Force he was involved in the move of a part of the Boeing Aircraft Co. to Wichita, Kans. Naturally, I opposed that transfer; I thought Boeing should stay in Seattle. I thought the concept of moving plants inland at that time for defense reasons was a little farfetched. He was helpful on this.

A part of the difficulty here is that the Wichita plant is available to do the kind of job the Department of Defense said it wanted to have done under the TFX contract. So Boeing's earnings should be placed in context.

I think the discussion today was wholesome. I could place in the RECORD numerous telegrams and letters, all suggesting that political reasons are involved in the awarding of this particular contract, and implicating many persons, including persons in Texas, and persons high in the Government. I repeat I do not know whether there was any political influence in awarding the contract or not. I know there was none from our end, so far as Boeing is concerned. I know that for certain. If there was any influence used from the other end, so far as the other company is concerned, I am sure that the committee will find out about it.

The fact is that the public is commencing to think because of the fragmentary news releases, that political influence must have been used. So it behooves us to back up the committee in its continuance of the investigation—expeditiously, surely, but principally to get all the facts involved, and not to stop until it has all the facts.

I think that not only is the purpose of the investigation well taken, but also the committee should examine into every possible angle of the subject, so that the American people may know what is taking place.

My colleague from Washington [Mr. JACKSON] has been made the target of some attacks. When I say that I do not know what took place on the other end, I am speaking from my own personal knowledge that, so far as he and I are concerned, no attempt was made and no attempt was suggested by anyone—the Boeing officials, ourselves, or anyone else—to exert any political influence at our end. Senator JACKSON has been attacked twice, I believe, in the last week. I wish to read into the RECORD an editorial entitled "Pentagon's Attack on JACKSON," published in the Seattle Times of March 18, 1963. The editorial relates to the first attack:

Washington's Senator JACKSON has been made the target of a vicious, underhanded attack of the type being employed too frequently in the National Capital.

We refer to a United Press International news dispatch over the weekend quoting Defense Department officials, who "insisted on anonymity" as charging that JACKSON helped initiate the TFX fighter-bomber investigation to "further his political fortunes."

These anonymous officials in the Pentagon declared further that JACKSON asked for the inquiry by Senator MCCLELLAN's committee to make it "look as if he had done his duty to his constituents" because the contract was not awarded to the Boeing Co. The innuendo was that JACKSON was motivated to build himself for reelection in 1964.

Mr. President, I should like to intrude my own statement that the constituents of Senator JACKSON and myself are the Boeing officials, the people who run the company; but the jobs probably or mainly would be at the Wichita division. So what has been said must be placed in that light, too. Since the Pentagon has suggested that two powerful Senators were involved in this question, I think that point should be referred to. I continue to read from the editorial, with which I wholeheartedly agree:

The charges are absurd. In our view JACKSON has little to worry about in the 1964 election. And at the time the TFX investigation was begun there was no perceptible sentiment in the Seattle community that the decision to award the contract to General Dynamics was not in the best interests of the Nation.

Boeing, of course, raised no question—either directly or indirectly.

I suggest that had they raised any question, Senator JACKSON would have been the first to be contacted. But no question was raised. I continue to read:

The community sentiment, it seemed to the Times, was to the effect that the contract had gone to General Dynamics for justifiable reasons best known to the Pentagon and the decision should be accepted here without protest. That, incidentally, was the attitude of this newspaper.

Mr. President, I can say that that is true also. So much stress has been placed on awarding contracts on the merits that it would have been impossible for anyone in the community—this newspaper, Senator JACKSON, or myself—to believe that they had not been awarded on their merits, and solely on their merits. The editorial continues:

As we watched the situation develop underlying suspicions in the National Capital—as reflected by news magazines—began raising questions as to whether politics had not been a motivating factor in the selection of the Texas firm.

I think the Seattle Times has put its finger on the real fact, namely, that there were so many articles written about this matter, not wholly in the newspapers or over the wire services, but articles appearing mainly in news magazines. I myself read several of them. They intimated some of the things which I have placed in the RECORD today, and surely enough to have caused any responsible Senate committee to think that there was something basic on which to proceed in this particular case. The Seattle Times puts its finger on the point when it says:

As we watched the situation develop, underlying suspicions in the National Capital—as reflected by news magazines—began raising questions as to whether politics had not been a motivating factor in the selection of the Texas firm.

It was only after the McClellan committee began getting into the details of the contract award that there arose local concern that perhaps the Pentagon had selected the "second best plane at the highest price."

I interrupt my reading of the editorial to say that, surely, the committee had not only the right—if that was the conclusion of news magazines, of the Seattle Times, and of some of the people from whom I have received letters—but also the duty and responsibility, to determine whether the Pentagon has selected the second best plane at the highest price.

I read further from the editorial:

This, it should be noted, was quite a little while after the time specified by the anonymous Pentagon spokesmen that JACKSON was supposed to have declared that the McClellan committee should "take a little, brief look" to further JACKSON's political fortunes. JACKSON has denied that he made any such overtures.

Of course, no one believes more than I do that that is entirely true.

I read further from the editorial:

The emphasis of this editorial, however, does not deal with the TFX investigation itself. It is to condemn the practice of the Pentagon, as well as other agencies of the National Government, to accuse and hide behind anonymity.

If the accusers of Senator JACKSON were of good conscience in the matter, they would not have hidden behind anonymity. They would have permitted their names to be used. The Senator, as anyone else, is entitled to know who his accusers are and to have them face him. Frankly, we don't care for the type of journalism that permits such anonymity.

We suspect that the Pentagon will rue the day its spokesmen stooped to the low level of accuse and hide. They have been using as a defensive tactic the smear technique in endeavors to discredit the McClellan committee. This will be resented deeply throughout Congress, where MCCLELLAN and JACKSON are held in the highest esteem as responsible Members of the legislative branch of the Federal Government.

Then the editorial states—and this is my primary point, which surely is quite pertinent, following the Senate debate earlier today:

It is Congress' duty to probe the TFX contract award and one may be certain that the arrogant attitude of the civilian experts in the Pentagon—from Secretary McNamara on down—will not deter the committee.

Mr. President, I make these points, not only to reaffirm the interest of my colleague [Mr. JACKSON] and myself in the affairs of this company, which has its home office in our State, and not only to reaffirm our concern with what is in the best interests of the country, but also in hopes that the committee will do what has been suggested here today by many Senators; namely, get at this matter and ascertain exactly what happened, not only because of its importance, but also because the faith of the people of the United States in their Government is involved. I do not want to see the morale of the people of the country shaken, any more than we would wish to see the morale of the members of the Armed Forces shaken.

I hope this will be done expeditiously. I hope every facet of the award will be explored, so that the public will know exactly what happened.

Mr. President, certainly the statement made by the Senator from Arkansas [Mr. MCCLELLAN] at the opening of the committee inquiry into the TFX contract award should result in keeping the attention of the entire country directed toward the hearing his investigations subcommittee is holding. As the Senator from Arkansas has reported, a top-ranking military evaluation team repeatedly and unanimously recommended that the contract be awarded the Boeing Co., but—and this is a most alarming fact—that decision was overruled each time by civilians in the Pentagon.

Mr. President, it is clear that the findings made thus far by the Senator from Arkansas and his subcommittee demonstrate that it is necessary that further inquiry be made into the procedures being employed in selecting the weapons on which our country and all the rest of the free world must depend. We must ascertain whether the recommendations made by professional military officers are being subordinated to the recommendations made by a group of young "experts" in the Pentagon. We must also ascertain why—as indicated by the findings of the subcommittee—a less expensive and more effective fighter-bomber proposed by the Boeing Co. was rejected, in favor of a more expensive and less effective one, proposed by another company. We must also ascertain whether regional politics is playing any part in the matter of the selection of weapons.

Mr. President, certainly this issue surpasses by far any local concern over the size of the payrolls in connection with the operations of the Boeing Co. This matter involves the defenses of the free world.

All of us hope most sincerely that the distinguished Senator from Arkansas will press his subcommittee inquiry until he can satisfy himself and the entire country that neither political considerations nor any other improper considerations are affecting the national safety.

If the Pentagon made an honest mistake it is not too late to correct it—if not for the total award, at least for the bulk of it in the interests of getting for us the best at the lowest cost.

Mr. ALLOTT subsequently said: Mr. President, I had hoped to get the floor earlier this afternoon, while the subject of the TFX contract was under discussion, but so many Senators had great pearls to leave with the Senate that it was impossible for me to obtain recognition at that time.

I should like to leave this suggestion with the Senate. Last week I read in the press that we loaned to Indonesia the sum of $17 million, and that at the same time Indonesia bought three jet planes from Convair—which is to say General Dynamics—for the sum of $20 million.

While the Senate is in the process of investigating contracts, particularly as they relate to relationships of various people in the Government, I hope that this particular item also, which came up almost coincidentally with the TFX matter, can be explored to ascertain what relationship there is, if any, to the loan to Indonesia and the almost identical price-range purchase by Indonesia of the three jet planes from General Dynamics.

I know that the hour is late, and the Presiding Officer (Mr. HUMPHREY in the chair) desires to leave shortly. I merely wish that the expressions of fellowship for the members of the Department of Defense, which were stated this afternoon, had been thought of many times during the Eisenhower administration.

I do not wish to accuse Mr. Gilpatric of anything. I think that such accusations have to be proved. So far as I am concerned, until they are proved, Mr. Gilpatric is as pure as the driven snow. I only wish it had been possible to engender in the hearts of Senators on the other side of the aisle the same sympathetic gleam of consideration and concern for the lives and professions of people as was raised this afternoon, because it was needed many times.

The problem comes back to one point. I will say this now, and I will say it again when we Republicans are in the majority, which will be in a couple of years. It is not possible to secure people who amount to anything unless they have achieved some success in their lives. No matter who they are, if people are to be selected to perform important service in the Government, it is necessary that they be people who have done something worthwhile. They should have done something of consequence or have had important positions either with business, a profession, in the field of education, in the field of religion, or perhaps in allied fields.

I hope the members of the committee will read these words and will examine into the matter of the sale of jet planes to Indonesia.

SECRETARY McNAMARA'S GREAT CONTRIBUTION TO AMERICAN STRENGTH

Mr. PROXMIRE. Mr. President, I do not intend to speak primarily on the TFX situation; I think it has been handled superbly by the distinguished senior Senator from Missouri [Mr. SYMINGTON]. But I do feel that the criticism which has been rising in general against the Secretary of Defense should be answered; and I intend to do so briefly.

ARMED FORCES MANAGEMENT APPRAISES M'NAMARA

Recently an editorial was published in the Armed Forces Management magazine. It was written by the editor of that magazine, Mr. C. W. Borklund. I read from the editorial:

> We find little objective fact to support the argument that McNamara's mailed fist is creating in the ranks, all by itself, a truly horrendous state of affairs.
>
> Having just finished an analysis of the 15-year evolution in how the Defense Department has been run, we are convinced today's apprehensive palaver (that "The Trend" must be reversed) is largely overloaded with nonsense.
>
> Part of the complainers' difficulty comes from their being forced to view the total national defense need from somewhere below the top level.
>
> It is hardly surprising then that McNamara faces a raft of internal communications problems. The manned bomber force is being told it has precious little life expectancy left. The fleets are under serious challenge to prove they have any mission worth their expense. The Army is struggling with an organizational shakeup greater than anything it has faced in recent history.
>
> Drop into that environment a hard-driving leader who analyzes problems and options with cold, unemotional logic and makes rapid-fire decisions based on cost-effectiveness facts—all of which are changing drastically the former decisionmaking routine of the services—and some human turmoil is bound to result.
>
> This ridiculous business that he ignores his professional military leaders' views, apart from being an incredibly suspect charge on the face of it, ignores a couple key points:
>
> 1. McNamara is pushing programs which were not that popular before. The reason, said one general, "There have been too many problems critical to the total national defense interest which we and the other services, with limited resources and our own rating of mission priority, could only be half interested in before."
>
> 2. His highly skeptical questioning of service statements on new weapons has soured a lot of military types but considering the current, generally poor military track record for estimating hardware cost, development time and performance, he can hardly be blamed for that.
>
> Unless this complaining is allowed to well up into a crusade, we have little doubt that the internal hassle over decisionmaking will ease off eventually if (1) McNamara and his team stick with the job another couple years and (2) all levels—McNamara's immediate staff, the service staffs, the field installations—bend over backward a little to view problems as seen by the rest of the outfit.

Mr. President, I think the editorial is an extremely statesmanlike one; and I believe it deserves our careful attention. It comes from a competent, authoritative, and expert publication. We as U.S. Senators have an obligation to view this problem overall. We must recognize—as the editorial states so well—that we are in a rapidly changing technology. We are living in a time when each of the services would like to have a great deal more hardware. The Secretary of Defense has cut by approximately $13 billion or $14 billion the requests of the armed services. Of course, under those circumstances, the Secretary of Defense will make enemies. His task is an extremely difficult one. How difficult was shown by the proceedings in the House of Representatives the other day. There, after a great deal of debate about trimming the defense budget, after argument by members of the Republican Party that they felt that the defense budget could be cut by $3 billion, instead of voting to reduce the McNamara budget, the House voted to increase it by over $1 billion, and a majority of the Republican Members of the House voted to support that increase.

Mr. President, I ask unanimous consent to have the editorial which was published in the Armed Forces Management magazine printed at this point in the RECORD.

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

THIS HORRENDOUS STATE OF AFFAIRS

(By C. W. Borklund)

Packs of nasty little academic debates have been scurrying around military circles, and even beyond, recently over a tongue-twisting polysyllabic mouthful called the trend to centralization of decisionmaking authority in the Pentagon.

While we sympathize with the subjective reasons for this fretting, we find little objective fact to support the argument that McNamara's mailed fist is creating in the ranks, all by itself, a truly horrendous state of affairs.

Having just finished an analysis of the 15-year evolution in how the Defense Department has been run, we are convinced today's apprehensive palaver (that "The Trend" must be reversed) is largely overloaded with nonsense.

Part of the complainers' difficulty comes from their being forced to view the total national defense need from somewhere below the top level. Properly, but unfortunately for their peace of mind, the nature of the challenge and of the resources we have to meet it can be evaluated best only from Defense Secretary McNamara's office—and this would be so, incidentally, whether he or someone else was warming the chair.

On top of that, the cause of good personnel relations is boosted little when the job itself is such that a new Secretary, whether he wants to or not, must operate not unlike, interestingly enough, Boston Celtics basketball coach Red Auerbach. Said Auerbach recently, describing why his ball club has for years been so successful, "They (the team) must adjust to me. I don't have to adjust to them."

It is hardly surprising then, that McNamara faces a raft of internal communications problems. The manned bomber force is being told it has precious little life expectancy left. The fleets are under serious challenge to prove they have any mission worth their expense. The Army is struggling with an organizational shakeup greater than anything it has faced in recent history.

Drop into that environment a hard-driving leader who analyzes problems and options with cold, unemotional logic and makes rapid-fire decisions based on cost-effectiveness facts—all of which are changing drastically the former decisionmaking routine of the services—and some human turmoil is bound to result.

Significantly, much of the chatter has cropped up at budget hearing time on Capitol Hill. Thus, Pentagon veterans write about 20 percent of the talk off to "gamesmanship," that grand old military art of setting the proper congressional stage for stating why a particular program should be given by the legislators better than it got from its own military review.

Not that the Secretary's Office is executing its decisions these days with unchallengeable excellence. Its sledgehammer implementation in some very detailed areas has caused considerable consternation; discouraged all but the most courageous crusaders from responding to a key McNamara philosophy (printed in AFM 2 years ago) that he expected "prompt decisions from Defense personnel who accepted responsibility and did not seek excessive advice."

But translating philosophy into procedure in as complex a setup as Defense takes quite awhile. Until McNamara closes the large-sized information gap which exists, particularly at the working military level, over who is supposed to do what and why, he will probably have to continue to make many decisions on details. (The fact that they haven't bogged him down so far is a break for the rest of the organization.)

However, this understandable lag in awareness has been twisted around lately by some incomprehensible thought process into a set of qualifying credentials for criticizing McNamara. Even more ridiculous: he's being charged, basically, not with incompetence but with having the audacity to do what the law says he's supposed to do—run the Defense Department.

If you inspect the record, it is clear that most, if not all, the barbs being thrown at McNamara accuse him of doing today what a Defense Secretary was being chastised for not doing just 3 years ago.

Understandably, observers who don't have their emotions all jangled up in this debate are considerably confused by the flip-flop nature of the protagonists' new viewpoint, find few facts to support it and know many facts that don't.

For instance, this ridiculous business that he ignores his professional military leaders' views, apart from being an incredibly suspect charge on the face of it, ignores a couple key points:

1. McNamara is pushing programs which were not that popular before. The reason, said one general, "There have been too many problems critical to the total national defense interest which we and the other services, with limited resources and our own rating of mission priority, could only be half interested in before."

2. His highly skeptical questioning of service statements on new weapons has soured a lot of military types but considering the current, generally poor military track record for estimating hardware cost, development time and performance, he can hardly be blamed for that.

Unless this complaining is allowed to well up into a crusade, we have little doubt that the internal hassle over decisionmaking will ease off eventually if (1) McNamara and his team stick with the job another couple years and (2) all levels—McNamara's immediate staff, the service staffs, the field installations—bend over backward a little to view problems as seen by the rest of the outfit.

To nurture understanding (which in final analysis is the only real problem) will require the highest kind of statesmanship. But we can hardly expect much progress when reasonable, responsible people are tangled instead in a distracting separatist argument full of high-flown theorizing and ghostly managerial abstractions which have no fact-supported substance except in their own minds.

WASHINGTON STAR COMMENDS M'NAMARA

Mr. PROXMIRE. Mr. President, the Washington Evening Star, recently commenting on Robert McNamara, had the following to say:

The real point is, however, that someone must be willing to do the homework, to take the responsibility and to assume the personal risks of decisionmaking in the Defense Department. This is what Mr. McNamara has been doing, and we do not believe that Congress, the President, or anyone else is in a position to do it for him. If the Secretary is strong willed and hard boiled, these qualities are essential in his job.

Mr. President, that is a fine editorial from the Star. It touches on the fact that all the qualities for which the Secretary of Defense has been criticized—that he is cold, calculating, operates like a calculating machine, and is unemotional—are exactly the qualities we need in a Secretary of Defense. We need one who is able to make his decisions based on the facts and based on a careful evaluation which is objective and fair. That is actually what the Secretary has done.

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:

PENTAGON BOSS MAN

When Robert S. McNamara first came to the Pentagon 2 years ago to be briefed on his new job, the outgoing Secretary, Thomas S. Gates, suggested he study a new Air Force report on the legal powers of the Secretary of Defense. The theme of the study was that Congress in 1958 had voted vast but unexplored authority to the Secretary—authority that Mr. Gates was just beginning to understand and to exercise.

Mr. McNamara found in that report one of the solutions to the problem that had plagued previous Secretaries and had deeply disturbed Congress and the public—the problem of forcing four services to agree on a minimum essential national defense.

Ever since he was sworn in Mr. McNamara has used the full legal powers of his office. He has consolidated functions common to all of the services; he has plunged into the details of Defense Department problems; he has asked the services embarrassing questions about imbalances and inconsistencies in the force structures and has insisted on clear, fast answers to his questions; he has introduced new management techniques to meet military objectives more cheaply, and he has made the tough decisions required by his job.

Some Congressmen are criticizing him today, largely on the score of not leaving the decisions up to military men. They do not say Mr. McNamara has failed to consult the military men, for the record of congressional hearings show he has done this exhaustively. The conclusion is that the Congressmen can only be asking that the military men make more decisions—or, more likely, argue more and procrastinate more.

We like Mr. McNamara's approach. Other approaches have been tried, and they did not work. There was the spectacle, for instance, of former Secretary of Defense McElroy begging Congress to "hold our feet to the fire" and force the Pentagon to choose between the Bomarc and Hercules missiles.

If Congress wants to return to the old days, then Congress must change the law to take power of decision away from the Secretary of Defense. We think that Congress, upon reflection, will not want to do this. For someone must make the decisions, and they are tough to make. We hope that Mr. McNamara will come up with the right answers, and we think, certainly on the whole, that he has been right. The real point is, however, that someone must be willing to do the homework, to take the responsibility and to assume the personal risks of decisionmaking in the Defense Department. This is what Mr. McNamara has been doing, and we do not believe that Congress, the President, or anyone else, is in a position to do it for him. If the Secretary is strong willed and hard boiled, these qualities are essential in his job.

WASHINGTON DAILY NEWS EVALUATES M'NAMARA

Mr. PROXMIRE. Mr. President, in a recent editorial the Washington Daily News also commented in the same way. The Washington Daily News said:

In the current controversy between Defense Secretary McNamara and Congress over the TFX fighter plane contract, it may be a good idea to recall the chief reason Congress unified the Armed Forces back in 1947 and set up a single Secretary of Defense:

To wipe out obvious costly duplication among the services and thus save the taxpayers billions of dollars.

And ever since passage of unification, Congress has been reinforcing the idea by giving the Defense Secretary more power.

Now the country has in Mr. McNamara a Defense Secretary with both the statutory backing and the personal ability to enforce unification as never before.

Obviously a man of that force and with his authority is bound to make enemies. In the past it has been indicated that we can judge a strong man's ability when he is in a position of authority by the weight of criticism leveled at him. That is true in the case of Mr. McNamara. He is assuming the responsibility for making tough decisions. He is making them. In doing so, of course, he is incurring predictable and understandable criticism.

He is also serving the national interest and serving it mighty well. Imagine what a perfectly enormous defense budget we would have if Mr. McNamara merely accepted the recommendations of the armed services. Instead of a $52-billion defense budget, we would have a $65-billion defense budget. While some people might argue that Congress could then proceed to cut it, I doubt that it would. If Mr. McNamara had not made the cut he did, I believe that a $65-billion defense budget might very well be passed by Congress. Then our deficit would really be perfectly enormous.

The service that Secretary of Defense McNamara has performed in his hard and difficult task should be appreciated by our taxpayers, because it is a great service to them as well as to all of us citizens. Mr. McNamara has not only succeeded in achieving economies in our Defense Establishment, but also in the process he has given us the strongest Army, Navy, and Air Force that we have had in our history by far, and probably a more decisive edge over the Soviet Union than we have had in the past.

I ask unanimous consent that an editorial entitled "McNamara and the TFX," published in the Washington Daily News of recent date, be printed at this point in the RECORD.

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

MCNAMARA AND THE TFX

In the current controversy between Defense Secretary McNamara and Congress over the TFX fighter plane contract, it may be a good idea to recall the chief reason Congress unified the Armed Forces back in 1947 and set up a single Secretary of Defense:

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And ever since passage of unification, Congress has been reinforcing the idea by giving the Defense Secretary more power.

Now the country has in Mr. McNamara a Defense Secretary with both the statutory backing and the personal ability to enforce unification as never before.

So when both the Army and Navy demonstrated a need for a supersonic fighter plane, Mr. McNamara demanded a single craft which would meet the differing requirements of both services. He estimated that if such a plane could be designed it would save the taxpayers a billion dollars.

With as much as $6 billion involved in developing and producing this plane, the race for the contract naturally was hot. In time, the field was narrowed to two—Boeing and General Dynamics-Grumman.

Boeing went into the judging finals with a design most pleasing to the services themselves—a design which varied enough for Air Force and Navy functions for Mr. McNamara to hold that the company, in effect, was proposing two different airplanes from a structures point of view.

General Dynamics followed the boss' orders more explicitly, producing a design of much greater "commonality" for both services and which would have greater interchange of parts. Mr. McNamara, supported by the Air Force and Navy Secretaries, calmly overruled the military and awarded what will be the first of a series of huge contracts to General Dynamics—despite Boeing's somewhat lower bid.

Mr. McNamara's argument for a single plane is persuasive. As for Boeing's lower bid, he points out with much justification that original bids on such huge weapons systems have meant little in the past because actual costs have commonly increased from 300 to 500 percent over estimated costs.

WALL STREET JOURNAL APPROVES M'NAMARA STRENGTH

Mr. PROXMIRE. Mr. President, I call the attention of Senators to another editorial on the same subject which appeared in today's issue of the Wall Street Journal. The Wall Street Journal comments:

Now whatever the merits of the arguments over any of these specific decisions and plans, it seems to us it ought to be possible to keep a couple of basic points clear.

One is that civilian control of the Defense Department is a principle long since agreed upon for the soundest of reasons. If Mr. McNamara is applying it more vigorously than others have, that is hardly a good excuse for military dismay; officers so supersensitive reflect only on themselves.

A further point: It is not necessarily so that military men are the most impartial judges of weapons—particularly new design concepts like the TFX intended for use by more than one service. Nor are they always the most prudent purchasers of weapons.

Experience has shown that responsible officers do develop vested interests in particular weapons systems, interests which may impede the development of advanced weapons essential for future defense needs.

The editorial concludes:

For our part, we wish he had been able to do more, particularly in keeping costs from soaring as they have the past couple of years. But at least he is making a needed effort to impose control on an institution made almost uncontrollable by its built-in rivalries, its encrustation of traditions, its proclivity for committee creation and empire building and, above all, its sheer size and the vast sums at its disposal.

It is very hard for any mere mortal to envision the perfectly fantastic size of the Defense Department budget, the enormous amount at their disposal—$50,000 million—$50 billion.

For any Defense Secretary to have the kind of competent, effective control over the Defense Establishment which Mr. McNamara has developed is a great service, when that man has the kind of values and the kind of judgment that Mr. McNamara has. I think he has served this country mighty well.

I ask unanimous consent that the editorial entitled "Grappling With an Octopus," published in the Wall Street Journal on March 21, 1963, be printed at this point in the RECORD.

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

GRAPPLING WITH AN OCTOPUS

Many men have had many ideas about how to run the Department of Defense—what its strategic plans should be, how much money it should spend, how to make it more efficient. But they would all be compelled to agree that the Pentagon is a sprawling octopus which practically defies coherent management.

Secretary McNamara's current troubles stem largely from the fact that he is indeed trying to get hold of this octopus that more passive men would let lie. He is accused of setting up a "McNamara monarchy" of civilians which, among other alleged evils, is said to be having bad effect on military morale. He is charged with asserting, by implication at least, too much independence of Congress. And so the military-political fur keeps flying.

For what they are worth, the charges appear true enough. The famous TFX fighter-bomber case shows the move toward a greater civilian centralization of the Defense Establishment, with some downgrading of the role of the individual services and of the military men as decisionmakers. It also shows the concern of Congress, where Mr. McNamara is scheduled to testify on the matter today.

The Secretary and his civilian advisers awarded the TFX development, which may provide some $6.5 billion in eventual orders, to General Dynamics and Grumman even though the military advisers thought Boeing had the better design; Mr. McNamara believes they paid too little attention to other considerations.

What's more, he is thinking of putting still greater responsibility for both evaluating and procuring weapons in civilian rather than military hands. In his view there is too much inefficiency and waste in present practices.

Now whatever the merits of the arguments over any of these specific decisions and plans, it seems to us it ought to be possible to keep a couple of basic points clear.

One is that civilian control of the Defense Department is a principle long since agreed upon for the soundest of reasons. If Mr. McNamara is applying it more vigorously than others have, that is hardly a good excuse for military dismay; officers so supersensitive reflect only on themselves.

A further point: It is not necessarily so that military men are the most impartial judges of weapons—particularly new design concepts like the TFX intended for use by more than one service. Nor are they always the most prudent purchasers of weapons.

Experience has shown that responsible officers do develop vested interests in particular weapons systems, interests which may impede the development of advanced weapons essential for future defense needs. Also that they may develop vested interests in particular contractors, not with sinister intent but often just out of familiarity with their operations. Civilian experts might do better for the Nation in many cases.

As for Congress, its defense responsibilities are obviously enormous and it is certainly entitled to question anything it wants. Yet if it pushes its inquiries to the point of the harassment and niggling interference, it is not helping the defense effort. Congress cannot run the Pentagon day by day; that is what the Secretary has been delegated to do. As Mr. McNamara himself asks, if he is not to knock heads together for the sake of efficiency and curbing military extravagance, who is going to do it?

For our part, we wish he had been able to do more, particularly in keeping costs from soaring as they have the past couple of years. But at least he is making a needed effort to impose control on an institution made almost uncontrollable by its built-in rivalries, its encrustation of traditions, its proclivity for committee creation and empire building—and, above all, its sheer size and the vast sums at its disposal.

The whole Government would deserve more respect if other officials in other departments were equally interested in tackling the bureaucratic octopus.

TIME FOR CASE RESOLUTION TO PREVENT CONGRESSIONAL PRESSURE FOR CONTRACT PREFERENCE

Mr. PROXMIRE. Mr. President, on a related subject, Marquis Childs recently wrote a column in the Washington Post in which he briefly discussed the TFX controversy. In the column, Mr. Childs pointed out that the controversy underlined how very constructive is the suggestion of the distinguished Senator from New Jersey [Mr. CASE]. I am honored to be a cosponsor of the Case proposal, which would provide for a continuing congressional investigation of defense contracts, particularly seeing that no political influence from the Congress was involved. The Senator from New Jersey [Mr. CASE] has made an excellent proposal. The controversy over the TFX in the Senate today underlines how valuable the Case proposal would be.

I ask unanimous consent that the article from the Washington Post also be printed at this point in the RECORD.

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

ARMS RACE SEEN INFECTING POLITICS

(By Marquis Childs)

The noisy quarrel, which is essentially between two giant contractors and their congressional backers, over the TFX plane contract points up the ever-growing entanglement of huge defense spending with the politics of who gets what.

The Senate subcommittee investigating the $6.5 billion contract has taken after Secretary of Defense McNamara on the ground that he gave the contract to General Dynamics even though Boeing entered a lower bid. McNamara's answer is that economies to be achieved through developing a single plane for both the Air Force and the Navy determined the award. A resolute man, he shows no signs of reversing his decision.

The Defense Department has responded by saying, in effect, that you can hardly expect an unbiased finding when Senators with a direct stake in the outcome sit on the investigating committee. The accusing finger is pointed at Senator HENRY M. JACKSON, Democrat of Washington, for whom the Boeing plant in Seattle and its payroll must be a major consideration.

But it is possible that JACKSON, with his wide and continuing interest in national security, would welcome a way out of the

pressures that inevitably bear down on a Senator with important defense industry in his State. If he can deliver for a particular industry back home he may at the same time be doing a disservice to the Nation.

That is why the Senate, instead of indulging in the quarrel currently going on, would do well to give serious consideration to the proposals of Senator CLIFFORD CASE, Republican of New Jersey. CASE put in bills the other day calling for complete public disclosure of all communications whether written or oral and from Members of Congress and anyone in the executive branch seeking to influence the awarding of a contract. He would also require full and prompt disclosure of the basis on which a negotiated contract is granted.

Of the $60 billion a year in defense and space contracts an estimated 65 percent are negotiated without competitive bidding. This is a wide-open invitation to pull and push. While by most accounts McNamara has done a remarkable job of standing up to these pressures, it is too great a burden to put on one man.

CASE, in introducing his proposals, cited examples of the "I can do more for you" theme that is more and more resorted to. He quoted speeches by President Kennedy in last year's election in Pennsylvania and West Virginia, claiming a marked increase in Government contracts for those States under his administration, with the President urging election of Democratic Governors to continue this collaboration.

The Defense Department has fallen into the habit of allowing Senators and Representatives to announce important defense contracts in their States and districts. That tends to create the impression they are responsible for obtaining this prize. In most instances the impression is false but there is rivalry for the local headlines that come out of such an announcement.

Senator CASE has a third proposal. That is to establish a joint Senate-House committee to review defense and space contracts, with special attention to negotiated contracts. It would be made up of a Democrat and a Republican each named from the Senate and House Appropriations Committees, Senate and House Government Operations and Senate and House Space Committees.

It would bear a family resemblance to the Committee on the Conduct of the War which Harry S. Truman so ably directed in World War II.

That any of the Case proposals will be adopted seems unlikely even though five other Senators have joined in sponsoring the bills. The joint committee on contracts cuts across too many privileges and prerogatives which present committee chairmen cling to.

With each succeeding election, so long as defense budgets run at $55 or $60 billion, the game of contract promise and grab will become more deeply entrenched in the political system. As this system prevails any meaningful disarmament is bound to become more difficult. Each Member of Congress will have a stake in keeping the home plant going. This has already been demonstrated in areas where aircraft contracts have been cut back as missiles have begun to dominate.

In his farewell address President Eisenhower spoke solemn words of warning about the growing influence of what he called the military-industrial complex. Today it might better be called the military-industrial-political complex.

DEPRESSED CONDITIONS IN PENNSYLVANIA

Mr. SCOTT. Mr. President, "approximately 285 million years ago Pennsylvania was in worse shape than it is today."

Mr. President, that observation appeared recently in a Philadelphia business review.

In those dim and dismal days of the early Paleozoic Era, Pennsylvania was a bleak place, a vast swamp swarming with reptiles; dominated by the most primitive concept of survival by the fittest.

Pennsylvania has come far since then. It is the "Keystone State" of our great Nation. Its importance was pointed out with unusual clarity by Governor Scranton in a recent address to our State legislature. The Governor said:

> What say we Pennsylvanians to America? We say this:
>
> As you are our Nation, we are your heartland.
>
> You rolled across the prairies in our Conestoga wagons; you roared across a continent on our rails of steel.
>
> With our textiles, we clothed you.
>
> With our coal, we warmed you.
>
> With the rich produce of our soil, we nourished your bodies; with our genius, we nourished your minds.
>
> We gave Ben Franklin a home, Andrew Carnegie a furnace; Charles Schwab an opportunity, and John Mitchell a cause.
>
> In our largest city, your freedom was born, your Constitution came to life there. Your Union was preserved with mingeld blood on the fields of Gettysburg.
>
> A Massachusetts man, Henry Adams, once wrote that Pennsylvania both managed and paid for every war in which the United States had been engaged. And he was right. We built the Nation's war machine with the same skill as we manned her peacetime workbench.
>
> We lit up your sky with the rich red fire of our forges; we lit up your hearts with the high promise of our vision of the American dream.
>
> We built your machinery; we made it hum and sing.
>
> We are Pennsylvanians; ours is the Keystone State.

Yes, Mr. President, we have come a long way since the Paleozoic era; but we have our difficulties—some very serious.

In that time long ago they had no unemployment problems; they had no people. There was no concern over great industries working at partial capacity; there were no industries. There was no controversy over Government contracts: there were no governments.

So, although things are better in Pennsylvania than they were 285 million years ago, still, things are not particularly good. Our unemployment has for many years been excessively high, frequently double the national average; and it stays grievously high.

Governor Scranton is now instituting positive programs, to get our people back to work; but he has barely had time to start. Furthermore, the influence and operations of the Federal Government play an increasingly important role in the economics of all of our States. Government purchasing practices, both at home and abroad, have an enormous impact on industrial growth and employment levels.

Hopes were high in Pennsylvania after the 1960 presidential election. The winning candidate had campaigned in our State many times, and promised much. Under his leadership there was to be no return to the Paleozoic era but, rather, a forward march into a majestic and even greater future. He had shown an understanding of our related business, economic and unemployment problems, and, he had shown a desire to help.

Let me recall some of his words to Pennsylvanians:

> I pledge that a new administration will move at once to put our people back to work. The policy of full employment—which the Democratic Party wrote into law in 1945—will be taken out of the ash can where the Republicans have thrown it and made once more a primary objective of national economic policy.—Sharon, Pa., October 15, 1960.
>
> The Democratic Party today has set forth many goals for the future of America * * * a goal whose attainment is basic to all our other programs is the goal of full employment.—Levittown, Pa., October 30, 1960.
>
> Let us take our abundance out of storage at home and put it to work. Let us give our money and our workers and our factories fulltime jobs. Let us have more new jobs and more new buying power. Let us start building again.—Philadelphia, Pa., October 1960.
>
> Let us take our great productive capacity—our money and our men and women and our machines and our factories—out of storage.—Brookville, Pa., October 1960.

We all remember such stirring words of promise and hope. We all remember that incessant theme of "I am going to get this country moving again." But, after more than 2 years, what have been the results? What do we find today?

Well, I can say that things are still better in Pennsylvania than they were in the Paleozoic era. But 57 of our 67 counties are classified as persistent or substantial labor surplus areas. In late 1960, 37 of our counties were so classified.

So in getting the country moving forward, we have had at least 20 Pennsylvania counties moving steadily backward.

The Senator from Alabama [Mr. SPARKMAN] has observed that "the existence of labor surplus areas depresses the commerce of the entire Nation."

Unemployment in Pennsylvania is 9.3 percent. That means that 1 out of every 12 Pennsylvanians is unemployed.

The Labor Department's group F category, which lists areas with the very highest unemployment percentages, shows only three areas. Two are in Puerto Rico. The third is Johnstown, Pa., with 15.6 percent unemployed. In Wilkes-Barre the figure is 14.1 percent. In Scranton it is 13.5 percent. In Pittsburgh 11.1 percent are out of work. In Altoona it is 14.1 percent. In Erie, the figure is 9.9 percent. Even in Philadelphia the figure, at 7.6 percent, is well over the national average.

Depressed areas are tragic places. You should walk some of their streets. You can see it in the hunger, the hopelessness in the faces of children, as well as their job-seeking elders. We hear much of terrible conditions in underdeveloped lands. Well, these areas in our own great country are not underdeveloped, but it can be said they are underhelped.

I am sure that if Pennsylvania could get under a foreign aid program, conditions would improve drastically, and I imagine if we were a foreign nation which was particularly threatening to

the United States, we could probably double the amount of Federal help in short order. However, unfortunately for Pennsylvania, it is close to Washington in everything except help.

Past the multitude of human tragedies, of human waste, which this situation represents, though, there are other important aspects requiring consideration.

Pennsylvania is a basic, a vital industry State. As Governor Scranton has so eloquently pointed out, Pennsylvania's industries, resources, and ingenuity have played a decisive role in America's historic rise to world prestige and power.

Yet, as one outstanding example of our dilemma, our steel industry—without which the U.S. economy and defense effort would collapse—is operating at little over half capacity. This is occurring at a time when the Government continues to buy steel abroad.

Our coal industry is characterized by chronic unemployment—yet, again, we find the Federal Government frequently buying abroad.

I am not opposed to foreign purchasing if it is necessary, and does not contribute to keeping our industries down, and unemployment up. This is now too often the case. Foreign purchasing also contributes directly to our present balance-of-payments difficulties, about which the administration voices such great concern. Dollars go abroad which could and should be kept at home; dollars which might serve as wages for our unemployed, investment capital for our businessmen.

One positive action the Government could take to help us to help ourselves would be issuance of a new Executive order to implement the Buy American Act. I have long advocated this, and though I have had some success in specific instances in Pennsylvania, the overall picture is still one of procrastination, indecision, and inaction on the part of the Federal executive department.

Last July, my intervention resulted in an award to an American rather than a West German, steel company for 2,400 tons of carbon steel. I was gratified by the administration's cooperative attitude in that instance. The Government was also buying coal and coke abroad for our military installations in Europe last year. I am again happy to report that my pleas, and those of others, in behalf of the coal industry and the miners resulted in the purchase of 400,000 tons of coal from Pennsylvania mines.

But the results of such interventions are not always so salutary.

Recently, the Defense Department awarded a contract to reconstruct two naval vessels, to a west coast shipbuilding firm, which intends to subcontract most of the new construction to Japan. Defense Secretary McNamara informed me that it was impossible to consider the bid of Pennsylvania's Sunshipbuilding & Dry Dock Co. under the present Executive order implementing the Buy American Act.

As they now stand, the criteria and guidelines of the Buy American Act are not geared to a period in which we must simultaneously cope with heavy involvement abroad, and large-scale unemployment and lagging industry at home.

So, on August 23 of last year, I forwarded a series of recommendations, made by the American Iron and Steel Institute, on the Government's foreign steel purchases, to Mr. David Bell, the then Director of the Bureau of the Budget. One of the institute's recommendations was for a new Executive order to implement the Buy American Act.

In my covering letter to Mr. Bell, I pointed out that:

> I endorse these recommendations because I believe that if present foreign steel purchases by the U.S. Government continue at the present rate they could jeopardize the jobs of thousands of steelworkers and may be a threat to one of the most important defense industries in the Nation.
>
> It has been estimated that every ton of steel purchased from foreign sources with U.S. Government funds means up to 2 days less work for an American steelworker.

In mid-September I was notified that a Cabinet Committee, chaired by the Secretary of the Treasury has been established to consider changes in procurement policies.

On November 1, the United Steel Workers of America informed me that they were supporting efforts for a new Executive order on the Buy American Act. As I had had no word of any disposition having been made of my recommendations, I wired the President on November 2.

Promptly on December 3, I received a letter from Mr. Bell which stated that a study was being carried out on Federal purchases of foreign materials, and that it would be completed and presented to the President in the near future.

This study is apparently continuing. And so is unemployment.

The recommendations which I submitted to the Budget Bureau proposed that all purchases of $10,000 and less, and all purchases above that figure where the domestic cost over the foreign cost is 50 percent or less should be made from domestic sources; all cases where the domestic cost is more than 50 percent larger than the foreign cost should be referred to the head of the procurement agency; and for an end product to be considered of American origin, 80 percent of its components should be of such origin. This could be embodied in a new Executive order, but the administration's silence continues.

The question of a new Executive order on the Buy American Act is now in the hands of the executive department. There is little more that we in Congress can do than hope that the President will see the urgency of this crisis in employment and act promptly.

However, I cannot remain idle while more than 9 percent of the workers in the Commonwealth of Pennsylvania are seeking jobs which do not exist.

I propose a direct legislative attack on this problem.

Today the U.S. Government purchases goods and services that represent about 10 percent of our gross national product. I would like to see those dollars—one out of 10 in our economy—go to work for our unemployed.

I am now drafting legislation to give businesses in economically depressed areas a percentage advantage when they bid on Government contracts.

This legislation would authorize the Secretary of Labor to set up classifications for areas, depending on their relative rates of unemployment. Then, companies in those areas would receive a 2 to 12 percent price advantage when bidding on Government contracts.

The percentage would depend on where the work actually would be performed. When work was to be done in several areas, the percentage would be adjusted accordingly.

In terms of my own Commonwealth of Pennsylvania, for instance, when the Government wants to buy coal, a company in Scranton—where 13.5 percent of the people are unemployed—would get a 10 or 12 percent advantage over a company in an area of relative prosperity.

A similar advantage would apply to railroad ties when they come from Johnstown, where there are more than 15 percent of the people out of work, to steel when it comes from Altoona where 14 percent of the people are unemployed, and so forth. I have used Pennsylvania illustrations, but of course these figures would be applicable to any area in the United States which qualified under the percentage computations to be made by the Secretary of Labor.

When contracts were negotiated, rather than let by competitive bidding, my bill would require that these advantages be computed into the weighted factors in such contracts.

My proposal does not require the Government to buy from any one area, regardless of the unemployment, because it is obvious that each area is not equipped to provide all the goods and services required by the Government. But it does seek to turn some of the contracts toward areas which are able to meet the production requirements but need a price advantage to equalize the competitive advantage now enjoyed by companies from more prosperous areas.

This bill is designed to assist all areas suffering from economically depressed conditions, but obviously my principal concern is with the Commonwealth of Pennsylvania.

I am concerned, even saddened, that Pennsylvania, with its wealth of skilled manpower, its almost unique industrial capacity—not to speak of potential—and 7 percent of our population—far too many of them unemployed—received in the last fiscal year a mere 3.8 percent of total Federal military and research and development contracts. During the period since 1960, when Federal expenditures on such contracts rose over 20 percent, Pennsylvania contracts increased only one-half of 1 percent.

So, Pennsylvania, which pays over 10 percent of our Nation's taxes, is being left behind. Yet, research and development, for example, lies at the very heart of an expanding future, a future which does not include depressed areas.

Moreover, there has been a noticeable trend toward withdrawal of military installations from our State. Six Army Ordnance departments have, for example, been closed. I am looking into a report that the Optical Glass Division

of the Middletown Air Force Depot is to be moved to another State. There are others.

Although this trend may be justifiable from defense or other standpoints, it still works to aggravate Pennsylvania's unemployment problem. It points up another facet of the Federal Government's impact on our State.

Though their interest in revision of Government purchasing policies has not been readily apparent, the administration has been acting, or attempting to act, in ways which their thinkers and theorists believe will solve unemployment throughout the country. They know, and we know that it is a national problem—Pennsylvania just seems to get the worst of so many national problems.

One of the administration's articles of faith seems to be a belief in the magic of deficit spending—the idea that debt-based artificial stimulants to our economy hold some strange cure-all power. They have even started planning deficits. With most of us, in our daily lives, debt is enough of a problem without deliberately planning more of the same.

Though deficit spending may furnish a short-term stimulus to the economy, it must be recognized that it also causes more inflation at a time when the cost of living is at an all-time high, and rising. Furthermore, continuing deficits increase the interest on our national debts, thus, ultimately increasing taxes, and weakening our Government's credit. This policy will not solve our unemployment problems now any more than it did in the 1930's.

The interest on our $300 billion debt—soon to be increased—amounts to $9 billion a year. This is increased at the rate of $30 million with each added billion of debt. And, most dollars borrowed by the Federal Government are new dollars, which automatically cheapen all those already in existence.

I know that some people consider these deficit spending dangers of which I have been speaking, to be a myth, old copybook maxims; the cliches of our forebears. Thus, the new economists justify modern follies by sneering at ancient truths. To them I would further point out: Deficit spending is not going to reopen closed coal mines. It will only increase the prices of the miners food and clothing. Nor is deficit spending going to reopen closed plants and railroad yards. It will only succeed in cutting the buying capacity of those who have little enough as it is.

No, I am not for deficit spending, and those that are might well recall some line by Rudyard Kipling:

Then the gods of the market tumbled,
And their smooth-tongued wizards withdrew,
And the hearts of the meanest were humbled,
And began to believe it was true
That all is not gold that glitters
And 2 and 2 make 4—
And the gods of the copybook headings
Limped up to explain it once more.

The fundamental point is that regardless of the degree of stimulation which may or may not be furnished the economy by deficit spending, it does not get to the root of the problem. It merely delays the day of solution, or collapse. I want action which will help us get to the root of the problem, action which will get our people back to work for good.

There are the public works programs, of course, the youth conservation programs, all the rest. Though one may see merit in some of these programs, they fail to apply to the root causes, basic curatives. They propose surface solutions which merely delay the day when someone will have to limp up and "explain it once more."

Further, if we are going to take people off the streets, we should certainly try to help them to keep themselves off the street when we are through with them, perhaps through aid to vocational and technical training—a subject which I plan to discuss in detail at a later date.

In his address to the legislature, Governor Scranton pointed out that "the next half dozen years are going to be critical ones for establishing the growth patterns of American industry." One vital element will be location of the job-producing research and development firms. The Governor is now offering proposals which will enhance Pennsylvania's appeal to these firms. He has stated:

> Presently Pennsylvania has the same rate structure as the Federal Government for determining depreciation allowances. This should be changed to allow manufacturing and research and development companies erecting new or enlarged plants to claim a depreciation allowance on the new facility of one and a half times that now allowed.
>
> Obviously, this will make Pennsylvania an attractive place for industry to begin or to expand.
>
> Another change we should make in our tax laws is called for because the new types of research and development industries are sure to bring jobs and prosperity.
>
> Presently we exempt corporations dealing in manufacturing or processing from capital stock and franchise taxes. We should extend this exemption to cover firms dealing in research and development.

In addition to these and other proposals, a Commonwealth of Pennsylvania Washington office has been established under the direction of former Representative James Van Zandt. Its mission will be to coordinate the overlapping interests of Federal and State Government, to cut through some of the complexities which so frequently prevent the right contract coming together with the right company, and to more effectively present the picture of a Pennsylvania which has much to offer.

So, we are moving to help ourselves, but with few signs from the Federal administration of workable, job-creating programs, and solid meaningful progress toward real solutions.

In fiscal year 1962, only 29.5 percent of total military prime contracts awarded went to areas of substantial unemployment.

Though approximately half of the dollars received by large companies are paid out in the form of subcontracts to other companies, it is of interest to note that some 85 percent of reported receipts of military contractors for both prime and subcontract work go to 100 defense contracting firms. Thus, many are obviously passing contracts back and forth between themselves. In a great many instances this may be necessary, even imperative, but I doubt that this overall trend contributes to strengthening our grassroots industry.

These figures indicate that the so-called set-aside policies for small business and surplus labor areas have not been overly successful. And, Government procurement regulations provide that "in no case will price differentials be paid for the purpose of carrying out this policy." The General Accounting Office has interpreted this to mean that practices of negotiating contracts with labor surplus firms which would meet the lowest price offered by any other bidder on a designated procurement might be continued, but that no such contract could be awarded at a price in excess of the lowest available.

It is my hope that many of my colleagues will join with me in sponsoring legislation which help us to realistically meet this problem. I would also hope to work in close cooperation with the Department of Defense and other Federal agencies. The national unemployment rate has, after all, just climbed to 6.1 percent—if it keeps on, it may soon catch up with our rate in Pennsylvania.

There has been much talk in recent years about these problems, but I seriously doubt that anyone can talk us into more jobs. Nor can they spend us into real solutions. We in Pennsylvania have heard a lot about programs. What we prefer is progress. There are no calories in statistics, no nourishment in sympathy.

It is a time for action, for a concerted attack on this tragic and basic infection which daily gnaws away at the very cornerstone—the keystone—of our great, and in so many ways, materially blessed society.

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

The PRESIDING OFFICER (Mr. COOPER in the chair). Does the Senator yield?

Mr. SCOTT. Mr. President, I yield to the distinguished junior Senator from New York.

Mr. KEATING. I shall be very brief.

Mr. President, I have listened with great interest to the words of my distinguished colleague from Pennsylvania. He is performing a great service in spotlighting the problems created by chronic and continued unemployment. The persistence in our so-called affluent society of areas of high unemployment, of low per capita income, and of unsatisfactory career opportunities is one of the greatest challenges that our Nation faces today. Although I have not had an opportunity to study his recommendations carefully, the Senator's discussion should, undoubtedly, stimulate interest and concern in the role that can be played by the Federal Government to alleviate conditions that are in many ways the responsibility of the Federal Government.

Mr. President, as of February, 1963, there were 19 areas of substantial unemployment within the State of New York. They include Erie and Niagara Counties, with the city of Buffalo, second largest city in the State. They include Herkeimer and Oneida Counties, with

the cities of Utica and Rome. They also include Amsterdam, Auburn, Batavia, Catskill, Cobleskill, Elmira, Geneva-Canandaigua, Glens Falls-Hudson Falls, Gloversville, Jamestown-Dunkirk, Medina-Albion, Newburg-Middletown-Beacon, Ogedensburg - Massena - Malone, Plattsburgh, Ticonderoga, Watertown, and Wellsville.

What can be done to bring more jobs to these cities and rural areas? What can be done to train the unemployed now living in these areas to perform work that, undoubtedly, needs to be done in other fields?

In my judgment, there is no one answer. Vocational retraining, if undertaken intelligently and on a sufficiently broad scale, can help in certain instances. Appropriate public works projects can provide immediate employment and over the long run can create the factors that encourage economic development and growth. Tax reduction has a role to play both in encouraging corporations to expand and create new jobs and in returning to the individuals funds that can flow out into the economy. Export expansion can also bring new jobs to areas of unemployment, if combined with vigorous resistance against protectionist tendencies developing in other countries. In short, Mr. President, we must explore a number of areas and methods in order to meet the heart-rending challenge of unemployment, of men laid off from their lifetime work, of women forced to take low-wage jobs where there is no work for men, of youngsters coming out of school without the complex skills necessary to find a place in our modern society. No problem is more serious in our society today. No problem deserves our attention more urgently. The answer does not necessarily lie in a proliferation of hastily concocted Federal programs but rather in a thorough analysis of the basic need and in an overall fiscal policy that will provide the national growth we need. I congratulate the Senator from Pennsylvania on discussing this very pressing problem here today.

Mr. SCOTT. I thank the distinguished Senator from New York very much. I appreciate his comments. During the time we have been here I have always known that we shared the same concern about a problem relating to which many of us feel something more should be done, and it certainly must be done, to meet the problem of unemployment than we have so far managed. I thank the Senator.

PUBLICATION OF USIA OPINION SURVEY

Mr. McCARTHY. Mr. President, the controversy over news reports of the findings of recent U.S. Information Agency surveys of public opinion in Western Europe has tended to obscure the findings themselves.

There is no good reason to believe that portions of this report were leaked to the press, as has been suggested by critics. None of the critics can give any good reason—political, or partisan, or personal—as to why this information might have been given out at this season, or, on the contrary, why it should be withheld. The portion of the report which has been publicized certainly contains no information which proves detrimental to the national interest, nor is there any good reason to believe that its release is having any significant effect upon our foreign policy or the political strength of either of the political parties in the United States.

The survey results reflect a high level of prestige. The substance of the survey report is this: Contrary to allegations which have been made by some Members of Congress and some members of the press, U.S. prestige in Western Europe is extremely high. The reaction to our foreign policy and programs by the citizens of our closest allies is generally very favorable. The people of Europe express confidence in American policies and in our willingness to support our words with action. They understand our efforts for peace; they share our world objectives; and they have a high esteem for the United States. Far from embracing a position of "third force" neutrality, the people of Western Europe continue to identify their national interests with those of the United States.

Concern has been expressed that the discussions relating to the substitution of the Polaris submarine for the Skybolt missile caused marked resentment against the United States in Great Britain. However, in February of 1963, 59 percent of the people in Great Britain expressed a favorable impression of our Government's recent conduct of international affairs, whereas only 14 percent had an unfavorable impression. In 1960, the results showed 48 percent favorable and 18 percent unfavorable. Since 1960, the number of British citizens expressing confidence in U.S. leadership has risen from 35 to 54 percent. In May of 1960, 42 percent of those interviewed thought that Great Brintain should ally itself with the United States and 46 percent thought that Great Britain should remain neutral. Today that trend has been reversed, and 52 percent prefer alliance with the United States and 38 percent prefer neutrality. In May of 1960, a majority of those interviewed in Great Britain felt that the United States was not doing all it should to prevent war. Today our efforts for peace are endorsed by a majority of nearly two to one.

In West Germany, confidence in American leadership stands at a record 77 percent—compared to 57 percent in 1960. Seventy percent of the German citizens interviewed expressed confidence in U.S. willingness to support its policies with necessary action, compared to 45 percent in 1960. Sixty-five percent approve of our foreign policy in general and 76 percent approve of our efforts toward peace in particular. In 1960, the comparable figures were 48 percent and 44 percent. Public opinion in West Germany expressed a decided preference for association with the United States as opposed to neutrality, and a highly favorable opinion of this country and its objectives.

The results of the survey in France have a special interest because of the widespread speculation about the consequences of France's rejection of Great Britain's application for membership in the European Common Market and the rejection of the U.S. offer of a multilateral deterrent force. These actions did not drastically alter the basic political, military, and economic problems of the Atlantic community nor of the Common Market countries, but the resulting controversy and the exaggerated response in some quarters might have been expected to result in adverse French reaction.

The published results of the USIA survey, however, indicate greater approval of U.S. foreign policy by the people of France than at any time since the surveys were initiated in 1956. Forty-six percent of the French citizens interviewed expressed approval of U.S. foreign policy in February of this year, compared to 24 percent with an unfavorable opinion. In February 1960, only 28 percent expressed approval, while 23 percent expressed disapproval. General approval of U.S. policies is higher today among the people of France than it was last summer, and it is substantially greater than it was 3 years ago. A majority of those expressing an opinion now feels that the United States is exerting responsible leadership in the common effort to achieve and maintain order and peace in the world.

The results of the poll are an inadequate guide to policy. These results are an answer to those who arbitrarily, on the basis of a kind of private inspiration, charge that we are losing prestige in European countries. They reflect clearly the confidence of Europeans in the President as a leader in world affairs and are evidence of better understanding among Europeans of our Government's response to international challenges. I have serious doubts as to whether the USIA should be taking polls on potentially confidential matters.

The controversy and confusion resulting from this incident suggests another reason for establishing a Joint Committee of the House and Senate on Foreign Information and Intelligence. Continuing supervision over the foreign information and intelligence activities of the U.S. Government help to prevent pointless and unworthy political controversy.

ALASKA'S DEFENSES ARE INADEQUATE—THE RUSSIAN FLYERS PROVED IT

Mr. GRUENING. Mr. President, the so-called defenses of Alaska are not adequate. They never have been. The invasion of Alaska's airspace by two Russian planes demonstrated that fact.

Beginning about 15 years ago, the United States began to build, at great cost, bases around the world to contain the potential aggression of Soviet Russia.

At that time I stated—publicly—my belief that many of these bases were built, figuratively speaking, on quicksand. I warned that rampant nationalism, Communist subversion, or other factors would cause the governments of these nations to request that our bases be withdrawn.

It has happened. In other cases where we have not been compelled to scrap an investment of many millions of dollars, the United States has been blackmailed into paying more rent for the land on which these bases are located or paying through the nose with vastly increased economic aid. That happened in Spain. It happened in Libya, where, in addition to an initial retainer payment of $7,500,000, the United States agreed to pay $4 million a year. When that agreement expired, the Libyan Government insisted on raising the ante to $10 million a year. The United States yielded, although in addition to these fantastic payments, the presence of these bases with their substantial employment of local labor, payment of local rents, and purchases of local products constitute a great economic bonanza for that underdeveloped country. Likewise, we are granting substantial economic aid to Libya, running into many milions of dollars.

Even in presumably friendly countries our military tenure is uncertain.

There is no danger of our losing any of our military strength in the 49th State, except as by our own unwisdom we fail to install it or keep it there. The Alaska delegation in Congress protested in vain, 4 years ago, when the Air Force suddenly reversed its policy of strengthening the air materiel in Alaska and abandoned Ladd Field, near Fairbanks, the first airbase to be established in Alaska 25 years ago and the northernmost base on the continent. Alaskans considered it folly then and do now.

No area—as Billy Mitchell pointed out in his last public appearance in 1935 before the House Committee on Military Affairs—is strategically more important. It lies within naked eye view of Soviet Siberia. It fronts on the new air crossways of the world, the Arctic Ocean. It is, needless to say, inhabited by a militantly patriotic population of American citizens. It holds the key to the defense —and offense—of the North American Continent and thereby of the heart of the free world.

But it is as true today as when Gen. H. H. "Hap" Arnold, the five-star General who commanded the Air Force during World War II, wrote it in his book: "Global Mission" 15 years ago:

> Through to this day Alaska has never received the attention in national defense planning that it deserves.

Alaska is the logical place for missiles. There are none there, and when Lt. Gen. Frank Armstrong, the commander in chief in Alaska from 1957 to 1962, who had, a decade earlier, been stationed there as its air commander—a great and capable officer with 2 years more of service in view—recommended missiles for Alaska, he was promptly called to Washington and his retirement ordered by Chief of Staff, Gen. Curtis Le May—a deplorable action in my view and that of virtually all Alaskans.

The Anchorage Daily Times has just published an excellent editorial on the State of Alaska's defenses entitled: "Alaska Wide Open to Soviet Tourists."

I ask unanimous consent that this editorial be printed at this point in my remarks.

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

ALASKA WIDE OPEN TO SOVIET TOURISTS

Two Soviet planes have now demonstrated the glaring defense weaknesses that Alaskans have been citing for years.

The Russians flew over western Alaska last week like tourists out for a sightseeing excursion. They flew slow and they flew low.

The only capability the Alaska defenses showed was the ineffective measure of watching a blip on a radar screen.

Fighter planes sent to intercept the intruders did not even get close enough to see them. They could not have hit them with gunfire had they wanted to.

The Russians apparently continued their sightseeing trip unconcerned by blips and the interceptors.

This military response by the United States to an incursion over our land is a marked contrast to the response of the Russians in 1955 when they shot down a U.S. Navy plane 40 miles southwest of St. Lawrence Island.

The Russians went out over international waters and downed a U.S. plane that was not violating any law. But the United States could not even look at the Russians when they intruded.

The incident points up the fact that the United States has left this gateway to America undefended. The billion-dollar warning systems for invading aircraft and ballistic missiles can sound alarms but the military capability to respond is no more than a gesture.

The warning systems in Alaska are the most important defense investment here. Radar stations stand like a picket fence from the Aleutians along the western coast to the Arctic Ocean shores.

The Soviet incursion shows that the warning systems are vulnerable to sneak attack at any time. The Russians could knock them out while their "tourists" are out for a joyride.

A few well-placed sorties in slow planes could hit each White Alice communications station. Word of whatever happened after that would be a long time getting to military headquarters.

Simultaneously with a strike at the warning and communications systems, the Russians could capture Fairbanks and Anchorage military establishments with a few paratroopers. And Alaska would be theirs until the United States marshaled enough strength to recapture it by force.

Perhaps the Pentagon can read what the Russians say with their reconnaissance planes better than what is said by Alaskans.

The incident proved that the handful of fighter interceptors assigned to Alaska are inadequate to do an effective job. The interceptors are too far away and are too few to protect the important radar installations and the communications system.

There should be more fighters assigned to Alaska. They should be deployed so that every strategic point on the coastline of Alaska can be protected. And they should be in sufficient numbers to provide capability for an effective response in many places simultaneously.

The best place to stop the Russians is beyond the shores of Alaska, not inland. The most economical defense is one that insures retention of Alaska in American hands, not one that will require a costly, bloody war to recapture it.

Mr. GRUENING. Governor Egan has just written a vigorous letter to Secretary of Defense Robert S. McNamara on the State of Alaska's defenses or lack of them. I ask unanimous consent to have it printed in the RECORD.

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

STATE OF ALASKA,
OFFICE OF THE GOVERNOR,
Juneau, March 19, 1963.

Hon. ROBERT S. MCNAMARA,
Secretary of Defense, Department of Defense, Pentagon, Washington, D.C.

DEAR MR. SECRETARY: The U.S. State Department's formal protest to Soviet Russia against the overflight of an area of southwest Alaska by two Soviet reconnaissance aircraft on March 14, vividly points up a situation which could result in catastrophe for our Nation unless remedied at the earliest possible time.

One news item quoted Washington, D.C., sources as stating that the Soviet planes had penetrated U.S. airspace to a depth of 30 miles. Yet, the first press release from Washington, D.C., indicated the planes were tracked going out of Kuskokwim Bay, one of them passing over Nunivak Island, and the other plane passing over Nelson Island. A 200-mile arc drawn on the map using the central area of Kuskokwim Bay as the beginning point, passes through St. Lawrence Island at an area approximately 15 miles back from St. Lawrence's most easterly point.

The question most commonly asked in Alaska following news of the overflight is: Just what does the United States consider to be U.S. airspace for defense purposes?

There would have been a lesser alarm in the minds of Americans if the flights had passed over the area of Wales in the northwest Seward Peninsula area. It is only a short distance from that point across Bering Strait to the easternmost point of Siberia, and it is always possible for a plane to get off its course and violate U.S. airspace.

The shock of learning of the extremely deep Soviet penetration into the southwest area, is another matter altogether. Those planes had to have been flying and flying and flying to reach the Kuskokwim Bay area. Thus, it is extremely clear that something must be done at the earliest possible moment to bulwark Alaska's defenses.

The occurrence of this flight and its penetration over the Alaska mainland was not surprising to anyone of even passing familiarity with the woeful inadequacy of U.S. Air Force capability to maintain surveillance over Alaska's long and sparsely populated coastline.

On numerous occasions in recent years, I and other Alaskans have protested vigorously the inadequacy of U.S. military installations in our State. This weakness, which exists both as to offensive and defensive forces, has also been cited repeatedly by some of our Nation's top military authorities.

Despite our pleas, those in policymaking positions in our military establishment have chosen to ignore the all too obvious need to enhance Alaska's military capabilities. That such a situation has been permitted to continue defies both logic and reason.

Contrast, for example, the continuing indifference to Alaska's military deficiencies to the national furor and the urgent concentration of military forces in Florida which followed disclosure of the presence of a comparative handful of Russian missiles and technicians in Cuba.

This comparison is not made for purposes of criticizing the military buildup undertaken as a result of the Cuban situation. Such action was essential and the prompt response to the challenge which it posed is to be commended. I ask only that comparable recognition be given to counteract the far more serious and continuing danger posed by the situation along Alaska's unguarded coastline.

The March 14 incident protested by the State Department points up vividly the inadequacy of Air Force capability in Alaska for either reconnaissance or defense. It

gives renewed emphasis to the need for the establishment of medium range ballistic missile launching sites capable of neutralizing Russian strength known to exist in Siberia.

Forces now available in Alaska for reconnaissance or aircraft interception are too few in number and too far removed from the Alaska coast to be meaningful.

There is an immediate and urgent need for additional fighter plane bases along the entire coast of western Alaska, particularly along the northwest Alaska coastline.

I strongly urge your prompt and favorable reassessment of our Nation's present ineffective military policy in Alaska to the end that these obvious needs may be met during the coming construction season.

Sincerely,

WILLIAM A. EGAN,
Governor.

HAROLD F. COFFEY, FREE ENTERPRISER

Mr. ERVIN. Mr. President, on December 11, 1962, the Free Enterprise Awards Association, an organization chartered in the State of New York, made its annual awards for outstanding free enterprise achievements to eight men and two women.

One of the recipients of the award was a long-time personal friend, Harold F. Coffey, a most enlightened industrialist from North Carolina.

On behalf of myself and my colleague the Senator from North Carolina [Mr. JORDAN], I ask unanimous consent that certain items from the Evening Capital, of Annapolis, Md., of December 11, 1962, and the citation which accompanied the award to Harold F. Coffey, and a sketch of Harold F. Coffey which appeared in the Davidson College Bulletin for January 1963 be printed in the RECORD as a part of my remarks.

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

[From the Annapolis (Md.) Evening Capital, Dec. 11, 1962]

FREE ENTERPRISE AWARDS ASSOCIATION PRESENTS THEM—TWO WOMEN, EIGHT MEN RECEIVE TOP RECOGNITION FOR OUTSTANDING SERVICE AS HEADS OF BUSINESSES

NEW YORK, N.Y., December 11—American Success Story Awards for 1962 were presented today by the Free Enterprise Awards Association to two women and eight men as examples of the success possible under America's free enterprise democracy.

The recipients rose from the ranks to own or head giant industries. They started as a reporter, a farmer, a teacher, a laborer, a Russian immigrant, a woman "stogie" roller and other jobs.

All praised the American democratic system and its freedoms for making their success possible.

Presentation of Free Enterprise Awards Association's 11th annual awards were made at the Waldorf-Astoria Hotel by Free Enterprise Awards Association awards chairman, Talbot T. Speer, who rose to own a Maryland newspaper chain, one of America's oldest papers, the 235-year-old Maryland Gazette and the Baltimore Business Forms, Inc.

Speer read the citations which stated that the recipients had "* * * won an enduring place in the history of American endeavor by achieving success despite adversity through industry, sacrifice and ethics, symbolizing the success possible under our free enterprise system."

He cited them for their dedicated work in civic, religious and philanthropic causes and contributions to their fields.

Speer declared that the Berlin wall was a 25-mile monument attesting to the failure of Russia's despotic system and pointed out that the recipients' success stories were proof by comparison, that the American democratic system was best and that it gave spiritual and material success to all.

"The only walls we build are for homes and industries, to raise our highest standard of living still higher" added Speer.

He warned that the Berlin wall and the Cuban crisis prove that "the totalitarian ideologies would desperately use any inhuman means to wipe out democratic nations" and he urged all people who wish to maintain their liberty to "join the conflict between human dignity and slavery."

The Free Enterprise Awards Association was chartered by New York State in 1952 and approved by the Supreme Court. With leaders in all fields, it carries out its charter duties, "to promote incentive and champion the cause of the American free enterprise democracy" through morale defense projects to bolster the faith of all people in the American democratic system.

The award participants, selected from various trades and areas to show the awards of success possible in large and small communities in America, were:

Walter J. Tuohy, president of the Chesapeake & Ohio Railway Co., and subsidaries, of Cleveland, Ohio.

John D. MacArthur, owner of the Bankers Life & Casualty Co., of Chicago, Ill.

J. Donovan Forney, founder-owner of Forney Industries, Inc., of Fort Collins, Colo.

Mrs. Mae Bonnell Sauls, president of the William L. Bonnell Co., of Newnan, Ga.

Lilburn S. Barksdale, owner of the Barksdale Valves Co., of Los Angeles, Calif.

Mrs. Zella Ritz-Woller, president of the King Bee Manufacturing Co., of Bellwood, Ill.

Dudley D. Sherman, president of the National Chemical & Manufacturing Co., of Chicago, Ill.

Harold F. Coffey, president of the Kent-Coffey Manufacturing Co., of Lenoir, N.C.

Dr. Charles D. Bradley, president, founder and owner of the Bradley Semiconductor Corp., of New Haven, Conn.

James R. Riley, president of Suburban Motor Freight, Inc., of Columbus, Ohio.

Here's what the recipients said about the free enterprise system which made their successes possible:

Walter J. Tuohy, president, Chesapeake & Ohio Railway: "A company's success, as does a nation's, depends on the loyalty and dedication of its people. Teamwork, sharing of problems, and freedom of opinion, assures the success of any endeavor. Just as despotism in government or business crushes the human spirit, so does democracy bring out the dignity of the individual—the best in citizen or worker."

John D. MacArthur, president, Bankers Life & Casualty Co.: "In our democracy any person can reach for the rainbow. Don't stop if you come up with a fistful of air. If you stop trying you start dying."

J. Donovan Forney, owner, Forney Industries, Inc.: "In our free enterprise democracy workers have the best working conditions, benefits, and own shares in industries. Yet, don't be too 'chicken' to go into business for yourself or you might end up with nothing to crow about. Faith in God, your Nation, and your ability will bring peace and success."

Mrs. Mae Bonnell Sauls, president, the William Bonnell Co.: "Free enterprise is the only economic system that gives each of us the right to be what we want to be, including the right a woman has to make business or homemaking her career."

Mrs. Zella Ritz-Woller, president, King Bee Manufacturing Co.: "America gives equal opportunity to men and women. Success in a man's world is not always through pleasing his palate. Give him a good product and you will succeed. If men can make ladies dresses why can't a woman make safety lighting and products for truck-drivers?"

Dudley D. Sherman, president, National Chemical & Manufacturing Co.: "I am just one of the thousands of Russian and other immigrants who achieved success and freedom in America. Our success is a tribute to America's free enterprise democracy and proof that it works for all."

Harold F. Coffey, president, Kent-Coffey Manufacturing Co.: "In our democracy you are free to build your own business. You can make it last forever—like the work of the old masters, if you put beauty, durability, and craftsmanship into any product you make."

Dr. Charles D. Bradley, president, Bradley Semiconductor Corp.: "America's free enterprise gives incentive to original research. Anyone is free to develop new and better products and enrich himself and his fellow men. Our competitive system insures success for better 'traps.'"

James Ralph Riley, president, Suburban Motor Freight, Inc.: "Success in America's democracy is assured if you give unselfish service to your customers and your community. Help improve the areas you serve and you will prosper in material and spiritual values."

Lilburn S. Barksdale, president, Barksdale Valves: "In our democracy one can achieve personal and business fulfillment if he couples determination to suceed with personal integrity in his dealings with employees and customers and has a sincere desire to be of service to his fellow men."

[From the Evening Capital, Annapolis (Md.), December 11, 1962]

CONGRATULATIONS TO RECIPIENTS OF THESE WELL-EARNED AWARDS

Congratulations to the two women and eight men whose outstanding records of business and civic service have won them today's richly deserved American Success Story Awards.

The presentation of the awards by the Free Enterprise Awards Association, Inc., to these 10 persons who rose from humble jobs to become owners and heads of giant industries demonstrates how all may find and earn opportunity in this land of freedom and democracy through their own ability, hard work and study.

The awards, which were presented by Talbot T. Speer, chairman-president of Baltimore Business Forms, Inc. and president-publisher of the Capital-Gazette Press, Inc. of Annapolis, Md., constitute stories of success won by men and women who started careers "on their own" and rose to positions of eminence in the business world.

Their stories are outstanding examples of what can be achieved under democracy, where freedom of choice and ability, based on the foundation of a belief in God and in the dignity of man prevails.

They did not have to function under a system that places itself above the dignity of man as an individual, or have to please party agents or leaders, to obtain success.

Their judges were not party functionaries but the free people of this Nation. The services or products of the business in which they are engaged had to appeal to the mass of consumers, whose favorable reaction determined success or failure. In other words, they were freemen and had to please other free men and women in order to attain success.

The American Success Story Awards are a perfect answer to any who criticize our democratic system.

Russia's Nikita Khrushchev would do well to take a lesson from this and give it deep

thought. It would give him a better understanding of the democratic system, which he criticizes and tries to tear down, and also of the power and strength of the United States and other free people.

The Free Enterprise Awards Association deserves high praise for pointing out to the world the proof of the value of our free enterprise system.

CITATION

Harold F. Coffey, 64, resident 480 West Harper Avenue, Lenoir, N.C. President, Kent-Coffey Manufacturing Co., Union Mirror Co., NuWoods, Inc., Furniture Manufacturers, Inc., Lenoir, N.C. Director, Charlotte Branch of North Carolina National Bank, Carolina Northwestern Ry., Fidelity Bankers Life Insurance Corp., others. Was farm boy. From age 9 helped father build business and learned every step in producing furniture. From small shop employing 50 people, Kent-Coffey, under Harold Coffey's expert direction, is now a leading producer of bedroom and other furniture with 13 acres of roofed plant area employing hundreds of craftsmen with multimillion dollars in sales through nationwide showrooms and thousands of dealer stores in United States, Canada and worldwide. Cited for his contributions to and leadership in the furniture industry and his dedicated work as director and member of many civic and charitable organizations.

[From the Davidson College Bulletin, January 1963]

SUCCESS STORY: HAROLD F. COFFEY, 1920

Harold F. Coffey, 1920, of Lenoir, is one of eight winners of the 1962 American Success Story Awards, presented annually by the Free Enterprise Awards Association, an organization with the purpose of promoting incentive and championing the cause of the American democratic system.

The association said the citation for Mr. Coffey, president of the Kent-Coffey Manufacturing Co., is for contributions to the furniture industry and his work as director and member of many local, State, and national civic and charitable organizations.

This busy man is also president of the Union Mirror Co., Furniture Manufacturers, Inc., and Nu-Woods, Inc. (the latter organized in 1961), all of Lenoir. He is vice president of the Southern Furniture Manufacturers' Association, High Point, and is a director of the National Veneer Co. and the Blue Ridge Development Corp., both of Lenoir; the Fidelity Bankers Life Insurance Co., Richmond; the Carolina Motor Club, Charlotte, and the Charlotte branch of the North Carolina National Bank; the Furniture Factories' Marketing Association of the South; the Carolina & Northwestern Railway, Washington, D.C.; and the Southern Furniture Exposition Building, Inc., High Point.

Mr. Coffey serves as an associate member of the American Institute of Management, New York City; as a member of the Advisory Board of Manufacturers for the New York Furniture Exchange, New York City; as a member of the Board of Governors of the American Furniture Mart (a former chairman of the board), Chicago, and of the Dallas Trade Mart, Dallas, Tex.; and as a member and former president of the North Carolina Industrial Council. He is a life member of Oasis Shrine Temple and served as Potentate in 1942.

His club affiliations include the Lenoir Moose Club, Lenoir Gold Club, Lenoir Country Club; the Commerce Club of Atlanta; the Blowing Rock Country Club; the Lake Hickory Country Club and the Foothills Shrine Club of Hickory; the Charlotte Country Club, the Charlotte City Club, and the Red Fez Club of Charlotte; the Ponte Vedra Club of Ponte Vedra, Fla.; the Circus Saints and Sinners Club of Miami, Fla.; the Chicago Athletic Association and the Furniture Club of America, Chicago; and the Marco Polo Club of New York City.

His political appointments have covered a long period of service. In the first year of Gov. William B. Umstead's administration, he was appointed a member of the North Carolina State Ports Authority and continued in that position until Governor Umstead's death and for the next 2 years of that administration when Luther Hodges was Governor. During the 1920's, he served for several years on the Lenoir City Council. And early in 1962, he was appointed a member of the Governor's Commission on Educational Television. It is not surprising that, due to other pressing duties, he recently resigned from that post.

This Davidsonian is listed in "Who's Who in America," "Who's Who in Commerce and Industry," and in "Who's Who in the South and Southwest."

This success story, which Mr. Coffey attributes to breaks and hard work, began as an office clerk in the concern which was founded by his father. This was about 1917–18 when he left Davidson to enlist in service for World War I but was rejected because of flat feet.

Or perhaps it goes back to 1907, when he was 9, and he began working in his father's factory for 3 cents an hour (no child labor laws then). From 3:30 to 6 p.m. each day after school he learned to operate the machines—the lathes, the sanders, the bandsaws. There were 50 employees of the company then receiving a dollar a day in wages. The Kent-Coffey Co. today has 500 to 1,000 employees and sales are in the multimillions of dollars.

By the time he was 22 he was vice president, and on his father's death in 1943 he became president. He is a Democrat, a Presbyterian, and member of Pi Kappa Phi social fraternity. In 1923 he married Miss Annie Neely, of Rock Hill. They have no children.

TRUTH IN CREDIT NEEDS DRAMATIZED IN SMALL CLAIMS COURT

Mr. PROXMIRE. Mr. President, I am a cosponsor with the distinguished Senator from Illinois [Mr. DOUGLAS] of the truth in credit bill. Recently the Washington Daily News disclosed that the need for the truth in credit bill is becoming more evident every day. In 1960, when the small claims branch in Washington had a jurisdiction limited to $50, there were about 12,500 cases. Last year with the jurisdiction upped to $150 there were 28,000 cases. The testimony is that 90 percent involve suits by firms or collection agencies against individuals for unpaid bills.

The fact is that with our present enormously expanding credit system, people have no idea how much interest they are paying. The facts are that they are being exploited, and they should have the right to know what true interest rate they are paying. That is what the Douglas bill provides. It is an excellent bill. I hope that the Committee on Banking and Currency will report it out and that the Senate will act favorably upon it.

Mr. President, I ask unanimous consent that the article entitled "Easy Credit Brings Thousands to Claims Court," by Rice Odell, published in the Washington Daily News on March 15, be printed at this point in the RECORD.

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

EASY CREDIT BRINGS THOUSANDS TO CLAIMS COURT

(By Rice Odell)

Every day a constant, nagging battle is waged in the District between angry merchants and angry customers.

The scene of the battle is the small claims branch of the Court of General Sessions, a relatively obscure courtroom tucked away in the courthouse at Fourth and E Streets NW.

The merchants whose lawyers come there are angry because, after extending easy credit on purchases, they find themselves unable to collect the bills.

Some collection agencies complain that government employees, in making credit purchases, often take advantage of the fact that their wages cannot be garnisheed.

The customers who come to court (in far fewer numbers) are even more angered by a feeling they have been cheated—perhaps because they succumbed to high pressure, or what they bought was not delivered, or was not what they ordered, or they were unable to get a down payment back when the sale didn't go through, or the price was raised without explanation.

This is the extent of the easy credit problem as reflected in small claims cases only:

In 1960, when the small claims branch had a jurisdiction limited to $50, there were about 12,500 cases.

Last year (the first full year after the jurisdiction was raised to $150), there were 28,216 cases.

Of the cases which come into court, according to Chief Deputy Clerk Charles P. Henry, Jr., "at least 90 percent" involve suits by firms or collection agencies against individuals for unpaid bills.

Last Tuesday, for example, there were 153 cases on the court's calendar, of which 139 involved such suits.

It seems safe to estimate that there is at least $2 million worth of unpaid debts brought into that court alone in a year, and possibly much more.

In most of the cases called in small claims branch, the defendant doesn't show up, and judgment is automatically entered for the merchant suing.

On one end of the scale are the firms which have made honest and forthright sales and are victimized by the cheats who have no intention of paying their bills. On the other are the men and women who didn't realize what deep financial water they were getting in, to whom the missing money leads to serious arguments at home, perhaps a family breakup, and even a start in crime to recover the sorely needed money.

It may sound farfetched but it has happened many times, and with tragic consequences.

This, of course, has no reference to the large majority of firms which do not hand out credit without some feeling of responsibility, or to collection agencies which decline business from such firms.

UNEMPLOYMENT A SERIOUS LONG-RANGE PROBLEM

Mr. PROXMIRE. Mr. President, unfortunately there has been much too little discussion or consideration of the very fine manpower report issued by the President recently. The long-term unemployment problem is more serious than the short-term problem, but it is getting far less attention. One of the reasons that I opposed the proposed tax cut is that it is aimed to correct a long-term situation with a short-term cure.

Recently the Washington Post commented on the manpower and unemployment report made by the President of the United States. The highlights set forth in the editorial are an excellent way to get a brief résumé of what the report contains. One of the things that impressed me most is that whereas in 1960 we had some 2.6 million Americans becoming 18 years of age, in 1965—only 3 years from now—we shall have 3.8 million Americans becoming 18 years of age, which is the average age at which they enter the labor force. We will have a perfectly enormous job in the future providing the kind of employment which those people will require. It will take a great deal more training and a great deal more emphasis on education, especially vocational education, than the Congress or the American people have contemplated.

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 Washington Post, Mar. 18, 1963]

MANPOWER AND EMPLOYMENT

President Kennedy's first manpower report, submitted in accordance with the provisions of the Manpower Development and Training Act of 1962, is a sobering document which should convince even the most casual reader that unemployment, the Nation's most pressing economic problem, is not susceptible of quick and easy solutions.

Since 1947 some 10 million new jobs have been created, bringing the volume of employment to an alltime record of 67.8 million in 1962. Nevertheless, employment opportunities have failed to keep pace with the rapidly growing labor force, and since 1958 the average rate of unemployment has been well in excess of 5.5 percent. There are now 4.9 million jobless persons who comprise 6.1 percent of the labor force, and unless the present trend is sharply reversed, the problem will become more acute. According to the President's calculations:

"The net growth of the labor force in the sixties is expected to be about 13 million, more than 50 percent greater than in the fifties.

"Unless the growth of new job opportunities is also accelerated, unemployment totals will rise. If in the next 5 years we provide new employment at the pace of the last 5, by 1967 unemployment will come to over 5½ million, or more than 7 percent of the 1967 labor force."

Although our knowledge of the causes underlying the rising trend of unemployment is as yet imperfect, some of the more salient factors are readily discernible. Labor has been displaced by advances in technology and the striking gains in man-hour productivity. Since 1947, output per man-hour in private industry has increased at an annual average rate of 3.2 percent, and these gains, rather than increases in man-hours of work, account for more than 80 percent of the growth of total output since 1947. Employment in the manufacturing sector has been declining since 1956, and the introduction of labor-saving technology has doubtless affected employment even in those sectors of the economy which have been growing most rapidly.

The technological innovations of the past 15 years have also created employment opportunities, but the jobs which they have produced demand skills and a degree of sophistication that cannot be supplied by the traditional blue-collar worker with a limited education. Yet 7.5 million out of the 26 million young people entering the labor force between 1960 and 1970—or some 29 percent—will lack high school diplomas. Unless the gap between the requirements demanded by the new technology and the educational attainment of those entering the labor force can be narrowed, widespread unemployment among young people is likely to persist.

The difficulties created by rapid technological change can be substantially mitigated by fiscal and monetary policies designed to accelerate the overall rate of economic growth. But their elimination will require a massive program for the retraining of displaced workers and a nationwide effort to lower the high school dropout rate. While a promising start was made with the passage of the Manpower Development Act which will provide for the training of some 400,000 people over a 3-year period, it is only the beginning of what will prove to be a very long campaign.

EXCELLENT REUSS WILDLIFE CONSERVATION RESOLUTION

Mr. PROXMIRE. Mr. President, my distinguished colleague in the House, Representative HENRY REUSS, has submitted a concurrent resolution which would urge our country to call an international conference for the purpose of launching a worldwide wildlife conservation program. Mr. REUSS has been a great friend of conservation. He has excellent judgment in that field. I ask unanimous consent that an editorial published in the Washington Post supporting the Reuss resolution be printed at this point in the RECORD.

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

CALL OF THE WILD

One of the most disheartening spectacles arising from the spread of civilization is the steady and relentless extermination of entire species of wildlife. Some 200 species of birds and animals have already been wiped out and nearly 250 more are in present jeopardy. The problem exists everywhere, but is especially acute in Africa. The quest for ivory and pelts, for trophies and supposed aphrodisiacs (a quality attributed to powdered rhinoceros horn), has threatened vast herds of antelopes, zebras, elephants, rhinos, and hippos with reduction to the point of peril.

All this has been brought to the attention of Congress by Representative HENRY REUSS, who has introduced a concurrent resolution that would urge this country to call an international conference for the purpose of launching a worldwide wildlife conservation program. Here is an instance where an ounce of prevention is surely needed—especially since no question of vast costs is involved. What is needed, as Mr. REUSS points out, is legislative protection for wildlife and training in wildlife management—both objectives eminently within the grasp of reason.

If the world is to avert the day when only man and his domesticated animals occupy the globe, some form of concerted action is needed. An International Union for Conservation of Nature and Natural Resources (IUCN) has existed since 1948, but it has only a paltry budget (reportedly about $90,000 a year) and the only large and prosperous member-nation is West Germany. The World Wildlife Fund is another concerned organization that has used limited resources for conservation. The WWF estimates that $1.5 million a year is needed to save the most seriously threatened species.

Mr. REUSS proposes that local currencies accumulating abroad under food-for-peace programs be made available for wildlife conservation work. Certainly this seems a legitimate use of counterpart funds. The earth will be a barren place if modern Noahs fail to create an ark for the vanishing and colorful creatures of the wild.

EDITORIAL SUPPORT BY HOARD'S DAIRYMAN ON PROPOSED CLASS 1 MILK PRICING SYSTEM

Mr. PROXMIRE. Mr. President, this afternoon we concluded hearings before the Senate Committee on Agriculture and Forestry on dairy legislation, and particularly on the three bills—one introduced by the chairman of the committee [Mr. ELLENDER], one by the distinguished Senator from Michigan [Mr. HART], and one by me—which would provide for a class 1 pricing system.

Hoard's Dairyman, a very fine publication printed at Fort Atkinson, Wis., edited by the Hoards, carries an editorial in the March 25, 1963, issue supporting the class 1 principle and the class 1 bills in general. I ask unanimous consent that this editorial, which sets forth the case for our bills, may be printed in the RECORD at this point.

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

DOMESTIC DUMPING: A 13-BILLION-POUND TARGET

Dairymen producing manufacturing milk have asked how they would benefit from the use of class I bases in Federal milk marketing orders. It is our conviction that they stand to benefit materially. At least 20 billion pounds of manufacturing milk are being produced in Federal order markets. Compare this, if you will, to Government purchases of about 10.8 billion pounds last year.

We all recognize that some manufacturing milk must be produced with Federal order grade A milk because a reserve is needed to supply the variations in the market. Certainly, there is no need for anything like 20 billion pounds. A liberal reserve would be no more than 7 billion pounds. This leaves a real surplus of Federal order manufacturing milk of at least 13 billion pounds. Here is the target at which class I base proposals are directed.

Our basic point, however, is that such milk is "subsidized" milk. It is produced at a fictitious price because the consumer of class I or bottled milk underwrites the cost of its production. If the class I price is $5 per hundredweight and the class II or manufacturing price is $3 per hundredweight, and the milk is evenly divided in its utilization in the market, then the blend or uniform price to the dairyman is $4. The farmer produces in response to the $4 price, not the $3 price.

But the surplus milk is thrown onto the national manufacturing milk market in the form of butter, powder, and cheese in competition with the products of the manufacturing milk producer. We believe a lot of this milk would not be produced if class I bases were used. In that event, manufacturing milk dairymen would benefit from a much improved supply-demand situation. If farmers in Federal order markets wanted to produce manufacturing milk for the manufacturing price, that would be their privilege and the manufacturing milk producer should not complain. He has every justification for vigorous protest now.

We have offered the opinion, from time to time, that without the dumping of manufacturing milk on the national market from Federal milk orders the free, open-market farm price of manufacturing milk could very well be in the area of $3.40 per hundredweight or even higher. Frankly, we cannot

support this guesstimate by well-documented data. It wasn't too long ago, however, that manufacturing milk price was this high—well above the old support level of $3.25.

A change in direction in Federal order markets, we conclude, would redound to the advantage of both Federal order producers and manufacturing milk producers. Higher utilization of class I in the order markets would mean a higher average price to those dairymen. Less manufacturing milk being dumped on the market would be a direct benefit to all other dairy farmers.

MILK PRODUCERS FEDERATION ANSWERS TO CLASS I MILK PRICE PLAN QUESTIONS

Mr. PROXMIRE. Mr. President, the Milk Producers Federation submitted to the committee the answers to the standard questions asked about the proposal we have made. I think that in extremely simple language they have answered each of the questions extremely well.

This is such a fine and thoughtful job that it should be brought to the attention of all Senators, because I earnestly hope we shall have an opportunity to act on the bill in the near future, so I ask unanimous consent that the series of questions and answers may be printed in the RECORD.

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

1. What are the objectives of this plan?

The principal objectives are to (a) eliminate a basic defect of blend pricing which provides milk producers a price higher than the lowest class price for manufacturing milk in excess of the market's normal supply requirements for fluid milk products, (b) permit individual producers to produce in line with market requirements for fluid milk products without having their prices reduced by present surplus or increased production of other producers, (c) provide individual producers an opportunity to increase net income, and (d) reduce the national dairy surplus and the cost to taxpayers of the dairy support price program.

2. Is this plan production control?

No. It does not limit any producer to any maximum quantity of milk he is allowed to produce or sell. It does not place any physical limitations on the number of cows he may keep. It does not limit in any way any factor of production or sale of milk. It allows producers supplying a given market, at their own request, to receive a price for base milk related to the class I price, and a lower price related to manufacturing milk value for any milk in excess of base sold, instead of a single blended price for all milk.

3. How can this plan be expected to reduce the dairy surplus?

Reduction of the national dairy surplus is one of the principal objectives of the dairymen's class I base plan. The plan can be expected to accomplish this in a number of ways:

(a) By reducing the incentive to produce surplus milk under the Federal order program. Approximately half of the milk produced in the country is marketed under Federal milk orders. Under some of these orders there is now a high degree of surplus. Under others there is only a moderate amount. Under still others there is no surplus. The base plan would allow each market to establish surplus reducing incentive in line with the degree of surplus existing in each respective market—be it a lot or a little. Several Federal order markets now have a surplus of 10 to 25 percent or more and have blended prices of $4 per hundredweight or more and a surplus class price of approximately $3. The base plan would discourage production of surplus by reducing the price paid for surplus production from $4 or more per hundredweight to about $3.

(b) By relieving producers of the pressure they are now under to continually produce more milk, hence, more surplus, as the only available means of maintaining the size of their milk checks to keep up with increasing production costs. The single blend price system we have now penalizes a producer who might try to keep production in line with his share of the class I market. The penalty is in the form of a lower blended price caused by the increased surplus production of other producers. His only recourse is to engage in a surplus production race with his neighbor. The base plan, by treating each producer as an individual relative to his production and his market, frees each producer from this penalty and the incentive to produce unneeded surplus milk. The result should be a reduction in surplus.

(c) By using the order to build into the market price structure incentives to adjust supply in line with class I demand. This is done by a number of interrelated factors, all of which aim in the general direction of supply-demand balance. Such incentives should operate toward a reduction of the Nation's dairy surplus.

4. What effect will base plans have on the cost of the national dairy support program?

Since the dairymen's class I base plan provides voluntary incentives to reduce production, it should reduce the surplus and in this way should reduce the cost of the support program. Such plan should result in reduced expenditures by the Congress.

5. What will this plan cost to administer?

The Federal Order Administrator's offices are set up and functioning. Many of them are already administering seasonal base plans. Administration of Federal milk orders has been competent and efficient since its inception. It is supported by the industry at no cost to the taxpayer as will be this program.

6. How does this plan avoid being a trade barrier?

First we must clarify the term "trade barrier." On the production side of the dairy industry the class I price for milk in any given milk market is never high enough to permit dairy farmers in every other part of the country to compete. This is because milk's natural characteristics result in high cost of transportation, thereby giving a natural advantage to dairy farmers nearby a given market. This is why class I prices decrease with distance from the market center and why class I prices vary among markets.

Reflection of natural characteristics of production and marketing through geographic variations in milk prices does not constitute a trade barrier. The dairymen's class I base plan is not a trade barrier. Only if a base plan in a particular order contained features which kept out milk from other supply areas to preserve an artificially high class I price or an artificially low surplus price would it be a trade barrier within the meaning of section 8c(5)(G) of the act, and such an effect is not intended.

7. Does the plan require any changes in language or interpretation of class I pricing standards of the act (Sec. 8c 18)?

Language—no; interpretation—yes. The pricing standards are as follows:

"The prices which it is declared to be the policy of Congress to establish * * * shall, * * * reflect the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk or its products in the marketing area to which the contemplated marketing agreement, order, or amendment relates * * * insure a sufficient quantity of pure and wholesome milk, and be in the public interest * * * (and) thereafter, as the Secretary finds necessary on account of changed circumstances, he shall, after due notice and opportunity for hearing, make adjustments in such prices."

The dairymen's class I base plan is designed to improve the application of supply-demand pricing now provided in the act. The phrase "other economic conditions" in the present standard makes it sufficiently broad to be properly applied to the base plan without change in language.

Certain changes in interpretation of the present standard from its past application to single blend pricing would be necessary. For example, the pricing standard has been interpreted to require automatic supply-demand adjustors in class I pricing formulas. The base plans provide incentives and opportunities to individual dairy farmers which are designed to improve upon this application of supply-demand pricing. For this reason, if a base plan is introduced, the necessity of retaining the supply-demand factor in the orders, presented class I price formula needs to be reevaluated.

With the task of obtaining a supply-demand balance in the order given over to some extent to the base plan, the general level of the class I price can reflect other objectives such as an equitable income goal for producers, changes in production costs, and costs of available alternative supplies of milk from other supply areas, all of which may properly be considered encompassed in the phrase in the present pricing standard, "* * * other economic conditions * * *."

The various incentives among producers set in motion by a base plan particularly with respect to the market's milk supply, necessitate reinterpretation of the class I pricing standards of the act because supply-demand forces under the order will be influenced in a different manner than under present operations. For this reason they must be taken into account in a proper determination of what the class I price should be in conjunction with a base plan.

8. Does the plan require any changes in pricing milk used for manufacturing under Federal orders?

No. Under the plan milk marketed in excess of fluid milk requirements will be priced on the same basis as under the current orders. The lowest use class price must be at a level at which milk will be accepted for processing, and in line with nationwide values of manufactured dairy products. This class price in Federal orders now reflects national competitive forces affecting the supply of milk of dairy farmers delivered to manufacturing plants not regulated by Federal orders and the consumer demand for dairy products (butter, cheese, ice cream, evaporated milk, etc.) including the level of the price support program. To the extent that the base plan becomes an inducement to producers to market less excess milk, thereby reducing the national dairy surplus, there might be some impact on prices in the manufacturing milk market. This in turn automatically would be reflected in the class price under orders. This effect would be indirect. No amendments to surplus class price formulas should be required as a result of the base plan.

9. What effect would this plan have on the dairy price support level?

In orders where the plan is adopted bases will be related to market requirements for fluid milk products, and the undesirable effects of blend pricing eliminated. The result should be a closer alinement of market supplies with market requirements. The plan does not provide for positive reduction in total supplies; but with closer adjustment to market requirements on a market-by-market basis, the pressure to reduce support prices will be relieved.

10. How would bases be applied?

There are a number of different ways that bases could be applied. One way would be to establish for each producer under an order a base expressed in pounds per day or per pooling period. These bases would be predicated upon deliveries during a prior representative period, adjusted to reflect the total fluid milk utilization of milk allocated to producers, plus a reasonable necessary reserve. These bases then could be projected 1 year in advance from a specified beginning date, which would be the first day of a given month. Then each month the market administrator would compute, as separate totals, all base milk and all milk in excess of base delivered to handlers by all producers under the order. He would first assign milk used in the lowest class to excess milk, and compute a blend price for base milk consisting of the weighted average class use value of the remaining milk in the pool. Each producer would be entitled to this base price for his base milk, and the manufacturing milk price for any excess.

Another way would be to have the plan optional in the sense that producers under a given order who so wished could request bases for their share of class I without other producers being required to have bases. Those who applied would have the market's class I milk assigned to their base first, and milk in the lowest price class assigned to their excess first. They would then be entitled to the class I price for base milk and the lowest class price for their excess. For producers who did not apply for bases a single blended price would be computed from the remaining class uses of milk remaining unassigned to base or excess.

For orders where the plan is applied by requiring all producers to have a base, these bills allow for the inclusion within base of a reserve above actual sales of fluid milk products to cover the day to day and weekend variations in sales. This is expressed as a percentage above monthly average of sales. The percentage of reserve considered necessary is variously estimated among markets at between 10 and 25 percent of actual sales in the month of lowest production seasonally. The reserve milk is actually used for manufacturing in the lowest price for lack of a market in a higher priced class. The price for base milk where reserves are thus included in base will reflect some milk at the manufacturing price class ranging from the defined percentage of reserve in the shortest production month to higher proportions in the flush season to the extent of the seasonal range in the particular market.

The pooling procedure must also allow for the eventuality of all producers together delivering less base milk than the volume of class I sales, but with some individual producers delivering some excess.

11. What is the base period?

The "representative period" for determining bases should be a period preceding the date that the plan starts, ending as close to the start of the plan as possible. It may include all or portions of more than 1 year. Each market need not have the same base period years nor the same length of period. Factors which should guide the Secretary in his selection of the period for a given market should include local customs regarding any current base plan, desires of producers affected, past trends in market supply, abnormal conditions, shifts in supply sources, availability of data, etc. The computations necessarily require time which can be provided only by some lag between the base period and the time of application of bases.

12. How are bases determined and changed?

The bill provides for making "due allowance" for "abnormal conditions" and "hardship cases."

These terms are meant to apply to the base period. If a producer's "total deliveries" in the base period were low due to an abnormal condition, he might be entitled to an adjustment in his base to offset the effect of the abnormal condition.

The allocation concept also includes the opportunity to adjust all bases periodically in line with changes in sales of the products on which the initial base allocations were made.

Another way that a given plan might allow all bases to be changed periodically (such as annually) would be the use of a 2-, 3-, 4-, or 5-year moving or "rolling" average base according to deliveries or a new base every year in the case of a 1-year base plan. In this way a producer's increase (or decrease) in deliveries each year would have an effect on his next year's base to the extent of 100, 50, 33⅓, 25, or 20 percent of the change depending on whether the base period is 1, 2, 3, 4, or 5 years long. If this type of automatic adjustment were allowed, it would also be necessary to refigure every year the percentage of total market deliveries to normal supply requirements and apply this percentage to prevent automatic base adjustment from getting the sum total of the market's bases out of line with normal supply requirements.

Another way that an individual producer could change the size of his base would be to obtain part or all of the base of another producer.

In summary the bill would provide for bases to be changed in a number of ways depending on the circumstances of individual producers and market conditions, with considerable flexibility allowed on each market to provide for changes to best meet its needs.

13. How does a new producer obtain a base?

The bill specifies that the sales allocation (base) must make "due allowance" for "new producers including new producers thereafter entering a market." This means that the plan must provide some means for new producers to obtain a base. This is one of the safeguards provided which would prevent any base plan under this bill from becoming a trade barrier. The particular procedure for granting bases to new producers would depend on the particular local market situation, as developed in the required hearing. A number of different methods of accommodating new producers could be used, and should be allowed consideration, such as:

(a) A small percentage of the total market's base to be set aside out of which new producers could be granted bases according to some prescribed performance rules.

(b) A new producer to be allowed average market value (or some specified percentage thereof) for a period equal to the base period, after which he is given a base according to his deliveries.

(c) New producers allowed to earn a base according to deliveries but required to take the excess price while earning a base.

(d) New producers allowed to obtain bases from other producers. In the case of limited transfer bases, new producers could enter the market by earning bases. The method would be provided under the order by requiring shipments for a period, for example, of 3 years to earn a full base. Under this situation, a portion of the increase in class I sales or the bases of retiring producers could be set aside for allocation to new producers. In the event the plan allowed for unlimited transfer of bases, new producers could enter the market by purchasing bases of producers who may retire or desire to reduce their production. In no event would new producers receive more favorable treatment than old producers.

14. To what extent would bases be transferable among producers?

The bills specify no particular degree of transferability. All past experience with any type of base plan, for whatever purpose, and whether privately operated or under Government auspices, indicates a need for some degree of transferability. The tighter the base in terms of limitation of opportunity for adjustments, the greater the need for freedom of transferability and vice versa.

This is for the purpose of preventing a "tight" base plan from freezing producers to their production at some point in time in such a way that they are hampered from making future shifts in resource allocation to improve efficiency.

There is a need for limiting transfer of base to milk producers to avoid the abuse of their being acquired and hoarded for coercive purposes by anybody, particularly persons who are not milk producers.

On this detail of a base plan, as in any other described above, there is need for flexibility among orders. Bases may or may not be negotiable, depending upon the rules adopted for the particular market. If, for example, farmers supplying a particular market favored unlimited transfer of bases, such an arrangement could be established. If, on the other hand, farmers supplying a market favored restricting the transfer of bases, such arrangement could also be established. Transfer of bases then might be limited to transfer from one person to another on the same farm, or to allow a tenant farmer who had earned a base to take his base to another farm.

15. To what extent would bases be transferable among markets?

Base allocations are claims upon the class I returns from a market to the producer milk delivered in that market. Ownership of a base on a particular market is of no value unless the holder delivers milk to that market. Individual producer bases are determined by deliveries of such producer during a predetermined representative period. The terms of each of the individual orders could recognize deliveries of producers transferring between markets.

If producers shifted from a market, with or without bases, to another market with bases, then they would be entitled to bases computed in the same manner as used for assigning bases to the original producers on that market.

If producers moved from a base market to a market with no base, their bases would have no value in the new market.

16. In what way would a base plan affect intermarket movements of milk?

Base plans are not intended to encourage either more or less intermarket movements of milk. Intermarket class prices relationships, rules for pool participation and type of pool are the features of orders, along with the natural characteristics of milk production and marketing, which determine intermarket movements of milk. Since base plans are to be applied only to the producer milk under an order, any inshipments of other milk would not be affected by the base plan. Shifts of producers from one market to another would be affected by whatever rules the base plan provided for allowing new producers in a given order to obtain base, as explained in the answer to the question concerning transferability of bases.

17. Does the plan provide any maximum or minimum on individual bases?

No. The average size of producers varies among Federal order markets from less than 500 pounds of milk per day in some areas of highly diversified farming to more than 13,000 pounds per day in other markets where dairying is characterized by a few large feedlot type of milking herds. Because of these wide variations in production conditions, any base ceiling to be prescribed by the law would have to be so high as to be meaningless or else it would work a hardship and discriminate against the normal pattern of

family farms in some areas. If any performance standard with respect to base sizes is needed, it could be considered in the hearing for a base plan for a given market.

18. What effect would this plan have on other farm crops or livestock products?

The effect of this plan on other farm crops or livestock products would be limited to the release of production resources from dairying to the extent that dairymen adjusted production to meet market requirements.

19. What would be the effect of this plan on producers of manufacturing grade milk?

The plan's purpose is to eliminate the payment of any part of the money derived from class I sales for surplus milk delivered by order producers in excess of market requirements. In effect, it says to manufacturing milk producers, "You may still have to compete with producers under Federal orders, but you have the assurance that those producers will be receiving the manufacturing price for their surplus milk."

20. What effect can the plan be expected to have on negotiated marketwide premiums?

If the surplus in a market is reduced, the incentive for premium prices may be lessened.

21. Can the plan work satisfactorily in one market without being in effect in all other markets?

Yes, but producers who adopt this program and reduce production to meet market requirements may require some assurance, by way of order provisions, that the results of their efforts will not be undermined or eroded by contrary actions of other handlers or groups of producers outside the program, including other Government programs.

22. What advantage does this plan have over national dairy supply management proposals involving allotments, bases, or quotas?

Base plans as features of Federal orders would have the advantage of being tailored much more closely to local market conditions and customs. Great variation exists among markets in the degree of surplus, all the way from some which have no surplus above normal reserve requirements to some with as much as 40 percent of such surplus. It would be most difficult if not impossible to fit any single national adjustment program to the varying conditions which exist among markets. The base plan has the further advantage of being introduced on a market-by-market basis with much better chance of approval by local referendum.

23. What would be the effect of this plan on fluid milk markets which are not regulated under Federal or State controls?

(a) The rules for the movement of milk from plants in unregulated areas are established under other order provisions, allocation, pool plant qualification, etc. The base plan would place no added burden on such movement.

(b) For producers in currently unregulated markets who wished to become producers in an order market having a base plan, the acquisition of a base by purchase or performance would be a requisite.

(c) All markets, regulated or not, feel the effects of national surpluses. To the extent that the plan removes some of the pressure for increased production, all markets will benefit.

HIGH COSTS CRUSHING AMERICAN DAIRY FARMER

Mr. PROXMIRE. Mr. President, the National Farmers Organization requested the Doane Agricultural Service to make a study of the cost of producing milk in Missouri, Kentucky, Illinois, Indiana, Wisconsin, and a number of other States.

Mr. President, this is a very competent and capable service. The study was made, and it indicated how high is the cost, as well as the fact that farmers throughout these areas are in fact losing a great deal of money at present prices. This emphasizes, therefore, how very important is the need for some kind of dairy action of the kind we are considering.

I ask unanimous consent that the table relating to comparative costs may be printed in the RECORD.

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

Comparative cost of producing milk in selected States assuming a 30-cow herd using a pasture system and producing 232,290 pounds 3.5-percent-fat-corrected milk (average 7,743 pounds), July 1

Item	Missouri	Kentucky	Illinois	Indiana	Ohio	Michigan	Wisconsin	Minnesota	Iowa	South Dakota	Nebraska	Kansas	Idaho
Labor, total amount	$2,088	$1,310	$2,214	$2,050	$2,050	$2,211	$2,285	$2,515	$2,585	$2,419	$2,511	$2,448	$2,670
Feed cost:													
Hay	976	1,109	953	1,089	1,163	1,082	877	1,024	840	832	840	790	1,606
Concentrate	2,299	2,568	2,874	2,606	2,836	2,376	2,184	2,261	2,759	2,491	2,606	2,299	2,759
Pasture, 20 cents per head per day	1,260	1,320	1,260	1,200	1,200	1,080	1,020	1,020	1,140	1,080	1,140	1,260	900
Cow replacement, 15 percent	1,026	999	1,080	1,242	1,134	1,296	1,242	1,215	1,215	1,242	1,134	1,161	1,107
Death loss, 3 percent	205	200	216	248	227	259	248	243	243	248	227	232	221
Artificial insemination	210	210	210	210	210	210	210	210	210	210	210	210	210
Veterinary and medicine	120	120	120	120	120	120	120	120	120	120	120	120	120
Utilities	150	150	160	160	160	170	170	180	170	180	160	160	170
Gas and oil	200	200	200	200	200	200	200	200	200	220	210	200	210
Supplies	125	125	125	125	125	125	125	125	125	125	125	125	125
Miscellaneous	130	130	130	130	130	130	130	130	130	130	130	130	130
Hauling milk, 35 cents per hundredweight	813	813	813	813	813	813	813	813	813	813	813	813	813
Taxes, 1 percent of present value	298	248	514	418	373	328	277	342	423	324	415	339	459
Repairs, 4 percent of present value	767	767	767	767	767	767	767	767	767	767	767	767	767
Insurance, $7 per $1,000 value	64	64	64	64	64	64	64	64	64	64	64	64	64
Depreciation	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838
Management allowance, 1 percent	298	248	514	418	373	328	277	342	423	324	415	339	459
Return on investment, 5 percent	1,490	1,240	2,570	2,090	1,865	1,640	1,385	1,710	2,115	1,620	2,075	1,695	2,295
Less:													
Calf sales	−288	−288	−288	−288	−288	−288	−288	−288	−288	−288	−288	−288	−288
Manure credit	−300	−300	−300	−300	−300	−300	−300	−300	−300	−300	−300	−300	−300
Total cost	13,763	13,071	16,034	15,200	15,060	14,449	13,644	14,531	15,592	14,459	15,212	14,402	16,335
Cost per hundredweight	5.92	5.62	6.90	6.54	6.48	6.22	5.87	6.25	6.71	6.22	6.55	6.20	7.03
Same as above except drylot rather than pasture system:													
Labor	2,262	1,421	2,398	2,218	2,218	2,422	2,499	2,751	2,836	2,650	2,754	2,611	2,956
Feed cost:													
Hay	2,310	2,805	2,255	2,420	2,585	2,145	1,650	1,925	1,760	1,650	1,760	1,870	2,805
Concentrate	2,299	2,568	2,874	2,606	2,836	2,376	2,184	2,261	2,759	2,491	2,606	2,299	2,759
Cow replacement	1,232	1,199	1,296	1,490	1,361	1,555	1,490	1,458	1,458	1,490	1,361	1,393	1,329
Death loss	205	200	216	248	227	259	248	243	243	248	227	232	221
Artificial insemination	210	210	210	210	210	210	210	210	210	210	210	210	210
Veterinary and medicine	180	180	180	180	180	180	180	180	180	180	180	180	180
Utilities	160	160	170	170	170	180	180	190	180	190	170	170	180
Gas and oil	100	100	100	100	100	100	100	100	100	110	105	100	105
Supplies	150	150	150	150	150	150	150	150	150	150	150	150	150
Miscellaneous	130	130	130	130	130	130	130	130	130	130	130	130	130
Hauling milk	813	813	813	813	813	813	813	813	813	813	813	813	813
Taxes, 1 percent of investment	268	268	281	289	282	290	283	282	287	279	274	276	273
Repairs, 4 percent	774	774	774	774	774	774	774	774	774	774	774	774	774
Insurance	70	70	70	70	70	70	70	70	70	70	70	70	70
Depreciation	1,898	1,898	1,898	1,898	1,898	1,898	1,898	1,898	1,898	1,898	1,898	1,898	1,898
Management allowance, 1 percent	268	268	281	289	282	290	283	282	287	279	274	276	273
Return on investment, 5 percent	1,340	1,340	1,405	1,445	1,410	1,450	1,415	1,410	1,435	1,395	1,370	1,370	1,365
Less:													
Calf sales	−288	−288	−288	−288	−288	−288	−288	−288	−288	−288	−288	−288	−288
Manure credit	−300	−300	−300	−300	−300	−300	−300	−300	−300	−300	−300	−300	−300
Total cost	14,081	13,961	14,913	14,907	15,108	14,704	13,969	14,539	14,982	14,419	14,538	14,234	15,901
Cost per hundredweight	6.06	6.01	6.42	6.42	6.50	6.33	6.01	6.26	6.45	6.21	6.26	6.13	6.84

Source: Prepared December 1962 for National Farmers Organization (NFO) by Doane Agricultural Service, St. Louis, Mo.

Mr. PROXMIRE. 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. COOPER. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

COMMITTEE TO REVIEW AND EVALUATE THE DEVELOPMENT PROGRAMS OF NATIONS RECEIVING ECONOMIC AID FROM THE UNITED STATES

Mr. COOPER. Mr. President, I submit for appropriate reference, a concurrent resolution, and ask unanimous consent that it be printed in the RECORD at this point, and that it may lie upon the desk until April 1.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred; and, without objection, the concurrent resolution will be printed in the RECORD and lie on the desk, as requested by the Senator from Kentucky.

The concurrent resolution (S. Con. Res. 34), submitted by Mr. COOPER, was referred to the Committee on Foreign Relations, as follows:

Whereas the United States has been engaged since World War II in programs of economic aid to other countries; and

Whereas an essential purpose of the United States in carrying out these programs has been to assist free countries in developing as quickly and effectively as possible, to the end that such countries may be able to raise the living standards of their peoples, achieve economic stability, and maintain and strengthen free institutions; and

Whereas the Congress of the United States has appropriated approximately 66 billion dollars to the fulfillment of these objectives; and

Whereas the Congress does not have available to it the necessary information to enable it to evaluate the effectiveness of the aid extended by the United States to specific countries: Therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should appoint as quickly as possible a committee for each country receiving economic aid from the United States, composed of at least five members, including representatives of the public, to review and evaluate the development program of such country and to report to the President and to the Congress not later than January 1, 1964, their findings with respect to the following—

(1) Whether the recipient country (a) has a practical national development program which affords a reasonable expectation that the objectives of such program will be attained, taking into consideration the human and natural resources and capabilities of the country, (b) is providing the maximum amount of self-help within its capabilities, and (c) has adopted the fiscal, administrative, and social reforms necessary to the success of such program;

(2) whether the specific projects to which United States aid is allocated will contribute materially to the fulfillment of the primary needs of the recipient country's development program, and to the purpose of the United States to assist in raising the standards of living of the people of the country; and

(3) such other matters as, in their opinion, will be useful to the Congress in its consideration of legislation authorizing or appropriating funds for financing foreign-aid programs for 1965 and subsequent fiscal years.

SEC. 2. It is further the sense of Congress that such committees should be appointed first to review the development programs for the following countries, which have received approximately one-third of the assistance extended by the United States under foreign-aid programs: Korea, India, Japan, China, Greece, Vietnam, Brazil, Pakistan, Turkey, Philippines, and Iran; and that legislation authorizing or appropriating funds for carrying out these programs for fiscal year 1965 and subsequent fiscal years should not be enacted until the Congress has received and considered the reports referred to in this resolution.

Mr. COOPER. Mr. President, early this year the President of the United States appointed a distinguished Committee, headed by Gen. Lucius Clay, to study the foreign aid program. I am sure the work of that Committee—because it is made up of such distinguished and able men—will be of great value to the administration in the formulation of its assistance program, as well as to the Congress, and in informing the people of the United States of the effectiveness of our foreign aid program. It is my understanding that the Committee will make its first report within a short time, and that it will be followed by others.

Of course, I do not know what the Committee will recommend. But I am convinced that the only way the administration, the Congress, and the people of this country can know whether our foreign aid program is effective and economical is to assess the program in each country which is receiving foreign assistance.

Last year, when the Senate was considering the Foreign Assistance Act of 1962, I offered a similar proposal, in the form of an amendment to the bill, expressing the sense of the Senate that the President should appoint small committees to assess our foreign aid program in each country receiving aid, and to report their findings to the President and to the Congress. The amendment was adopted by the Senate, but it was stricken in the House-Senate conference.

Today I am offering a concurrent resolution similar in purpose. It is my hope that the Foreign Relations Committee of the Senate, the Foreign Affairs Committee of the House, the administration, and the distinguished committee which the President has appointed, will give thought to the proposals which the concurrent resolution expresses.

In substance, my suggestion is small committees made up of perhaps five members, appointed by the President, assess in depth our foreign aid program in each country.

I know that when one mentions the word committee, the thought of a superficial examination comes to mind. This is not correct. The purpose of the resolution is that the committees would make an assessment and study in depth of the program in each country. They would determine whether the plan for development which each country has formulated is one which is suited to the needs of the country and its resources, and whether it has a reasonable chance of success.

Second, it would determine if the projects to which we give assistance are ones which are adequately related, and contribute substantially, to the development plan of the country.

Another purpose of the resolution is to find out if the countries we assist are exerting maximum self-help, and whether they are instituting necessary fiscal, administrative, and social reforms.

I believe that if this effort is not made we will see rising discontent and disaffection in Congress and throughout the country with the foreign aid program, and a rising danger that the program may not survive. I speak in this regard as one who has supported foreign aid, and believes in its value.

Later, next week, I expect to discuss the subject again and to give in greater detail my reasons for advancing this resolution.

The resolution has precedence. The Senate adopted my similar resolution last year; and in 1959, then Senator Kennedy and I submitted a resolution—which was adopted by the Congress—which provided for a special study of the foreign assistance program in India and in Pakistan. The study was made. If an effective study can be made in two countries, it can be made in all of the countries to which we give assistance.

A question was raised last year about the cost of such studies. Of course this would cost a considerable sum of money, but it would be miniscule in comparison to the $4 billion or more we are being asked to appropriate this year. Moreover, the studies could be paid for out of the foreign assistance funds appropriated for each country.

Another objection was made that perhaps we could not find men from private life who would be willing to undertake such work. I would want to see two prominent and able men from outside the Government appointed to serve on each such committee, with others added if the President decided to enlarge the committee beyond five. In addition, each committee should have at least three members of the administration familiar with our foreign assistance program. In my judgment the separate studies would require probably 4 to 6 months, perhaps less for some countries, to make the detailed study and evaluation of the program in each country.

Commencing with countries such as Korea, India, Japan, Nationalist China, Greece, South Vietnam, Brazil, Pakistan, Turkey, the Philippines, and Iran, we could perhaps do the study in one-half of the countries in 1 year. That would require, say, 80 or 100 men from private life. If we cannot find 80 or 100 men from private life who would be willing to do this important work, our country is in very bad shape indeed.

The purpose of our foreign aid program, as I conceive it, is to assist the developing free countries of the world in their economic and social development in raising the standards of living of their people, and thus to help them maintain and strengthen free institutions and democratic values.

If our aid is not being effectively used, we will fail, or at least fall short of the objectives of our country and of the countries we assist.

So I submit the resolution today, and I have asked that it lie on the desk until April 1. I expect to consult with other Senators about it. Later, next week, I shall elaborate in more detail on my reasons for submitting the resolution.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. HUMPHREY. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until Monday next at 12 noon.

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

ADDRESS BY VICE PRESIDENT JOHNSON

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a remarkable address which was delivered yesterday by Vice President LYNDON B. JOHNSON. The address was delivered at the First Inter-American Defense College graduation at Fort McNair. The speech was heard by many Central and South American ambassadors and distinguished representatives of those countries in both civilian and military life. It was received enthusiastically. In fact, I have been told today that many of the embassies of the South American and Central American countries have asked for copies of the speech, including the tape recording that was made of it.

The Vice President not only gave a challenging message relating to the need for solidarity and the cooperation among the members of the American states, but presented some good, hard, factual material concerning our relationships with all the countries of this hemisphere, including Cuba.

I call to the attention of the Senate particularly the facts the Vice President outlined relating to Cuba.

First. He said in Cuba, under communism, the gross national product has fallen by 25 percent.

Second. In Cuba, as elsewhere, communism has demonstrated again its inability to meet the food requirements of the people. Food consumption has declined 15 percent under Castro.

Third. Sugar production, the lifeblood of Cuba's economy traditionally, has consistently declined each year under the Communist regime, and the 1963 crop will be the smallest since the end of World War II.

Fourth. The Cuban economy has already cost the Soviet Union more than $1 billion.

Fifth. It is of significance to Americans in each republic of this hemisphere that since communism seized control of Cuba, nearly a quarter million people have fled from Cuba.

These are the facts, as the Vice President cited them. I am sure when my colleagues in the Senate study this speech, they will find it to be one of the most thought provoking and one of the most ably documented speeches on U.S. policy relating to Latin American countries that has been delivered to date.

I compliment the Vice President and thank him for this splendid presentation.

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

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

REMARKS BY VICE PRESIDENT LYNDON B. JOHNSON, FIRST INTER-AMERICAN DEFENSE COLLEGE GRADUATION, FORT MCNAIR, WASHINGTON, D.C.

This is a proud occasion for all the Americas—and all Americans. Only a year ago the Inter-American Defense Board observed its 20th anniversary by meeting with President Kennedy to discuss the concept of the Inter-American Defense College. The college was an improved plan then—but still on paper. Today the first class of the college meets for graduation.

It is fitting that the emphasis of the college emphasizes more than the study of military affairs alone. As the charter of this institution spells out, economic, political, and social factors—as well as military—"constitute essential components of inter-American defense."

The Republics of this hemisphere share the common purpose of safeguarding peace, independence and well-being of all men who bear the name of Americans. But that purpose cannot be accomplished by arms alone. To preserve peace, to maintain independence, and to further the well-being of all our people, we must achieve political, economic and social stability under responsive and responsible democratic institutions.

That is the purpose of the Alliance for Progress. That is the purpose of the deliberations underway today in Central America. That is—and will continue to be—the purpose of our expanding efforts to achieve greater unity and more effective cooperation among the free nations of this New World.

At this moment, the most urgent problem in our hemisphere is the existence of communism in Cuba. Our mutual objective is to end that Communist regime in Cuba. We cannot be really content until communism is gone from Cuba and gone from this hemisphere.

The united action last October of the Organization of American States made indelibly clear that the Americas will not acquiesce to the establishment of Communist arms in the Western Hemisphere.

Equally, we shall not be content until the last of Soviet forces are withdrawn from Cuban soil.

We are mutually determined that the Cuban people shall have opportunity to choose their own government, freely and without oppression.

If the naked attempt of the Soviet Union to transform Cuba into a military threat to the hemisphere required realism of us all, no less realism is required of us in meeting the broader threat to our security which is presented by the presence of poverty, privation, illiteracy, disease, and injustice anywhere among our Republics.

The basic problem of security in our hemisphere is not Cuba, not Castro, not communism. The most impressive lesson learned from Cuba is that communism is not the answer to the need of this hemisphere. Cuba is clearly proving to be for the Communists a showcase of failure—not a show window of success. Where West Berlin stands behind the Iron Curtain as a conspicuous example of the superiority of freedom, Cuba today exists within the community of free American Republics as an even more glaring example of Communist failure in and for the New World.

We must not overlook—we must not minimize—the significance and importance of these facts:

1. In Cuba, under communism, the gross national product has fallen by 25 percent.

2. In Cuba, as elsewhere, communism has demonstrated again its inability to meet the food requirements of the people. Food consumption has declined 15 percent under Castro. For the past 1 year, foodstuffs have been rationed. Clothing was added to the ration list last month.

3. Sugar production, the lifeblood of Cuba's economy traditionally, has consistently declined each year under the Communist regime and the 1963 crop will be the smallest since the end of World War II.

4. The Cuban economy has already cost the Soviet Union more than $1 billion. We estimate that Cuba currently is costing the Soviets $1 million per day. Yet even this support has been unable to arrest the deterioration and decline of the Cuban economy.

5. Finally, it is of significance to Americans in each Republic of this hemisphere that since communism seized control of Cuba, nearly a quarter million people have fled from Cuba. The United States has issued authorizations to another 300,000 Cubans to enter this country if they are permitted to leave their island prison. I might add that we have received nearly 600,000 individual Cuban requests for visa waivers.

To recite these facts is to recite a story of failure—the failure of communism in this hemisphere. That failure is inherent in the Communist system itself. But we must not overlook the fact that this failure is also a result of the unity and cooperation of free nations acting together through nonmilitary means to accelerate and precipitate that failure.

While some argue that the application of selective controls are not enough, it is well for us to examine the results of our efforts in this regard.

1. In 1962, free world trade with Cuba was less than $90 million—only one-tenth the precommunism level. That trade will be even lower this year.

2. Total trade between Cuba and all of Latin America last year was only $12 million and will virtually disappear this year. I would emphasize that a large portion of the free world's limited 1962 trade with Cuba was food. None of it was in arms. None of it was strategic goods. None of Cuba's oil came from or is coming from free world sources.

3. Contrary to some beliefs, free world countries are cooperating closely in these efforts. Free world shipping to Cuban ports is now one-tenth what it was before October. Where in January 1962 128 free world ships put in at Cuban ports, in January of this year only 12 free world ships carried cargoes to Cuba.

4. Increasingly effective political isolation of the Communist regime in Cuba has been achieved on a hemispheric basis. Fourteen Latin American countries have broken diplomatic relations with Cuba. Last October complete hemispheric solidarity on the Cuban issue was achieved for the first time with the unanimous vote in support of the quarantine. In many student and labor elections in the hemisphere during the past 2 years there have been significant gains for the democratic forces and a significant decline in the appeal and influence of Castro communism.

5. Members of the OAS are now taking vigorous steps to deal with the threat of Cuban subversion of democratic institutions throughout the hemisphere.

More could be mentioned. These measures make the point, however, that both the will and the capacity of American Republics to unite in common purpose is maturing responsibility—and this offers all

of us solid and tangible encouragement to believe that we can achieve and maintain the unity essential to meet and master the long-standing and continuing problems of our hemisphere.

If Cuba offers to Americans, North and South, convincing proof that communism does not hold the answer to the needs and aspirations of the peoples of this hemisphere, we must not fail to look at the other side of the coin. Communism's failure merely underscores for us freedom's responsibilities. The needs of this hemisphere are needs of the people. Those needs must be met—and we must meet them under freedom.

The presence of Communist forces in Cuba is testimony to the ultimate failure of communism in this hemisphere. Those forces are there because communism cannot—in either the New World or the Old World—dare to permit the people to exercise the rights of representative democracy.

The high purpose of the Alliance for Progress is to make real for all the peoples of the Americas a democratic alternative to the doctrine and dogma and defaults of totalitarianism—in all its forms.

The ultimate goal of the Alliance for Progress is to serve the people of this hemisphere. The Alliance for Progress is for people—it was designed to solve human problems, to help people to live better and more productive, more dignified and satisfactory lives. Through the Alliance, we are trying to make accessible for every citizen of this hemisphere the opportunity to satisfy men's basic needs for home, land, work, and schooling in an environment of freedom and health and opportunity.

The real story of the Alliance for Progress is not the present story of its difficulties but, rather, the long-range story of its absolute necessity. All alliances, all effective confederations, all successful unifications among freemen have begun uncertainly. Unity itself is more difficult to achieve than are the works which flow from unity. But unity of purpose is the special genius of this hemisphere and we can be confident that this genius will find its finest hour in the 10 years of common purpose of our efforts through the Alliance for Progress.

Building new industries and new roads, laying new rails, and modernizing old agricultures are difficult labors. Even so, it is easier and quicker to do these things than to produce a people with an economy capable of fully utilizing such works. Under the Alliance for Progress, we are trying to do both. Long, hard years may lie ahead. But those years of effort and progress will be neither so long nor so hard as the years of inertia and inaction which lie forever behind us.

In the work that we must do as Americans, the military of the American Republics will be filling a creative and constructive role of the first magnitude. Under the civic action program, we began last year actively encouraging Latin American armed forces to expand their participation in public works, in improving agriculture, transportation and communications, health, sanitation, and other such lasting contributions to economic and social development. Such work has been performed as a matter of standard practice over the years by armed forces in a number of our Republics, such as Peru, Bolivia, Brazil, and Chile. In Peru and Bolivia, this country has supported engineer construction units through our military assistance program—and we are now actively planning expansion of this program in other countries of the hemisphere.

Because we live in a hemisphere where peace has found a home, we can realistically look forward to utilizing our military forces for the full realization of the promise of peace. This is a pioneering concept—a new departure in the affairs of man. It is a new departure of which all members of the military of our Republics can be especially proud to take an active and creative part.

All of our achievements in hemispheric unity—whether military or nonmilitary in character—aim toward the common purpose of realizing the fruits of peace. We must not be deterred from this goal. We must maintain the strength, efficiency, and alertness of our military forces. We must be sure of our state of preparedness, as we must be swift in our response to danger. But the presence of military challenges must not mislead us to believe that the solution of our problems in this hemisphere is a military solution alone—or even foremost.

Today, as throughout the modern history of the Western Hemisphere, our guard must be constant and strong against subversion of our democratic institutions and integrity. But we can well recall the words of a great free world leader—not of our hemisphere—Winston Churchill, who said: "The first victory we have to win is to avoid a battle; the second, if we cannot avoid it, to win it."

Against the dangers which face us, we must bring the response of responsible freemen to bear—the response of greater unity, constant cooperation, continuing joint purpose. There can be no peace in the hemisphere unless there is peace in the world and there will be no peace in the world if we are irresponsible as peacekeepers in the hemisphere. Our purpose is peace—with honor. But we shall not allow our honor to be compromised, our freedom to be jeopardized, and our opportunity to be defaulted.

ASSISTANCE IN PROVISION OF HOUSING FOR ELDERLY PERSONS

Mr. CLARK. Mr. President, I introduce for appropriate reference a bill to assist in the provision of housing for elderly persons on behalf of myself, Senator MORSE, Senator RANDOLPH, Senator MCINTYRE, and Senator NEUBERGER. I ask that the bill be allowed to lie on the desk for 1 week for additional cosponsors.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Pennsylvania.

The bill (S. 1170) to assist in the provision of housing for elderly persons, and for other purposes, introduced by Mr. CLARK (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. CLARK. Mr. President, in his message on the aging, President Kennedy painted a full portrait of the sorry plight in which many of our older citizens find themselves. He drew attention, in particular, to the very special problems of shelter faced by those who are past their middle sixties.

One-fourth do not have households of their own, but live in the homes of relatives, in lodging houses, or in institutions. Of the remainder, over 30 percent live in substandard housing lacking a private bath, toilet, or hot running water, or which is otherwise dilapidated or deficient. And many others live in housing unsafe or unsuitable for elderly people.

The President further pointed out that almost half of those over 65 and living alone receive $1,000 or less a year. About half the spending units headed by persons over 65 have liquid assets of less than $1,000. Two-fifths have a total net worth, including their home, of less than $5,000.

Last year, the Subcommittee on Elderly Housing of the Special Committee on the Aging, of which I had the honor to serve as chairman, held extensive hearings on the shelter problems of the elderly. Out of those hearings came important legislation but it was introduced too late in the session for action.

Mr. President, the subcommittee's findings coincided precisely with those of the President. Many of our older people with very limited income live in rental housing which falls far short of any reasonable standard of health or safety. Nearly 40 percent of those who live in rental housing are in quarters classified as substandard and yet they are frequently charged exorbitant rents.

It is true, of course, that over the years Congress has enacted a variety of measures designed to ease the shelter problems of the elderly. Within the higher income brackets these programs have been generally successful in meeting a vital need. But they fail to meet the requirements of most single older persons and those couples who can afford to pay only $40 or so per month.

Under the public housing program, for example, approximately 120,000 persons 65 and over now have been provided shelter—just under 80,000 families. But over 2 million elderly persons have incomes low enough to qualify for this kind of housing.

Under section 202 of the Housing Act, long-term loans may be made to private nonprofit corporations, consumer cooperatives, or public bodies which sponsor rental or cooperative housing for older people. Fund authorizations for this program currently are far below the applications. This has occurred despite difficulty in finding sponsors to undertake these projects in specific communities. Such an undertaking requires a high level of expertise—in many communities most available in the local housing authority. Unfortunately, however, such authorities are presently excluded from participation in the program.

The subcommittee found that rental housing stimulated by section 231 of the Housing Act, which insures lenders against losses on mortgages used for construction or rehabilitation of rental accommodations for older persons, has been largely in so-called retirement communities in the sunshine States of Arizona, California, and Florida. Comparatively little use of the program is found in the more populous States.

The FHA loan program for moderate income housing, enacted in 1961, is greatly impaired by its limitation to family units. Just about a quarter of the older population lives alone or with nonrelatives. A large proportion is, of course, widowed. In the Housing Act of 1956, Congress made single men and women over 65 eligible for public housing. This program should be similarly improved.

The regular FHA mortgage program encourages homeownership by those over 65, but, unfortunately, those with

the financial means to avail themselves of the program comprise an extremely small minority among our older citizens.

With 5 million ill-housed senior citizens in the country it is a grave disappointment to find that only 100,000 units of elderly housing have been built in the last 6 years under all these existing Federal programs.

There are those who argue that this is a problem best left to the private market to resolve. Indeed, they espouse a "rollback" in Federal expenditures for housing.

They put forward their arguments with added vehemence in a year when a tax cut has been recommended.

Well, how well has the construction industry done in meeting this challenge?

True, it has performed well in providing quality housing for millions of Americans since World War II. But virtually all of this has been suburban housing for younger and comparatively well-to-do families.

The three-bedroom house, often on two floors with a large lot and no convenient transportation, is hardly the kind of place for an elderly couple in its retirement years. Such a couple or an individual wants quarters convenient for its own purposes, not child rearing—quarters relatively small, convenient to public transportation, stores, health services and recreation, possibly including special safety features.

This is not the kind of housing the building industry has been interested in providing. Not, that is, without outside incentives.

And those incentives, by and large, must come from Government.

This leads to the crux of the problem. If we assume that only 20 percent of the 5 million who need better housing would want to live in the kind of quarters being erected under the Federal programs, a very radical assumption indeed—in other words, if we assume that 80 percent can be satisfactorily housed by the private economy in hand-me-down family housing or converted hotels and roominghouses—we still need to provide something like 1 million units through the Federal programs. At $10,000 to $12,000 a unit, which is our current experience, an investment of $10 to $12 billion is required.

These figures are perhaps speculative. But they are clearly frightening. The 20-percent estimate is arbitrary, but it seems conservative. Two years ago I had the opportunity to look at specialized housing for the elderly in Sweden and Denmark, both of which have far more such housing than does the United States in relation to population. Their experience would bear out the suggestion that if we had specialized housing for the elderly for 9 percent of our elderly households—in other words, 20 percent of those needing housing—such housing would be readily occupied by people who would find their new homes far preferable to their present ones.

Thus, while we cannot say with confidence what the ultimate need is, we can say with total confidence that it is far greater than the supply of specialized housing that now exists. The subcommittee has urged intensive research to find answers to the questions of how much such housing is needed, and what the characteristics of such housing should be.

As a phase of this research, we urge community-by-community surveys, and we propose that Federal assistance to urban planning under section 701 of the Housing Act of 1954, as amended, be extended to cover these surveys. The official planning body and the community wide council of social agencies, under our recommendation, would collaborate in organizing a survey in a given community. They would find out with some degree of exactness the actual living conditions of senior citizens in the community, the extent of their need for better housing, and the kind of housing they would like to have.

Do the old people want to live in multiunit buildings with other old people, or do they want to be scattered throughout the community in neighborhoods with younger families? Do they want to live downtown, or on the edge of town, or somewhere in between? How do they feel about high-rise buildings? How many can prepare their own meals, and how many need the service of a central kitchen or dining hall?

We know that the answers to these questions will be that some old people prefer one pattern of living, and some prefer another. Some can live independently; the degree of dependence of the others varies widely. But the important thing is to determine, in each community, the approximate numbers who want and need one or another kind of accommodation and then to develop the plans, and select the sites, that will be suitable to that community. Those making the surveys in each community would have the benefit of the experience of other communities and the best available knowledge on the subject, made available to them by the central research staff in the Housing and Home Finance Agency. The undertaking would be closely coordinated with urban renewal activity.

Now, how about the money problem in this year of the tax cut? Obviously, any adequate housing program for the elderly or any other group will cost a great deal of money. Only through Federal assistance can rentals be brought down within the range of "ability to pay" for those living on small pensions and other retirement income. The subcommittee urged that the Federal programs be expanded as rapidly as the demand develops in the communities throughout the country.

Whether the result will be a demand for $10 or $12 billion worth of projects, or somewhat more or less, is not clear—and for that reason this particular bill suggests no amount. But what is clear is that the demand will be of a totally new order of magnitude compared to that of the existing programs.

It is equally clear that this kind of money can never be squeezed out of the Federal budget. Of the three Federal programs, only the public housing program involves a subsidy from the taxpayers. Yet, ironically, it is the only one of the three that does not suffer severely from budget limitations. Under this program, the capital cost of a project is spread over 40 years of Federal budgets and the immediate impact of a new project on the current year's budget is consequently not great.

The section 202 direct loan program and the section 231 FHA insurance program, on the other hand, involve no subsidy. Under section 202, the Federal Government lends the money at a rate sufficiently high to cover its own cost of borrowing plus a margin to cover administrative costs and provide a reserve against possible losses. Under section 231, the Federal Government, through FNMA, purchases mortgages with appropriate funds, but the interest rates are sufficient to cover the cost of FNMA's borrowing from the Treasury.

Yet, in both cases, the total amount of the loan or the mortgage, as the case may be, is carried in the budget as an expenditure during the year in which it is made. If we were to set out to build 100,000 units under these programs, therefore, it would require at least $1 billion from the budget. This would provide only 2 percent of the 5 million who need better housing. Yet our budget limitations are so tight that it is not easy to see how this kind of money—much less 10 times that amount—could be provided in any reasonably short period of time.

Thus, the anomalies of our budget practices make it far easier to finance 10,000 units of nonsubsdized private housing under the direct loan or mortgage insurance programs which pay their own way. That is because one of them is in the budget and the other one is not.

Accordingly, our subcommittee stressed the urgency of developing either a new method of financing, or a new method of budget presentation. This bill embodies the latter approach. It does it very simply—by directing that only the ultimate estimated net loss, if any, from the loan and mortgage purchase progams be treated as an expenditure in the budget. Since there has been and will be no ultimate net loss at all, these programs would simply be excluded from the expenditures column. The Congress would still control the magnitude of the programs, of course, by limiting the borrowing authority of the responsible agencies. And the operations of the programs would, of course, be shown in the budget documents, but much as trust fund operations are shown—outside and separate from the administrative budget.

This proposal may sound novel, but it is not. It merely applies, to a single program, the principle of capital budgeting which many of us have long advocated.

Every State, every city, every county, every private business, and every foreign country whose budgeting practices have been examined by our own experts, I believe, separates recoverable investments from outright expenditures. A city government may borrow in the tens of millions for capital expenditures, but it is regarded as fiscally sound if its operating budget, including amortization of its

bonds, is balanced. The same is true of county and State governments. No private business would lump together its payrolls and its loans in a single column called expenditures; a loan is offset by an entry in the income column reflecting the value of the obligation created by the loan. Yet the Federal Government, if it lends $10 million, ignores the fact of an equal increase in the total of debt owed to the Government. Does a bank treat a loan just as if the money were given away? Of course not. Then why should the Federal Government, when it performs the functions of a bank, treat its loans in that manner?

There is no other jurisdiction, public or private, on the face of the earth that keeps its books in the ridiculous way the Federal Government does.

This is what the President of the United States referred to in his commencement address at Yale University last year, when he complained that the Federal budget "cannot tell a loan from a straight expenditure" and "cannot distinguish between operating expenditures and long-term investments."

Perhaps someday, with the leadership of the President, we will shift our budget as a whole over to a new system of presentation. But I am tired of waiting. I think we should begin by applying the principles of capital budgeting to a single program, housing for the elderly. It is an urgent program. It is one with an enormous potential for increasing human happiness. It is one which helps people who are least able to help themselves, helps them to satisfy what may be the most important single yearning in their lives—for a decent place in which to live. And it is a program which can go nowhere, which cannot really get off the ground, without a change in budget practices.

I submit that here is the place to begin. Let us try the principle of capital budgeting in this one program. We can consider the principle separately and later for other programs which may have an equally valid claim. But if we wait for a complete recasting of the Federal budget before we apply the principle anywhere, we will certainly wait for years—if not forever. And, meanwhile, old men and women will continue to live in unsafe, rundown, unsanitary, unsuitable housing instead of in the bright, new attractive quarters which can be theirs if the Federal programs now underway can be expanded to meet the demand which will come from the communities of America.

There are other provisions in the bill—to facilitate the provision of housing for the elderly in urban renewal areas, to ease the impact of renewal on elderly people, to broaden participation in both the direct-loan program and the nursing-home programs, and otherwise make our efforts more effective. Instead of elaborating on these points, I ask unanimous consent that there be included in the RECORD, at this point in my remarks, a summary of conclusions and recommendations from the report of the Subcommittee on Housing for the Elderly and a section-by-section analysis of the bill.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Is there objection?

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

REPORT OF THE SUBCOMMITTEE ON HOUSING FOR THE ELDERLY

SUMMARY OF CONCLUSIONS

(1) A national problem: Housing for the elderly is a national problem of great magnitude, which the Nation has only begun to recognize and come to grips with. And the problem will grow as the number of elderly persons grows—from 17 million over 65 in 1960 to 24.5 million in 1980.

(2) Magnitude of the need: While the supply of housing is inadequate for all age groups—as indicated by the estimated 11 million substandard units still in use—a higher proportion of elderly than of any other age group live in substandard dwellings because their income is least. About 5 million households among the 11 million containing elderly persons, or 45 percent, need to be better housed.

(3) Need for specially designed housing: Even among elderly persons living in "standard" housing, many are ill-housed because units designed for families may be unsuitable for the special needs of elderly persons, especially those most advanced in age. They need housing especially designed for older persons. Such housing units should be suitable in size for single individuals or couples, easy to maintain, economical in cost, convenient to community activities and services, and incorporating certain design features which reduce the hazards to older people whose physical mobility is reduced. Housing properly designed for older people enables them to maintain independent households longer than is possible otherwise.

(4) Need for range of choice: Individual retired people differ widely in their housing needs and desires. Specially designed housing should, therefore, offer a range of choice, adjusting to the requirements of the older person rather than requiring him to make the adjustments to a style of living he may find objectionable.

(5) Expansion of Federal programs: In view of the severely limited incomes of most persons over 65, substantial improvement in the living conditions of the Nation's elderly depends heavily on Federal assistance to provide specially designed housing at reduced costs. Present Federal programs—FHA insurance, direct Federal loans, and special public housing units—are well conceived, and for those relatively few persons whom they serve, they are of great benefit. But compared with the magnitude of the need, they have barely scratched the surface—producing a few thousand units when the need is in the millions. If the Nation is to succeed in providing decent shelter for all its older citizens, it must undertake an effort on a scale far greater than is now underway.

(6) Financing of Federal programs: Such an effort can hardly be undertaken as long as all of these Federal programs depend on appropriated funds which are included as budget expenditures. The FHA and VA programs which have been instrumental in the vast expansion of suburbia since World War II have succeeded only because their insurance and guarantee operations were outside the budget. The direct loan and loan insurance programs for the elderly involve no cost to the taxpayer, and no net increase in the Federal debt. In the case of the direct loan program, all the Government does is pass on to the borrower the comparatively low interest rates which the Government is able to obtain. The mortgage insurance program makes private financing more readily available by insuring lenders against loss. Yet through the technicalities of budget presentation these transactions are treated the same as other governmental expenditures which involve 100 percent subsidy. Either a new method of financing housing for the elderly must be found which will bring down interest rates without requiring the use of appropriated funds, or the methods of budget presentation must be changed so that repayable loans are not lumped in with outright expenditures.

(7) Nursing homes: Progress in meeting the need for good nursing home accommodations has been retarded by the exclusion of nonprofit nursing homes from FHA insurance aid now given to proprietary nursing homes.

(8) Research: In order that housing for the elderly may be properly planned, much more knowledge is needed. Research should be of two kinds—general studies aimed at learning more about the effects of various housing arrangements on older persons and evaluating the varied projects which have been undertaken; and community-by-community studies of the shortcomings of housing for the elderly and the particular needs and desires for improved shelter expressed by the elderly themselves in each locality.

(9) Community organization and leadership: Even if the limits could be removed from Federal assistance, few communities are prepared to take advantage of such assistance and proceed rapidly with the design and construction of specialized housing for the elderly. This is due not only to the absence of data, referred to above, but to the absence of community organizations prepared and competent to assume leadership. The country needs more specialists in the field of housing for the elderly, and communities need to mobilize the resources of all organizations, both public and private, which can contribute to leadership and planning.

(10) Community planning: Based on the results of both general and local research, each community should develop a plan for housing its own elderly which will enable those who are ill-housed to move into suitable dwellings and offering a range of choice within the limits of what the elderly can afford. This plan should be an element of, and consistent with, the community's comprehensive physical plan.

(11) Urban renewal: Urban renewal has worked particular hardships on elderly persons, both because they are heavily concentrated in renewal areas and because as a group they are less adaptable and hence suffer more from sudden and enforced change in their living arrangements. Every possible step should be taken to soften the impact of urban renewal on older people.

PRINCIPAL RECOMMENDATIONS

The subcommittee offers the following recommendations, which are developed in more detail in the remainder of this report, and requests their consideration by the Housing Subcommittee of the Committee on Banking and Currency.

(1) Expansion of Federal programs: Federal assistance under existing programs for housing for the elderly—FHA insurance, direct loans, and special public housing units—should be expanded as rapidly as communities are prepared to take advantage of these aids. The authorization for the direct loan program should be increased immediately, since applications exceed total funds now authorized.

(2) Financing of Federal programs: To make the needed expansion of Federal assistance possible, a new method of financing those programs which involve no subsidy—the insurance and loan programs—should be devised to remove their dependence on appropriated funds, or methods of budget presentation should be revised so that these transactions, which involve no ultimate expenditure, are not classified as outright expenditures.

(3) Community organization and leadership: In order that all of a community's

resources may be mobilized to deal with the housing problems of its elderly citizens, the restriction on participation by local housing authorities in the direct loan program should be modified.

(4) Nursing homes: Nonprofit as well as proprietary nursing homes should be made eligible to participate in the FHA mortgage insurance program.

(5) Research: The Housing and Home Finance Agency should undertake a major research program to obtain far better data than now exists on the housing needs of the elderly and the effect on older persons of various housing arrangements.

(6) Community planning: Federal assistance to community planning should be expanded to provide aid for surveys of the housing needs of the elderly in each locality and the development of comprehensive community plans.

(7) Urban renewal: In order to ease the impact of urban redevelopment on housing for the elderly, the following steps should be considered:

(a) Amend provisions of the Housing Act of 1949 relative to local noncash grants in aid to permit local public agencies to make sites available for development of cooperative and nonprofit sponsors of housing for the elderly and to credit the value of such sites to the project as a local noncash grant.

(b) Authorize the Federal Housing Administration to insure mortgages for the rehabilitation of the residence of an elderly homeowner on terms which do not require full amortization of the loan. Such mortgages could require payment of interest only or interest plus a part of the principal with the balance becoming due upon the sale, devolution, or other transfer of the property.

(c) Authorize rent subsidies for limited periods to enable persons displaced by urban renewal or other Federal programs to obtain decent housing, the subsidies to be included as part of the project cost.

SECTION-BY-SECTION SUMMARY OF THE HOUSING FOR THE ELDERLY ACT OF 1962

NEED FOR THE SECTION	EFFECT OF THE SECTION
Section 2. Home improvement loans under section 220(h) of the National Housing Act	
Many elderly persons and couples own their own homes, and are able to live comfortably on very small retirement incomes because they are homeowners and do not have to make rent or mortgage payments. But this independence can come abruptly to an end if their homes are in areas designated for rehabilitation and they are required to make major alterations or improvements to meet the housing standards of the neighborhood. It is becoming an increasingly acute problem that elderly homeowners in rehabilitation areas cannot take advantage of even the liberal mortgage insurance provisions which now are available and have no alternative but to move out of their deteriorated homes.	This section would permit the Federal Housing Administration to insure loans for elderly homeowners, the terms of which provide that all, or any unamortized part, of the principal becomes due upon the death of the owner or sale or other transfer of the property. Loans insured under this subsection would carry an amortization schedule which the lender and the borrower agree can be met with the elderly borrower's income; with the possibility, in the case of very low income persons, of the payment of interest only with the entire principal amount becoming due upon the next transfer of the property.
Section 3. Repair and rehabilitation under section 221 of the National Housing Act	
	Section 3 would extend the benefits of the same type of rehabilitation loan as contemplated in section 2 to elderly persons occupying housing which requires rehabilitation to make it suitable for their use after having been displaced from an urban renewal area.
Section 4. Eligibility for occupancy of single elderly persons in moderate income housing	
Section 221(d)(3) of the National Housing Act provides for a below-market interest rate for certain types of sponsors to provide moderate income housing. The present language makes this financing aid available for developers of family units with the result that widowed and single elderly individuals are excluded from occupancy of this housing.	The amendment made by this section would simply permit housing to be constructed under this provision for single elderly persons, as well as families. This is in the nature of a technical amendment to existing law, but one which should have considerable impact on the amount of new housing available to elderly persons.
Section 5. Mortgage insurance for nonprofit nursing homes	
Section 232 of the National Housing Act as now written discriminates against a major group of the providers of this specialized type of housing. Section 232, which was enacted in 1959, has proved effective in facilitating the financing of the private profitmaking nursing homes. But the many nonprofit groups, including the thousands of nonprofit hospitals which might add such facilities, are at a great disadvantage since they must raise their funds through private subscription or seek to borrow them without the benefit of mortgage insurance.	The amendment made by section 5 would extend the authority of the FHA Commissioner to insure mortgages for nonprofit groups to construct nursing home facilities. Mortgages could be up to 100 percent of the project cost with the same limitations now applicable to proprietary nursing home mortgages, or for the amount of the non-Federal share of Hill-Burton approved projects. The extension of mortgage insurance to nonprofit nursing homes does not in any way substitute for, or infringe upon that part of the Hill-Burton program which is devoted to nursing homes, but simply offers an aid to the financing through private channels of the sponsor's share of the project cost.
Section 6. Community planning to meet the housing needs of the elderly	
This section is directed toward helping communities to make full and proper use of Federal programs, as well as the other resources available to them to provide housing for their older citizens. Among the greatest lacks in this field is the paucity of information at the community level on the housing problems and needs of the elderly and how steps to meet these needs might be integrated with the total development plan of the community.	Section 6 would amend section 701 of the Housing Act of 1954, which provides grants on a matching basis for long-range urban planning, to authorize such grants to competent community planning agencies for surveys of the actual needs and problems of their older citizens.
Section 7. Eligibility of public housing agencies for direct loans for housing for the elderly	
It is important, if we are to meet the tremendous needs of our elderly people for appropriate housing, that all of the knowledge and skill available in each community be able to play its proper role. The direct loan program established under section 202 of the Housing Act of 1959, specifically excludes local housing authorities from participation, the program being primarily directed to stimulating and making possible the provision of housing by nonprofit and cooperative groups. It has been found, however, that in many communities, and especially in the smaller communities, there simply is no nonprofit group with the necessary experience, resources, and permanence to undertake such projects.	This section would modify the eligibility provisions of section 202 of the Housing Act of 1959, as amended, to provide that in communities where a demonstrable need exists for housing of the type built under this program, the local housing authority may be considered an eligible sponsor if no otherwise eligible group exists to meet this need.
Section 8. Relocation of elderly persons from urban renewal areas	
It has been found that the elderly tend to be concentrated in the older sections of cities and are disproportionately represented in areas subject to renewal. The present requirements imposed by the urban renewal program for relocation of persons in project areas do not now protect the interests of the elderly residents as well as they do those of the working population and, in fact, do not require any special consideration of the elderly being relocated. There is a serious shortage in most areas of decent, safe, and sanitary housing for relocation of very low income people. This problem is especially acute with respect to the elderly because they are less able to adapt to inadequacies in housing and because their incomes generally are among the lowest. Many proposals have been made for tapping the private housing market through supplementation of the rent paying ability of elderly persons being relocated. Although this approach obviously is fraught with many serious problems, the need for relief from the shortage of decent housing for relocation, especially of elderly persons, is so great that careful study is warranted.	Section 8(a) would amend section 105(c) of the Housing Act of 1949 to provide that the special needs and physical limitations of the elderly be provided for in relocation plans submitted to the Urban Renewal Administration. Subsection (b) defines "elderly families" and "elderly persons" for purposes of this section. Subsection (c) calls for a study by the Housing and Home Finance Agency of the need for and feasibility of a rent supplementation program as an aid in proper relocation of the elderly from urban renewal areas. The results of the study are to be reported to the Congress.
Section 9. Property in urban renewal areas to be used for elderly persons housing	
The possibilities for the reuse of cleared land in urban renewal areas for housing and related facilities for the elderly have not even been approached by renewal projects	

to date. In fact, it has been found that potential sponsors of low and moderate cost housing for the elderly have had great difficulty in obtaining sites in urban renewal areas because of the high cost of land and the competition of economically higher alternative uses.

An amendment to present programs is needed to help make possible through urban renewal the continued residence of elderly people in the areas of the city where they have lived, but in greatly improved physical surroundings.

This section authorizes the Urban Renewal Administration to add to the Federal share of the capital grant the difference between the amount of a local public agency receives for land used for housing for the elderly constructed by nonprofit or public agencies and the amount which would have been received from a developer who would devote the site to its highest alternative use. The section provides safeguards to assure that this authority and additional subsidy are used only to create complete developments with the facilities and services in addition to housing necessary for independent living by older people.

Section 10. Budget treatment of certain capital, recoverable and investment expenditures

The need for better housing for the Nation's elderly amounts to millions of units. This need simply cannot be met without the assistance of the Federal Government.

When this assistance is in the form of direct loans or FNMA mortgage purchases, it involves no subsidy by the taxpayers. It is inaccurate and misleading for such loans and purchases to be shown in the Federal budget as expenditures rather than as investments which will be repaid in full.

Section 10 would provide that only estimated net losses to the Government from mortgages purchased by FNMA under section 231 of the National Housing Act, as amended, and loans made under section 202 of the Housing Act of 1959, will be shown as expenditures in the President's budget.

Mr. CLARK. Mr. President, I note in the Presiding Officer's chair the able Senator from Michigan [Mr. McNAMARA], the chairman of the Special Committee on Problems of the Aging. I wish to pay this public tribute to him for the assistance he gave the subcommittee of which I am the chairman in preparing this report and hearing the testimony. I wish to thank him again for his support in having the report of the subcommittee approved by the full committee, and to point out publicly what a magnificent public service the Senator from Michigan [Mr. McNAMARA] has rendered over the years in studying and then in bringing to the floor of the Senate legislation to improve the lot of our senior citizens who are so badly in need of that kind of compassion which senior citizens get in almost every civilized country in the world except our own.

HOUSING FOR PEOPLE IN THE MIDDLE-INCOME BRACKETS

Mr. CLARK. Mr. President, I do not mean to imply in my preceding remarks that the only housing problems in America today are those of the elderly. Far from it.

Even in the middle-income brackets, the homebuilding industry has tended to concentrate its efforts among the families which are better off financially.

We are producing fewer homes per year than a decade ago, despite a housing market going unmet, a large number of unemployed who are seeking work, and a building industry with a sizable unused capacity.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks the text of a valuable document entitled "Report on Middle-Income Housing," prepared by the Housing and Home Finance Agency.

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

(See exhibit 1.)

Mr. CLARK. Mr. President, we will produce this year in the neighborhood of 1,400,000 housing units. Yet we should be building more than 2 million.

How big is the need in specific terms?

Last year, I requested the Housing and Home Finance Administrator to prepare a report on the extent to which various income groups in typical American cities could afford moderately priced new homes.

In response to this request Administrator Weaver has provided information on construction costs, housing expenses, income groups served and income groups not served by the homebuilding industry in some representative cities. These data have not been available previously and constitute an important new set of facts for the Congress to consider.

This study reveals what has long been suspected by housing economists, that the present product of the homebuilding industry is within the reach of only one-third to one-half of American families. The other half to two-thirds of our families cannot typically afford to purchase even the most modest home. Further, the study reveals that there are wide differences in both capital and operating costs of comparable homes in the cities selected for study. There is a marked tendency for the homebuilding industry to concentrate upon the construction of luxury-class homes as opposed to the minimum-price house. Thus, even where the industry might serve somewhat lower income groups it apparently tends not to do so in many cities, thus further curtailing the housing market.

I say this without assigning blame, for the industry is obviously pursuing a course of action intended to maximize profit and, indeed, must do so.

In addition, I have little question that the regulations of local government, and possibly some Federal aid programs, tend to induce the industry to produce somewhat higher quality and higher priced homes than minimum prices alone would suggest.

The study reveals wide variations between cities in the income groups served by the building industry. In some metropolitan areas as many as half of all families can apparently afford the typical minimum-priced product of the industry, at least when located on the cheapest available suburban land. This study does not treat of the difficult problems of providing some new housing, particularly rental housing, for moderate-income families who prefer to live in central cities. In the city of Philadelphia this is an especially difficult problem—one which arises in most of the major cities of the country.

The study also calculates the effects which different financial terms would have on the proportions of families able to afford new modest homes. These calculations reveal that the extension of terms comparable to those now available in the program of housing for the aged, or in the so-called 221(d)(3) program of renewal housing, could increase the proportion of families in the housing market by 50 percent. In almost every one of the cities studied, the extension of such credit terms would bring half to nearly two-thirds of our families within reach of a new home. I wonder how long the American housing economy can tolerate a situation in which more than one-half of the market is unserved. It seems to me that this is a crucial area wherein government can assist the building industry to achieve broader service to the American people as other industries are accustomed to doing.

It is my conviction that this study demonstrates the need for a new permanent program of credit aid for families in the moderate and lower income groups now excluded from the market. Such a program should make it possible for the average American family to buy or rent a new home. Even more desirable would be a program which would extend the same right to every American family which had a steady income and was prepared to assume the responsibilities of homeownership. I believe that it is our objective to provide incentives to enable the building industry to broaden its market to do this job. Further, such program would provide a needed bolstering of our national economy through largely private investment and business.

I do not hold, of course, that credit alone can do the required job. We need to provide incentives for the industry to build lower priced homes, incentives for potential customers to spend more on housing and less on frills, and incentives for local governments to remove any impediments which they may have put in the way of low-cost production. But these are features of a program which might well be tied to Federal credit aids designed for moderate and lower income families.

Mr. President, in the year ahead we will be reviewing the experimental programs adopted in 1961 and will be considering the features which are required in a permanent program to enlarge housing production and meet a broader segment of our housing needs. The study which the Housing Agency made for me provides valuable data on the extent of our present deficiencies and on some of the means for overcoming them.

EXHIBIT 1

REPORT ON MIDDLE-INCOME HOUSING

INTRODUCTION

The problems of providing an adequate supply of housing for middle and lower income families have attracted the attention of Congress in almost every year for the last 30 years. The enactment of each piece of basic housing legislation, the Home Loan Bank Act in 1933, the National Housing Act in 1934, the U.S. Housing Act in 1937, the Housing Act of 1949, and the Housing Act of 1961 was motivated by desire to make home ownership and decent rental housing available to families who could not otherwise obtain adequate housing, as well as by the

desire to provide opportunities for expanding employment and investment in the homebuilding industry.

During the last decade, the Congress has steadily expanded earlier programs in an attempt to solve these same problems more adequately. The progressive reduction of downpayment requirements and the extension of amortization periods for loans insured by the Federal Housing Administration or guaranteed by the Veterans' Administration were attempts to move in this direction. As early as 1950, a bill, S. 2246, introduced by Senator SPARKMAN would have established a new Federal mortgage corporation for cooperative and nonprofit housing for families otherwise unable to afford new homes. This principle was recognized in the Housing Act of 1961 which authorized the Federal National Mortgage Association together with the Federal Housing Administration to engage in an experimental program of mortgage insurance and loans directed specifically to middle income families.

Despite the extensive programs already enacted by Congress, it has been charged that the homebuilding industry as presently constituted and with present Government aids is unable to provide new housing for more than the upper 30 to 40 percent of the income groups of American families. If this is the case, then the homebuilding industry service to the American public is more narrowly limited and its market more narrowly circumscribed than that of other industries. This obviously has important implications, both for the housing conditions of middle and lower income families and for employment and investment in one of our major industries.

Of course, it is not necessary for all American families to be able to purchase or rent new homes. At any time most of our families are living in homes which are at least 10 years old. The partly depreciated stock of used housing is our major housing resource and most always accommodates the vast majority of families. In the Housing Acts of 1954 through 1961, the Congress enacted important legislation to help preserve and improve that existing stock.

If the housing market worked better it would provide a large volume of new housing for middle and higher income families. As these housing units aged, they would depreciate in value and decline in price or rent through what is called the filtration process, until eventually they became available at sufficiently low prices and rents in sufficiently good condition and in large enough quantities to meet the needs of other families of lower income at prices and rents within the means of those families. Unfortunately, this filtration process has never worked perfectly, as is evident from the fact that significant fractions of our population still live in substandard housing and that in many cities there is still a shortage of standard older homes and apartments at prices or rents within reach of moderate income families. If the market processes are to be made more effective, a larger volume of new construction must be produced each year so that there will be a larger stock of housing and lower prices for housing in the future. As long as the building industry serves only an upper income minority of the population, however, the volume of new construction is too limited to achieve the necessary amount of filtration. Historically this appears to have been the case.

This point may be simply illustrated. If homes are produced only for people in the top 30 percent of the income distribution and homes filter down through a decile of the income distribution in, for example, 10 years, it would take 40 years after completion before any of the housing units would reach the lowest 30 percent of the income distribution. Few of the units would then still be of acceptable standards. On the other hand, if new units were produced that were within reach of people in the top 60 percent of the income distribution, it would take only 10 years for some of these units to filter down to the lowest 30 percent of the income distribution, and the units would still be of acceptable standards.

The production of new housing units available to lower income groups would also enlarge the market for new units and lead to an increased annual production rate. The accelerated increase in the housing stock would add pressures for a hastened filtration process that would help cut short the economic life of the millions of substandard units that are still occupied at present.

The mobility of families, increases in population, changes in locational preferences, changes in the distribution of income, neighborhood obsolescence rates, withdrawals from the stock and other factors also influence the filtration rate, of course, but these forces are probably less direct than the proportion of families in the new home market.

Unfortunately, our understanding of these market facts has been severely limited in the past. In the absence of complete data on housing market processes and with inadequate research funds, we have had to infer even major facts about the market and have been unable to proceed on the basis of sound factual data. The recent census studies on components of change in the housing supply, and statistics now being gathered on new home sales and prices, will undoubtedly help to provide a sound scientific foundation for the development of programs for the home building indusrty which will enable it to expand its markets and serve American families more fully. The tables submitted below by the Housing and Home Finance Administrator and developed from data in the files of the Federal Housing Administration is an important contribution to this understanding. It will unquestionably assist the Congress, the American people, and the home building industry in their joint efforts to provide more and better housing and to provide enlarged opportunities for employment and investment in housing.

SUMMARY OF REPORT ON THE MIDDLE-INCOME HOUSING MARKET

The accompanying report presents statistics which are helpful in considering the financial aids needed in developing sales and rental housing programs for middle-income families.

The data presented are based upon the estimated construction cost and estimated monthly housing expenses for a basic single-family home built for sale in each of 10 geographically distributed metropolitan areas in the United States. Similar data are also presented on the estimated construction cost and estimated monthly rent for a basic rental unit in a walk-up type project in each of the same 10 metropolitan areas. Utilizing these basic data, interest rates and amortization periods were varied to determine the extent to which such changes in mortgage terms would reduce monthly housing expenses or monthly rentals, and in turn the number or percentage of families whose incomes in 1959 would have been sufficient, based upon an assumed 20 percent of income for housing expenses or rents, to afford the lower monthly housing expenses or rents.

An important qualification should be noted in interpreting the figures presented in this report. The estimated number or percentage of families who had sufficient incomes in 1959 to afford the housing expenses estimated were predicated upon the assumption of sales housing program for middle-income families. Similarly, the number or percentage of families who had sufficient incomes in 1959 to afford the rentals estimated were predicated upon the assumption of a rental housing program for middle-income families. If it is assumed, however, that both a sales housing program and a rental housing program were to be adopted, the estimates for a sales housing program could not be added to those for a rental housing program. For a combined sales and rental housing program, the number or percentage of families who would have had sufficient income to afford either to purchase the basic sales housing unit or rent the basic rental unit would tend to approximate the higher of the estimates for either the rental or sales housing program.

It should be noted also that substantial variation among cities can be expected in the extent to which sales or rental housing would be used, since local preferences for sales versus rental housing vary considerably.

SALES HOUSING

Minimum cost homes assumed

The accompanying tables show the costs required for the construction of a minimum standard, single detached home in the lowest price class meeting FHA standards in 10 geographically distributed metropolitan areas. The housing data were prepared from information in the files of the Federal Housing Administration and the income distributions are from census reports. It should be noted, first, that construction costs vary widely from metropolitan area to metropolitan area. In high cost areas such as Boston, Mass., and Newark, N.J., the minimum cost house is estimated by FHA to require $14,500, including costs of land. These costs are for a very small house of less than 1,000 square feet, with three bedrooms, meeting FHA local mortgage insurance standards and mortgage ceilings. The lowest construction cost for a comparable house is found in Phoenix, Ariz., where it would cost $11,000. Other metropolitan areas range between these extremes.

Incomes required by purchasers

The minimum incomes required to purchase this modest home under present circumstances, with current interest rates, and the 30-year financing now available in many of the areas in the sample are shown in table 1. This income will be from $7,800 in Newark, N.J., the highest cost area, to $5,200 in Atlanta, Ga., one of the lower cost areas. The other metropolitan areas in the sample, range between these extremes.

Families having required incomes

Table 2 shows the percentage of all normal families who have an income this high. In the Houston, Tex., metropolitan area, 58 percent of the families have the income required to purchase minimum standard homes. On the other hand, only 37.8 percent of the families in Boston, Mass., metropolitan area, have an income high enough to permit them to purchase the FHA minimum homes in that community. These percentages assume that the housing expense-to-income ratio is that found by FHA experience to be typical of families in these income groups. If, on the other hand, it is assumed that housing expense-to-income ratio should not exceed 20 percent of income, then only 50 percent of the families in the Houston metropolitan area have incomes sufficient to permit them to purchase the FHA minimum home and only 33.8 percent of the Boston metropolitan area families have such incomes. These figures clearly indicate that even under the most favorable circumstances the home industry can rarely serve as much as 50 percent of American families and more typically is serving between 35 and 45 percent of such families. As the report indicates, these are median or average figures. Many families can spend more of their income on housing than the tables assume, others much less.

Variation in monthly housing cost

It should be noted that just as construction costs vary from community to community, so also do the costs of homeownership. Appendix tables 1-A through 1-J

show the components of these costs of homeownership. The costs of mortgage interest and principal payments are assumed to be at the same interest rates, but vary with the capital costs of the dwelling in the several communities. FHA mortgage insurance premium rates are of course, standard. Other housing expenses, including the costs of heat, light and maintenance vary both with the costs of the dwelling and with climatic and other circumstances. These tend to be higher in the northern metropolitan areas and lower in souther metropolitan areas. On the other hand, there is a very wide variation in local real estate taxes which range from $26 per month in the highest cost community in the sample to as low as $4.94 per month in the lowest cost community. While the tables do not show what is received for these tax payments, the FHA reports them as typical of taxes on this type of home in each of the communities.

It is quite evident that local taxing practices and local service standards must vary widely and that some essential costs of local government are not revealed by the estimated tax payments. It seems reasonable to assume that the average American family purchasing a typical three-bedroom house has two children, both of whom would be in school in the years following home purchase. The costs of educating a child in reasonably managed public school systems will vary from as little as $200 per year per child, in school systems having the lowest possible standards, to as much as $1,000 per year per child in communities having very high standards. Where the home is paying only $60 per year in taxes it must be obvious that sales or other local or State taxes are supporting large parts of the cost of education. In addition, a substantial fraction of other costs of police, fire, streets and highways, recreation, health and other services must come from other taxes or these services are being provided at levels substantially below those which are common in most American communities. Thus, the tax payment component in housing cost may often conceal substantially higher nonproperty taxes which must be paid by the resident to provide essential services for housing. In more than half of the communities in the sample, real property taxes are less than a typical payment of approximately $20 per month, which is scarcely sufficient to support general government services plus a share of educational costs in most American communities.

Variations in median income

Appendix table 2 shows the distribution of income in the sample cities in 1959. It will be noted that median income ranges from a high of over $7,000 to a low of just over $5,000. Thus, the median income family in the highest income community can be as much as 40 percent above the median income in the lowest income community. There are comparable variations in the distribution of income among the several income classes as shown in Appendix table 2. This table also shows the cumulative percentage distribution of incomes in the sample cities. It will be noted that the percentage of families having an income less than $6,000 per year ranges from 37 percent to over 60 percent.

Proportion of families actually purchasing FHA homes

Appendix tables 3 and 4 show the distribution by income of families actually purchasing FHA insured homes during 1959 and 1960 under section 203 of the National Housing Act. These proportions obviously vary with the incomes of the families in each metropolitan area, the costs and prices of the homes produced by the building industry in each area and variations of cost of home ownership previously discussed. Appendix table 3 thus indicates that from 31 percent to as little as 3.4 percent of FHA home purchasers in 1959 had such incomes of less than $6,000. Comparable figures are presented in appendix table 4 for 1960.

When these income distributions of families actually purchasing FHA homes are compared with minimum incomes required for purchasers of a minimum standard house, it is interesting to note that in three northern cities from 31 to 49 percent of actual FHA purchasers had less than the minimum income required to purchase the minimum standard home. Put it another way, 69 to 51 percent of purchasing families did have adequate incomes to purchase the minimum standard home. By contrast, among the southern cities only 13 to 16 percent of FHA home purchasers had incomes less than those required for the minimum standard home as revealed by the tables.

Price classes of homes produced under FHA mortgage insurance

Appendix table 5 shows the appraised value of homes actually produced under FHA programs in the year 1959. This table reveals that a majority of the homes produced are valued at more than the minimum price assumed by the tables. Indeed, in the high cost area of the Boston metropolitan area, only 6.3 percent of all homes produced under FHA insurance were priced below $14,000 and in a lower cost metropolitan area of Mobile, Ala., only 6.6 percent of all FHA insured homes were produced at prices below $12,000.

Thus, the tables reveal startling disparities in the performance of the housing market in different metropolitan areas. Some cities like Indianapolis, Ind., are characterized by moderate building and housing costs and relatively high incomes. Here the building industry is in a position to serve about half of the potential market under ideal circumstances. Other metropolitan areas which have low costs, but low incomes, find the industry able to serve less than 20 percent of the potential market. It is interesting to note that, as measured by these ratios, some higher income, higher cost northern cities seem to have a better potential performance record than some lower income, lower cost southern and western cities. In eight of the metropolitan areas, the homebuilding industry is apparently serving less than 20 percent of its potential market, but in the other two areas, this percentage is 31.1 percent and 52.5 percent of the potential market.

These calculations, of course, ignore the proportion of families who are actually in the housing market, since in any one year less than 10 percent of the families will normally purchase a home. It is obvious that well over half of all families are not potentially in the market in any real sense in any year. If data were available on the income distribution of these families it would probably become evident that the proportion of the potential market actually served by the homebuilding industry was substantially less than that indicated by the tables. It might be reasonable to infer that the proportion in the market would be half or less than that shown in the tables. If adjustments were to be made for the extraordinary low tax areas, to take account of other taxes paid by homeowners in other ways, the proportion in the market would, of course, be further reduced.

Effects of financing charges on homeownership

Each of the tables to which reference has been made above also contains a series of columns showing the family incomes and the proportion of the families which would be served by progressive reductions in interest rate from 5¼ to 2 percent and extension of amortization period to 40 years. Tables 1 and 2 bring out very sharply the potential enlargement in the housing market which would result if such favorable terms were made available to families in moderate and low-income classes. Thus, under present financing terms of 5¼-percent interest rate and a 30-year amortization period, only 37.8 percent of Boston metropolitan area families would have had incomes in 1959 which would have permitted them to buy the minimum standard FHA home. Under the most liberal financing terms assumed—2-percent interest rate and 40-year amortization period—this proportion could almost be doubled to 61.7 percent. If it is assumed that a 20-percent ratio between housing expense and family income is a desirable objective, then the percentage of the families in the housing market in the Boston metropolitan area would have been raised from 33.8 to 57.6 percent by the variation in the terms described. Similarly, in the southern metropolitan area of Mobile, Ala., an estimated 39.4 percent of families would have been within income classes in 1959 which could have afforded a minimum standard house under present financing terms; 61.6 percent would have been brought into the housing market by the indicated change of terms. Since, as already has been noted, these are theoretical rather than actual proportions, the proportional increase in the market might be substantially higher than that indicated by the tables, if the homebuilding industry could be persuaded to produce a higher proportion of low-cost homes in such communities.

The following table shows the percentage of families whose incomes in 1959 would have been sufficient to pay the estimated housing expenses for the basic house, assuming housing expenses equal to 20 percent of income, 100-percent mortgage financing for 40 years and interest rates ranging from 4 to 2 percent; as compared with present rather generally available financing terms of 5¼-percent interest and a 30-year amortization period:

Standard metropolitan statistical area	Percentage of families with sufficient incomes in 1959			
	Under present terms of 5¼ percent, 30 years	Under terms of—		
		4 percent, 40 years	3 percent, 40 years	2 percent, 40 years
Northeast:				
Boston, Mass	33.8	45.6	51.8	57.6
Newark, N.J	39.3	50.4	56.1	61.5
North Central:				
Indianapolis, Ind	36.8	49.0	55.0	60.6
Minneapolis-St. Paul, Minn	41.2	56.0	63.0	69.3
Topeka, Kans	34.7	47.0	53.3	59.3
South:				
Atlanta, Ga	49.2	59.5	63.9	68.0
Houston, Tex	50.8	61.1	65.3	69.2
Mobile, Ala	39.4	51.6	56.8	61.6
West:				
Phoenix, Ariz	43.7	53.0	57.7	62.0
Portland, Oreg	38.2	50.1	55.7	61.1

The figures presented in the table above should not be interpreted to mean that all the families who had sufficient incomes in 1959 would have been eligible under a middle-income program. In any middle-income program which provides unusual financial aids, such as below market interest rates and extended loan maturities, it would be advisable not only to limit the sales price of the house, but also to limit in some way the eligible purchasers of the homes to those most in need. The latter might be done by establishing maximum income limits. Preference might well be given to families displaced by renewal. No public purpose would be served if the homes to be provided under a program intended for middle-income families would be made available to families whose incomes are considered adequate to purchase standard homes under presently available financing terms.

The more meaningful figures, however, would be the number or percentage of additional families who have sufficient incomes to afford to purchase the basic home under the particular financing plan adopted, but who would not have sufficient income to afford to purchase the basic house under the present best available financing terms of 5¼ percent interest and a 30-year amortization period. The following table presenting figures to illustrate this were derived from the previous table, and are based upon the distribution of family incomes for 1959:

Standard metropolitan statistical area	Additional percentage of families who would have had sufficient incomes in 1959, under the terms indicated, but with insufficient incomes under 5¼ percent, 30-year financing		
	4 percent, 40 years	3 percent, 40 years	2 percent, 40 years
Northeast:			
Boston, Mass	11.8	18.0	23.8
Newark, N.J	11.1	16.8	22.2
North Central:			
Indianapolis, Ind	12.2	18.2	23.8
Minneapolis-St. Paul, Minn	14.8	21.8	28.1
Topeka, Kans	12.3	18.6	24.6
South:			
Atlanta, Ga	10.3	14.7	18.8
Houston, Tex	10.3	14.5	18.4
Mobile, Ala	12.2	17.4	22.2
West:			
Phoenix, Ariz	9.3	14.0	18.3
Portland, Oreg	11.9	17.5	22.9

The above figures indicate, for example, that if the interest rate was reduced from 5¼ percent to 3 percent, and the amortization period extended from 30 years to 40 years, the reduction in estimated monthly housing expenses would have reduced the income needed to purchase the basic house so that an additional 18 percent of the families in the Boston metropolitan area would have had sufficient incomes in 1959 to purchase the basic house. Comparable figures for the other nine metropolitan areas indicate a range of 14 percent to 21.8 percent as the additional families who would have had sufficient incomes in 1959.

On the same basis, if the interest rate was reduced from 5¼ percent to 2 percent and the amortization period extended from 30 years to 40 years, the percentage of additional families who would have had sufficient income to purchase the basic house would have ranged from 18.3 to 28.1 percent in the 10 metropolitan areas included in the report.

These percentages of additional families are based upon the assumption that all of the additional families would become eligible for a middle-income program which would be based upon any one of the particular terms indicated. This would mean that the maximum income limit would be established just below the income needed to purchase the basic house under presently available financing terms, and the minimum income would be the income equal to five times the estimated monthly housing expenses for the basic house under the particular financing terms adopted. It will be noted, however, that practically all the families to be housed under such a program would have estimated housing expenses equal to less than 20 percent of income. On the other hand, mortgage terms could be tailored to meet the housing needs of families, to avoid this.

A middle-income housing program might be designed to provide for only the lower income part of the additional families. This could be done by reducing the maximum income described above, but making no change in the minimum income limit.

Another approach to a middle-income program might be to reduce the maximum income limit to the income level needed on a five times estimated housing expense basis under the particular financing terms adopted, and permit any family with an income below this income level to purchase the house if it so desired.

PRICE DISTRIBUTIONS OF HOMES ACTUALLY PRODUCED

Table 3 shows the actual distribution by price class in 1959 of homes built in three of the selected metropolitan areas during the period 1950–59. Since this was a period of steadily rising costs with very sharp cost increases during the first part of the decade, the median value of homes produced is actually substantially lower than it would be if comparable data were available for homes built in the years 1959 or 1960. Despite this fact, it should be noted that more than 81 percent of all the homes produced in the Boston area and over three-fourths of the homes produced in Atlanta or Minneapolis-St. Paul area had market values which exceeded the construction cost assumed for the minimum standard house cost.

SOME QUALIFICATIONS AND LIMITATIONS OF THE DATA

These data present for the first time authoritative evidence on the actual performance of the home building industry under the most important and the most effective of the Government's programs of aid to housing. The data present no evidence, however, on housing in central cities as opposed to suburban areas where lower land costs are found. Many American families prefer or must have close-in locations on higher cost land in order to preserve their access to places of employment.

The tables do not take account of the important variable of family savings. A proportion of home buyers make substantial down payments and thus reduce their current out-of-pocket housing expense. Doubtless, this will continue to be true in the future, though the proportion of low-income families with substantial savings is quite small. Nor do the tables deal with other family expenses which limit the ability of the family to purchase a home. Extra-large families, those who are required by employment locations to have two cars, those who have serious or prolonged illness in a family, or who care for parents or grandparents may often be unable to afford the ratio of housing expense to income assumed by the tables or found in actual FHA practice.

RENTAL HOUSING

The statistics on rental housing presented in the report which follows are similar to those for sales housing described in the first section of this summary, and cover the same 10 metropolitan areas.

The statistics on rental housing are predicated upon estimates of construction costs and monthly rentals, prepared by the Federal Housing Administration, for a basic two-bedroom rental unit in a walkup type structure. Inasmuch as a standard rental unit was used as a basis of comparison, these figures reflect the local cost differences which exist among the 10 metropolitan areas included in the report. Table 4 shows incomes of families now served by the 221(d)(3) program, and under other possible terms. Table 5 shows the proportion of all families with these incomes. Appendix tables 2 and 7A–J show the cost and income figures used for each metropolitan area.

The basic facts revealed by these statistics relate to (1) the extent to which reductions in the mortgage interest rate will reduce the monthly payment required for principal and interest, and in turn, the reduction possible in the monthly rent of the basic unit because of this; (2) the extent to which the family income needed could be lowered because of this reduced rent; (3) the proportion of the families in each of the 10 metropolitan areas whose incomes in 1959 would have been sufficient to pay the estimated rent for the basic unit under the various financing terms indicated; and (4) the additional proportion of the families whose 1959 incomes would have been sufficient to pay the estimated rent for the basic unit under the various financing terms indicated, but would not have had sufficient incomes to pay the estimated rent under present market interest rate financing terms. It is assumed in deriving these statistics relating to rental housing that the family income needed would be five times the estimated rent, or in other words that rent would be equal to 20 percent of income.

These basic facts are summarized in the statistics for each of the 10 metropolitan areas which are presented in the 2 following tables. The first table shows the percentage of families whose incomes in 1959 would have been sufficient to pay the estimated rent for the basic unit, assuming 100 percent mortgage financing is provided for a 40-year term, at interest rates ranging from 5¼ percent down to 2 percent.

Standard metropolitan statistical area	Percentage of families with sufficient incomes in 1959				
	Under present terms of 5¼ percent, 40 years	Under terms of—			
		4 percent, 40 years	3⅛ percent, 40 years [1]	3 percent, 40 years	2 percent, 40 years
Northeast:					
Boston, Mass	35.3	42.7	47.8	48.6	54.5
Newark, N.J	31.8	38.0	42.3	43.1	48.2
North Central:					
Indianapolis, Ind	35.9	43.4	48.6	49.4	55.3
Minneapolis-St. Paul, Minn	23.3	29.0	33.5	34.2	39.8
Topeka, Kans	25.1	31.6	36.1	36.8	42.7
South:					
Atlanta, Ga	46.5	53.2	57.7	58.3	62.8
Houston, Tex	44.5	51.3	55.9	56.6	61.4
Mobile, Ala	37.8	45.4	50.5	51.3	56.5
West:					
Phoenix, Ariz	28.8	34.7	38.8	39.5	44.5
Portland, Oreg	31.2	39.3	45.2	46.1	52.7

[1] These estimates for 3⅛ percent, 40-year financing differ somewhat from similar estimates based upon FHA income limits established under FHA sec. 221(d)(3) which also provides for 3⅛ percent, 40-year financing. The 2 main reasons for these differences are that in establishing maximum income limits (1) FHA adjusted the census income data for underreporting of income, whereas in preparing the above estimates no such adjustment was made, and (2) where the annual income limits based on a 5-times-annual-rent basis, exceeded the median income for an area, FHA reduced the maximum amount of mortgage insurable so that the resultant lower rent would be consistent with the median income; no similar adjustment was made in preparing the above estimates. For detailed figures, see tables 4 and 5 in the attached report.

The figures in above table show a considerable variation among the metropolitan areas covered in the percentage of families whose incomes in 1959 would have been sufficient to pay the estimated rent for the basic unit under the financing terms of a 5¼-percent interest rate and a term of 40 years. The percentages range from 23.3 percent in Minneapolis-St. Paul to 46.5 percent in Atlanta, Ga., and the percentages are higher for the three metropolitan areas in the South than in the metropolitan areas covered in other sections of the country.

The figures also show that if financing at reduced interest rates is provided, a substantially increased percentage of families would have had sufficient incomes in 1959 to pay the lower rent for the basic rental unit made possible because of lower interest rate financing. With financing at a 2-percent interest rate, for example, the percentage of families with sufficient incomes in 1959 to pay the reduced rent would have ranged from 39.8 percent in Minneapolis-St. Paul to 62.8 percent in Atlanta, Ga.

The figures presented above should not be interpreted to mean that all of the families who had sufficient incomes in 1959 would have been eligible under a middle-income program. In any middle-income program which would involve unusual financial aids, such as below-market interest rates, it would be advisable not only to limit the rents to be charged and thereby channel the reduction in debt service resulting from the lower interest rate financing into lower rentals, but also to limit in some way the tenants to be made eligible to rent the units under the program. The latter might be done by establishing maximum income limits, so that the units to be provided would be made available only to the families most in need. No public purpose would be served if the rental units to be provided under a program intended for middle-income families would be made available to families whose incomes are considered adequate to pay rentals predicated upon project financing at market interest rates.

The more meaningful figures, however, would be the number of additional families who have sufficient incomes to afford the estimated rent for the basic unit under a reduced interest rate financing plan, but who would not have sufficient income to afford the estimated rent for the basic unit under the present 5¼-percent interest rate financing plan. The following table presenting figures to illustrate this was derived from the previous table and is based upon the distribution of family incomes for 1959:

Standard metropolitan statistical area	Additional percentage of families who would have had sufficient income in 1959, under the terms indicated, but with insufficient incomes under 5¼ percent, 40-year financing.			
	4 percent, 40 years	3⅛ percent, 40 years [1]	3 percent, 40 years	2 percent, 40 years
Northeast:				
Boston, Mass	7.4	12.5	13.3	19.2
Newark, N.J	6.2	10.5	11.3	16.4
North Central:				
Indianapolis, Ind	7.5	12.7	13.5	19.4
Minneapolis-St. Paul, Minn	5.7	10.2	10.9	16.5
Topeka, Kans	6.5	11.0	11.7	17.6
South:				
Atlanta, Ga	6.7	11.2	11.8	16.3
Houston, Tex	6.8	11.4	12.1	16.9
Mobile, Ala	7.6	12.7	13.5	18.7
West:				
Phoenix, Ariz	5.9	10.0	10.7	15.7
Portland, Oreg	8.1	14.0	14.9	21.5

[1] See the footnote to the preceding table for an explanation of why these estimates differ somewhat from similar figures for FHA sec. 221(d)(3).

The above figures indicate, for example, that if the interest rate is reduced from 5¼ percent to 3 percent with no change in the 40-year amortization period, 13.3 percent of the families in the Boston metropolitan area would have been in the income classes between the lowest income level which could afford the rent for the basic unit under the present 5¼-percent interest rate financing plan and the income level of families who could afford the rent under the 3-percent interest rate financing plan, assuming annual income equal to 5 times annual rent. In other words, if a middle-income program with 3-percent interest rate financing was so designed as to make all the families in this income gap eligible, an additional 13.3 percent of the families in the Boston metropolitan area would have been eligible income-wise, according to family income figures for 1959.

On the same basis, a reduction in the interest rate from 5¼ to 4 percent would have made eligible, from an income viewpoint, an additional 6 to 8 percent of the families in the 10 areas covered. Similarly, a reduction in interest rate from 5¼ to 3 percent would have added 11 to 15 percent of the families; and a reduction from 5¼ to 2 percent would have added 16 to 22 percent of the families.

These percentages of additional families are based upon the assumption that all the families whose incomes fell in the income gap would become eligible for a middle-income program. However, a middle-income program might be designed to provide for only part of these families. This could be done by reducing the upper income limit of this income gap.

A second approach to a middle-income program might be to establish the maximum income at five times estimated rent under a particular financing plan but permit families with incomes below this maximum income level to be eligible.

A third approach might be to establish the maximum income at a level somewhat higher than the indicated income required on a five-times-rent basis under a particular financing plan, but provided that the rent to be paid by such higher income families would be 20 percent of their income. This would have the effect of increasing the rent to be paid by such families who are admitted to a middle-income project. Also, some families with incomes less than the indicated income limit could be admitted to the project, but they would also pay rent equal to 20 percent of their income. This would have the effect of reducing the rent for such families with lower income who are admitted to the project. This approach would necessitate a finely balanced selection of tenants in a project according to their incomes, in order to assure that the total rental income to be collected in a project would be adequate to maintain the financial soundness of the project. Additionally, of course, the program might be designed to permit rent increases as incomes rose so that rents would remain at a constant proportion of family incomes, and the interest paid on the mortgage would increase toward market rates.

RENTAL DISTRIBUTIONS OF UNITS ACTUALLY PRODUCED

Table 6 of the accompanying report shows the actual distribution by gross rent in 1959 of the renter-occupied units in 1959 which were built during the period 1950–59 in three of the selected metropolitan areas included in the report. Since this was a period of steadily rising construction costs and operating expenses, the median gross rent of rental units is actually substantially lower than it would be if comparable figures were available for rental units built in 1959 or 1960. Despite this fact, it should be noted that from 85 to 90 percent of the rental units produced in the Boston, Atlanta, or Minneapolis-St. Paul metropolitan areas had gross rents which exceeded the estimated rent for the minimum standard unit assumed.

SOME IMPLICATIONS FOR NATIONAL HOUSING POLICY

These tables are indicative of the inability of the homebuilding industry to reach the

very wide market among all American families which has traditionally characterized other American industries. The data compiled by the Housing and Home Finance Agency constitute an important contribution to our understanding of the functioning of the housing market under present circumstances and with present programs with Government assistance. Unquestionably, the Congress is interested in these facts, in an effort to improve the performance of both Government programs of assistance and of the homebuilding industry, just as it has almost continually for the last 30 years. Without commenting upon the feasibility of any of the many approaches toward the broadening of the housing market which have been proposed in recent years, some broad conclusions from this study are quite evident.

1. The market for housing is a peculiarly local one, because of the wide variations which now exist in construction costs, in other costs of homeownership, and in the distribution in family incomes. It seems apparent that what is high income in some areas is low income in others, that what is high cost in some areas is low cost in other areas. Thus, it seems reasonable to conclude that no program with arbitrary cost or income limits can serve the needs of all American communities and that a much greater degree of flexibility in such limits will be required by any program directed specifically to serve the housing needs of middle and lower income families. This principle has been recognized in past housing legislation but seems particularly important in connection with the kinds of programs that might become necessary in order to widen the market for housing to a larger proportion of all American families.

2. The tables also clearly indicate that the proportion of the American families who are able to afford modest new homes could be substantially increased by further liberalization of home financing terms. Indeed, the proportion of families potentially in the market might in many communities be doubled if loan terms were available comparable to those now authorized in some other nonhousing Government loan programs. The present programs for loans for housing for the aged and the program of submarket interest rates conducted by the Federal National Mortgage Association and the Federal Housing Administration under section 221 (d)(3) of the Housing Act of 1961 are examples of congressional recognition that special needs exist which may necessitate terms not required by the vast majority of American families. The extent to which such terms should be made available, the controls required to prevent such favorable terms from becoming competitive with conventional, private lending, or with FHA and VA insured and guaranteed mortgages are not treated by this study and remain for further analysis and discussion. The extent to which favorable loan terms might be made available utilizing existing lending institutions and practices are illustrative of other problems not treated by the current study. A letter of transmittal from the Housing Administrator to Senator CLARK discusses some of these problems, however.

3. It is also evident that the price and rent distributions of homes produced by the building industry are an important variable in the industry's service to American families in middle and lower income groups. The study reveals wide variation in the distribution of houses produced as between high priced and relatively lower priced homes, and in rents of new rental units. Thus, it is quite evident that mere liberalization of credit terms will not produce the maximum possible benefit to middle and lower income families unless such liberalization can be coupled with incentives for builders to produce significant proportions of homes and rental property at the lowest possible price and rental classes. In future studies on the subject, it would unquestionably be desirable to examine the incentives which now lead the building industry to produce such high proportions of such high-priced homes in higher price brackets in some communities, and to ignore the potentially larger market for lower priced homes. Since it must be presumed that the industry responds to what is most profitable, and since all programs of aid to housing are operated on voluntary basis and depend on the cooperation of local enterprise, present and future programs must be scrutinized carefully to assure that they provide appropriate incentives to the building industry to produce homes in the lower price classes where the need is apparently the greatest.

4. The regulatory and tax effects of local government are relatively unexplored influences in the housing market which are suggested by this study. The share of local government cost carried by taxes on housing varies widely in the 10 metropolitan areas included in this report. Indeed the range exceeds 500 percent. Further, this study does not bring out the extent to which local regulations may impose added costs on home ownership or operation or added construction costs of the building industry. Unquestionably there are communities in which excessively high standards of building codes, zoning, local street requirement and the like serve to limit the market for housing and produce incentives in the building industry to produce only the highest price housing. These impacts on the housing market should also be studied and considered in any comprehensive attempt to enable the building industry to serve a broader market.

5. Finally, except under liberal term loans with no interest and with indefinite amortization periods, it is obvious that there will remain a significant proportion of American families who cannot afford new houses without extraordinary aid or subsidy. The needs of many such families, indeed of most of them, could be served by a better functioning of the market for used homes, if the market for new housing could be enlarged sufficiently so as to permit the filtration process to work more expeditiously and more broadly. Some families will doubtless continue to require low-rent public housing, especially among very low income groups, those without stable employment, those with health or other problems which impair their ability to assume responsibilities for home ownership or to rent decent privately provided accommodations.

The present study makes a significant contribution to the enlargement of the understanding of the housing market. There follow the factual study prepared by the Housing and Home Finance Agency and a copy of a letter from the Housing and Home Finance Administrator to Senator JOSEPH S. CLARK dealing with some policy problems in the middle- and lower-income housing field.

HOUSING AND HOME FINANCE AGENCY, OFFICE OF THE ADMINISTRATOR,

Washington, D.C., May 15, 1962.

Hon. JOSEPH S. CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: This is in reply to your letter of December 29, 1961, in which you requested our assistance and advice to clarify middle-income housing issues which are likely to be before the Congress during 1962 and later years.

In that letter you requested certain factual data and some suggestions regarding policies which might better serve the needs of middle-income families and the housing industry. The factual data you requested with respect to sales housing are presented in the enclosed statement and the policy suggestions are presented below. The factual data you requested on rental housing are in process of preparation and will be provided soon. The unavoidable delay in providing the rental data is regretted, but it was necessary to request additional information from FHA insuring offices and also to analyze the operating statements of rental housing projects in order to develop the detailed basic local data needed for the analyses you desired.

The factual data presented in the enclosed statement are predicated upon comparative figures among selected areas for a basic house for sale. The data being prepared on rental housing will also be predicated upon a basic unit for rent. It is our feeling that unless comparable units are used, the analysis by areas would reflect differences in housing quality which would distort comparisons among areas as to what a middle-income program might accomplish.

The enclosed factual statement presents comparative figures showing the percentage of families in each of 10 selected standard metropolitan statistical areas, whose incomes in 1959 would have been sufficient to purchase the basic house under the assumptions indicated in your letter. The data are for 1959 since the latest census figures on family incomes for individual areas are for that year. For sales housing, separate figures are shown assuming: Interest rates of 5¼ percent, 4 percent, 3 percent, and 2 percent; amortization periods of 30, 35, and 40 years; and housing expense in relation to income at the average for homeowners having FHA-insured loans as computed herein, and at a uniform 20 percent for all areas, as you requested. These data are summarized in table 2 of the enclosed statement.

Your attention is directed to a number of qualifications to the use of these figures which are presented in the enclosed statement. The statement also includes a detailed explanation of how the figures were derived.

I would like to comment now on the policy suggestions you requested for middle-income housing. With respect to policies which might be adopted to assure that any program of middle-income housing would be channeled to the most economical or efficiently built housing available in the private market for new housing in the area, I might submit the following for your consideration.

1. The experience with the so-called below-market interest rate FHA program (FHA sec. 221(d)(3)) indicates that this may be a desirable approach to consider. In initiating this program, each FHA insuring office estimated the construction cost of a basic, livable, rental unit of non-extravagant character and size, which could be built and rented in the local area. Estimates were then prepared for each area of the maximum income limits for families of various sizes who would be eligible to rent such units at rents approved by FHA. Subsequent changes in rents would also have to be approved by FHA. This approach would assure that the new rental units in an area would be of the lowest feasible construction costs, that the rents charged would reflect the financing terms made available, and that the families

moving into the new units would have incomes at or below the prescribed income level for the area.

If we attempted to use this same approach for sales housing, however, we would be faced with the problem of controlling the sales price to the initial purchaser, as well as possible resale by him to make a quick profit. This would be necessary because a house with the more favorable middle-income financing terms would command a better price in the market. However, any attempt to limit sales prices, and thereby keep the houses in the middle-income stream, would result in onerous controls which no one wants and which are difficult to police. One possibility might be a permanent-type cooperative of single-family homes, wherein transfers of homes would be appropriately controlled by the cooperative.

2. In order to induce the building industry to design and produce the most economic units within the construction cost limitations prescribed, an architectural-engineering design competition could be sponsored. The most economical and acceptable designs resulting could be used by a local sponsor as a basis for competitive bidding to contract for the production of a designated number of units. Also, it would be advantageous to a building to utilize these designs in building units for sale or rent since financing under the program would be assured, and marketability of units largely assured because the financing terms would provide below market housing expenses or rents. The proposals providing the best prospects for cost reductions or better value for the housing dollar, could be accorded a priority in processing and thus have first claim on the funds to be made available under the middle-income program.

You also requested suggestions with respect to policies needed to assure that a middle-income housing program would in fact not be in competition with other new or existing housing. It is our considered judgment that there is no practical way of preventing new construction under a middle-income program in an area from competing with conventionally financed new construction in low-priced brackets. However, the volume of conventionally financed new construction of desirable standards and location in an area which would be in the same price or rental brackets as a middle-income program in that area would most likely be quite small.

A middle-income program in an area would also compete with existing units in the area, whether financed conventionally, or with regular FHA-insured or VA-guaranteed mortgages. If the volume of such new housing in an area was large enough, it would tend to weaken sales prices and rents of existing units. On the other hand, the supply of existing acceptable middle-income housing is generally so tight that some new middle-income housing would be a desirable addition to the supply. As the program expanded, however, it would be necessary to study the local housing market carefully in order to prevent the development of an undue adverse effect upon existing housing.

I am hopeful that the factual data and policy suggestions presented herein will be helpful to you and other Members of the Congress in considering middle-income housing proposals.

Sincerely yours,

ROBERT C. WEAVER,
Administrator.

FACTUAL DATA FOR SALES-TYPE MIDDLE-INCOME HOUSING

The factual data requested for sales-type housing are presented herein for 10 selected standard metropolitan statistical areas of varying sizes and geographical distribution. The selection of these areas was limited somewhat, since the data from the Population and Housing Census of 1960, presenting statistics on family incomes for 1959, were not available for some of the larger standard metropolitan areas at the time that work was started in obtaining the related FHA data that were needed.

The SMSA's for which data are presented herein and their population in 1960 are as follows:

Northeast:	
Boston, Mass	2,589,301
Newark, N.J	1,689,420
North Central:	
Indianapolis, Ind	697,567
Minneapolis-St. Paul, Minn	1,482,030
Topeka, Kans	141,286
South:	
Atlanta, Ga	1,017,188
Houston, Tex	1,243,158
Mobile, Ala	314,301
West:	
Phoenix, Ariz	663,510
Portland, Oreg	821,897

FHA DATA

Appendix tables 1–A to 1–J, comprising a similar table for each of the above standard metropolitan statistical areas, present estimated monthly housing expenses data for sales-type housing. Separate estimates are presented, assuming financing available at interest rates of 5¼ percent, 4 percent, 3 percent and 2 percent, and also for amortization terms of 30, 35, and 40 years.

Before considering the specific figures presented in these appendix tables, it is necessary to explain how the figures were obtained and what qualifications should be placed upon their use. The comments which follow are keyed into each of the lines shown on appendix tables 1–A to 1–J.

(a) Estimated cost (including land):

The figures on construction costs, including land, presented in these tables are estimates for constructing a basically comparable one-story, three-bedroom house of 929 square feet.

The construction cost estimates were prepared by local FHA insuring offices to reflect local costs, and were used to establish the mortgage ceilings for various areas, under section 221(d)(2). Some minor variations in the specified house were permitted in order to conform to local practices, and heating installations were estimated on the basis of local practices.

These construction cost estimates have the unique advantage, therefore, of showing comparative costs, including land, of a comparable house in each of the 10 selected areas. This approach is preferred over the use of average appraised value under section 203 in each of the selected areas, since the latter would reflect differences in quality of houses built among these areas and thereby distort comparisons for acceptable housing under a middle-income housing program.

The estimated construction cost, including land, for this basically comparable house varied among the areas covered as follows:

Northeast:	
Boston, Mass	$14,500
Newark, N.J	14,500
North Central:	
Indianapolis, Ind	14,000
Minneapolis-St. Paul, Minn	14,000
Topeka, Kans	13,000
South:	
Atlanta, Ga	11,500
Houston, Tex	12,000
Mobile, Ala	12,000
West:	
Phoenix, Ariz	$11,000
Portland, Oreg	12,000

(b) Mortgage amount:

The maximum mortgage amounts presented in appendix-tables 1–A to 1–J, which are the same as the estimated cost, are the maximum mortgages permitted for the locality under present regulations for section 221(d)(2). The minimum downpayment of $200 for displaced families or 3 percent of investment required for other families are thus presumed to be equal to the prepaid expenses or closing costs which are not in the property costs.

To the extent that property replacement costs (or initial expenses which are not in the property costs) can be held below these figures for individual properties, estimates of housing expense and of the income needed to purchase would be proportionately reduced. We have no basis for stating what reductions in housing costs below the maximum mortgage amounts authorized for section 221(d)(3) might be attained with FHA minimum standards.

Operations under this program in the next year or two may give partial answers to this question. A range of costs down to 15 or 20 percent below permitted maximums in individual localities might not be an unreasonable expectation.

(c) Interest and principal: Monthly mortgage payments to interest and principal, presented in appendix tables 1–A to 1–J, are level annuity payments for the repayment terms and interest rates indicated on the mortgage amounts specified.

(d) FHA mortgage insurance premium insurance (first year): The mortgage insurance premium indicated in the average monthly amount for the first year premium charge, based on a one-half of 1 percent annual rate. This monthly amount will decline slightly for each subsequent year, since it would be recomputed each year on the basis of the reduced outstanding balance of the mortgage.

(e) Real estate taxes: The monthly amounts shown for real estate taxes were computed by deriving an average tax rate for all FHA section 203 mortgages insured in 1961 on new homes within the housing market area of the city specified, and applying this tax rate to the replacement costs indicated. Actual charges for the assumed property would vary according to specific property assessments, tax rates for minor civil divisions where construction occurs, and the incidence of homestead exemptions, if any.

(f) Other housing expense:

Other housing expense includes charges for heating and utilities, hazard insurance, and expenses for maintenance and repairs. They were estimated on the basis of experience for all FHA section 203 mortgages insured in 1961 on new homes within the housing market area of the city specified, and by applying a pro rata estimate for a property of the replacement cost specified. For detailed figures on each of the areas, refer to footnote 6 on the page attached to appendix table 1–J.

It will be noted that the estimated real estate taxes and other housing expenses referred to above are based upon the FHA experience for 1961. Estimates based on FHA experience for 1959 would have been only slightly lower. For example, the monthly payment for real estate taxes for all new homes in the $13,000 value class on which FHA-insured mortgages under section 203 in the United States was $13.76 in 1959 and $14.20 in 1961. Similarly, other housing

expenses for heating and utilities and for maintenance and repair were $24.50 in 1959 and $24.72 in 1961.

(g) Total monthly housing expense: The total was obtained by adding items (e) through (f) for each column, in each of appendix tables 1–A to 1–J.

(h) Estimated annual income needed by purchaser, based on FHA experience:

The two lines of estimates in appendix tables 1–A to 1–J under the caption "Estimated Annual Income Needed by Purchasers," indicate the annual income of families who can afford to pay the estimated monthly housing expenses indicated, under the assumptions specified.

The first line of estimates for an area is based upon the FHA national ratio of housing expense-to-income for that income group which purchased new homes in the same value class as the replacement cost of the basic house in that area. This approach was necessary since housing expense-to-income ratios by income classes are not available for individual areas.

In computing these estimated ratios, current family income, rather than effective family income, was used since current family income is more nearly comparable to the Bureau of Census definition of income. FHA processing of loan applications, however, is based upon effective family incomes. It will be noted also, that the ratios are based upon 1961 experience. However, comparable ratios for 1959 would have differed only slightly. The average housing expense-to-effective income ratio for the United States was 20.5 percent in 1959, as compared with 20.8 percent in 1961.

The annual income figure appearing in a particular column was derived by multiplying the estimated monthly housing expense figure appearing in that column by 12, and dividing the result thus obtained by the FHA ratio of housing expense to income. For example, in appendix table 1–A for Boston, the figure of $7,802 appearing in the column captioned "5¼ Percent Interest Rate and 30-Year Amortization," was derived by multiplying total monthly housing expense of $137.19 by 12, and dividing the result by 21.1 percent, the FHA ratio of housing expense to income.

It should be specifically noted that, in practice, a wide range of incomes above and below the computed income specified will be represented among the purchasers of a particular home value, reflecting both choice on the part of the purchasers and the relative burdens of other demands upon family income. Representative experience suggests about 70 percent of the families might be within a range 25 percent above and 25 percent below the computed median of family incomes of purchasers of a moderate price home.

(i) Estimated annual income needed by purchasers, based upon a 20-percent housing expense-to-income ratio:

The annual income figures appearing on line (i) were derived in the same manner as those on line (h); except that a uniform 20 percent of income was assumed for housing expense in each of the areas covered, an alternative assumption requested in Senator CLARK's letter.

The estimated annual incomes needed by purchasers, derived as explained above, were taken from appendix tables 1–A to 1–J and are summarized in table 1.

CENSUS DATA ON FAMILY INCOME

Appendix table 2 presents, for each of the standard metropolitan statistical areas covered, family income figures for 1959 taken from the 1960 census. Unrelated individuals occupying dwelling units are excluded from these figures. The family income figures are the latest available for individual metropolitan areas or cities.

There evidently is some underreporting of family income in these census figures, although the extent of such underreporting is uncertain. The following explanation by the Bureau of the Census is quoted in support of this point:

"The schedule entries for income are frequently based not on records but on memory, and this factor probably produced underestimates, because the tendency is to forget minor or irregular sources of income. Other errors of reporting are due to misunderstanding of the income questions or to misrepresentation.

"A possible source of understatement in the income figures was the assumption in the editing process that no income other than earnings was received by a person who reported the receipt of either wage or salary income or self-employment income but failed to report on the receipt of other money income. This procedure was adopted in order to make better use of the information obtained.

"The income tables for families and unrelated individuals include in the lowest income group (under $1,000) those that were classified as having no 1959 income, as defined in the census. Many of these were living on income in kind, savings, or gifts, or were newly created families or unrelated individuals, or were families in which the sole breadwinner had recently died or left the household. However, many of the families and unrelated individuals who reported no income probably had some money income which was not recorded in the census.

(Source: P. XXV, U.S. Census of Population, District of Columbia, PC(1) 10C. A similar explanation will appear in each of the other census publications in this series.)

PERCENT OF FAMILIES WITH INCOMES SUFFICIENT TO PURCHASE THE BASIC NEW HOUSE

Table 2 presents for each standard metropolitan statistical area covered, estimates of the percent of families whose incomes in 1959 would have been sufficient to purchase the basic house described previously, under financing assumed at the indicated interest rates and amortization periods. Separate estimates are also presented assuming housing expense as a percent of income based upon FHA experience as described previously, and at a uniform 20 percent.

The estimates were derived for each area by computing the percent of families from the census data on income (appendix table 2) whose incomes would have been equal to or in excess of the income needed to purchase the basic house under the assumed financing terms and ratios of housing expense to income, as summarized in table 1. Where the income needed for purchase fell within a census income class, the division was estimated by assuming that the number of families in the census income class was evenly distributed within that income class.

The figures in table 2 show, for example, that in the Boston standard metropolitan statistical area in 1959, 37.8 percent of the families had incomes sufficient to purchase the basic house, assuming 100 percent financing at 5¼ percent, a 30-year mortgage, and the average FHA ratio of housing expense to income as previously described. At the other extreme of the terms presented, the comparable figure for the same area would be 61.7 percent of the families, assuming interest rates of 2 percent and a 40-year mortgage. If a housing expense-to-income ratio of 20 percent was assumed, the comparable percentages would be 33.8 and 57.6.

There are several qualifications to these figures which should be noted. One is that the census income figures, as stated previously, are underreported, and to the extent that they are underreported, the percentages of families with sufficient incomes to purchase the basic house would be understated.

A second qualification is that, as stated previously, there actually is a wide range of income above and below the computed average income among the purchasers of a house of a given value.

A third qualification is that the figures do not specifically measure housing market potential, since many of the families which have sufficient incomes to purchase may not be in the market if they are presently adequately housed, and many who seek new quarters may desire rental rather than sales units.

CENSUS DATA ON NEW UNITS CONSTRUCTED, 1950–59

The data in table 3 are presented for informational purposes, since they shed some light on the range of market values of new units added to the housing supply through new construction during the period 1950–59.

These figures show the market values reported as of December 1959, for owner-occupied one-family nonfarm units constructed during 1950–59. While these figures do not reflect market values as of the time the new units were initially sold, nevertheless, they provide some general guides on the market value classes in which new housing was concentrated as a result of market influences upon new housing production and subsequent value changes during the decade.

These statistics are taken from the Census of Housing, 1960, Components of Inventory Change. Separate data are to be published for 18 standard metropolitan statistical areas, among which are the three areas covered in this report. Data for these three areas are presented in table 3, which shows, for the one-family nonfarm homes which were constructed during 1950 to 1959 and were owner-occupied in December 1959, the market value at the end of the decade, as reported by the homeowner.

ADDITIONAL DATA ON FHA-INSURED HOME LOANS

Appendix tables 3 to 6 present additional information on FHA-insured mortgages on new one-family homes for each of the areas covered. These data are useful in indicating the income and property value classes served under FHA section 203 mortgage insuring operations.

Appendix table 3 shows the percentage distribution by family current income of purchasers of new one-family homes, mortgages on which were insured by FHA under section 203 in 1959. It will be noted that the class intervals for which these 1959 data are available differ markedly for those of the census. Since the class intervals for the 1960 FHA data are more nearly comparable with those of the census, we have also provided the FHA income data for 1960 in appendix table 4. It will be noted that the FHA income data in these tables are for family current income which is more nearly comparable to the census definition of family income. FHA uses effective income for processing loan applications for insurance. Here again we should caution, as we have previously, that the census figures understate family incomes.

Appendix tables 5 and 6 present percentage distributions by property value of new one-family homes, mortgages on which were insured by FHA under section 203 in 1959 and 1960.

TABLE 1.—*Estimated annual incomes needed in selected SMSA's by purchasers of the basic 1-family house, assuming financing terms and housing expense ratios as indicated*

ASSUMING FHA SEC. 203 AVERAGE RATIOS OF HOUSING EXPENSE TO INCOME FOR INCOME GROUPS WHO PURCHASED HOMES OF THE COST SPECIFIED [1]

Standard metropolitan statistical areas	5¼-percent interest rate			4-percent interest rate			3-percent interest rate			2-percent interest rate		
	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years
Northeast:												
Boston, Mass	$7,802	$7,539	$7,358	$7,183	$6,895	$6,690	$6,721	$6,417	$6,194	$6,291	$5,979	$5,741
Newark, N.J	7,847	7,584	7,402	7,227	6,939	6,734	6,765	6,461	6,238	6,336	6,023	5,785
North Central:												
Indianapolis, Ind	7,349	7,097	6,923	6,756	6,481	6,285	6,314	6,024	5,811	5,904	5,604	5,377
Minneapolis-St. Paul, Minn	7,083	6,831	6,657	6,490	6,215	6,019	6,048	5,758	5,545	5,638	5,339	5,111
Topeka, Kans	6,591	6,364	6,208	6,056	5,808	5,631	5,658	5,394	5,202	5,287	5,016	4,810
South:												
Atlanta, Ga	5,229	5,032	4,896	4,764	5,449	4,394	4,418	4,190	4,022	4,096	3,861	3,682
Houston, Tex	5,304	5,117	4,988	4,863	4,658	4,512	4,534	4,318	4,159	4,229	4,006	3,837
Mobile, Ala	5,408	5,200	5,057	4,919	4,691	4,529	4,554	4,314	4,138	4,214	3,968	3,779
West:												
Phoenix, Ariz	5,818	5,631	5,502	5,377	5,172	5,027	5,049	4,832	4,675	4,743	4,521	4,351
Portland, Oreg	6,610	6,402	6,258	6,121	5,893	5,731	5,756	5,515	5,339	5,416	5,169	4,981
ASSUMING HOUSING EXPENSE EQUAL TO 20 PERCENT OF INCOME												
Northeast:												
Boston, Mass	$8,231	$7,954	$7,763	$7,578	$7,274	$7,058	$7,091	$6,770	$6,535	$6,637	$6,308	$6,056
Newark, N.J	8,278	8,001	7,810	7,625	7,321	7,105	7,138	6,817	6,581	6,684	6,355	6,103
North Central:												
Indianapolis, Ind	7,826	7,558	7,373	7,195	6,902	6,693	6,725	6,415	6,188	6,287	5,969	5,726
Minneapolis-St. Paul, Minn	7,543	7,275	7,090	6,912	6,619	6,410	6,442	6,132	5,905	6,004	5,686	5,443
Topeka, Kans	7,217	6,959	6,797	6,632	6,359	6,166	6,195	5,907	5,696	5,789	5,493	5,267
South:												
Atlanta, Ga	5,831	5,611	5,459	5,312	5,072	4,900	4,926	4,672	4,485	4,567	4,305	4,106
Houston, Tex	5,966	5,756	5,611	5,471	5,840	5,077	5,101	4,858	4,679	4,757	4,507	4,316
Mobile, Ala	5,976	5,746	5,558	5,435	5,184	5,005	5,032	4,766	4,572	4,657	4,384	4,176
West:												
Phoenix, Ariz	6,545	6,335	6,190	6,049	5,819	5,655	5,680	5,436	5,258	5,336	5,086	4,895
Portland, Oreg	7,304	7,074	6,916	6,763	6,512	6,332	6,360	6,094	5,900	5,984	5,712	5,504

[1] The ratio used in each area was derived by estimating, on the basis of FHA sec. 203 mortgages on new homes insured by FHA in 1961 in the United States, the ratio for those income groups who purchased new homes averaging the replacement cost specified (see appendix tables 1-A to 1-J) for that area.

NOTE.—For details on how these figures were derived, refer to appendix tables 1-A to 1-J.

TABLE 2.—*Estimated percentage of families in selected SMSA's whose incomes in 1959 would have been sufficient to purchase the basic 1-family house, assuming financing terms and housing expense-to-income ratios as indicated*

ASSUMING FHA SEC. 203 AVERAGE RATIOS OF HOUSING EXPENSE TO INCOME FOR INCOME GROUPS WHO PURCHASED HOMES OF THE COST SPECIFIED [1]

Standard metropolitan statistical areas	5¼-percent interest rate			4-percent interest rate			3-percent interest rate			2-percent interest rate		
	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years
Northeast:												
Boston, Mass	37.8	40.5	42.4	44.3	47.5	49.9	49.6	53.2	55.9	54.7	58.5	61.7
Newark, N.J	43.2	45.7	47.5	49.2	52.1	54.4	54.1	57.2	60.0	58.9	62.4	65.2
North Central:												
Indianapolis, Ind	41.7	44.3	46.3	48.2	51.5	53.8	53.5	57.0	59.6	58.4	62.1	65.0
Minneapolis-St. Paul, Minn	46.7	50.1	52.5	54.9	58.7	61.5	61.1	65.0	68.0	66.7	70.7	73.8
Topeka, Kans	41.8	44.6	46.5	48.3	51.7	54.2	53.8	57.5	60.2	59.0	62.8	65.3
South:												
Atlanta, Ga	55.9	58.1	59.6	61.0	63.2	64.9	64.6	67.0	68.8	68.0	73.3	78.8
Houston, Tex	58.5	60.6	62.1	63.4	65.6	67.1	66.9	69.1	70.8	70.1	72.4	77.0
Mobile, Ala	46.5	49.1	51.0	52.6	55.4	57.3	57.0	60.0	62.0	61.1	64.8	71.7
West:												
Phoenix, Ariz	51.0	53.2	54.7	56.3	58.7	60.5	60.2	62.7	64.4	63.6	66.1	68.0
Portland, Oreg	46.5	49.2	51.0	52.8	55.8	58.0	57.7	61.0	63.3	62.2	65.6	68.1
ASSUMING HOUSING EXPENSE EQUAL TO 20 PERCENT OF INCOME												
Northeast:												
Boston, Mass	33.8	36.2	38.2	40.2	43.4	45.6	45.3	49.0	51.8	50.6	54.5	57.6
Newark, N.J	39.3	41.6	43.5	45.3	48.3	50.4	50.1	53.5	56.1	55.0	58.7	61.5
North Central:												
Indianapolis, Ind	36.8	39.6	41.5	43.3	46.5	49.0	48.6	52.3	55.0	53.8	57.6	60.6
Minneapolis-St. Paul, Minn	41.2	44.4	46.7	49.0	53.1	56.0	55.5	60.0	63.0	61.7	66.0	69.3
Topeka, Kans	34.7	37.4	39.3	41.3	44.6	47.0	46.6	50.3	53.3	52.0	56.1	59.3
South:												
Atlanta, Ga	49.2	51.6	53.3	55.0	57.7	59.5	59.3	62.0	63.9	63.0	65.8	68.0
Houston, Tex	50.8	53.2	55.0	56.5	59.2	61.1	60.8	63.5	65.3	64.5	67.2	69.2
Mobile, Ala	39.4	42.3	44.6	46.2	49.3	51.6	51.3	54.5	56.8	55.8	59.1	61.6
West:												
Phoenix, Ariz	43.7	45.0	46.6	48.2	51.0	53.0	52.6	55.5	57.7	56.8	59.8	62.0
Portland, Oreg	38.2	40.7	42.5	44.5	47.8	50.1	49.7	53.2	55.7	54.6	58.2	61.1

[1] The ratio used in each area was derived by estimating, on the basis of the FHA sec. 203 mortgages on new homes insured by FHA in 1961 in the United States, the ratio for those income groups who purchased new homes averaging the replacement cost specified (see appendix tables 1-A to 1-J) for that area.

TABLE 3.—*Market value in December 1959 of owner-occupied 1-family nonfarm homes which were constructed during 1950–59, for designated standard metropolitan statistical areas*

Total and value [1]	Boston, Mass.	Atlanta, Ga.	Minneapolis-St. Paul, Minn.
Total number of homes	75,660	79,307	91,556
Percent of total	100.0	100.0	100.0
Value of home:			
Less than $5,000	----------	1.6	.3
$5,000 to $7,400	----------	3.4	----------
$7,500 to $9,900	.7	6.1	----------
$10,000 to $12,400	3.8	19.5	7.2
$12,500 to $14,900	17.1	18.6	25.3
$15,000 to $17,400	22.7	16.3	29.5
$17,500 to $19,900	14.7	10.4	14.6
$20,000 to $24,900	20.8	11.9	14.7
$25,000 to $34,900	9.7	8.5	6.7
$35,000 or more	10.6	3.5	1.6
Median value	$18,500	$15,100	$16,500

[1] Market value as reported by the homeowner.

NOTE.—Percentages may not add to 100 precisely due to rounding.

Source: U.S. Department of Commerce, Bureau of the Census, HC(4)—pt. 1A.

FACTUAL DATA ON RENTAL-TYPE MIDDLE-INCOME HOUSING

The factual data requested for rental-type housing are presented herein for 10 selected standard metropolitan statistical areas of varying size and geographic distribution. These are the same 10 areas for which sales housing data were submitted in our previous correspondence.

The estimates of families who could afford the rent for the basic rental unit, as presented herein, were based upon the assumption of a middle income rental housing program. The estimates of families who could afford to purchase the basic sales unit, as submitted in our previous correspondence, were based upon the assumption of a middle income sales housing program. If it is assumed, however, that both a rental housing program and a sales housing program were to be adopted, the estimates for the rental program could not, of course, be added to the estimates for the sales program. For a combined rental and sales program, the percentage of families who could afford either to purchase the basic sales unit or rent the basic rental unit would tend to approximate the higher of the estimates for either the rental or sales housing programs. It should also be noted that substantial variation among cities can be expected in the extent to which sales or rental housing would be used, since local preferences for sales versus rental housing vary considerably.

FHA RENTAL DATA

Appendix tables 7–A to 7–J, comprising a similar table for each of the above standard metropolitan statistical areas, present estimated monthly rental data. Separate estimates are presented, assuming financing available at interest rates of 5¼ percent, 4 percent, 3⅛ percent, and 2 percent, and for an amortization period of 40 years.

Before considering the specific figures presented in these appendix tables, it is necessary to explain how the figures were estimated and what qualifications should be placed upon their use. It was necessary to rely upon estimates rather than actual section 221(d)(3) projects since there is little specific experience available at this time with completed projects under this section. The explanations which follow are keyed into each of the lines shown on appendix tables 7–A to 7–J.

(*a*) Estimated cost per room (including land):

The figures on construction costs per room, including land, presented in these tables are estimates for constructing a comparable two-bedroom rental unit in a walkup-type structure. The estimates were used to help establish maximum income limits for various areas under FHA section 221(d)(3).

Each FHA insuring office prepared estimates, based upon local costs, of the cost of construction, including land, of the basic unit or a basically comparable unit where some minor variations were necessary to conform to local practices.

The rental for each unit was then estimated, in Washington headquarters, on the basis of standard assumptions as to operating expenses, debt service, taxes, etc. Also, the estimated income, for three- or four-person occupancy, needed to pay this rental was estimated on the basis that the rent would be 20 percent of income. For a locality where the income so estimated was less than the median income reported by the Bureau of the Census (after adjustment by FHA for underreporting), the maximum permissible mortgage was authorized for the construction cost amount estimated. However, for a locality where the estimated income was higher than the adjusted median income of the Bureau of the Census, the maximum permissible mortgage was reduced proportionally and the construction cost also was reduced accordingly. As a result of this type of change, the construction cost was reduced for 6 of the 10 areas, but the amount of reduction was only $50 to $150, and in one case $250 per room.

Thus, the construction costs estimates presented in these tables are primarily for the same basic unit, with exceptions mostly of a minor nature. These construction cost estimates have the unique advantage, therefore, of showing comparative costs, including land, of a comparable rental unit in each of the 10 selected areas. While there is no firm basis for predicting what, if any, economies below these costs might be attained locally, experience, with actual construction under section 221(d)(3) might well demonstrate within the next few years that lower costs than those estimated herein are feasible. To the extent that lower costs are achieved, attainable rentals will be proportionately lower than those in the attached estimates.

The estimated construction costs, including land, for the basically comparable rental unit varied among the 10 areas covered as follows:

	Estimated construction costs	
	Per room	Per unit [1]
Northeast:		
Boston, Mass.	$2,400	$13,800
Newark, N.J.	2,600	14,950
North Central:		
Indianapolis, Ind.	2,400	13,800
Minneapolis-St. Paul, Minn.	2,500	14,375
Topeka, Kans.	2,400	13,800
South:		
Atlanta, Ga.	2,050	11,788
Houston, Tex.	2,050	11,788
Mobile, Ala.	2,100	12,075
West:		
Phoenix, Ariz.	2,150	12,363
Portland, Oreg.	2,500	14,375

[1] Assuming 5.75 rooms for a typical 2-bedroom apartment by FHA room count, consisting of living room, dining room (or equivalent), kitchen, 2 bedrooms, 1 bathroom, and foyer or porch.

(b) Mortgage amount per room: The mortgage amounts presented, which are the same as the estimated costs described above, are the maximum permissible amounts for the basic unit, assuming the mortgagor is an eligible public body or agency, a cooperative, or a private nonprofit corporation or association. For other types of mortgagors, the maximum mortgage amounts would be 90 percent of the construction costs indicated.

(c) Interest and principal per month per room: Represents the level monthly payment of interest plus principal for a 40-year repayment period, at the interest rate and for the mortgage amount stated.

(d) FHA mortgage insurance premium per month per room: The FHA mortgage insurance premium is omitted, in keeping with FHA established policy for section 221(d)(3) projects.

(e), (f), and (h) Real estate taxes, hazard insurance, and replacement reserves per month per room.

The locality estimates for real estate taxes, hazard insurance premiums, other operating expenses, and replacement reserves, are each based upon actual expenses reported for section 207 projects built in the respective localities in the mid-1950's. Since there is no standardization of these projects and no ascertainable relative relationship of these projects to the section 221(d)(3) standard project assumed, the individual expense estimates might be biased in the direction of being excessive. Some restraint on this bias has been exercised by the arbitrary exclusion of projects with typically high rentals, or of reports with individual charges which differed sharply from other reporting local projects.

The estimated real estate taxes for section 207 projects in an area, derived as explained above, were expressed as a percentage of the replacement cost and this percentage was applied to the replacement cost for the basic unit for that locality. A similar procedure was used to estimate hazard insurance premiums and replacement reserves.

(g) Other operating expenses per month per room: Average per unit other operating expenses were estimated for each locality as explained in the first paragraph of the above section, and then adjusted to a per room basis, assuming 5.75 rooms per unit.

(i) Vacancy allowance per month per room: Calculated at 7 percent of total monthly rent, which is typically used in FHA processing of section 221(d)(3) proposals. Occasionally a smaller vacancy allowance might be justified.

(j) Total monthly rent per room: Represents the sum of lines (c) through (i). These estimates do not include tenant's electricity or telephone, and, in some cases, cooking gas.

(k) Estimated monthly rent per unit: Represents item in line (j) multiplied by 5.75, on the assumption that a typical two-bedroom apartment contains 5.75 rooms by FHA room count. This consists of a living room, dining room (or equivalent), kitchen, two bedrooms, one bathroom, and foyer or porch.

(l) FHA maximum income limits under section 221(d)(3) for families of three and four persons: The FHA maximum income limit for a locality was determined as explained in (a) above, under the caption "Estimated Cost Per Room, Including Land."

(m) Estimated median family income: Estimates for each locality are based upon census data, adjusted by FHA for estimated underreporting of income.

(n) Estimated income required to pay the two-bedroom monthly rent:

Estimates for each locality are based upon the assumption of the 20-percent rent-income ratio for the rental shown for the typical two-bedroom unit.

It will be noted that the FHA maximum income limits under section 221(d)(3) for families of three or four persons (line l) often differ from the estimated median income (line m) and the income required to pay the two-bedroom rent (line n) where 3⅛-percent financing is assumed. The reasons for these differences are:

(aa) The FHA maximum income limits were based upon a ratio of five times rent, wherein part of the rent was estimated by using standard or uniform assumptions as to real estate taxes, operating costs, hazard insurance and replacement reserves. In preparing the rent estimates contained herein,

these individual expenses were estimated on the basis of reports of section 207 operating projects in the particular area, as was explained under the section headed "(c), (f) and (h)," and section (g) above. The principal differences occurred in the estimates for real estate taxes, other operating costs, and the ratio of operating costs to rent.

To the extent that the estimates of rent differ, the FHA maximum income (line l) would differ from the "Income required to pay two-bedroom monthly rent" (line n), since both estimates of income assume 20 percent of income for rent.

(bb) The upper limit on the FHA maximum income for an area (line l) is the Bureau of the Census median income, after adjustment by FHA for underreporting, for that area. In other words, in those areas where the FHA estimate of income needed to pay the rent for the basic unit under section 221(d)(3) was greater than the census adjusted median income, the census adjusted median income was adopted as the FHA maximum income, and the permissible construction cost and mortgage amount was reduced accordingly. Thus, in these areas, the FHA maximum income (line l) would be the same as "Estimated median family income (line m), but might be either greater or less than the "Income required to pay two-bedroom monthly rent" (line n), since the latter is computed independently on the basis of the rental estimates described above.

(cc) The FHA maximum-income limit for an area (line l) is often less than the census adjusted median income for that area. Since the income necessary to pay the rent, on a five-times-rent basis, often was less than the census adjusted median income, no public purposes would be served in such areas by permitting families with higher incomes—that is, as high as the census adjusted median income—to occupy the rental units under the program.

Summary figures for each of the 10 selected standard metropolitan statistical areas are presented in table 4, which shows the FHA maximum income limits under section 221(d)(3) for families of three or four persons and the estimated annual incomes required to pay the two-bedroom rent. These figures are taken from lines (l) and (n) of appendix tables 7-A to 7-J.

CENSUS DATA ON FAMILY INCOME

Appendix table 2 presents, for each of the standard metropolitan statistical areas covered, family income figures for 1959 taken from the 1960 census. Unrelated individuals occupying dwelling units are excluded from these figures.

There evidently is some underreporting of family income in these census figures. The following explanation by the Bureau of the Census is quoted in support of this point:

"The schedule entries for income are frequently based not on records but on memory, and this factor probably produced underestimates, because the tendency is to forget minor or irregular sources of income. Other errors of reporting are due to misunderstanding of the income questions or to misrepresentation.

"A possible source of understatement in the income figures was the assumption in the editing process that no income other than earnings was received by a person who reported the receipt of either wage or salary income or self-employment income but failed to report on the receipt of other money income. This procedure was adopted in order to make better use of the information obtained.

"The income tables for families and unrelated individuals include in the lowest income group (under $1,000) those that were classified as having no 1959 income, as defined in the census. Many of these were living on income "in kind," savings, or gifts, or were newly created families or unrelated individuals, or were families in which the sole breadwinner had recently died or left the household. However, many of the families and unrelated individuals who reported no income probably had some money income which was not recorded in the census. (Source: P. XXV, U.S. Census of Population, District of Columbia, PC(1) 10C. A similar explanation will appear in each of the other census publications in this series.)"

The figures presented in appendix table 2 are those as reported in the 1960 census, and are therefore not adjusted for underreporting.

PERCENT OF FAMILIES WITH INCOMES SUFFICIENT TO RENT THE BASIC UNIT

Table 5 presents for each standard metropolitan statistical area covered, estimates of the percentage of families whose annual incomes in 1959 would have been sufficient to pay the rent for the basic unit described previously. Separate estimates are presented assuming FHA maximum annual income limits under FHA section 221(d)(3) for families of three or four persons, and also assuming annual income limits based upon rent equal to 20 percent of income wherein the computed rent reflects payment of interest and principal on a 40-year mortgage at interest rates of 5¼, 4, 3⅛, 3, and 2 percent.

The estimates were derived for each area by computing the percent of families from the census data on incomes (appendix table 2) whose incomes would have been equal to or in excess of (a) the FHA maximum income under section 221(d)(3) as presented in the top part of the table, and (b) the income needed to pay the rent for the basic unit under the assumed financing terms and a 20-percent, rent-to-income ratio as presented in the lower part of the table. In preparing these estimates, when the income needed to pay the rent fell within a census income class, the division was estimated by assuming that the number of families in the census income class was evenly distributed within that income class.

There are several qualifications to those figures which should be noted. One is that the census income figures, as stated previously, are underreported, and to the extent that they are underreported, the percentages of families with sufficient incomes to pay the rent for the basic unit would be understated.

A second qualification is that in contrast to a uniform 20-percent, rent-to-income ratio, census figures relating rent to income show a wide range in the ratios of rent-to-income among, as well as within, income groups.

A third qualification is that the figures do not specifically measure housing market potential, since many of the families who have sufficient incomes to pay the rent required for the basic unit may not be in the market if they are presently adequately housed, and many who seek new quarters may desire to purchase sales units rather than rent.

CENSUS DATA ON NEW RENTAL UNITS CONSTRUCTED, 1950–59

The data in table 6 are presented for informational purposes since they shed some light on the range of gross monthly rentals for new rental units added to the housing supply through new construction during the period 1950–59.

These figures show the gross monthly rent as of December 1959, for renter-occupied nonfarm units constructed during 1950–59. While these figures do not reflect gross rents as of the time the new rental rents were initially rented, nevertheless, they provide some general guides on the gross monthly rental classes in which new building was concentrated as a result of market and other influences upon new housing production and subsequent rental changes during the decade.

These statistics are taken from the Census of Housing, 1960, Components of Inventory Change. Separate data are to be published for 18 standard metropolitan statistical areas, among which are three areas covered in this report. Data for these three areas are presented in table 6.

Gross monthly rent is defined by census to include the cost of utilities—water, electricity, and gas—and fuels, such as wood, coal and oil. Low-rent public housing units constructed during 1950–59 are included in the lower end of the gross monthly rental distribution, but are not identified as such in these figures of the Bureau of the Census.

TABLE 4.—*Estimated annual incomes needed in selected SMSA's by renters of a basic walkup type of rental unit, assuming 100-percent mortgage financing at selected interest rates and a 40-year amortization period, and rent-to-income ratios as indicated*

ASSUMING RENT EQUAL TO 20 PERCENT OF INCOME

Standard metropolitan statistical areas	Interest rates of—				
	5¼ percent	4 percent	3⅛ percent	3 percent	2 percent
Northeast:					
Boston, Mass			7,000		
Newark, N.J			7,550		
North Central:					
Indianapolis, Ind			6,900		
Minneapolis-St. Paul, Minn			7,300		
Topeka, Kans			6,900		
South:					
Atlanta, Ga			6,000		
Houston, Tex			5,900		
Mobile, Ala			6,050		
West:					
Phoenix, Ariz			6,300		
Portland, Oreg			7,300		

ASSUMING FHA MAXIMUM INCOME LIMITS UNDER SEC. 221(d)(3) FOR FAMILIES OF 3 OR 4 PERSONS[1]

Standard metropolitan statistical areas	Interest rates of—				
	5¼ percent	4 percent	3⅛ percent	3 percent	2 percent
Northeast:					
Boston, Mass	8,056	7,335	6,869	6,800	6,310
Newark, N.J	9,215	8,435	7,935	7,856	7,328
North Central:					
Indianapolis, Ind	7,915	7,190	6,724	6,655	6,165
Minneapolis-St. Paul, Minn	9,477	8,725	8,242	8,170	7,659
Topeka, Kans	8,273	7,549	7,087	7,014	6,524
South:					
Atlanta, Ga	6,082	5,468	5,072	5,013	4,592
Houston, Tex	6,541	5,924	5,527	5,468	5,047
Mobile, Ala	6,127	5,500	5,092	5,030	4,599
West:					
Phoenix, Ariz	7,945	7,300	6,886	6,821	6,379
Portland, Oreg	7,949	7,197	6,714	6,641	6,131

[1] Data are not available on rent-to-income ratios for FHA multifamily rental housing programs other than sec. 221(d)(3).

Source: Appendix tables 7-A to 7-J. These appendix tables also present data on the construction cost, mortgage amount, estimated monthly rental, and a description of the basic rental unit.

TABLE 5.—*Estimated percentage of families in selected SMSA's whose incomes in 1959 would have been sufficient to pay the rent for the basic walkup type of rental unit, assuming 100-percent mortgage financing at selected interest rates and a 40-year amortization period, and rent-to-income ratios as indicated*

Standard metropolitan statistical areas	ASSUMING FHA MAXIMUM INCOME LIMITS UNDER SEC. 221(d)(3) FOR FAMILIES OF 3 OR 4 PERSONS — Interest rates of—					ASSUMING RENT EQUAL TO 20 PERCENT OF INCOME — Interest rates of—				
	5¼ percent	4 percent	3⅛ percent	3 percent	2 percent	5¼ percent	4 percent	3⅛ percent	3 percent	2 percent
Northeast:										
Boston, Mass.			46.2			35.3	42.7	47.8	48.6	54.5
Newark, N.J.			46.1			31.8	38.0	42.3	43.1	48.2
North Central:										
Indianapolis, Ind.			46.5			35.9	43.4	48.6	49.4	55.3
Minneapolis-St. Paul, Minn.			44.2			23.3	29.0	33.5	34.2	39.8
Topeka, Kans.			38.1			25.1	31.6	36.1	36.8	42.7
South:										
Atlanta, Ga.			47.3			46.5	53.2	57.7	58.3	62.8
Houston, Tex.			51.6			44.5	51.3	55.9	56.6	61.4
Mobile, Ala.			38.6			37.8	45.4	50.5	51.3	56.5
West:										
Phoenix, Ariz.			45.4			28.8	34.7	38.8	39.5	44.5
Portland, Oreg.			38.2			31.2	39.3	45.2	46.1	52.7

Source: Derived by computing the percentage of families whose incomes in 1959 (appendix table 2) equaled or exceeded the incomes required to pay the rent for the basic rental unit (table 4).

TABLE 6.—*Gross monthly rent in December 1959 of the renter-occupied nonfarm units which were constructed during 1950–59, for designated standard metropolitan statistical areas*

Gross monthly rent [1]	Boston, Mass.	Atlanta, Ga.	Minneapolis-St. Paul, Minn.
Total number of units reporting	17,230	30,562	19,157
Percent of total	100.0	100.0	100.0
Gross monthly rent:			
Less than $40	3.6	12.7	2.4
$40 to $59	29.6	20.9	1.4
$60 to $79	25.5	35.1	6.0
$80 to $99	19.9	15.8	8.9
$100 to $119	6.0	6.9	44.4
$120 to $149	8.0	5.7	21.1
$150 to $199	3.4	2.3	9.1
$200 or more	4.2	.6	6.8
Median gross rent	$73	$69	$114
Median contract rent [2]	$67	$61	$107

[1] Gross rent includes cost of utilities—water, electricity or gas, and fuels such as wood, coal, and oil. Low-rent public housing units constructed during 1950 to 1959 are included in the lower end of the gross monthly rental distribution, but are not identified as such in these figures of the Bureau of the Census.

[2] Contract rent is the monthly rent agreed upon regardless of any furnishings, utilities, or services that may be included.

Source: U.S. Department of Commerce, Bureau of the Census, HC(4)—pt. 1A.

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Estimated monthly housing expense assuming financing at selected interest rates and amortization periods, and estimated income groups served, for a basic one-family owner-occupied new home:

Appendix table 1-A: Boston, Mass., standard metropolitan statistical area.

Appendix table 1-B: Newark, N.J., standard metropolitan statistical area.

Appendix table 1-C: Indianapolis, Ind., standard metropolitan statistical area.

Appendix table 1-D: Minneapolis-St. Paul, Minn., standard metropolitan statistical area.

Appendix table 1-E: Topeka, Kans., standard metropolitan statistical area.

Appendix table 1-F: Atlanta, Ga., standard metropolitan statistical area.

Appendix table 1-G: Houston, Tex., standard metropolitan statistical area.

Appendix table 1-H: Mobile, Ala., standard metropolitan statistical area.

Appendix table 1-I: Phoenix, Ariz., standard metropolitan statistical area.

Appendix table 1-J: Portland, Oreg., standard metropolitan statistical area.

Appendix table 2: Family income distribution of families in selected standard metropolitan statistical areas for 1959.

Appendix table 3: Percentage distribution by family current annual income of purchasers of new one-family homes, mortgages on which were insured by FHA under section 203 in selected standard metropolitan statistical areas for 1959.

Appendix table 4: Percentage distribution by family current annual income of purchasers of new one-family homes, mortgages on which were insured by FHA under section 203 in selected standard metropolitan statistical areas for 1960.

Appendix table 5: Percentage distribution by property value of new one-family homes, mortgages on which were insured by FHA under section 203 in selected standard metropolitan statistical areas in 1959.

Appendix table 6: Percentage distribution by property value of new one-family homes, mortgages on which were insured by FHA under section 203 in selected standard metropolitan statistical areas in 1960.

Estimated monthly rent assuming 100 percent mortgage financing at selected interest rates and a 40-year amortization period, and estimated income groups served, for a basic walkup type of rental unit:

Appendix table 7-A: Boston, Mass., standard metropolitan statistical area.

Appendix table 7-B: Newark, N.J., standard metropolitan statistical area.

Appendix table 7-C: Indianapolis, Ind., standard metropolitan statistical area.

Appendix table 7-D: Minneapolis-St. Paul, Minn., standard metropolitan statistical area.

Appendix table 7-E: Topeka, Kans., standard metropolitan statistical area.

Appendix table 7-F: Atlanta, Ga., standard metropolitan statistical area.

Appendix table 7-G: Houston, Tex., standard metropolitan statistical area.

Appendix table 7-H: Mobile, Ala., standard metropolitan statistical area.

Appendix table 7-I: Phoenix, Ariz., standard metropolitan statistical area.

Appendix table 7-J: Portland, Oreg., standard metropolitan statistical area.

APPENDIX TABLE 1-A.—*Boston, Mass., standard metropolitan statistical area—Estimated monthly housing expense assuming financing at selected interest rates and amortization periods, and estimated income groups served, for a basic 1-family owner-occupied new home* [1]

	5¼-percent interest rate			4-percent interest rate			3-percent interest rate			2-percent interest rate		
	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years
Estimated cost (including land) [1]												
Mortgage amount [2]	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500
Estimated monthly housing expense:												
Interest and principal [3]	$80.19	$75.55	$72.36	$69.31	$64.24	$60.61	$61.19	$55.83	$51.91	$53.65	$48.14	$43.94
FHA mortgage insurance premium (1st year) [4]	6.00	6.02	6.02	5.99	6.00	6.02	5.99	6.00	6.00	6.00	6.00	6.00
Real estate taxes [5]	26.27	26.27	26.27	26.27	26.27	26.27	26.27	26.27	26.27	26.27	26.27	26.27
Other housing expense [6]	24.73	24.73	24.73	24.73	24.73	24.73	24.73	24.73	24.73	24.73	24.73	24.73
Total monthly housing expense	137.19	132.57	129.38	126.30	121.24	117.63	118.18	112.83	108.91	110.62	105.13	100.94
Estimated annual income needed by purchasers:												
Assuming FHA sec. 203 average ratio of housing expense to current income of 21.1 [7]	$7,802	$7,539	$7,358	$7,183	$6,895	$6,690	$6,721	$6,417	$6,194	$6,291	$5,979	$5,741
Assuming housing expense equal to 20 percent of income	8,231	7,954	7,763	7,578	7,274	7,058	7,091	6,770	6,535	6,637	6,308	6,056

NOTE.—For footnotes, refer to appendix table 1-J.

APPENDIX TABLE 1-B.—*Newark, N.J., standard metropolitan statistical area—Estimated monthly housing expense assuming financing at selected interest rates and amortization periods, and estimated income groups served, for a basic 1-family owner-occupied new home* [1]

	5¼-percent interest rate			4-percent interest rate			3-percent interest rate			2-percent interest rate		
	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years
Estimated cost (including land) [1] Mortgage amount [2]	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500	$14,500
Estimated monthly housing expense:												
Interest and principal [3]	$80.19	$75.55	$72.36	$69.31	$64.24	$60.61	$61.19	$55.83	$51.91	$53.65	$48.14	$43.94
FHA mortgage insurance premium (1st year) [4]	6.00	6.02	6.02	5.99	6.00	6.02	5.99	6.00	6.00	5.97	5.99	6.00
Real estate taxes [5]	24.31	24.31	24.31	24.31	24.31	24.31	24.31	24.31	24.31	24.31	24.31	24.31
Other housing expense [6]	27.47	27.47	27.47	27.47	27.47	27.47	27.47	27.47	27.47	27.47	27.47	27.47
Total monthly housing expense	137.97	133.35	130.16	127.08	122.02	118.41	118.96	113.61	109.69	111.40	105.91	101.72
Estimated annual income needed by purchasers:												
Assuming FHA sec. 203 average ratio of housing expense to current income of 21.1 [7]	$7,847	$7,584	$7,402	$7,227	$6,939	$6,734	$6,765	$6,461	$6,238	$6,336	$6,023	$5,785
Assuming housing expense equal to 20 percent of income	8,278	8,001	7,810	7,625	7,321	7,105	7,138	6,817	6,581	6,684	6,355	6,103

NOTE.—For footnotes, refer to appendix table 1-J.

APPENDIX TABLE 1-C.—*Indianapolis, Ind., standard metropolitan statistical area—Estimated monthly housing expense assuming financing at selected interest rates and amortization periods, and estimated income groups served, for a basic 1-family owner-occupied new home* [1]

	5¼-percent interest rate			4-percent interest rate			3-percent interest rate			2-percent interest rate		
	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years
Estimated cost (including land) [1] Mortgage amount [2]	$14,000	$14,000	$14,000	$14,000	$14,000	$14,000	$14,000	$14,000	$14,000	$14,000	$14,000	$14,000
Estimated monthly housing expense:												
Interest and principal [3]	$77.42	$72.94	$69.86	$66.32	$62.02	$58.52	$59.08	$53.90	$50.12	$51.80	$46.48	$42.42
FHA mortgage insurance premium (1st year) [4]	5.80	5.81	5.81	5.78	5.80	5.81	5.78	5.80	5.80	5.77	5.78	5.80
Real estate taxes [5]	10.67	10.67	10.67	10.67	10.67	10.67	10.67	10.67	10.67	10.67	10.67	10.67
Other housing expense [6]	36.55	36.55	36.55	36.55	36.55	36.55	36.55	36.55	36.55	36.55	36.55	36.55
Total monthly housing expense	130.44	125.97	122.89	119.92	115.04	111.55	112.08	106.92	103.14	104.79	99.48	95.44
Estimated annual income needed by purchasers:												
Assuming FHA sec. 203 average ratio of housing expense to current income of 21.3 [7]	$7,349	$7,097	$6,923	$6,756	$6,481	$6,285	$6,314	$6,024	$5,811	$5,904	$5,604	$5,377
Assuming housing expense equal to 20 percent of income	7,826	7,558	7,373	7,195	6,902	6,693	6,725	6,415	6,188	6,287	5,969	5,726

NOTE.—For footnotes, refer to appendix table 1-J.

APPENDIX TABLE 1-D.—*Minneapolis-St. Paul, Minn., standard metropolitan statistical area—Estimated monthly housing expense assuming financing at selected interest rates and amortization periods, and estimated income groups served, for a basic 1-family owner-occupied new home* [1]

	5¼-percent interest rate			4-percent interest rate			3-percent interest rate			2-percent interest rate		
	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years
Estimated cost (including land) [1] Mortgage amount [2]	$14,000	$14,000	$14,000	$14,000	$14,000	$14,000	$14,000	$14,000	$14,000	$14,000	$14,000	$14,000
Estimated monthly housing expense:												
Interest and principal [3]	$77.42	$72.94	$69.86	$66.92	$62.02	$58.52	$59.08	$53.90	$50.12	$51.80	$46.48	$42.42
FHA mortgage insurance premium (1st year) [4]	5.80	5.81	5.81	5.78	5.80	5.81	5.78	5.80	5.80	5.77	5.78	5.80
Real estate taxes [5]	17.01	17.01	17.01	17.01	17.01	17.01	17.01	17.01	17.01	17.01	17.01	17.01
Other housing expense [6]	25.49	25.49	25.49	25.49	25.49	25.49	25.49	25.49	25.49	25.49	25.49	25.49
Total monthly housing expense	125.72	121.25	118.17	115.20	110.32	106.83	107.36	102.20	98.42	100.07	94.76	90.72
Estimated annual income needed by purchasers:												
Assuming FHA sec. 203 average ratio of housing expense to current income of 21.3 [7]	$7,083	$6,831	$6,657	$6,490	$6,215	$6,019	$6,048	$5,758	$5,545	$5,638	$5,339	$5,111
Assuming housing expense equal to 20 percent of income	7,548	7,275	7,090	6,912	6,619	6,410	6,442	6,132	5,905	6,004	5,686	5,443

NOTE.—For footnotes, refer to appendix table 1-J.

APPENDIX TABLE 1-E.—*Topeka, Kans., standard metropolitan statistical area—Estimated monthly housing expense assuming financing at selected interest rates and amortization periods, and estimated income groups served, for a basic 1-family owner-occupied new home* [1]

	5¼-percent interest rate			4-percent interest rate			3-percent interest rate			2-percent interest rate		
	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years
Estimated cost (including land) [1] Mortgage amount [2]	$13,000	$13,000	$13,000	$13,000	$13,000	$13,000	$13,000	$13,000	$13,000	$13,000	$13,000	$13,000
Estimated monthly housing expense:												
Interest and principal [3]	$71.89	$67.73	$64.87	$62.14	$57.59	$54.34	$54.86	$50.05	$46.54	$48.10	$43.16	$39.39
FHA mortgage insurance premium (1st year) [4]	5.38	5.40	5.40	5.37	5.38	5.40	5.37	5.38	5.38	5.36	5.37	5.38
Real estate taxes [5]	16.37	16.37	16.37	16.37	16.37	16.37	16.37	16.37	16.37	16.37	16.37	16.37
Other housing expense [6]	26.65	26.65	26.65	26.65	26.65	26.65	26.65	26.65	26.65	26.65	26.65	26.65
Total monthly housing expense	120.29	118.15	113.29	110.53	105.99	102.76	103.25	98.45	94.94	96.48	91.55	87.79
Estimated annual income needed by purchasers:												
Assuming FHA sec. 203 average ratio of housing expense to current income of 21.9 [7]	$6,591	$6,364	$6,208	$6,056	$5,808	$5,631	$5,658	$5,394	$5,202	$5,287	$5,016	$4,810
Assuming housing expense equal to 20 percent of income	7,217	6,969	6,797	6,632	6,359	6,186	6,195	5,907	5,696	5,789	5,493	5,267

NOTE.—For footnotes, refer to appendix table 1-J.

APPENDIX TABLE 1–F.—*Atlanta, Ga., standard metropolitan statistical area—Estimated monthly housing expense assuming financing at selected interest rates and amortization periods, and estimated income groups served, for a basic 1-family owner-occupied new home* [1]

	5¼-percent interest rate			4-percent interest rate			3-percent interest rate			2-percent interest rate		
	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years
Estimated cost (including land) [1] Mortgage amount [2]	$11,500	$11,500	$11,500	$11,500	$11,500	$11,500	$11,500	$11,500	$11,500	$11,500	$11,500	$11,500
Estimated monthly housing expense:												
Interest and principal [3]	$63.60	$59.92	$57.39	$54.97	$50.95	$48.07	$48.53	$44.28	$41.17	$42.55	$38.18	$34.85
FHA mortgage insurance premium (1st year) [4]	4.78	4.77	4.77	4.76	4.76	4.77	4.75	4.76	4.76	4.74	4.75	4.76
Real estate taxes [5]	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60
Other housing expense [6]	20.22	20.22	20.22	20.22	20.22	20.22	20.22	20.22	20.22	20.22	20.22	20.22
Total monthly housing expense	97.18	93.51	90.98	88.54	84.53	81.66	82.10	77.86	74.75	76.11	71.75	68.43
Estimated annual income needed by purchasers:												
Assuming FHA sec. 203 average ratio of housing expense to current income of 22.3 [7]	$5,229	$5,032	$4,896	$4,764	$4,549	$4,394	$4,418	$4,190	$4,022	$4,096	$3,861	$3,682
Assuming housing expense equal to 20 percent of income	5,831	5,611	5,459	5,312	5,072	4,900	4,926	4,672	4,485	4,567	4,305	4,106

NOTE.—For footnotes, refer to appendix table 1–J.

APPENDIX TABLE 1–G.—*Houston, Tex., standard metropolitan statistical area—Estimated monthly housing expense assuming financing at selected interest rates and amortization periods, and estimated income groups served, for a basic 1-family owner-occupied new home* [1]

	5¼-percent interest rate			4-percent interest rate			3-percent interest rate			2-percent interest rate		
	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years
Estimated cost (including land) [1] Mortgage amount [2]	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000
Estimated monthly housing expense:												
Interest and principal [3]	$60.83	$57.31	$54.89	$52.58	$48.73	$45.98	$46.42	$42.35	$39.38	$40.70	$36.52	$33.33
FHA mortgage insurance premium (1st year) [4]	4.55	4.57	4.57	4.54	4.55	4.57	4.54	4.55	4.55	4.53	4.54	4.55
Real estate taxes [5]	11.77	11.77	11.77	11.77	11.77	11.77	11.77	11.77	11.77	11.77	11.77	11.77
Other housing expense [6]	22.29	22.29	22.29	22.29	22.29	22.29	22.29	22.29	22.29	22.29	22.29	22.29
Total monthly housing expense	99.44	95.94	93.52	91.18	87.34	84.61	85.02	80.96	77.99	79.29	75.12	71.94
Estimated annual income needed by purchasers:												
Assuming FHA sec. 203 average ratio of housing expense to current income of 22.5 [7]	$5,304	$5,117	$4,988	$4,863	$4,658	$4,512	$4,534	$4,318	$4,159	$4,229	$4,006	$3,837
Assuming housing expense equal to 20 percent of income	5,966	5,756	5,611	5,471	5,240	5,077	5,101	4,858	4,679	4,757	4,507	4,316

NOTE.—For footnotes, refer to appendix table 1–J.

APPENDIX TABLE 1–H.—*Mobile, Ala., standard metropolitan statistical area—Estimated monthly housing expense assuming financing at selected interest rates and amortization periods, and estimated income groups served, for a basic 1-family, owner-occupied new home* [1]

	5¼-percent interest rate			4-percent interest rate			3-percent interest rate			2-percent interest rate		
	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years
Estimated cost (including land) [1] Mortgage amount [2]	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000
Estimated monthly housing expense:												
Interest and principal [3]	$66.36	$62.52	$59.88	$57.36	$53.16	$50.16	$50.64	$46.20	$42.96	$44.40	$39.84	$36.36
FHA mortgage insurance premium (1st year) [4]	4.97	4.98	4.98	4.96	4.97	4.98	4.96	4.97	4.97	4.94	4.96	4.97
Real estate taxes [5]	4.94	4.94	4.94	4.94	4.94	4.94	4.94	4.94	4.94	4.94	4.94	4.94
Other housing expense [6]	23.33	23.33	23.33	23.33	23.33	23.33	23.33	23.33	23.33	23.33	23.33	23.33
Total monthly housing expense	99.60	95.77	93.13	90.59	86.40	83.41	83.87	79.44	76.20	77.61	73.07	69.60
Estimated annual income needed by purchasers:												
Assuming FHA sec. 203 average ratio of housing expense to current income of 22.1 [7]	$5,408	$5,200	$5,057	$4,919	$4,691	$4,529	$4,554	$4,314	$4,138	$4,214	$3,968	$3,779
Assuming housing expense equal to 20 percent of income	5,976	5,746	5,588	5,435	5,184	5,005	5,032	4,766	4,572	4,657	4,384	4,176

NOTE.—For footnotes, refer to appendix table 1–J.

APPENDIX TABLE 1–I.—*Phoenix, Ariz., standard metropolitan statistical area—Estimated monthly housing expense assuming financing at selected interest rates and amortization periods, and estimated income groups served, for a basic 1-family owner-occupied new home* [1]

	5¼-percent interest rate			4-percent interest rate			3-percent interest rate			2-percent interest rate		
	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years
Estimated cost (including land) [1] Mortgage amount [2]	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000	$11,000
Estimated monthly housing expense:												
Interest and principal [3]	$60.83	$57.31	$54.89	$52.58	$48.73	$45.98	$46.42	$42.35	$39.38	$40.70	$36.52	$33.33
FHA mortgage insurance premium (1st year) [4]	4.55	4.57	4.57	4.54	4.55	4.57	4.54	4.55	4.55	4.53	4.54	4.55
Real estate taxes [5]	20.15	20.15	20.15	20.15	20.15	20.15	20.15	20.15	20.15	20.15	20.15	20.15
Other housing expense [6]	23.55	23.55	23.55	23.55	23.55	23.55	23.55	23.55	23.55	23.55	23.55	23.55
Total monthly housing expense	109.08	105.58	103.16	100.82	96.98	94.25	94.66	90.60	87.63	88.93	84.76	81.58
Estimated annual income needed by purchasers:												
Assuming FHA sec. 203 average ratio of housing expense to current income of 22.5 [7]	$5,818	$5,631	$5,502	$5,377	$5,172	$5,027	$5,049	$4,832	$4,674	$4,743	$4,521	$4,351
Assuming housing expense equal to 20 percent of income	6,545	6,335	6,190	6,049	5,819	5,655	5,680	5,436	5,258	5,336	5,086	4,895

NOTE.—For footnotes, refer to appendix table 1–J.

APPENDIX TABLE 1–J.—*Portland, Oreg., standard metropolitan statistical area—Estimated monthly housing expense assuming financing at selected interest rates and amortization periods, and estimated income groups served, for a basic 1-family owner-occupied new home* [1]

	5¼-percent interest rate			4-percent interest rate			3-percent interest rate			2-percent interest rate		
	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years	30 years	35 years	40 years
Estimated cost (including land).[1]												
Mortgage amount [2]	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000	$12,000
Estimated monthly housing expense:												
Interest and principal [3]	$66.36	$62.52	$59.88	$57.36	$53.16	$50.16	$50.64	$46.20	$42.96	$44.40	$39.84	$36.36
FHA mortgage insurance premium (1st year) [4]	4.97	4.98	4.98	4.96	4.97	4.98	4.96	4.97	4.97	4.94	4.96	4.97
Real estate taxes [5]	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45
Other housing expense [6]	31.95	31.95	31.95	31.95	31.95	31.95	31.95	31.95	31.95	31.95	31.95	31.95
Total monthly housing expense	121.73	117.90	115.26	112.72	108.53	105.54	106.00	101.57	98.33	99.74	95.20	91.73
Estimated annual income needed by purchasers:												
Assuming FHA sec. 203 average ratio of housing expense to current income of 22.1 [7]	$6,610	$6,402	$6,258	$6,121	$5,893	$5,731	$5,756	$5,515	$5,339	$5,416	$5,169	$4,981
Assuming housing expense equal to 20 percent of income	7,304	7,074	6,916	6,763	6,512	6,332	6,360	6,094	5,900	5,984	5,712	5,504

[1] The basic house of 3 bedrooms was used in establishing the maximum mortgage ceiling needed for various areas under FHA sec. 221(d)(2). Each FHA insuring office prepared estimates, based upon local costs, of the cost of construction, including land, of this house, or of a basically comparable house where some minor variations were necessary in order to conform to local practices.

[2] This is the computed maximum mortgage amount which would be permissible under sec. 221(d)(2).

[3] This monthly amount would remain constant throughout the life of the mortgage.

[4] This monthly amount would decline slightly each year the outstanding balance of the mortgage is reduced.

[5] Represents 1/12 of the estimated real estate taxes.

[6] Includes the following estimated monthly amounts:

	Other housing expense	For maintenance and repair	For heating and utilities [a]	Miscellaneous expenses [b]
Atlanta, Ga	$20.22	$5.92	$11.20	$3.11
Boston, Mass	24.73	5.05	15.70	3.99
Houston, Tex	22.29	7.21	11.57	3.51
Indianapolis, Ind	36.55	8.28	24.13	4.13
Minneapolis-St. Paul, Minn	25.49	3.70	17.72	4.06
Mobile, Ala	23.33	6.30	13.62	3.42
Newark, N.J	27.47	5.59	19.31	2.57
Phoenix, Ariz	23.55	6.82	13.88	2.86
Portland, Oreg	31.95	7.44	21.59	2.92
Topeka, Kans	26.65	6.84	14.22	5.59

[a] Excluding telephones.

[b] Mainly hazard insurance premiums.

[7] The number of sec. 221 cases were too few to compute a meaningful average, consequently the ratio used was based upon all sec. 203 mortgages on new 1-family homes insured in the United States in 1961. In computing this ratio, total current income, rather than total effective income, was used.

APPENDIX TABLE 2.—*Family income distribution of families in selected standard metropolitan statistical areas for 1959*

NUMBER OF FAMILIES

Standard metropolitan statistical area	Family incomes [1] of—										
	Median income	Total	Less than $4,000	$4,000 to $4,999	$5,000 to $5,999	$6,000 to $6,999	$7,000 to $7,999	$8,000 to $8,999	$9,000 to $9,999	$10,000 to $14,999	$15,000 or more
Northeast:											
Boston, Mass	6,687	640,526	116,418	64,861	86,156	76,842	67,392	53,207	39,380	90,769	45,501
Newark, N.J	7,149	443,681	74,132	39,088	52,493	49,640	43,484	37,135	30,300	74,688	42,721
North Central:											
Indianapolis, Ind	6,609	178,446	36,240	17,911	22,175	21,194	18,449	15,260	11,179	25,432	10,606
Minneapolis-St. Paul, Minn	6,840	364,127	58,046	31,803	49,394	50,981	43,705	33,721	24.461	49,896	22,120
Topeka, Kans	5,931	36,369	9,067	4,366	5,104	4,408	3,539	2,697	1,925	3,858	1,405
South:											
Atlanta, Ga	5,758	255,983	79,302	26,968	28,670	25,555	21,641	17,065	13,313	29,349	14,120
Houston, Tex	6,040	316,194	86,906	33,296	36,490	34,710	29,559	22,580	17,059	37,692	17,902
Mobile, Ala	5,132	73,993	26,837	8,929	9,289	7,650	5,574	4,167	2,898	6,499	2,150
West:											
Phoenix, Ariz	5,896	162,697	45,857	17,810	19,740	18,255	14,975	11,598	8,251	17,560	8,651
Portland, Oreg	6,340	215,196	47,446	21,664	29,046	27,782	23,199	17,672	12,696	25,464	10,227

See footnote at end of table.

APPENDIX TABLE 2.—*Family income distribution of families in selected standard metropolitan statistical areas for 1959*—Continued

PERCENT OF TOTAL FAMILIES

Standard metropolitan statistical area	Family incomes [1] of—										
	Median income	Total	Less than $4,000	$4,000 to $4,999	$5,000 to $5,999	$6,000 to $6,999	$7,000 to $7,999	$8,000 to $8,999	$9,000 to $9,999	$10,000 to $14,999	$15,000 or more
Northeast:											
Boston, Mass	----------	100	18.1	10.0	13.5	12.0	10.5	8.3	6.1	14.2	7.1
Newark, N.J	----------	100	16.7	8.8	11.8	11.2	9.8	8.4	6.8	16.8	9.7
North Central:											
Indianapolis, Ind	----------	100	20.3	10.0	12.4	11.9	10.3	8.6	6.3	14.3	5.9
Minneapolis-St. Paul, Minn	----------	100	15.9	8.7	13.6	14.0	12.0	9.3	6.7	13.7	6.0
Topeka, Kans	----------	100	24.9	12.0	14.0	12.1	9.7	7.4	5.3	10.6	3.8
South:											
Atlanta, Ga	----------	100	31.0	10.5	11.2	10.0	8.4	6.7	5.2	11.5	5.5
Houston, Tex	----------	100	27.5	10.5	11.5	11.0	9.3	7.1	5.4	12.0	5.6
Mobile, Ala	----------	100	36.3	12.0	12.5	10.3	7.5	5.6	3.9	8.8	3.0
West:											
Phoenix, Ariz	----------	100	28.2	11.0	12.1	11.2	9.2	7.1	5.1	10.8	5.3
Portland, Oreg	----------	100	22.4	10.1	13.5	12.9	10.7	8.2	5.8	11.8	4.6
CUMULATIVE PERCENTAGES											
Northeast:											
Boston, Mass	----------	----------	18.1	28.1	41.6	53.6	64.1	72.4	78.5	92.7	100
Newark, N.J	----------	----------	16.7	25.5	37.3	48.5	58.3	66.7	73.5	90.3	100
North Central:											
Indianapolis, Ind	----------	----------	20.3	30.3	42.7	54.6	64.9	73.5	79.8	94.1	100
Minneapolis-St. Paul, Minn	----------	----------	15.9	24.6	38.2	52.2	64.2	73.5	80.2	93.9	100
Topeka, Kans	----------	----------	24.9	36.9	50.9	63.0	72.7	80.1	85.4	96.0	100
South:											
Atlanta, Ga	----------	----------	31.0	41.5	52.7	62.7	71.1	77.8	83.0	94.5	100
Houston, Tex	----------	----------	27.5	38.0	49.5	60.5	69.8	76.9	82.3	94.3	100
Mobile, Ala	----------	----------	36.3	48.3	60.8	71.1	78.6	84.2	88.1	96.9	100
West:											
Phoenix, Ariz	----------	----------	28.2	39.2	51.3	62.5	71.7	78.8	83.9	94.7	100
Portland, Oreg	----------	----------	22.4	32.5	46.0	58.9	69.6	77.8	83.6	95.4	100

[1] Incomes of unrelated individuals occupying dwelling units are not included in the figures above.

Source: U.S. Bureau of the Census, 1960 Census of Population and Housing, Series PHC(1), Census Tracts.

APPENDIX TABLE 3.—*Percentage distribution by family current [1] annual income of purchasers of new 1-family homes, mortgages on which were insured by FHA under sec. 203 in selected standard metropolitan statistical areas in 1959*

Standard metropolitan statistical area	Median income	Total		Family current incomes of—								
		Number	Percent	Less than $3,600	$3,600-$4,799	$4,800-$5,999	$6,000-$7,199	$7,200-$8,399	$8,400-$9,599	$9,600-$11,999	$12,000-$14,399	$14,400 or more
Northeast:												
Boston, Mass	$7,933	339	100.0	----------	----------	7.5	25.2	28.3	17.0	14.5	5.6	1.9
Newark, N.J	8,871	143	100.0	----------	----------	5.6	21.2	15.5	19.7	29.6	7.0	1.4
North Central:												
Indianapolis, Ind	7,498	1,454	100.0	0.2	5.2	19.0	21.0	18.6	16.8	13.4	3.0	2.8
Minneapolis-St. Paul, Minn	6,762	1,679	100.0	.1	4.8	26.9	28.7	18.9	11.0	7.7	1.3	.6
Topeka, Kans	8,143	86	100.0	----------	----------	3.4	27.6	24.2	20.7	20.7	3.4	----------
South:												
Atlanta, Ga	7,616	1,834	100.0	.4	3.6	15.0	23.1	22.9	15.9	13.9	3.3	1.9
Houston, Tex	7,298	2,124	100.0	----------	2.7	19.5	26.0	21.8	13.6	11.2	3.6	1.6
Mobile, Ala	7,844	550	100.0	----------	1.7	11.4	24.5	23.2	17.3	13.9	6.7	1.3
West:												
Phoenix, Ariz	8,040	6,050	100.0	.1	2.8	12.1	21.1	19.9	14.7	16.2	7.5	5.6
Portland, Oreg	7,818	874	100.0	----------	2.5	13.7	24.2	18.7	20.1	15.0	3.6	2.2
Cumulative percentages												
Northeast:												
Boston, Mass	----------	----------	----------	----------	----------	7.5	32.7	61.0	78.0	92.5	98.1	100.0
Newark, N.J	----------	----------	----------	----------	----------	5.6	26.8	42.3	62.0	91.6	98.6	100.0
North Central:												
Indianapolis, Ind	----------	----------	----------	0.2	5.4	24.4	45.4	64.0	80.8	94.2	97.2	100.0
Minneapolis-St. Paul, Minn	----------	----------	----------	.1	4.9	31.8	60.5	79.4	90.4	98.1	99.4	100.0
Topeka, Kans	----------	----------	----------	----------	----------	3.4	31.0	55.2	75.9	96.6	100.0	----------
South:												
Atlanta, Ga	----------	----------	----------	.4	4.0	19.0	42.1	65.0	80.9	94.8	98.1	100.0
Houston, Tex	----------	----------	----------	----------	2.7	22.2	48.2	70.0	83.6	94.8	98.4	100.0
Mobile, Ala	----------	----------	----------	----------	1.7	13.1	37.6	60.8	78.1	92.0	98.7	100.0
West:												
Phoenix, Ariz	----------	----------	----------	.1	2.9	15.0	36.1	56.0	70.7	86.9	94.4	100.0
Portland, Oreg	----------	----------	----------	----------	2.5	16.2	40.4	59.1	79.2	94.2	97.8	100.0

[1] Represents the sum of all amounts received by the principal mortgagor or the comortgagor(s) from any source, as reported on the application, adjusted to conform to any available verifications. This includes occupational income and income from commissions, fees, bonuses, business, corporations or partnerships, investments or other supplemental sources. These figures are more nearly comparable to census family income data than are the FHA figures on effective income.

NOTE.—Data for income classes comparable to those for 1960 (app. table 4) are not available for 1959.

Source: FHA Homes, 1959, "Data for States and Selected Areas on Characteristics of FHA Operations Under Sec. 203," table 84-M.

APPENDIX TABLE 4.—*Percentage distribution by family current[1] annual income of purchasers of new 1-family homes, mortgages on which were insured by FHA under sec. 203 in selected standard metropolitan statistical areas in 1960*

Standard metropolitan statistical area	Median income	Total		Family current incomes of—									
		Number	Percent	Less than $4,000	$4,000–$4,999	$5,000–$5,999	$6,000–$6,999	$7,000–$7,999	$8,000–$8,999	$9,000–$9,999	$10,000–$11,999	$12,000–$14,999	$15,000 or more
Northeast:													
Boston, Mass	$8,773	247	100.0		0.9	3.6	14.0	21.1	13.4	23.0	13.3	8.3	2.4
Newark, N.J.[2]		58	100.0										
North Central:													
Indianapolis, Ind	8,012	1,142	100.0	0.3	4.1	11.6	18.0	15.9	13.5	16.2	12.9	5.9	1.6
Minneapolis-St. Paul, Minn	6,991	1,409	100.0	.1	5.3	21.0	23.8	16.8	13.2	9.8	6.9	2.3	.8
Topeka, Kans	7,698	142	100.0		3.0	11.7	19.6	22.6	17.6	9.9	12.1	3.5	
South:													
Atlanta, Ga	7,987	1,523	100.0	.1	3.1	9.7	18.2	19.1	16.2	16.2	12.9	3.7	.8
Houston, Tex	7,751	1,795	100.0	.1	4.8	11.9	19.9	17.8	14.6	12.2	10.7	6.7	1.3
Mobile, Ala	8,157	378	100.0		4.4	11.9	18.2	12.9	16.6	18.6	11.5	4.9	1.0
West:													
Phoenix, Ariz	8,456	6,164	100.0	.6	3.6	9.3	14.4	15.6	14.3	12.4	14.4	8.7	6.7
Portland, Oreg	8,187	742	100.0		.4	10.1	16.7	19.4	18.2	14.7	11.7	6.5	2.3
				Cumulative percentages									
Northeast:													
Boston, Mass					0.9	4.5	18.5	39.6	53.0	76.0	89.3	97.6	100.0
Newark, N.J.[2]													
North Central:													
Indianapolis, Ind				0.3	4.4	16.0	34.0	49.9	63.4	79.6	92.5	98.4	100.0
Minneapolis-St. Paul, Minn				.1	5.4	26.4	50.2	67.0	80.2	90.0	96.9	99.2	100.0
Topeka, Kans					3.0	14.7	34.3	56.9	74.5	84.4	96.5	100.0	
South:													
Atlanta, Ga				.1	3.2	12.9	31.1	50.2	66.4	82.6	95.5	99.2	100.0
Houston, Tex				.1	4.9	16.8	36.7	54.5	69.1	81.3	92.0	98.7	100.0
Mobile, Ala					4.4	16.3	34.5	47.4	64.0	82.6	94.1	99.0	100.0
West:													
Phoenix, Ariz				.6	4.2	13.5	27.9	43.5	57.8	70.2	84.6	93.3	100.0
Portland, Oreg					.4	10.5	27.2	46.6	64.8	79.5	91.2	97.7	100.0

[1] Represents the sum of all amounts received by the principal mortgagor or the co-mortgagor(s) from any source, as reported on the application, adjusted to conform to any available verifications. This includes occupational income and income from commissions, fees, bonuses, business, corporations or partnerships, investments or other supplemental sources. These figures are more nearly comparable to census family income data than are the FHA figures on effective income.

[2] Sample considered too small for tabulation.

Source: FHA Homes, 1960, "Data for States and Selected Areas on Characteristics of FHA Operations Under Sec. 203," table 85-M.

APPENDIX TABLE 5.—*Percentage distribution by property value of new 1-family homes, mortgages on which were insured by FHA under sec. 203 in selected standard metropolitan statistical areas in 1959*

Standard metropolitan statistical area	Total		FHA appraised values of—							
	Number	Percent	Less than $8,000	$8,000–$9,999	$10,000–$11,999	$12,000–$13,999	$14,000–$15,999	$16,000–$17,999	$18,000–$19,999	$20,000 or more
Northeast:										
Boston, Mass	339	100.0			0.6	5.7	35.8	32.7	15.1	10.1
Newark, N.J	143	100.0					36.6	25.4	5.6	32.4
North Central:										
Indianapolis, Ind	1,454	100.0		0.4	15.4	36.7	23.3	10.4	8.5	5.3
Minneapolis-St. Paul, Minn	1,679	100.0			3.2	27.9	38.5	19.5	7.8	3.1
Topeka, Kans	86	100.0				11.1	33.3	33.3	16.7	5.6
South:										
Atlanta, Ga	1,834	100.0		1.7	11.9	32.0	26.9	15.0	7.0	5.5
Houston, Tex	2,124	100.0		2.9	22.4	24.7	24.9	17.4	5.4	2.3
Mobile, Ala	550	100.0			6.6	23.0	33.3	18.1	6.2	12.8
West:										
Phoenix, Ariz	6,050	100.0	0.3	7.1	25.1	30.6	21.3	6.8	2.3	6.5
Portland, Oreg	874	100.0		.3	17.1	39.7	25.5	11.3	3.7	2.4
			Cumulative percentages							
Northeast:										
Boston, Mass					0.6	6.3	42.1	74.8	89.9	100.0
Newark, N.J							36.6	62.0	67.6	100.0
North Central:										
Indianapolis, Ind				0.4	15.8	52.5	75.8	86.2	94.7	100.0
Minneapolis-St. Paul, Minn					3.2	31.1	69.6	89.1	96.9	100.0
Topeka, Kans						11.5	44.4	77.7	94.4	100.0
South:										
Atlanta, Ga				1.7	13.6	45.6	72.5	87.5	94.5	100.0
Houston, Tex				2.9	25.3	50.0	74.9	92.3	97.7	100.0
Mobile, Ala					6.6	29.6	62.9	81.0	87.2	100.0
West:										
Phoenix, Ariz			0.3	7.4	32.5	63.1	84.4	91.2	93.5	100.0
Portland, Oreg				.3	17.4	57.1	82.6	93.9	97.6	100.0

Source: FHA Homes, 1959, "Data for States and Selected Areas on Characteristics of FHA Operations Under Sec. 203," table 43-M.

APPENDIX TABLE 6.—*Percentage distribution by property value of new 1-family homes, mortgages on which insured by FHA under sec. 203 in selected standard metropolitan statistical areas in 1960*

Standard metropolitan statistical areas	Total		FHA appraised values of—							
	Number	Percent	Less than $8,000	$8,000 to $9,999	$10,000 to $11,999	$12,000 to $13,999	$14,000 to $15,999	$16,000 to $17,999	$18,000 to $19,999	$20,000 or more
Northeast:										
Boston, Mass.	247	100.0	0.6			5.0	28.5	33.5	18.4	14.0
Newark, N.J.[1]	58	100.0								
North Central:										
Indianapolis, Ind.	1,142	100.0		.2	12.5	30.2	26.0	22.6	6.5	2.0
Minneapolis-St. Paul, Minn.	1,409	100.0			.6	24.5	38.5	23.4	6.2	6.8
Topeka, Kans.	142	100.0		1.2	12.8	39.5	28.5	12.7	2.9	2.4
South:										
Atlanta, Ga.	1,523	100.0		.6	8.1	24.7	33.8	20.6	8.8	3.4
Houston, Tex.	1,795	100.0		4.0	19.7	19.8	25.9	19.1	9.5	2.0
Mobile, Ala.	378	100.0		.6	5.2	22.3	29.1	21.8	8.2	12.8
West:										
Phoenix, Ariz.	6,164	100.0		5.8	21.9	27.3	24.6	12.1	3.4	4.9
Portland, Oreg.	742	100.0		.3	14.1	27.2	32.0	18.9	6.1	1.4
			Cumulative percentages							
Northeast:										
Boston, Mass.			0.6	0.6	0.6	5.6	34.1	67.6	86.0	100.0
Newark, N.J.[1]										
North Central:										
Indianapolis, Ind.				.2	12.7	42.9	68.9	91.5	98.0	100.0
Minneapolis-St. Paul, Minn.					.6	25.1	63.6	87.0	93.2	100.0
Topeka, Kans.				1.2	14.0	53.5	82.0	94.7	97.6	100.0
South:										
Atlanta, Ga.				.6	8.7	33.4	67.2	87.8	96.6	100.0
Houston, Tex.				4.0	23.7	43.5	69.4	88.5	98.0	100.0
Mobile, Ala.				.6	5.8	28.1	57.2	79.0	87.2	100.0
West:										
Phoenix, Ariz.				5.8	27.7	55.0	79.6	91.7	95.1	100.0
Portland, Oreg.				.3	14.4	41.6	73.6	92.5	98.6	100.0

[1] Sample considered too small for tabulation.

Source: FHA Homes, 1960, "Data for States and Selected Areas on Characteristics of FHA Operations Under Sec. 203," table 41-M.

APPENDIX TABLE 7-A.—*Boston, Mass., standard metropolitan statistical area*

[Estimated monthly rent[1] assuming 100 percent mortgage financing at selected interest rates and a 40-year amortization period, and estimated income groups served for a basic walkup type of rental unit[2]]

	Interest rates of—				
	5¼ percent	4 percent	3½ percent	3 percent	2 percent
(a) Estimated cost per room, including land[3]	$2,400.00	$2,400.00	$2,400.00	$2,400.00	$2,400.00
(b) Mortgage amount per room[3]	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00
ESTIMATED MONTHLY RENT PER ROOM					
(c) Interest and principal[4]	11.98	10.03	8.78	8.59	7.27
(d) FHA mortgage insurance premium[4]					
(e) Real estate taxes[5]	4.00	4.00	4.00	4.00	4.00
(f) Hazard insurance[5]	.38	.38	.38	.38	.38
(g) Other operating expenses[6]	4.80	4.80	4.80	4.80	4.80
(h) Replacement reserve[6]	.56	.56	.56	.56	.56
(i) Vacancy allowance[7]	1.63	1.49	1.39	1.38	1.28
(j) Total monthly rent	23.35	21.26	19.91	19.71	18.29
(k) Estimated monthly rent per typical 2-bedroom unit[8]	134.26	122.25	114.48	113.33	105.17
ESTIMATED ANNUAL INCOME OF GROUP SERVED					
(l) FHA maximum income limits under sec. 221(d)(3): families of 3 and 4 persons[9]			7,000.00		
(m) Estimated median family income[10]	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00
(n) Income required to pay 2 bedroom monthly rent[11]	8,055.60	7,335.00	6,868.80	6,799.80	6,310.20

NOTE.—For footnotes, refer to appendix table 7-J.

APPENDIX TABLE 7-B.—*Newark, N.J., standard metropolitan statistical area*

[Estimated monthly rent[1] assuming 100 percent mortgage financing at selected interest rates and a 40-year amortization period, and estimated income groups served, for a basic walkup type of rental unit[2]]

	Interest rates of—				
	5¼ percent	4 percent	3½ percent	3 percent	2 percent
(a) Estimated cost per room, including land[3]	$2,600.00	$2,600.00	$2,600.00	$2,600.00	$2,600.00
(b) Mortgage amount per room[3]	2,600.00	2,600.00	2,600.00	2,600.00	2,600.00
ESTIMATED MONTHLY RENT PER ROOM					
(c) Interest and principal[4]	12.97	10.87	9.52	9.31	7.88
(d) FHA mortgage insurance premium[4]					
(e) Real estate taxes[5]	5.42	5.42	5.42	5.42	5.42
(f) Hazard insurance[5]	.35	.35	.35	.35	.35
(g) Other operating expenses[6]	5.41	5.41	5.41	5.41	5.41
(h) Replacement reserve[6]	.69	.69	.69	.69	.69
(i) Vacancy allowance[7]	1.87	1.71	1.61	1.59	1.49
(j) Total monthly rent	26.71	24.45	23.00	22.77	21.24
(k) Estimated monthly rent per typical 2-bedroom unit[8]	153.58	140.59	132.25	130.93	122.13
ESTIMATED ANNUAL INCOME OF GROUP SERVED					
(l) FHA maximum income limits under sec. 221(d)(3): Families of 3 and 4 persons[9]			7,550.00		
(m) Estimated median family income[10]	7,550.00	7,550.00	7,550.00	7,550.00	7,550.00
(n) Income required to pay 2-bedroom monthly rent[11]	9,214.80	8,435.40	7,935.00	7,855.80	7,327.80

NOTE.—For footnotes, refer to appendix table 7-J.

APPENDIX TABLE 7-C.—*Indianapolis, Ind., standard metropolitan statistical area*

[Estimated monthly rent [1] assuming 100 percent mortgage financing at selected interest rates and a 40-year amortization period, and estimated income groups served, for a basic walkup type of rental unit [2]]

	Interest rates of—				
	5¼ percent	4 percent	3⅛ percent	3 percent	2 percent
(a) Estimated cost per room, including land [3]	$2,400.00	$2,400.00	$2,400.00	$2,400.00	$2,400.00
(b) Mortgage amount per room [3]	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00
ESTIMATED MONTHLY RENT PER ROOM					
(c) Interest and principal [4]	11.98	10.03	8.78	8.59	7.27
(d) FHA mortgage insurance premium [4]					
(e) Real estate taxes [5]	2.80	2.80	2.80	2.80	2.80
(f) Hazard insurance [5]	.66	.66	.66	.66	.66
(g) Other operating expenses [6]	5.03	5.03	5.03	5.03	5.03
(h) Replacement reserve [5]	.86	.86	.86	.86	.86
(i) Vacancy allowance [7]	1.61	1.46	1.36	1.35	1.25
(j) Total monthly rent	22.94	20.84	19.49	19.29	17.87
(k) Estimated monthly rent per typical 2-bedroom unit [8]	131.91	119.83	112.07	110.92	102.75
ESTIMATED ANNUAL INCOME OF GROUP SERVED					
(l) FHA maximum income limits under sec. 221(d)(3): Families of 3 and 4 persons [9]			6,900.00		
(m) Estimated median family income [10]	7,300.00	7,300.00	7,300.00	7,300.00	7,300.00
(n) Income required to pay 2-bedroom monthly rent [11]	7,914.60	7,189.80	6,724.20	6,655.20	6,165.00

NOTE.—For footnotes, refer to appendix table 7-J.

APPENDIX TABLE 7-D.—*Minneapolis, Minn., standard metropolitan statistical area*

[Estimated monthly rent [1] assuming 100-percent mortgage financing at selected interest rates and a 40-year amortization period, and estimated income groups served, for a basic walkup type of rental unit [2]]

	Interest rates of—				
	5¼ percent	4 percent	3⅛ percent	3 percent	2 percent
(a) Estimated cost per room, including land [3]	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00
(b) Mortgage amount per room [3]	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
ESTIMATED MONTHLY RENT PER ROOM					
(c) Interest and principal [4]	12.48	10.45	9.15	8.95	7.58
(d) FHA mortgage insurance premium [4]					
(e) Real estate taxes [5]	6.25	6.25	6.25	6.25	6.25
(f) Hazard insurance [5]	.71	.71	.71	.71	.71
(g) Other operating expenses [6]	5.19	5.19	5.19	5.19	5.19
(h) Replacement reserve [5]	.92	.92	.92	.92	.92
(i) Vacancy allowance [7]	1.92	1.77	1.67	1.66	1.55
(j) Total monthly rent	27.47	25.29	23.89	23.68	22.20
(k) Estimated monthly rent per typical 2-bedroom unit [8]	157.95	145.42	137.37	136.16	127.65
ESTIMATED ANNUAL INCOME OF GROUP SERVED					
(l) FHA maximum income limits under sec. 221(d)(3): Families of 3 and 4 persons [9]			7,300.00		
(m) Estimated median family income [10]	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00
(n) Income required to pay 2-bedroom monthly rent [11]	9,477.00	8,725.20	8,242.20	8,169.60	7,659.00

NOTE.—For footnotes, refer to appendix table 7-J.

APPENDIX TABLE 7-E.—*Topeka, Kans., standard metropolitan statistical area*

[Estimated monthly rent [1] assuming 100 percent mortgage financing at selected interest rates and a 40-year amortization period, and estimated income groups served, for a basic walkup type of rental unit [2]]

	Interest rates of—				
	5¼ percent	4 percent	3⅛ percent	3 percent	2 percent
(a) Estimated cost per room, including land [3]	$2,400.00	$2,400.00	$2,400.00	$2,400.00	$2,400.00
(b) Mortgage amount per room [3]	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00
ESTIMATED MONTHLY RENT PER ROOM					
(c) Interest and principal [4]	11.98	10.03	8.78	8.59	7.27
(d) FHA mortgage insurance premium [4]					
(e) Real estate taxes [5]	4.60	4.60	4.60	4.60	4.60
(f) Hazard insurance [5]	1.34	1.34	1.34	1.34	1.34
(g) Other operating expenses [6]	3.86	3.86	3.86	3.86	3.86
(h) Replacement reserve [5]	.52	.52	.52	.52	.52
(i) Vacancy allowance [7]	1.68	1.53	1.44	1.42	1.32
(j) Total monthly rent	23.98	21.88	20.54	20.33	18.91
(k) Estimated monthly rent per typical 2-bedroom unit [8]	137.89	125.81	118.11	116.90	108.73
ESTIMATED ANNUAL INCOME OF GROUP SERVED					
(l) FHA maximum income limits under sec. 221(d)(3): Families of 3 and 4 persons [9]			6,900.00		
(m) Estimated median family income [10]	6,900.00	6,900.00	6,900.00	6,900.00	6,900.00
(n) Income required to pay 2-bedroom monthly rent [11]	8,273.40	7,548.60	7,086.60	7,014.00	6,523.80

NOTE.—For footnotes, refer to appendix table 7-J.

APPENDIX TABLE 7-F.—*Atlanta, Ga., standard metropolitan statistical area*

[Estimated monthly rent [1] assuming 100 percent mortgage financing at selected interest rates and a 40-year amortization period, and estimated income groups served, for a basic walkup type of rental unit [2]]

	Interest rates of—				
	5¼ percent	4 percent	3⅛ percent	3 percent	2 percent
(a) Estimated cost per room, including land [3]	$2,050.00	$2,050.00	$2,050.00	$2,050.00	$2,050.00
(b) Mortgage amount per room [3]	2,050.00	2,050.00	2,050.00	2,050.00	2,050.00
ESTIMATED MONTHLY RENT PER ROOM					
(c) Interest and principal [4]	10.23	8.57	7.50	7.34	6.21
(d) FHA mortgage insurance premium [4]					
(e) Real estate taxes [5]	2.22	2.22	2.22	2.22	2.22
(f) Hazard insurance [5]	.36	.36	.36	.36	.36
(g) Other operating expenses [6]	2.80	2.80	2.80	2.80	2.80
(h) Replacement reserve [5]	.79	.79	.79	.79	.79
(i) Vacancy allowance [7]	1.23	1.11	1.03	1.02	.93
(j) Total monthly rent	17.63	15.85	14.70	14.53	13.31
(k) Estimated monthly rent per typical 2-bedroom unit [8]	101.37	91.14	84.53	83.55	76.53
ESTIMATED ANNUAL INCOME OF GROUP SERVED					
(l) FHA maximum income limits under sec. 221(d)(3): Families of 3 and 4 persons [9]			6,000.00		
(m) Estimated median family income [10]	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
(n) Income required to pay 2-bedroom monthly rent [11]	6,082.20	5,468.40	5,071.80	5,013.00	4,591.80

NOTE.—For footnotes, refer to appendix table 7-J.

APPENDIX TABLE 7-G.—*Houston, Tex., standard metropolitan statistical area*

[Estimated monthly rent [1] assuming 100 percent mortgage financing at selected interest rates and a 40-year amortization period, and estimated income groups served, for a basic walkup type of rental unit [2]]

	Interest rates of—				
	5¼ percent	4 percent	3½ percent	3 percent	2 percent
(a) Estimated cost per room, including land [3]	$2,050.00	$2,050.00	$2,050.00	$2,050.00	$2,050.00
(b) Mortgage amount per room [3]	2,050.00	2,050.00	2,050.00	2,050 00	2,050.00
ESTIMATED MONTHLY RENT PER ROOM					
(c) Interest and principal [4]	10.23	8.57	7.50	7.34	6.12
(d) FHA mortgage insurance premium [4]					
(e) Real estate taxes [5]	2.39	2.39	2.39	2.39	2.39
(f) Hazard insurance [5]	.51	.51	.51	.51	.51
(g) Other operating expenses [6]	4.16	4.16	4.16	4.16	4.16
(h) Replacement reserve [5]	.34	.34	.34	.34	.34
(i) Vacancy allowance [7]	1.33	1.20	1.12	1.11	1.02
(j) Total monthly rent	18.96	17.17	16.02	15.85	14.63
(k) Estimated monthly rent per typical 2-bedroom unit [8]	109.02	98.73	92.12	91.14	84.12
ESTIMATED ANNUAL INCOME OF GROUP SERVED					
(l) FHA maximum income limits under sec. 221(d)(3): Families of 3 and 4 persons [9]			5,900.00		
(m) Estimated median family income [10]	6,900.00	6,900.00	6,900.00	6,900.00	6,900.00
(n) Income required to pay 2-bedroom monthly rent [11]	6,541.20	5,923.80	5,527.20	5,468.40	5,047.20

NOTE.—For footnotes, refer to appendix table 7-J.

APPENDIX TABLE 7-H.—*Mobile, Ala., standard metropolitan statistical area*

[Estimated monthly rent [1] assuming 100 percent mortgage financing at selected interest rates and a 40-year amortization period, and estimated income groups served, for a basic walkup type of rental unit [2]]

	Interest rates of—				
	5¼ percent	4 percent	3½ percent	3 percent	2 percent
(a) Estimated cost per room, including land [3]	$2,100.00	$2,100.00	$2,100.00	$2,100.00	$2,100.00
(b) Mortgage amount per room [3]	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00
ESTIMATED MONTHLY RENT PER ROOM					
(c) Interest and principal [4]	10.48	8.78	7.69	7.52	6.36
(d) FHA mortgage insurance premium [4]					
(e) Real estate taxes [5]	1.23	1.23	1.23	1.23	1.23
(f) Hazard insurance [5]	.51	.51	.51	.51	.51
(g) Other operating expenses [6]	3.74	3.74	3.74	3.74	3.74
(h) Replacement reserve [5]	.56	.56	.56	.56	.56
(i) Vacancy allowance [7]	1.24	1.12	1.03	1.02	.93
(j) Total monthly rent	17.76	15.94	14.76	14.58	13.33
(k) Estimated monthly rent per typical 2-bedroom unit [8]	102.12	91.66	84.87	83.84	76.65
ESTIMATED ANNUAL INCOME OF GROUP SERVED					
(l) FHA maximum income limits under sec. 221(d)(3): Families of 3 and 4 persons [9]			6,050.00		
(m) Estimated median family income [10]	6,050.00	6,050.00	6,050.00	6,050.00	6,050.00
(n) Income required to pay 2-bedroom monthly rent [11]	6,127.20	5,499.60	5,092.20	5,030.40	4,599.00

NOTE.—For footnotes, refer to appendix table 7-J.

FOOTNOTES TO APPENDIX TABLES 7-A TO 7-J

[1] Not including tenants' electricity or telephone and, in some cases, cooking gas.

[2] This basic 2-bedroom rental unit in a walkup-type structure was used to help establish maximum income limits for various areas under FHA sec. 221(d)(3). Each FHA insuring office prepared estimates, based upon local costs, of the cost of construction, including land, of this basic unit, or a basically comparable unit where some minor variations were necessary to conform to local practices. For localities in which the requisite income for 3- or 4-person occupancy of such a unit (calculated with rentals of 20 percent of income) does not exceed the estimated median income in that locality. maximum permissible mortgages are authorized for this cost amount. If the median income estimate is lower, maximum permissible mortgage amounts are reduced proportionately from the cost estimate.

[3] Estimated cost, including land, is assumed to be the maximum mortgage amount permitted for each locality under sec. 221(d)(3) for projects sponsored by nonprofit, cooperative, and public agency sponsors. Maximum mortgage amounts were established at the lower amount of (1) estimated cost for a characteristic moderate rental 2-bedroom unit in a walkup project or (2) the estimated mortgage amount for a 2-bedroom unit which could be amortized over a 40-year period at 3½ percent interest and standard assumptions of taxes, operating costs, vacancy allowances, etc., with 20 percent rental payments by median income families.

APPENDIX TABLE 7-I.—*Phoenix, Ariz., standard metropolitan statistical area*

[Estimated monthly rent [1] assuming 100 percent mortgage financing at selected interest rates and a 40-year amortization period, and estimated income groups served, for a basic walkup type of rental unit [2]]

	Interest rates of—				
	5¼ percent	4 percent	3½ percent	3 percent	2 percent
(a) Estimated cost per room, including land [3]	$2,150.00	$2,150.00	$2,150.00	$2,150.00	$2,150.00
(b) Mortgage amount per room [3]	2,150.00	2,150.00	2,150.00	2,150.00	2,150.00
ESTIMATED MONTHLY RENT PER ROOM					
(c) Interest and principal [4]	10.73	8.99	7.87	7.70	6.51
(d) FHA mortgage insurance premium [4]					
(e) Real estate taxes [5]	4.48	4.48	4.48	4.48	4.48
(f) Hazard insurance [5]	.45	.45	.45	.45	.45
(g) Other operating expenses [6]	4.06	4.06	4.06	4.06	4.06
(h) Replacement reserve [5]	1.70	1.70	1.70	1.70	1.70
(i) Vacancy allowance [7]	1.61	1.48	1.40	1.38	1.29
(j) Total monthly rent	23.03	21.16	19.96	19.77	18.49
(k) Estimated monthly rent per typical 2-bedroom unit [8]	132.42	121.67	114.77	113.68	106.32
ESTIMATED ANNUAL INCOME OF GROUP SERVED					
(l) FHA maximum income limits under sec. 221(d)(3): Families of 3 and 4 persons [9]			6,300.00		
(m) Established median family income [10]	6,300.00	6,300.00	6,300.00	6,300.00	6,300.00
(n) Income required to pay 2-bedroom monthly rent [11]	7,945.20	7,300.20	6,886.20	6,820.80	6,379.20

NOTE.—For footnotes, refer to appendix table 7-J.

APPENDIX TABLE 7-J.—*Portland, Oreg., standard metropolitan statistical area*

[Estimated monthly rent [1] assuming 100 percent mortgage financing at selected interest rates and a 40-year amortization period, and estimated income groups served, for a basic walkup type of rental unit [2]]

	Interest rates of—				
	5¼ percent	4 percent	3½ percent	3 percent	2 percent
(a) Estimated cost per room, including land [3]	$2,500.00	$2,500.00	$2,500.00	$2,500.00	$2,500.00
(b) Mortgage amount per room [3]	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
ESTIMATED MONTHLY RENT PER ROOM					
(c) Interest and principal [4]	12.48	10.45	9.15	8.95	7.58
(d) FHA mortgage insurance premium [4]					
(e) Real estate taxes [5]	3.13	3.13	3.13	3.13	3.13
(f) Hazard insurance [5]	.71	.71	.71	.71	.71
(g) Other operating expenses [6]	4.36	4.36	4.36	4.36	4.36
(h) Replacement reserve [5]	.75	.75	.75	.75	.75
(i) Vacancy allowance [7]	1.61	1.46	1.36	1.35	1.24
(j) Total monthly rent	23.04	20.86	19.46	19.25	17.77
(k) Estimated monthly rent per typical 2-bedroom unit [8]	132.48	119.95	111.90	110.69	102.18
ESTIMATED ANNUAL INCOME OF GROUP SERVED					
(l) FHA maximum income limits under sec. 221(d)(3): Families of 3 and 4 persons [9]			7,300.00		
(m) Estimated median family income [10]	7,300.00	7,300.00	7,300.00	7,300.00	7,300.00
(n) Income required to pay 2-bedroom monthly rent [11]	7,948.80	7,197.00	6,714.00	6,641.40	6,130.80

[4] Level annuity monthly payments for a 40-year repayment period at the interest rate shown. Mortgage insurance premium omitted, in keeping with FHA established policy for sec. 221(d)(3).

[5] Computed as a percent of rep.acement cost. Real estate figures include certain other taxes (FICA, excise, etc.), which total not over 10 percent of the stated figures. Ratios reflect average experience of post-Korean crisis sec. 207 projects with a few years of operating experience reported in the last half of 1950's. (See attached schedule.)

[6] Average of per unit operating costs (adjusted to a per room basis at 5¾ rooms per unit) for post-Korean crisis sec. 207 projects having a few years' operating experience in the last half of 1950's, after eliminating project averages which were substantially higher than other project averages. (See attached schedule.)

[7] Calculated at 7 percent, which is typically used in FHA processing of sec. 221(d)(3) proposals. Occasionally a smaller vacancy assumption might be justified.

[8] Assuming typical 2-bedroom apartment equals 5.75 rooms by FHA room count, consisting of living room, dining room (or equivalent), kitchen, 2 bedrooms, 1 bathroom, and foyer or porch.

[9] Maximum income permitted by FHA for 3- and 4-person families eligible for admission to sec. 221(d)(3) projects in the localities specified.

[10] Based on census data, adjusted for estimated underreporting.

[11] Assuming a 20-percent rent-income ratio for the rental shown for a typical 2-bedroom unit.

Mr. President, I yield the floor, and 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. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ADDRESSES BY WOMEN MEMBERS OF IOWA FARM BUREAU FEDERATION

Mr. HICKENLOOPER. Mr. President, annually the women members of the Iowa Farm Bureau Federation send to Washington a delegation representative of the farm bureau women of Iowa. This practice has been followed for a number of years. These women are outstanding in civic activities, in contributions to public affairs, and in agricultural promotional activities in the various counties.

This year their meeting was held in Washington on Tuesday, March 12. At a banquet which took place at the culmination of the meeting, four of the women delivered short speeches on various phases of subjects which appealed to them. The speeches were not written for them and given to them for repetition at a banquet. They wrote their own speeches and delivered them. I was so much impressed by the sound philosophy contained in the speeches that I asked for copies of them to be placed in the CONGRESSIONAL RECORD so that the basic, independent philosophy of the people who built the West, and which is perpetuated in the philosophy which these women have expressed, could be given wider currency and circulation.

Mr. President, I recommend a reading of these addresses as statements encouraging and stimulating the American philosophy of independence, self-reliance, and determination. The statements they made are representative not only of their philosophy, but also of the philosophy of countless others in our area.

Mr. President, I ask unanimous consent, first, to have printed as a part of my remarks the address entitled "Fiscal Responsibility of the Federal Government," which was delivered by Mrs. Jessie Zellmer.

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

FISCAL RESPONSIBILITY OF THE FEDERAL GOVERNMENT

I am Jessie Zellmer, I was born on a farm near the Missouri River bottom 29 years ago. If you figure back that far you know that my childhood was marked by depression, drought, and on the bottom land a few miles from the Missouri, always spring floods whether it rained or not. I hated the long hours and hard work that showed on my parents face, so I wasn't unhappy when we left the farm when I was about 10 years old and moved to town. Dad still farmed. He said, "As long as I can farm I am a free man." It took me a long time to figure out what he meant. Nevertheless, I vowed that when I grew up I would never marry a farmer. Well, I met a tall handsome fellow about a year before I graduated from high school. He let me know that all he ever wanted to do was farm. I married him a few weeks after I graduated and a few weeks after that he left me and his dreams of a farm to help Uncle Sam during the Korean War.

When he returned, he helped his dad on the farm for awhile, then worked in Sioux City for about a year. He was always looking for the farm. We found it in Woodbury County, a few miles east of Sioux City. Our home is on a hilltop, and on a clear day I can see South Dakota and Nebraska and the flash of the sun on cars traveling near the Missouri River.

Our farm is 150 acres of rolling hills and valleys, quite different from the bottomland of my childhood. My husband, his father, and his brother exchange help and equipment and between the three of them, work about 550 acres. We raise hogs and fatten cattle. I have a flock of chickens. The chickens and a few cows and a garden that we irrigated, fed us for the first years we farmed as they were the driest years I can remember. In a way, these dry years were a godsend, because of them, my husband had the time to teach and show me things I would probably never bothered to find out for myself. You see, if I had ever learned anything about farming in my youth, I had forgotten almost every bit of it. I have learned to love the farm now and I would not be happy anyplace else.

We were very happy when our first daughter was born on the 4th of July 1956. She brought an end to the drought complete with hailstones as big as baseballs. That year, we became interested in Farm Bureau. It was also the first sign of an upswing in our farming operation, because, with the advent of rain our land yielded beyond my wildest dreams.

Two years later we had another daughter. Where our eldest is serious, dark, and studious, our youngest is a bright little blond bombshell.

The girls and the farm are our present and our future, because what we have in material wealth and what we believe in will effect the children now and in the years to come. Eventually we hope to have a larger farming operation. In the meantime we feel we must be alert and improve what we have in every way possible.

In our business the most important single item is finance. Money to buy more land, cattle, hogs, feed, and what have you. In this respect, credit is a very useful tool, but is also one that can easily become the master rather than the servant. We believe the same standards of fiscal responsibility hold true both for individuals and our Federal Government. Suppose your family took in $8,590 and you spent $9,370. You'd be in debt $780. And, suppose that 7 times in the last 10 years you have ended up in the red. Now you owe a little over $30,000. Suppose in the coming years, you are likely to become anywhere from $600 to $1,200 behind. Then you ask your banker for more credit to get your business going again. He might lend it to you if you use it to make more money, but he'd be pretty tough about using it for better living.

Well, just add seven zeros to the figures I've just mentioned and you have the picture of the financial health of the U.S. Government.

As a family, our concern is deficit spending at home and on the Federal, State, and local level. It almost seems that deficit financing has become a way of life both for families and for the Federal Government. In fact, our national fiscal policy for the past several years has convinced millions of American people that saving for the future is undesirable and a poor business practice.

The theory is that the Government monetary and fiscal policy should be designed to stabilize the economy. According to the theory, the Government should spend more than it receives when unemployment is high and make payments on the national debt when the country is prosperous. The idea may be fine, but it just doesn't work that way.

The national debt has increased in 24 out of the last 30 years. When recession threatens, Government spending is considered necessary. We are assured that the budget will balance again as soon as the stimulating effects of the increased spending is felt. When we are prosperous the economists and planners cite rapid growth and prosperity and find new ways to spend still more money. They point out that the rate of growth will bring the budget into balance in just a few years so why be concerned? Therefore, we have deficits either way. This policy has to be inflationary. If deficit spending is not inflationary, why do we collect taxes at all? The Federal Government has never quite exhausted its borrowing powers, if it should, it can always resort to the printing presses for more money. If financing the Government entirely by borrowing and printing money would be inflationary, then partial deficit financing is inflationary. Continuous inflation adds up to a considerable amount over a period of years—3 percent a year for 10 years is 30 percent.

The unbalanced budget cheapens the purchasing power of the dollar. The worker may end up with more paper money but it buys less. So inflation is a form of tax. Whatever the Government spends and does not collect, it must obtain by taking a small piece of each dollar in circulation. This burden falls heaviest on people with fixed investments and relatively fixed incomes such as our old people and widows. This is a cruel byproduct of inflation. It also adds to the cost-price squeeze which farmers find themselves. For example, between 1946 and 1958 farm prices rose little if any while the price of milk to the consumer increased 47 percent, the price of gasoline has gone up 50 percent, automobiles 140 percent, college tuition 235 percent. The housewife pays 173 percent more for coffee and the contractor 200 percent more for lumber.

Economists often point out 1 year or part of 2 or 3 years and prove statistically that no inflation has occurred. This is misleading. Inflationary pressures are like the steam in a tea kettle. They build up considerably without showing, but eventually pressure is so great that the lid comes off, because something has to give.

The things I've said are familiar to you I'm sure. I believe, however, Iowa can be proud of the record of its Senators and Representatives in their attempt to reduce Government spending. Our Iowa congressional delegation as individual Congressmen have constantly demanded more responsible thinking in Federal Government programs. Our Congressmen have introduced bills to eliminate nepotism, congressional junkets, and many bills of long-range significance. My family is extremely appreciative for this responsible attitude taken by our Congressmen and ask that it be continued.

Like the President, we believe that income taxes should be reduced, because they may be stifling economic growth. However, we do not feel that this can be done unless Federal expenditures are reduced, too.

I'm sure no intelligent person could examine the Federal budget without concluding that huge reductions could be made in defense, foreign aid, and domestic programs without impairing any program vital to our welfare and security. We would like to see expenditures reduced at least $10 billion and taxes an equal amount.

Former Secretary of the Treasury Anderson once said, "If we ever reach the point

where people believe that to speculate is safe, but to save is to gamble—then we are indeed in trouble."

In this the Iowa Farmer agrees.

Mr. HICKENLOOPER. Mr. President, next, I ask unanimous consent to have printed as a part of my remarks the speech entitled "Foreign Affairs and Peace," delivered by Mrs. Bryon Falk.

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

FOREIGN AFFAIRS AND PEACE

It is my privilege as a member of the Farm Bureau organization to be here this evening, participating in a program so constructed that we may come to know each other in a much better way, to acquaint ourselves with this great capital of ours, to so pack away jewels for our box of memories, jewels that we may share with others.

We are from Iowa, that State that ranks so high in literacy, so very important in this fast-changing world of ours today our golden age folks have an amazing depth of knowledge in current affairs.

Iowa ranks high in many things. Figures are available to indicate this ranking. The greatly enlarged photos in the foyer of the State Farm Bureau Building in Des Moines attest to the beauty of our State.

I am from Page County, in the southwestern part of Iowa, one of the border counties so prominent in our State legislation discussions. We are proud of Page County. We have many "firsts." First in the U.S. Soil Conservation Service with the State experimental farm still in operation. Our 4-H beginnings were of the first in the Nation. The little Goldenrod Schoolhouse where Jesse Field Shambaugh, as a teacher, encouraged the boys to bring samples of corn to be judged. This dear person is known nationally as author of "The Country Girl Creed." Her beginnings with 4-H was the forerunner of our present 4-H. It was in 1959 that our Page County boys and girls visited in Canada, the first of such exchangee programs. In 1960, we had a boy and girl from Canada in our home. In 1961, our son went to Tennessee, and last summer a 4-H boy from Tennessee visited in our home. These young people have a deeper appreciation of farming processes from the thousand-acre wheat fields of Saskatchewan to the 2-acre tobacco farms of Tennessee, and with our northern and southern visitors we proudly viewed our corn lands of Iowa. Of interest to them in particular were the corn shellers and the cattle feeding operations.

Page County has at Shenandoah the two largest nurseries in the world, the offices of the largest seed and nursery retail stores in the world. Visitors from all over the United States view the all-American trials. Our geographical location at the end of the Wisconsin drift gives us a fertile soil for our part in filling the huge market basket.

My husband, Bryon Falk, and I live 2½ miles east of Essex, on my husband's home place. The abstract of which has never carried a mortgage or loan, hardly two pages in length, literally from Iowa or Waubonsie tribes to the U.S. Government, railroad, Iowa, and to our family. We also own and operate 160 acres, 2 miles to the east of us. We were of the generation that stayed home and cared for the folks and were a bit older than most when we married in 1939. We bought our farm and moved there in 1941, losing everything but the house by fire one hot July noon in 1942. We rebuilt only to have a tornado move in June 1, 1949, and take the two complete sets of improvements—houses and buildings. We lost about $75,000 in buildings, hogs and all, but we were safe with our children. We did not rebuild, for in the face of two disasters, we felt the debt too large to assume. We moved then to our present home, thankful in our hearts for God's great goodness to us. We have diversified farming, corn, beans, hogs, and home-raised cattle. We are not big farmers in any sense of the word, but we love the life of the farm. We are very active in church and community affairs. We firmly believe in our schools and in advanced education. Our daughter is a sophomore in college, majoring in physical education and minoring in home economics; the latter a direct result of 8 years active in 4-H. She serves now on a national level with Girl Scout summer programing. She loves the farm and can lend a hand in weeding beans or haying, if necessary. Our son is a senior in high school, very active in all affairs; holding offices of responsibility in county 4-H and district church youth. He has been accepted for college in the fall and as so many young people of today, is not quite sure what the future holds for him. While not planning at the present to farm, he feels sure that in 5 years, we will have farm plans in line.

We weathered together the ravages of fire, the devastating tornado, which only served to temper us for trying times ahead. Our family interests constantly change and widen. Economically, need we say more with two to be in college a total of 8 years and then more years as needed. Politically, we keep an awareness of situation by use of all media possible. We are avid readers of papers and magazines. We try to follow the work of our Senators and Representatives. Too often, though, we back home have a tendency to criticize before we know your position. We are happy with your firm convictions of what you feel is right with no fence riding.

My husband and I feel that the key to financial structure is confidence and gentlemen, we gave you that confidence when we cast the ballot. There is so much yet to learn.

We have been Farm Bureau members for over 20 years and I am happy here to say our Page County of 1,178 was net plus. Our district meeting for National Policy Committees met just 10 days ago and again I was proud to be a member of Farm Bureau. To have heard these discussions from the grassroots would have interested you. We realize it is from small acorns that great oaks grow. An example: several years ago a buzz session in the northeast corner of Griswold Hall in Page County—a justifiable complaint from a Farm Bureau woman as to the unfairness in the location of mailboxes in the county. Result? County to district to State and, yes, some of our Page County women were in Washington when that law went into effect.

Our Farm Bureau woman's theme for the year is "free in 1963." This is truly an American advantage and means so very much. In the summer of 1958, I visited in homes in nine foreign countries in Europe. I have shown slides to over 12,000 people. I was a guest in a Netherlands home through a member of ACWW (Associated Country Women of the World), an organization doing so much to prove an effective means of promoting understanding and goodwill throughout the world and helping people to help themselves. We hope these women of other countries may study their programs as we—our ABC's of Farm Bureau actions, beliefs, concerns, cultural, healthful, and responsible living. We are concerned not only with our own country, but with others. One of our chief concerns is for the betterment of international relations and peace. Do you know what it is to be a foreigner? You are a foreigner when you leave the shores of this country. How wonderful and a God-given bless to return. We speak of peace. Just what will bring about this peace? Maybe it will take the women to help do the job. In my own mind and from observations made while over there, we must first conquer the misunderstanding of language and the money problem. Picture to yourself a Norwegian woman about to buy a hat for $8 of her Norwegian money, and an American woman steps up and buys it with one of our American dollars. We must understand each other.

The American Farm Bureau is endeavoring to foster understanding among the farm people of the world as a means of furthering international good will. I want to assure you that Iowa farm women are not "peace at any price" advocates. We reject this concept as both futile and fatal. We recommend careful analysis of world problems and an attitude of international good will. A sincere dedication to the welfare and preservation of the human race, a concern for our Nation and our citizens here at home. We believe the implementation of this policy may call for more firmness in international leadership, less catering to neutrals and enemies, and fewer idle slogans and impractical theories.

We hope it will be possible to continue a high level of international trade. Agriculture has an important stake in foreign markets. We must not set our price supports so high as to discourage foreign trade. We believe the United States should better demonstrate to the world the advantages of our capitalistic system. To do so, we must encourage private investment and stimulate private trade. We must do at home as we encourage other countries to do. We favor continued support of United Nations. We should encourage the United Nations to become an effective implement for the attainment of the world peace with freedom and honor. The United Nations can be of value toward this end. It should be careful that it does not become imperialistic of itself or a super state. We believe membership and the right to vote should be limited to those nations that have paid their dues in full. We do not favor giving the United Nations U.S. money to be used in economic development. We should administer these programs ourselves.

We Farm Bureau women have the necessary and vital interest in peace, the needed compassion for the human race, and at the same time the practicality and courage to be an asset in making the vital decisions and taking actions necessary for the preservation of peace and survival.

Mr. HICKENLOOPER. Mr. President, third, I ask unanimous consent to have printed as a part of my remarks the address delivered by Mrs. J. S. Van Wert, entitled "What Farm Program?"

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

WHAT FARM PROGRAM?

I'm Mrs. J. S. Van Wert, of Franklin County. I live on a 40-acre farm 5 miles northeast of Hampton, Iowa.

As a child I grew up on a farm near Worthington, Minn. My parents both came from Sweden with no more than clothes to wear and a determination to establish a good Christian home in a land of free enterprise. My dad was one of the first settlers, having purchased our farm from the railroad for $9 per acre. My parents were hard workers and conservative. I was fortunate that they encouraged me and helped me through Iowa State University.

There I met my husband. This was during the depression. He had worked all of his way through the university and even supplemented his family's grocery basket. We were married after I taught 1 year to get some experience and incidentally pay a college debt. He was the county agent in Butler County at the time. That was when

we struggled to maintain more than the minimum 200 Farm Bureau members in order to get the appropriation to continue the extension program and assure us of a job.

We purchased our first 40 acres later, the place where we now live. As land became available around us and we could make a downpayment, we added on.

After 5 years in extension work, we moved onto the farm. It was a big decision to make, to leave a salary job and enter more deeply into the competitive free enterprise system. We were happy that we made the choice however, as it was a wonderful place to rear our four children.

My husband was one who loved to be challenged and surely farming provided many such opportunities. Besides challenges, there were always elements of weather—too much rain, too little rain (which was a greater obstacle on our sandy soil), new worms, new weeds, new bugs, and unscheduled freezes. But we thank God for our blessings which outweighed the adversities.

General farming wasn't enough for us as my husband saw a service to agriculture in developing hybrid seed corn and hybrid hogs. We were pioneers in both, so, often we were the laughing stock of the community—what scrubby-looking corn were those inbred plots. One of our first hybrid-boar purchasers said, "I better keep him shut up for fear my neighbors shoot him for a rat."

Our children all helped in our farming ventures. As soon as they were old enough, they had their own livestock projects. We always felt that work helped develop their character. And when we all worked, as well as played together, we had greater fellowship.

This was a big help when my husband was suddenly killed in an auto accident in 1954. We stayed on the farm and managed the affairs the best we could. The boys finished their projects and went to college, both graduating in animal science.

The older son is now in extension work in Indiana while the other one is working for Swifts in St. Louis. My two girls enjoyed the duties on the farm too, but now the older one is a sophomore at the university, and the younger one will start there this summer.

Presently my older son thinks he would like to come back to the farm. History repeats itself in more ways than one, but I feel that this would be a greater jump for him than it was for us. It costs much more to start farming today.

He and I are concerned about farm prices and farm income. Gross income is not keeping up with the rising costs of machinery and other things we buy. Consequently, the squeeze is tightening. The January statistics showed that farm prices went up 1 percent but the prices of things purchased by us went up 2 percent. Would you advise a young man to start farming under these conditions?

My son knows that he will have to be very efficient and manage well. But one of the greatest concerns is what kind of farm program will we have? Will he be free to choose his type of farming or will the Government tell him what and how much to grow and perhaps eventually when to sell, as in England?

We believe a well-planned Government program can be of help to farmers and also be of value to consumers. At least, it can help us out of the situation we find ourselves today.

We would like to see a sound farm program planned for several years ahead—not keyed to each election and used as a political football.

Farm prices in the future will be determined either by the market or by the Government. Although the market method is not perfect, we believe it is better than Government price fixing. Government programs can be of assistance without destroying the market. This type of program would best serve the interests of farmers and is essential to the continuation of private enterprise.

President Kennedy has said: "The free market is a decentralized regulator of our economic system. The free market is not only a more efficient decisionmaker than the wisest central planning body, but even more important, the free market keeps economic power widely dispersed. We regard the preservation and strengthening of the free market as a cardinal objective of this or any administration."

I agree with this viewpoint and would like to see farm programs adapted to this concept. However, it seems all departments are not in line with the President's statement.

For example, I was quite concerned by Secretary Freeman's announcement to stabilize corn prices for the southeastern area of the United States. Supports must be floors only with the price having opportunity to bounce upward from the floor. When prices ride on the floor, they will not be completely satisfactory, but in other years, may be high enough to make the average more acceptable. For example, soybeans have ranged from the old support price of $1.85 a bushel to as high as $3 in the last 5 years. I believe corn might at the moment be running well above the floor price, if we had our Government stocks isolated. Cotton is an example of having the floor too high and delivering the market to synthetic substitutes. I am informed that the use of these substitutes for cotton has increased 26 percent since the price support was raised 2 years ago.

Specifically, I think a helpful program could be simple. (1) It should isolate Government surpluses so that they cannot be used to depress markets. (2) It should provide floor-type price supports for staple commodities. These floors should be a protection against being forced to dump on the market at harvest time or the necessity of accepting unnecessarily low prices. However, they cannot be so high as to encourage unneeded production, the use of synthetics, cause us to lose our foreign markets, or to become a ceiling as well as a floor.

A long-term land retirement program may be necessary to adjust land resources. I believe this is all the control that is necessary for corn, soybean, and livestock. Corn consumpton has increased from 2.7 billion bushels in 1955 to 4 billion bushels in 1961. Soybean usage has increased similarly. Red meat consumption is encouraging. The midwest farm horizon has some bright spots—if we can avoid solving the wheat problem at our expense—avoid price fixing. It would certainly be a serious threat to our future if livestock were to be subjected to either price supports or quotas.

In summary, I would like to see a farm income. It need not be expensive nor in any way conflict with the long-term interests of the consumer. It can help us financially today and encourage our youth to continue efficient food production in the future.

My son is willing to work hard if he comes back to the farm, but he must be able to enjoy a moderate net income to justify the terrific capital investment he must make to start farming. He doesn't want Government handouts, but a healthy economy in which to operate freely so that his income is fair and proportionate to his efforts and his investment.

This concludes our panel to help you know your Iowa farm neighbor.

Mr. HICKENLOOPER. Mr. President, fourth, I ask unanimous consent to have printed as a part of my remarks the speech entitled "Survival of Private Enterprise and Freedom," delivered by Mrs. Lloyd Moir.

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

SURVIVAL OF PRIVATE ENTERPRISE AND FREEDOM

I am Mrs. Lloyd Moir, and my husband and I live on our own farm 5 miles south of Orange City, Iowa, in Sioux County. Sioux County is in the northwest corner of Iowa. It is a Dutch community, and an excellent farming area. While we are not Dutch, we truly have enjoyed the warm hospitality and friendships. We joined Farm Bureau in 1939, because we wanted to and because we believe in Farm Bureau philosophy.

Lloyd and I were born and raised in town and moved to the farm in 1939. While it wasn't the best year to go farming, we have been forever grateful. It surely gives us a better perspective on life—to have lived in town and on the farm.

We have four children, Peggy Jeanne, Lloyd, John, and Suzanne—three are married, and we have six grandchildren. All have attended Iowa State University and John is a sophomore student there now, majoring in electrical engineering. He interrupted his freshman year to get his service time taken care of and served 4 years in the Air Force. Lloyd is a captain in the Air Force, a jet copilot, and stationed at Walker Air Force Base, Roswell, N. Mex. We have always been the kind of family that likes to read, work, and play together.

It is my concern for these our children and other young people, and our continued freedoms that prompted me to select the title "Survival of Private Enterprise and Freedoms."

Freedom of enterprise means only the right to choose an occupation, but does not necessarily guarantee success to the individual in his chosen field of work—that is up to him. This freedom, however, does not extend to antisocial activities such as to steal, to commit burglary, to organize murder for profit, and others of this nature.

Freedom to choose and to use one's own judgment in the conduct of our life and our business, permits mistakes to grow on as the old adage says, and it encourages progress and success. As humans, there are bound to be some failures in some of our ventures, but they are localized. One of the advantages in a competitive private enterprise is that penalties for failure are levied against those who fail, only. My grandfather used to say "We learn more by mistakes than by the things we do successfully." As individuals, with self-responsibility, we can try again, but under government controls and government price fixing, a whole society is penalized and one can lose that personal initiative of wanting to try again, and some may be lulled into a false sense of security.

Our system of government depends upon private property, freedom of enterprise, the price system, competition and the motivating factors of individual initiative and self interest to stimulate production and economic development. To trample on anyone of these, and cause the loss of this personal initiative would result in the gradual deterioration of our great Nation. We surely do not want this to happen—it would be a direct affront to the men and women who settled in this country, fought for its freedoms and drew up our Constitution.

My husband and I are very concerned about the survival of private enterprise and freedom. We consider the rapid and continued growth of Federal Government and authority vested in Washington to be a threat. I do want to emphasize that we do

not consider this to be a partisan issue. The size of the Federal Government has increased alarmingly under both Democrat and Republican administrations. Big government and big budgets mean less money and less decisions for the people themselves. In many ways, big government means little people.

Some will argue that there is nothing to be concerned about in a democracy. They contend that people have the opportunity to reverse this at any time and consequently there need be no concern. This is true, if the citizens recognize the danger in time. But world history is filled with the stories of democracies that have fallen—and become dictatorships because the people themselves asked far too much from government—or at least protested too late. Democracies do not usually fall before the onslaught of evil people. In fact, the change from democracy to a dictatorship is often so gradual that even the dictator does not recognize when it occurs. History indicates that most dictatorships were benevolent dictators with the very best of intentions in the beginning. At times it seems we are losing sight of the basic principle our Founding Fathers had in mind—the leader of a democracy is not the source of power, he only directs it. Power itself must continue to be invested in the people. If power is given to an individual or group, it will eventually be used and it will eventually be abused.

The Government's hand in labor disputes has become increasingly evident. It was never more so than during the recent longshoremen's strike. The Government finally appointed a fact-finding committee. This committee came up with a recommendation which was between labor's demands and management's offer—but leaning toward labor. Labor and management were then told they could accept this or legislation would be enacted to end their right to free bargaining. Is this the pattern for the future? I do not pretend to have the answer, but I question the amount of private enterprise—or freedom involved in the Government deciding all future disputes on wages and working conditions.

The steel episode was a shocking one and possibly an eye opener for millions of citizens who are unaware of the mounting powers of Federal Government. It is not my intention to defend the steel companies—it may be that they did not live up to the spirit of the agreement signed between them and Steelworkers Union. Be that as it may, liberty and private enterprise is threatened when any individual or group of individuals can insist that industry reduce prices or be subject to antitrust prosecution and loss of Government contracts. If the steel companies were guilty of monopoly activities after they raised prices, they were guilty before and should have been prosecuted regardless. In my opinion, the most urgent need is not more laws, but revision or repeal of bad laws now on the books.

Then we have the medical care plan under social security that is being considered. The features about it of concern to us is that it is compulsory—again under government—and that it really doesn't solve the problem. Under this system, we would be handing out benefits to many elder citizens who don't need them, inadequate benefits to some, and none at all to others. While it is our Christian duty to care for the aged, I do feel the law we have and our rapidly growing private medical-insurance will be of more benefit. The cost of this one item can be a real burden on our young people's income and I think it is about time we think of them and the young people to come after them.

The Secretary of Agriculture recently announced that he had taken action to fix corn prices for 11 or 12 States in the Southeastern part of the United States. Now it is a well known fact that the Secretary has within his authority the ability to cause commodity futures to go up or down the full legal limit merely by an announcement or inference of future plans of the Department of Agriculture. The Department of Agriculture has been charged by the Congress with conducting a referendum of wheat producers to decide whether they want the certificate plan. The Secretary has said that he will use the full force of his Department to secure a favorable vote from wheat producers. Should the Department be both a referee and a participant? Is this a completely free society? We are all Iowans and I am sure familiar with the "Cow Pool," and its failure. This isn't being said in a gloating manner, but it is reassurance that the family farm is farming at its best. A family with its own money invested will plan, work and fight harder to survive and prosper than hired help will ever do for a manager.

I have heard the expression said by my own neighbors, "I prefer security." That is fine, providing it is the right kind of security—the kind we have earned ourselves that enables us to raise our families, take care of our old age, our medical expenses, and a depression (if that should happen). However, these few were thinking of the kind of security they felt came from the Government. Freedom isn't a gift—we must work for it. We must see beyond ourselves, beyond our homes and families, and each one must work for it—the laborer, the wife, the employer and our public officials. Whenever government assumes responsibility for the security, welfare, and prosperity of citizens, the cost of Government naturally continues to rise and we as citizens may be primarily to blame, as we clamor for more legislation and place more power in the hands of the executive.

I am happy to say that every poll of farmers I've seen shows that farmers want less—not more Government. I certainly do not have the answers, but perhaps be a little more reluctant to delegate powers. In closing, I want to say that I recognize the need and necessity of many Government functions and programs. We, as a family, blame ourselves and other citizens as much as we blame public officials. We hope that farm women—all farm people—all citizens will make it a point to become better informed and take more interest in Government, and rededicate themselves to the one principal that safeguards all others in our lives—freedom—both economical and political. I think of the story of the little boy whose father brought home a gift to him after one of his trips. It was a little world globe. The boy held it in his arms all day and looked at it and admired it and even took it to bed with him that night. When his father came to tuck him in he was sound asleep with the globe clutched in his arms. He carefully removed it and naturally awakened his son, who looked up at him and said, "Daddy, what are you doing with my world?" And this is truly something to think about. What are we doing with our children's world? Thank you.

CONDITION OF DISTRICT OF COLUMBIA SCHOOLS

Mr. HUMPHREY. Mr. President, I noted with interest reports in the press that members of the House Education and Labor Committee had visited several District schools on March 11. Particularly interesting were their expletives used to describe the lamentable conditions of Hine Junior High School.

"Horrible Hine" was visited by one of my staff members in February, and his report to me contained information that fully confirms results of the recent inspection tour undertaken by the Members of the other body.

First, a survey of District of Columbia public schools conducted in 1949 granted Hine only 262 out of a possible 1,000 points. It was judged then as "of such quality as to definitely eliminate consideration of it for rehabilitation or continuance in use." Remember, Mr. President, that this evaluation of Hine was made 14 years ago. The lighting in Hine is so old and so insufficient as to unquestionably hazard the eyesight of those trying to read or study by it.

Hine is made up of three buildings. Their age has been discussed repeatedly, but of greater significance is the fact that the three buildings are merged in such a haphazard manner that communication between them is difficult. If there were a fire, as there was in 1959, removing the children from the building safely would be a perilous task at best. The fire hazards in the building are further heightened by the wooden floors and wainscoating in the halls and stairwells.

The building is an unquestioned firetrap.

The toilet facilities are grossly inadequate. There is only one toilet for boys and one for girls in the entire complex.

The third floor of one of the older buildings that comprise Hine, burned in 1959, thus fulfilling the dire predictions of the fire marshals who had ruled it unsafe in 1949. The debris and trash from the conflagration are still lying around in the burned out section.

There is only one electrical outlet in the home economics classroom area, thus necessitating the concentration of all electrical equipment at one side of the room, It is a strange sight indeed to see 12 or 15 sewing machines grouped in a semicircle in one section of a large room, joined by a maze of electrical cords, extensions, and plugs—strange, and potentially dangerous.

In brief, in the words of Dr. Bolden, the principal of Hine, "There is not a single area in which our school is adequate."

In spite of the foregoing, it should be noted to their credit that the staff's morale is high, and that the discipline maintained is surprisingly good.

Last year, when Dr. Hansen, in his testimony before the House Appropriations Subcommittee, supplied the reasons for continuing to use Hine, Dr. Hansen said:

> Hine's situation is really a tragedy in terms of school plant, but nevertheless there is seating capacity there for students. Making the hard choice between classrooms for children who otherwise would be put on part time and classrooms which are available for children even though they are inadequate would force us to choose the first.

It took great courage for Dr. Hansen to make that statement. But I believe his judgment on the matter is quite sound. The tragedy of the situation is that Hine was not torn down 20 years ago and replaced with a totally new structure. The Superintendent of Schools should not be called upon to make judgments between two such unacceptable alternatives.

Recently, Dr. Hansen presented to the Board of Education a report entitled "Our Schools and Their Prospects." The report outlines the present state of the District school system, and spells out what must be done to bring the physical plant up to acceptable standards. The present situation is so poor as to be practically beyond recall, without immediate improvement in the budgetary support given to the District schools.

I am confident that the Appropriations Committees of both Houses of Congress will give this report the full attention and study it deserves. I intend to do whatever I can to see that its basic recommendations are carried out.

If we reject the recommendations contained in "Our Schools and Their Prospects," let us do so honestly, and without deluding ourselves in the process. Let us frankly admit that our District schools are rapidly becoming mere way stations between the streets, the reformatories, and the penitentiaries. If we are willing to accept this policy for District schools, perhaps we might just as well begin cutting the existing budgetary requests.

On the other hand, if we decide to provide more adequate facilities, let us look at the problem in its fullest dimensions and courageously accept our responsibilities.

I know the Senator from West Virginia [Mr. BYRD] is deeply concerned about these conditions, in his capacity as chairman of the District Appropriations Subcommittee. He has advocated increased expenditures for the District schools, and has consistently demonstrated a keen determination to bring about a more adequate building and salary program. He certainly will have the full support of the Senator from Minnesota, who is honored to serve with him as a member of the District Appropriations Subcommittee.

PRESIDENT KENNEDY'S MEETING WITH THE PRESIDENTS OF THE CENTRAL AMERICAN REPUBLICS

Mr. HUMPHREY. Mr. President, I wish to comment on President Kennedy's trip, this week, to Costa Rica, to meet with the Presidents of the six Central American Republics. This is, indeed, a notable event. It is one more indication that the Kennedy administration considers Latin America to be one of the most critical areas in the world. The personal visit of our President is a true reflection of the importance which our country places on the Alliance for Progress. It is hard to overestimate the importance of a Presidential visit to the long-neglected Central American Republics; and already the press reports informing us of the overwhelmingly enthusiastic reception the President received indicate that our Central American neighbors fully appreciate the significance of the visit.

I was sure the President would receive that kind of warm and enthusiastic welcome. In my visits to Central America and South America, I found that President Kennedy is exceedingly popular and highly respected.

The Declaration of Central America, issued by the Presidents of the Central American countries, along with the President of Panama and the President of the United States, is a remarkable document, and in the years ahead will rank as one of the basic documents of the Alliance for Progress. In this document the Presidents of the seven countries addressed themselves to two key problems facing the Central American area: First, the problem of Central American economic integration, and second, the problem of the threat to the internal security of the Central American countries from Castro-Communist subversion.

In my report, on the Alliance for Progress that was issued last week, it was my privilege to discuss these matters at some length.

Today I will note only one or two highlights contained in the Declaration of Central America. First, I am happy to note the expressed determination of the seven Presidents to accelerate programs aimed at achieving the economic integration of the area, and that the United States has indicated a willingness to make a substantial contribution to a special fund to promote regional integration. I take particular pleasure in noting that this proposal is similar to one contained in my report on the Alliance for Progress. I am also encouraged that the President of the United States indicated our willingness to make available substantial assistance to implement a regional plan for economic and social development, when such a plan is completed by the Central American countries. In all of these actions, our Government is once again making unmistakably clear our support of the regional integration movement in Central America.

On the question of resisting Communist subversion in Central America, it is encouraging to note that the Declaration of Central America places high priority on early action by members of the OAS to restrict movement of materiel, propaganda and funds, as well as arms and trained saboteurs, to and from Cuba. To achieve this aim, the Central American countries and the United States will cooperate in joint programs for additional air and sea surveillance to cut down on the movement of men and materiel from Cuba, and will work out a system of exchanging intelligence information on the movement of people, money, propaganda, and arms between Cuba and Central American countries.

Third, I am happy to note that the Presidents took note of the plight of the Cuban people, and expressed their sympathy for them. In my report last week I stated:

> At the same time it is important that throughout Cuba and all Latin America it be clearly understood that we want the Castro-Communist tyranny to be replaced with the best of governments, that we will not tolerate a rightwing dictatorship. A Cuban government dedicated to political liberty and economic and social reforms will have the firm support of the United States.

It is heartening to note that the Presidents of the Central American countries and the President of the United States share this view. Mr. President, I ask unanimous consent to have printed in the RECORD, at this point in my remarks, an article reporting on the meetings in Costa Rica.

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

[From the Washington Post, Mar. 19, 1963]

COSTA RICA CROWD HAILS KENNEDY—PLEDGE TO CONTAIN CUBA COMMUNISM IS WILDLY CHEERED

(By Dan Kurzman, Staff Reporter)

SAN JOSÉ, COSTA RICA, March 18.—This usually sleepy Caribbean capital went wild today as virtually the whole population turned out to welcome President Kennedy in a frenzied reception that surprised even the optimistic observers.

The crowds that greeted Mr. Kennedy were estimated at more than 250,000. After a tumultuous greeting along the 3-mile route from the airport to the Presidential Palace, Mr. Kennedy last night addressed the Presidents of the six Central American Republics in San José's ornate National Theater.

WALL OF DETERMINATION

"We will build a wall around Cuba—not a wall of mortar or brick or barbed wire but a wall of dedicated men determined to protect their own freedom and sovereignty," he said after hearing speeches by the other conference participants.

In opening his 3-day meeting with the Presidents of the six Middle-American nations he vowed "fierce and unyielding resistance" to the spread of "foreign tyranny" in the Western Hemisphere.

"The Soviet Union through its Cuban puppets absorbed the Cuba nation into its despotic empire—and it now seeks to extend its rule to the shores of continental America," Mr. Kennedy said.

"At the Organization of American States, at this meeting and wherever Americans gather to consult about the future of their continent, we will continue to strengthen the structure of resistance to subversion."

ALLIANCE STRESSED

A major portion of the President's speech was devoted to the Alliance for Progress. Mr. Kennedy pledged continued U.S. aid toward the developing Central American Economic Community and congratulated the assembled nations on their long-range economic vision. All except Panama have joined in a move toward economic integration.

"We shall continue under the Alliance to build economies more balanced and less dependent on one or two export commodities," he said. "To this end, we must push forward plans for industrialization, greater crop diversification, strong educational facilities and better utilization of resources."

From the moment the President and his party left the airport, where he was greeted by his host, President Francisco J. Orlich of Costa Rica, the waiting throngs were an explosive mass of emotion. The President's car was swallowed up in a sea of screaming people waving United States and Central American flags, and it was impossible to see him, or the car, even from several feet behind.

Dozens of youths climbed aboard the press buses that followed and stamped on the roof. Others reached into the windows to shake the hands of reporters who were reminded of the tumultuous welcome given President Eisenhower in New Delhi 4 years ago.

Smiling women in summery print dresses held up their children to see the procession. Many people made the V-sign with their fingers.

"This is one of the most important days in Latin American history," one Costa Rican official said.

It was apparent that the spirit of mutual partnership in which the Alliance for Progress was spawning was at last showing signs of blossoming. The Central American people were known to be friendly to the United States, and their hospitality was anticipated. But today's demonstration appeared to indicate more than friendliness. It seemed to reflect a sense of genuine kinship.

The tremendous welcome given Mr. Kennedy augurs well for the 3-day Presidential conference that started today. There is hope here that the wild enthusiasm will give the Alliance for Progress a significant shot in the arm, at least in Central America.

And it seemed to give more meaning to President Orlich's welcoming remark that the results of the Conference may affect all Latin America as well as the rest of the world.

In a brief reply at the airport, Mr. Kennedy said:

"I come here today not only with Members of Congress and the Secretary of State but as the representative of 180 million fellow Americans who want this hemisphere to be free and an example to a watching world in the crucial years of this century," he said.

American officials here are stressing that economic integration under the Alliance will be the main topic of conversation, and that the issue of subversion will be secondary.

The meeting is regarded as a means of putting some teeth into a statement made by President Kennedy at a recent news conference that the social and economic improvement of the Latin nations was the most important hemisphere problem.

Measures to be taken to reduce Castro-Communist subversion, it appears, will be discussed more for political purposes than as a topic of overwhelming importance. The Presidents of the six isthmus nations represented—Costa Rica, Honduras, Nicaragua, El Salvador, Guatemala, and Panama—actually seem more interested in discussing subversion than do the others.

This is attributed by diplomatic observers partly to an honest fear of Castro-Communist activity, partly to efforts to take the minds of the people off explosive domestic problems, and partly to a desire to please what is believed to be a large segment of American popular and congressional opinion.

It is expected that the final communique will recommend that antisubversion measures be taken by the participating nations individually, particularly in regard to restrictions on travel to and from Cuba.

The United States is likely to set the stage, however, for an impressive offer of economic aid after the conference to facilitate the advancement of the Central American Common Market and other measures for economic integration, which is considered necessary for the area's advancement under the Alliance and the containment of communism.

Mr. HUMPHREY. Mr. President, the first article tells of the warm and enthusiastic reception which the President of the United States received when he arrived at San José. The article is entitled "Costa Rica Crowd Hails Kennedy." The article states, in part:

This usually sleepy Caribbean capital went wild today as virtually the whole population turned out to welcome President Kennedy in a frenzied reception that surprised even the most optimistic observers.

I also ask unanimous consent to have printed in the RECORD the text of President Kennedy's speech, delivered in San José on March 18, for the opening of his conference with the presidents of the Central American Republics; also a news article entitled "Anti-Castro Plan Set Up at San José"; also the official text of the Declaration of Central America; and also the text of President Kennedy's speech at Costa Rica University

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

[From the Washington Post, Mar. 19, 1963]

TEXT OF KENNEDY SPEECH AT SAN JOSÉ CONFERENCE

In 1825 a son of El Salvador and a citizen of Central America, Antonio Jose Canas, first minister accredited by the United Provinces of Central America to the United States, delivered an invitation to Secretary of State Henry Clay.

He asked him to send representatives to the first Inter-American Congress at Panama, a meeting at which he said the struggling new nations of this hemisphere "might consider upon and adopt best plan for defending states of new world from foreign aggression and * * * raise them to that elevation of wealth and power which from their resources they may attain."

Today, 108 years later, we are gathered in this theater in pursuit of those same goals—preservation of our independence, extension of freedom and elevation of welfare of our citizens to a level as high as "from our resources" we can attain.

And today I, too, have come from the United States at the invitation of Central America, which, with Panama, is rapidly attaining a unity of purpose, effort and achievement which has been unknown since the dissolution of that earliest federation.

That early conference did not achieve all its goals. But from it flowed a dream and creation of Bolivar and Canas and Jose Cecilio de Valle of Costa Rica—a dream which became the inter-American system, and this system has been the most successful, the most fruitful and most enduring system of international order in the history of all the world.

UNMATCHED RECORD

We can say this without exaggeration, because every effort to reimpose despotisms of the old world on the people of the new has been ultimately beaten back, because within this system 20 republics have attained full recognition of their dignity as sovereign nations—and because this system has maintained an unmatched record of peaceful relations among its members.

There have been occasional conflicts to mar this record. But nowhere else have nations lived as neighbors with so little hostility and warfare. And today the principle of nonintervention and peaceful resolution of disputes has been so firmly imbedded in our tradition that the heroic democracy in which we meet today can pursue its national goals without an armed force to guard its frontiers. In few other spots in the world would this be true.

We have not attained this strength by trying merely to protect what was already won, to preserve gains of the past to maintain the status quo. If these were our system's goals it would inevitably have crumbled as old orders crumbled.

Instead it has survived, prospered and grown despite wars and revolutions, despite changing ideologies and changing technologies, despite shifts in power and shifts in wealth—because it has itself been an instrument of change, profound revolutionary change which has molded the history of this hemisphere and shaped the thinking of men seeking freedom and dignity.

UNIQUE EFFORT

As each powerful new wave of ideas and aspirations has swept across our shores the inter-American system has been able to translate these ideas and aspirations into working reality for our people. In this respect it has been unique among efforts at world collaboration and this is why it has endured and will endure in future.

In the first three centuries of our history seeds of Western civilization and culture were here planted. In the next century we established an inter-American system which helped to complete and maintain our freedom from foreign rule.

This freedom has often been challenged—as it is challenged today in Cuba. But with help of dedicated and brave men—men such as those who drove out Maximilian or men such as those who prevented Spanish reconquest in 1866, men such as Costa Rica's Juan Rafael Mora, who helped drive out William Walker—with such help we have destroyed all efforts at foreign conquest in the past as we will ultimately triumph over aggressors of today.

In the 50 years following its creation the inter-American system worked to establish politically the equality and national dignity of all its members to extend political democracy and to strengthen the principle that no nation should forcibly impose its will upon another.

Those goals have been largely met. Equality of sovereign states is accepted by all. Intervention and force have been renounced, machinery of peaceful settlement has been strengthened. Democracy rules in most of our lands and it will ultimately prevail over the last vestiges of tyranny in every land in this hemisphere.

NEW CHALLENGES

Now, in our own time the inter-American system faces old foes and new challenges and it is again demonstrating capacity for change which has always given it strength. Foes are stronger and more determined than ever before and challenges are more difficult, more complex and more burdensome.

For today we are faced not merely with protection of new nations, but with remolding of ancient societies—not only with the destruction of political enemies but with the destruction of poverty, hunger, ignorance, and disease—not alone with the creation of national dignity, but with the preservation of human dignity. To meet this enormous challenge peoples of the Americas have fashioned an Alianza.

The Alliance for Progress is a system in which all American states have mobilized their resources and energies to secure land for the landless, education for those without schools, and a faster rate of economic growth within a society where all can share in fruits of progress.

Here in Central America we have already begun to move toward goals of Alianza. You have made enormous strides toward creation of the Central American economic community of 13 million people. New regional institutions have been created, a Central American Bank has been established, and centralized planning and direction are going ahead in education, finance, and many other fields.

I congratulate you on your effort to reestablish a historic unity to meet new needs and I pledge my Government's continued assistance to that effort.

REFORM CITED

In addition, you have begun to formulate long-range economic development plans essential to the success of Alianza. In nearly every country represented here, new land reform or tax reform programs have been adopted in an effort to meet basic pledges of

increased social justice contained in the charter of Punta Del Este and demanded by your people.

In the 2-year period beginning July 1961 under programs supported by the United States as its contribution to the Alliance, almost 3,000 new classrooms will have been built in nations represented here today, almost a million new books have been distributed, and tomorrow we will begin to distribute more than 2 million more to children hungry for learning.

More remains to be done. Some 7,600 new homes will have been built during this 2-year period under Alianza programs in these nations, but far more remains to be built.

Six thousand new teachers have been trained as well as many thousands of agricultural workers, public health, and other public administrators. Still more are needed.

During the last 18 months almost 3 million people in Central America—farmers, workers, children, and slum dwellers—have received some form of direct benefit under Alianza, and almost $250 million of external resources has been committed in support of the Alliance in Central America and Panama to help strengthen the basic structure of the economy and at the same time meet basic needs of people for improved health, education, and housing.

COFFEE AGREEMENT

Finally a revolutionary worldwide agreement to stabilize the price of coffee has been entered into which we in the United States are determined to make work—to protect your most vital source of export earnings. And we are also willing to move ahead on agreements stabilizing prices of other commodities so that your future prosperity will not depend on often destructive fluctuation of prices beyond your control.

Tomorrow, at El Bosque, we will see with our own eyes how Alianza enters into lives of the citizens of Costa Rica, providing them with new homes in which they and their families could find decent shelter for the first time.

We shall continue under the Alliance to build economies more balanced and less dependent on one or two export commodities. To this end we must push forward plans for industrialization, greater crop diversification, stronger educational facilities and better utilization of resources.

Yet we cannot be satisfied with the progress we have made. Peoples who have waited centuries for opportunity and dignity cannot wait much longer. And unless those of us now making an effort are willing to redouble our efforts, unless the rich are willing to use some of their riches more wisely, unless the privileged are willing to yield up their privileges to common good, unless the young and educated are given opportunity to use their education, and unless governments are willing to dedicate themselves tirelessly to the tasks of governing efficiently and developing swiftly, then let us realize our Alianza will fail and with it will fall the society of free nations which our forefathers labored to build.

CUBA UNDER COMMUNISM

Unfortunately, while this new endeavor goes forward we are also confronted by one of the oldest of our enemies. For at the very time that newly independent nations rise in the Caribbean the people of Cuba have been forcibly compelled to submit to new imperialism more ruthless, more powerful, and more deadly in its pursuit of power than any this hemisphere has known.

Just when it was hoped that Cuba was about to enter upon a new era of democracy and social justice, the Soviet Union through its Cuban puppets absorbed the Cuban nation into its despotic empire and it now seeks to extend its rule to shores of the continent itself.

But other foreign powers have discovered the American hemisphere is not fertile ground for foreign tyranny and any effort to spread such rule will meet with fierce and unyielding resistance. For Americans will not easily yield up those freedoms which they shed so much blood to achieve.

At the OAS, at this meeting and whenever Americans gather to consult about the future of their continent, we will continue to strengthen the structure of resistance to subversion.

I am hopeful that at this meeting we will again increase our capacity to prevent infiltration of Cuban agents, money, and propaganda. We will build a wall around Cuba—not a wall of mortar or brick or barbed wire, but a wall of dedicated men determined to protect their own freedom and sovereignty.

In 1822, Bolivar, father of the inter-American system, said this: "United in heart, in spirit, and in arms this continent * * * must raise its eyes * * * to peer into centuries which lie ahead. It can then contemplate with pride those future generations of men, happy and free, enjoying to full the blessings that heaven bestows on this earth and recalling in their hearts protectors and liberators of our day."

My friends and colleagues: today we meet, representing seven of the great Republics of America, united in spirit and in arms. We are confident of our ultimate success in protecting our freedom, in raising living standards of our citizens, in beginning a new era of hope in American history. Secure in that confidence, we, too, can look forward to future centuries, knowing that our descendants also will gratefully recall in their hearts "protectors and liberators" of our day.

ANTI-CASTRO PLAN SET UP AT SAN JOSÉ—SEVEN PRESIDENTS AGREE ON AID FOR CENTRAL AMERICA

(By Morris W. Rosenberg)

SAN JOSÉ, COSTA RICA, March 19.—The United States and six middle American nations vowed tonight to halt Castro Communist subversion with ships and planes if necessary and combat the threat of Soviet imperialism via Cuba with a massive assault on economic and social ills.

President Kennedy and the Latin chiefs of state wound up the second day of their San José meeting with a 2,000-word "Declaration of Central America" that raised no threat of armed intervention in Cuba but affirmed their "conviction that Cuba soon will join the family of free nations."

They emphasized that in the meantime they would not suffer the Castro regime's efforts to subvert the six nations.

The declaration disclosed arrangements for special U.S. cooperation in additional sea and air surveillance and interception within territorial waters to block any Cuban attempts to smuggle agents, guns, and propaganda into Central America.

RESTRICTIONS PLANNED

In addition, the Presidents of Panama, Nicaragua, Guatemala, Costa Rica, El Salvador, and Honduras summoned a meeting of Interior Ministers for early April to "put into immediate effect common measures to restrict the movement of their nationals to and from Cuba and the flow of material, propaganda, and funds from that country."

Secretary of State Dean Rusk, in response to questions at a news briefing, would not rule out a possibility that Attorney General Robert F. Kennedy would represent the United States at the meeting. It probably would be held in Managua, Nicaragua.

Rusk said President Kennedy gave the six Latin Presidents "the full story" of U.S. military commitments in the Cuban crisis. Citing measures to isolate the Castro regime, Rusk said "about the only thing not being done (by the United States) is shooting at Cuba."

After their second closed-door meeting of the day, the seven Presidents sat in a box in Costa Rica's ornate National Theater while Foreign Minister Daniel Odubur of Costa Rica read the declaration from the stage at a formal meeting of the Foreign Ministers.

Most of the statement was devoted to plans for economic development of the middle American nations, and Mr. Kennedy pledged what was called a substantial initial American contribution to a new fund to finance regional development projects. No figure was given, but Central American leaders spoke earlier of the need for $200 million.

It was emphasized, however, that money was not enough to turn back the threat of communism.

"In order to carry out their programs for social and economic betterment," it said, "it is essential to reinforce the measures to meet subversive aggression originating in focal points of Communist agitation which Soviet imperialism may maintain in Cuba or in any other place in America."

As for Cuba, the seven Presidents declared they "have no doubt that the genuine Cuban revolution will live again and that its betrayers will fall into the shadows of history and the martyred people of the oppressed isle of the Caribbean will be free from foreign Communist domination."

As the most effective means of combating Communist agitation and social discontent in the area, the declaration emphasized that Panama and the Central American States will join with renewed vigor in implementing the aims of the Alliance for Progress.

Between conference sessions earlier today, Mr. Kennedy visited a suburban housing project under construction as a joint United States-Costa Rican effort and said such projects will further the goals of democracy in this hemisphere.

These goals, he said, "call for ever-increasing standards of living which can liberate each individual for the full use of his capacities in the pursuit of a better life."

Today's sessions fell on the Feast Day of St. Joseph, Patron Saint of Costa Rica. This Roman Catholic holiday is a national holiday here and Mr. Kennedy observed it by attending special services at the San José Cathedral.

President Francisco J. Orlich of Costa Rica, his host, was seated at the place of honor in front of the altar and President Kennedy in a special chair nearby.

[From the Washington Post, Mar. 20, 1963]

OFFICIAL TEXT OF DECLARATION OF CENTRAL AMERICA

The Presidents of the Republics of Central America and Panama are determined to improve the well-being of their peoples and are aware such a task demands a dynamic economic and social development program based on the carefully planned use of human, natural and financial resources. It also depends on important changes of the economic, social, and administrative structure within the framework of principles that govern our democratic institutions. They have met with the President of the United States in San José to review difficulties which impede the achievement of these objectives as well as the progress thus far made in the isthmus since the integration programs began and since the Alliance for Progress was jointly established by the Republics of the hemisphere in August 1961.

Following an analysis of the situation, the Presidents of the Republics of Central America are convinced the best hope for the development of the region is through economic integration and, bearing in mind extraordinary efforts made toward this end in the last decade and of the importance of accelerating

overall economic growth, pledge to their peoples:

To accelerate the establishment of a customs union to perfect the functioning of the Central American Common Market—to formulate and implement national economic and social development plans, coordinating at the Central American level, and progressively to carry out regional planning for various sectors of the economy.

To establish a monetary union and common fiscal monetary and social policies within the program of economic integration.

To cooperate in programs to improve the prices of primary export commodities.

To complete soonest possible reforms needed to achieve the objectives set forth in the Act of Bogotá and the Charter of Punta del Este, especially in the fields of agriculture, taxation, education, public administration and social welfare.

To take the above measures with a view to achieving creation of a Central American Economic Community which will establish relationship with other nations or regional groups having similar objectives.

The Central American Presidents affirm the economic integration movement in itself constitutes an effort which is laying the groundwork for regional planning in which sectoral plans of common interest to the isthmian Republics serve as a point of departure. Their governments already have taken measures to coordinate national plans so their execution will aid, rather than impede, achievement of the objectives of the economic integration program.

It is intended that the first global plan for harmonious regional development will be presented as soon as possible for evaluation in accordance with procedures set forth in the Charter of Punta del Este. Meanwhile, the Central American Presidents declare their resolve to proceed immediately with their sectoral plans and with projects of interest to the isthmus. The President of the United States agrees to consider a long-term loan to enable appropriate Central American regional organizations, principally the Central American Bank for Economic Integration, to conduct an economic feasibility survey relative to this program of regional development.

The Presidents of Central America reaffirmed their hope the Republic of Panama will participate more closely in the economic integration movement and the President of Panama declares his government fully reaffirms its support of the program of Central American economic integration. He further declares his government is prepared to initiate immediate negotiations with the governments of the general treaty of economic integration as a whole, with a view to concluding a special agreement to facilitate association of his country with the program.

The President of the United States is impressed by the determination of the Presidents of the Central American republics to move as rapidly as possible toward integration of the economies of their countries and their intention to formulate a regional economic development plan within which national plans will be monetary, fiscal, economy and social policies. It is a great step forward in achievement of this objective as well as toward achievement of the goals set forth in the Charter of Punta del Este.

The President of the United States is prepared to offer the greatest cooperation in preparation and implementation of the regional and national development projects of Central America and Panama and declares that his Government will intensify its joint efforts with the governments and appropriate regional organizations in order to extend to them increased technical and financial assistance for this purpose within the framework of the broad regional program entitled joint exposition of the Presidents of Central America and the development plan being prepared by Panama.

U.S. CONTRIBUTION

To this end he proposes a fund for Central American economic integration to be made available through the Central American Bank for Economic Integration, to which the United States would make an immediate substantial initial contribution to assist in carrying out regional development projects in accordance with various sectoral plans now being developed by regional organizations.

For the longer term he also declares that as soon as the Central American Republics have formulated an overall regional development plan and as soon as this plan has been evaluated favorably in accordance with procedures established in the Charter of Punta del Este, the United States will enlarge and expand its participation in the fund and will work with the Central American countries in obtaining other free world resources so that the agreed plan can be effectively implemented.

The Presidents have discussed the fundamental importance to economic development of a vigorous and freely competitive private sector and declare their intention of taking necessary steps to encourage private investment which is prepared to accept normal responsibilities compatible with development of a modern economy. These measures include establishment of regional trade and promotion offices for the specific purpose of attracting private foreign investment. They also agree that development banks or corporations should be established in each country as soon as possible to provide credit on reasonable terms for the growth of private industry, the President of the United States offering financial assistance to their operation.

BETTER LIVING STANDARD

Currently they agree that economic and social conditions should be created to assure labor of an improved living standard through better distribution of national income. Furthermore, they agree to encourage and support free democratic labor organizations as a means of contributing toward greater worker participation in the common effort on behalf of the general welfare.

The Presidents also agree that opportunities should be given to the people of Central America to build and purchase their homes. There exist in Central America national savings and loan institutions which have been assisted under Alliance for Progress, and others are about to be created. In order to give further support for these national efforts the Presidents of Central America suggest that a regional home loan department which would be a secondary source of home mortgage funds should be created as a division within the Central American Bank for Economic Integration, and the President of the United States agrees to offer technical and financial assistance to it.

The isthmian Presidents indicate that Central American institutions should be strengthened as much as possible to enable them to play a major role in training personnel who will be needed to put into effect plans for integration of the isthmus. The large part of the responsibility for training will devolve on the Superior Council of Central American Universities (CSUCA). Recognizing, moreover, that trained manpower at all levels is needed for economic development, they agree to a proposal of the President of the United States to establish a multimillion-dollar scholarship fund for vocational training in agriculture and in industry for young people of outstanding ability who cannot afford normal expenses of such training, to which the United States will offer substantial financial assistance.

IMPORTANCE OF COFFEE

The Presidents note the primary role of coffee in the economies of Central America and the importance of an international coffee agreement for achievement of stable and remunerative prices.

They reiterate the intention of their governments to fully support the agreement so that it will serve as an effective instrument to improve the earnings of exporting countries from coffee and to promote their economic development.

Other primary commodity problems exist and the isthmian Presidents will hand to President Kennedy studies on these problems.

President Kennedy agrees he will have them reviewed immediately on his return to Washington.

The Presidents, notwithstanding the fact that present conditions are favorable to undertake a solution of economic and social problems of the isthmus through joint action of countries of area, believe that all of them are faced with an extremely provoked political problem which by its very nature can imperil the exercise of representative democracy and normal development of plans in which their respective governments are engaged to attain as rapidly as possible the highest levels of economic and social justice and to bring to full realization plans for Central American integration. Consequently the Presidents declare that in order to carry out their program for social and economic betterment it is essential to reinforce measures to meet subversive aggression originating in focal points of Communist agitation, which Soviet imperialism may maintain in Cuba or in any other place in America.

The Presidents note that the Council of Organization of American States is actively engaged in maintaining vigilance over continued intervention of the Sino-Soviet powers in this hemisphere as requested by the eighth meeting of consultation of foreign ministers. They express special interest in early completion by the Council of OAS of studies on Castro-Communist subversion in the hemisphere and particularly in early action by the Council on recommendations to the governments for counteracting those activities in these areas.

MEETING CALLED

The Presidents agree that the Ministers of Government of the seven countries should meet early in April to develop and put into immediate effect common measures to restrict movement of their nations to and from Cuba and the flow of material propaganda and funds from that country.

This meeting will take action among other things to secure stricter travel and passport controls, including appropriate limitations in passports and other travel documents on travel to Cuba. Cooperative arrangements among not only the countries meeting here but also among the OAS members will have to be sought.

To restrict more effectively not only these movements for subversive purposes of people but also to prevent insofar as possible introduction of money, propaganda, materials, and arms arrangements for additional sea and air surveillance and interception within territorial waters will be worked out with special cooperation from the United States.

In addition to these measures a more rapid and complete exchange of intelligence information on movement of people, propaganda, money, and arms between Cuba and our countries is to be developed by a meeting of ministers.

SYMPATHY FOR CUBANS

The Presidents voice their deep sympathy for the people of Cuba and reaffirm their conviction that Cuba soon will join the family of free nations. The Presidents recall how in 1959 the Cuban people were fired

with hope of a purely Cuban revolution that was to bring them freedom and social justice, honest government, and free elections, fair sharing of goods, opportunities for all, more schools and jobs, better health and housing, and constructive land reforms, not collectivization of land. In sum a progressive republic which, in the words of Marti, would be "con todos y para todos." The Presidents declare that they have no doubt that a genuine Cuban revolution will live again, that its betrayers will fall into shadows of history and the martyred people of the oppressed isle of the Caribbean will be free from foreign Communist domination, free to choose for themselves the kind of government they wish to have, and free to join their brothers of the hemisphere in a common undertaking to secure for each individual liberty, dignity, and well being, which are the objectives of all free societies.

Finally the Presidents solemnly reaffirm their adherence to the principles established by treaty of reciprocal assistance of the Rio de Janeiro Charter of the OAS, in the act of Bogotá and in the charter of Punta del Este.

[From the Washington Post, Mar. 21 1963]

TEXT OF KENNEDY'S SPEECH AT COSTA RICA UNIVERSITY

It is a great pleasure to leave Washington where I am lectured to by professors to come to Costa Rica where I can talk to students.

In 1834 it was written of your city that "the people of San José (are) persuaded that knowledge produces all good and dispels all evil, that from it come good laws, good customs, good government, and that in short it is the soul of all happiness."

This great university is proof of that judgment, for from behind its walls have come much of the knowledge, the skill and the learning that have made Costa Rica one of the most enlightened and progressive democracies in the world—a principal source of good laws, good customs and a good government. Although I am not sure that your university courses can take credit for the beautiful women for which your country is also famous, they are well represented here today. I think therefore it is appropriate that the first speech by any United States President to a student audience in Latin America should take place at this center of learning in a nation so dedicated to democracy, and I am honored that you have invited me here.

For the past 3 days seven Presidents of seven American nations have been grappling with great questions which confront this hemisphere. On the answers to these questions depends the preservation of our liberties, the extension of democracy and the welfare and dignity of our people. But behind all the efforts of this week, behind the communiques and declarations, elaborate programs and the ambitious projects, lengthy speeches and formal proclamations, behind all this there has been one fundamental and essential assumption. And that is the assumption that you students—and young people of Latin America—are prepared to take up the great cause of liberty and welfare on which we are embarked.

More than half the population of Latin America is in your age group or younger. Without your effort and sacrifice and leadership, the plans and hopes of today's leaders for tomorrow's hemisphere will be doomed to failure. But with your help we can and will succeed.

This is an awesome task and a great opportunity. For we—you and I—are embarked together on a great adventure, the greatest perhaps since an Italian mariner first set sail for the west and touched on this old land. To you has been given the task of demonstrating that free men can conquer ancient enemies of poverty, hunger and ignorance—of protecting freedom against those who would destroy it—of bringing hope to those who search for hope—and of extending liberty to those who lack it. This is an immense task. It is filled with difficulties and dangers, hardships and hazards. But you have also been given an opportunity to shape history and serve man which has come to few generations of men.

RENDEZVOUS WITH DESTINY

And what Franklin Roosevelt said to the people of the United States I can say now here to you: This generation of Americans—your generation of Americans—has a rendezvous with destiny.

I am confident that you will meet that rendezvous. For I can remember my own country when it was quite different from the country we know today. It was not so many years ago that I was a university student as you are now. And at that time only 1 out of every 10 American farms was electrified—half the farmers of our Southland were tenants and sharecroppers—thousands of families in the Tennessee River Valley had cash incomes of less than $100 a year—and all this was in addition to a great depression which had thrown 12 million people out of work, 10 times the population of your country and almost the population of all Central America. This was the United States of my own university days.

Then under the leadership of Franklin Roosevelt we carried through a great New Deal. One program after another brought an end to tenancy, helped farmers win title to their own land, brought electricity to the countryside, transformed the poverty-stricken Tennessee Valley into a thriving industrial and agricultural area, and demonstrated to every man the immense power of an affirmative free government—the power which adds the idea of social responsibility to the idea of individual liberty.

I tell you this story not out of any sense of complacency or satisfaction that the job in my country is done. For we in the United States still have much unfinished work—to improve our housing and cities, our economy, our education and equal opportunities for all our citizens. That fight is still going forward.

But the New Deal does illustrate the transformation which a single energetic generation can make in the life of a country. And it is also an illustration of the capacity of free men to achieve a profound peaceful revolution on behalf of economic progress and social justice.

It is perhaps difficult for you to think of the United States as a revolutionary country—a country which has carried out many basic and sweeping social changes during its short history. But my country like all the countries of the Americas is the possessor of a profound revolutionary tradition which has helped shape the modern world. For it was in Philadelphia in 1776 and in Guatemala in 1821 that the American nations became the first to strike against colonial rule. And today in Africa, Asia and the Middle East, newly emerging nations are still struggling to perfect national independence and the freedom from foreign domination which we were first to achieve.

TRIBUTE TO FREE MEN

This history is an answer to those who claim that free people lack the drive and flexibility to remold the societies in which they live. The history of the Americas—the history of your own country in the last 20 years—is a tribute to the capacity of free men to call upon the deepest reservoirs of human mind and spirit. And if the task of progress with freedom is more complex, subtle and difficult than the promise of progress without freedom, we are unafraid of the challenge. We are prepared to follow that path which advances man's welfare without destroying his dignity. And we know that lessons of our past promise success for our future.

Our goals for the future of this hemisphere—the challenge we have issued to you and to your compatriots throughout the Americas—is contained in the Alianza para el Progreso. Within the framework of this Alianza are contained four basic principles of American society which it will be your task to build.

First of these is the right of each nation to govern itself, to be free from outside dictation or coercion, to mold its own economy and society in any fashion consistent with the will of its people. Within our inter-American system we will accept no new empires and no domination of one nation by another.

Second is the right of each individual citizen to political freedom and individual liberty—the right to speak his view, to worship God in his own way, to select the government which rules him and to reject it when it no longer serves the good of the nation. We have taken great strides toward achievement of this right in the last two decades but the job is not yet finished and it will not be finished until every American lives under freedom.

Third is the right to social justice, the right of every citizen to participate in the progress of his nation. This means land for the landless and education for those who are today denied the right to learn. It may often mean that ancient institutions which serve merely to perpetuate the privileges of a fortunate few will be ended. It means that rich and poor alike must bear a fair share of the burden of national development. It will not be easy to achieve social justice but the experience of my own nation has been that once it is achieved it leads inevitably to a richer and fuller life for all.

The fourth principle of the Alianza is the right of every nation to pursue a course of rapid economic progress which modern knowledge and technology have made possible. We of the United States who have been fortunate in our own development have committed vast resources to assist those who have been less fortunate. And Latin American nations themselves have pledged to mobilize their own resources and energies to carry forward the task of development. This task is not easy either. To break centuries-old bonds of hunger and poverty and ignorance will require sacrifice and unending toil. But we are determined to pursue this road.

These are principles of our Alianza para el Progreso whose ultimate fulfillment is in your hands. They will not be attained by speeches or documents but by work and sacrifice, courage and endurance, on the part of millions of individuals throughout this hemisphere.

I speak to you as men and women pursuing the highest calling of a free society. A distinguished leader of my own country, Thomas Jefferson, once warned us that "if a nation expects to be ignorant and free * * * it expects what never was and never will be, that no other foundation than education can be devised for preservation of freedom and happiness."

That is why you who are fortunate enough to be attending this school have also assumed a great obligation along with that opportunity. A distinguished rector of your university—for whom this campus is named—Dr. Ordigo Facio—wrote that "liberty is not a thing but a way of life which needs to constantly grow, to expand, to become stronger, if it is to live—for her to stop is to surrender—to become rigid is to lose the breath of life."

In your hands, my friends, have been placed tools of knowledge and skill which can make liberty grow and flourish.

Now I return to the United States. I return with the renewed confidence that I have seen here at this university those whose

efforts will insure that the hopes and labors of my generation of Americans shall not have been in vain.

Mr. HUMPHREY. Mr. President, I particularly call to the attention of the Senate and to the attention of those who may read the CONGRESSIONAL RECORD the remarkable address delivered by President Kennedy to the young people at the University of Costa Rica.

Frequently we hear it said that university students in such countries are not very friendly to American visitors. On the other hand, I have never found that to be the case when, as a Senator, I have visited these countries. In my visits, I have found the university students to be very friendly, very active, very inquisitive, and sometimes quite probing with their questions. But they are always willing to listen and always willing to learn.

President Kennedy thrilled the students there, and I am sure he set an excellent example for the Presidents of other great countries. In his address, President Kennedy cited the history of the United States as an example of the revolutionary, progressive spirit which should grip a people who are seeking a better life.

Mr. President, earlier in these remarks I mentioned that last week I had released a report entitled "A Report on the Alliance for Progress," based upon two trips to South and Central America. I now ask unanimous consent that selected excerpts from this report be printed at this point in the RECORD.

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

[From release of Mar. 16, 1963]

SELECTED EXCERPTS: REPORT ON ALLIANCE FOR PROGRESS

(By Senator HUBERT H. HUMPHREY)

In terms of where it was a year ago, the Alianza para el Progreso has taken a giant leap forward. In terms of where it has yet to go, it has taken only a short faltering step.

In reviewing the Alliance today, there are solid grounds for encouragement—and serious grounds for concern. The Alliance has begun to gather momentum; the question is whether it can maintain and increase this momentum sufficiently to overcome the obstacles it now faces and those which loom in the near future.

Latin America needs a new deal. And the United States needs to understand that the changes we are calling for in Latin America—the reforms that we are demanding—will bring in their wake political, economic, and social developments which may not be readily understood or even acceptable to the United States. We are asking for a peaceful democratic revolution. We ought to understand that such a development is unique in history, particularly in areas where oppression, exploitation, poverty, and discrimination have been an established pattern for many generations. Such a democratic revolution, if it can be accomplished, may bring into power democratic governments that are left of center. In other words, liberal, progressive, and even radical political parties will be in the ascendancy and in power. We should be prepared to see a good deal of disorder, temporary confusion, and political disarray as the reforms and changes come about.

ADMINISTRATION OF THE ALLIANCE

The Alliance is not just another U.S. aid program, but rather a cooperative endeavor by 19 Latin American countries and the United States to enjoy more fully the cultural, spiritual, and material riches available in the 20th century, and to put these within the reach of full populations rather than only a select few. Its origins and its operation spring from both the northern and the southern half of the hemisphere.

Now that the Alliance is in operation, it is readily acknowledged that the actions of Latin American countries themselves in achieving the goals of the Alliance are far more important than those of the United States.

It is silly to think that a program of the magnitude of the Alianza para el Progreso can be carried out without making any mistakes. Indeed, the effort to do so is the biggest mistake of all. The most sterile box score is the one that reads, "no runs, no hits, no errors." A team can survive a few errors if it gets some runs; but no matter how flawless its play, it will surely lose without runs. The Alianza has made a few hits; it has managed to get some men on base. But it badly needs some runs, and it ought to be prepared to take a few chances to get them.

For 2 years now, the emphasis (in the aid program) has been on long-range development—on economic growth and social progress. With some exceptions, and oversimplifying the matter somewhat, the United States has been trying to run a development program with a machine designed for a technical assistance program.

We speak of Latin America, but at best it is only a phrase that represents a broad generalization and roughly identifies a geographical area. Actually, Latin America is made up of individual nation states, all with their own history, background, and culture, and all very different. Therefore, we must face the fact that each country requires special and separate consideration. There is no general program that can be applied universally.

Whatever we do in Latin America we need to remember that Brazil is the key to success or failure. Brazil is the big country, and if the Alliance for Progress fails in Brazil and if our relationships with Brazil deteriorate to the point of noncooperation or emotional hostility, then whatever we seek to do in the Western Hemisphere will be endangered. It should be recognized that the success or failure of the Alliance for Progress in either Chile or Argentina will have far-reaching consequences in the hemisphere.

The experience of the past 2 years indicates that a basic mistake made was not in switching from technical assistance to economic development but in attempting to apply the new economic development formula universally. U.S. officials have attempted to apply it to Venezuela, Chile, and Mexico—with good reason—but also to Honduras, Paraguay, Ecuador, and Guatemala—which are at an entirely different stage in their development. The latter countries at the present time need further technical assistance before any economic development program can ever succeed.

Economic aid to be effective must be used where there is competence in management, skilled workers, and modern business know-how. Capital without the trained people is but a palliative. It yields little or no development. At best, it gives only temporary relief. The U.S. aid program and those of other aid institutions participating in the Alliance must be prepared to gear aid programs to the development level of the various countries in Latin America, not just to those of the more advanced countries. This will require a different balance of technical assistance and capital aid in the Central American countries than in the advanced countries of the southern cone such as Argentina and Chile.

Another factor in administration, closely related to the second is that at the same time that this process of change from technical assistance to economic development was occurring, the administrative machinery in Washington was becoming even more complex, which is to say more cumbersome and less capable of making decisions, even wrong decisions. One expects some administrative confusion in launching a new program, but much of this is plainly inexcusable, especially in a government which thinks it is good enough to include projects in public administration among some of its technical assistance programs abroad. I for one have never received an adequate answer to the question, "Why does it take a year to decide whether to build a housing project in the Dominican Republic, and then another year to actually build it?" Something is wrong here. If there are not sufficient loan officers or engineers available to review and appraise proposals, more should be hired—and if the law does not permit this it should be changed. If legislation is required, Congress should be informed accordingly.

Since 1948 there have been 10 administrators of the foreign aid program. The location of the agency has changed almost as frequently as the administrators. Sheer movement of physical facilities all over the city has created chaos and destroyed morale. Movement of files, desks, and partitions has been enough to leave officials in a state of permanent bewilderment. Under two administrations (1953–63) the foreign aid program has been the best example of administrative bungling in the Federal Government. In actual handling of the aid program, both have operated under the assumption that the program is temporary even while claiming to recognize that it is permanent.

Possibly the greatest single factor in weakening the morale of the aid agency is the succession of 1-year appointees as administrator. It is to be hoped that the appointment by President Kennedy of an experienced administrator, known to have the President's confidence will mean the end of the senseless pattern in which 1-year men are expected to do a 10 year-job. The knowledge by upper echelon officials that the policy directives they must implement will not be changed every year will do much to improve their morale and that of their subordinates. The knowledge that the AID Administrator enjoys the complete confidence of the President will do even more.

To implement successfully such a program requires experienced professionals who will remain in the program over a long period of time. We have learned over the past decade that you cannot tackle 30-year problems with 5-year plans using 1-year money. We must learn that the job cannot be done with 2-year personnel—who leave the program 6 months after they have really learned their job. One must not only recruit good men at both the higher and lower levels but must hold them. The Foreign Service has succeeded in this. The foreign aid program has not.

THE ROLE OF AID

Who makes the key decisions on aid matters for Latin America? Where are they made? On the political side in the State Department the locus of decision making has been fairly clear since the spring of 1962. This unfortunately, is not true on the foreign aid side. When the Alliance was first announced, it was suggested that U.S. programs under it be directed from the White House. This was considered but rejected in view of the formidable obstacles that would result in coordinating them with the State Department. The Alliance aid program was placed with the rest of the foreign aid program in the State Department. Yet

it often appeared that the Alliance program was in the State Department and key decisions were made in the White House. If those responsible for the direction of the Alliance aid program are to stand a chance of success, they must have the authority commensurate with their responsibilities. Effective orderly administration of the Alliance program is impossible if designated Alliance officials cannot make final decisions.

The morale of AID personnel in Washington dealing with Latin America is suffering. In some of the missions abroad it is even worse. There is no more urgent task for the Washington headquarters of AID than to give a sense of confidence and firm policy direction to officials in the field. A good way to start would be to delegate more authority to AID mission chiefs and to ambassadors. If the Administration feels a man cannot be trusted, it ought to replace him with a man it feels can be trusted. But it ought not to give men responsibility without authority.

Since mission directors are the representatives of the U.S. Government in the field, it is essential that they understand the thinking of their Washington superiors and enjoy their confidence. This understanding and confidence will ordinarily be gained through regular consultations in Washington, during which directors meet individually with the AID Administrator and the Director of the Latin American region. Ready access to one's superiors in Washington is essential. I am encouraged to hear that the new AID Administrator places a high priority on regular meetings with aid mission directors.

THE COST OF THE ALLIANCE

There are at least three striking differences which should be noted between those three successful programs (point four, food for peace, and Peace Corps) and the economic and military aid programs. All three of these involve the outlay of comparatively small amounts of American dollars. All three have an immediate impact upon the recipient country. All three benefit the common people, rather than the elite group. Because they benefit the common people, they have been gratefully received.

Both military and economic aid are expensive—they involve expenditure of large sums of money. In both cases, the impact of the aid is usually delayed. There is a long time span between the agreement to support the building of a dam, an airport, or an industrial plant and the realization of the goal. In both cases, the immediate benefits are often enjoyed to a disproportionate extent by a small minority of the population—by the military, by contractors, businessmen, and high government officials. There is a pressing need for those types of immediate impact projects which will at least partially satisfy popular demand while long-range projects are being developed. Such programs in education, health, and housing can yield quick politically valuable results.

As the Alliance for Progress develops and more and more countries qualify for the above combination of aid programs, the total aid required may substantially increase. The United States must be prepared to face this prospect. For example, if the plans currently being discussed in Brazil to mobilize the resources of that great country to meet pressing economic and social problems are carried through, the United States should be prepared to render the massive assistance required—assistance which would undoubtedly be on a scale similar to that now available to India.

We should prepare to face the fact that the prospect of increasing our aid program in Latin America may require a careful reevaluation of our assistance to other parts of the world.

RURAL DEVELOPMENT

The importance of rural development can hardly be overstated. Over half of the countries of Latin America continue to spend sizable amounts of precious foreign exchange reserves to import food to feed their populations. This occurs in countries that are primarily agricultural. For the common man in most of Latin America, the key to a higher standard of living in the near future is still an increase in agricultural productivity. In this field the United States has a record of proven performance. We abound in technical expertise in the field of agriculture and the key to success appears to be our ability to secure the widespread adoption of known and proven techniques.

A successful agricultural program will require not only support of programs aimed at providing supervised credit, seed and fertilizer, machinery, land drainage, but will require continued technical assistance on a large scale. In the United States this massive dissemination of technical know-how was achieved through the agricultural extension system of county agents. Until some Latin American equivalent of this is realized, it is doubtful this can be done even through cooperatives. The choice in Latin America is between cooperatives and collectivism. Cooperatives provide an opportunity to pool resources and technical expertise.

LABOR

Throughout the Central American area, as well as Mexico and Venezuela, progress during the past year has been made in the field of labor. Mexico is a good example. Through our labor information officers assigned to USIA, we are now reaching the trade union movement in Mexico. One reason why we are now being effective is because we are using experienced union men. Five of the nine labor information officers now serving in Mexico City have a union background. These men have earned the confidence of Mexican labor leaders and now are beginning to make an impact in a labor milieu long dominated by Marxist-oriented groups. Some progress can also be noted in the training of Latin American labor leaders in this country. Through the American Institute for Free Labor Development, hundreds of labor leaders are now being brought to the United States for training. This is an excellent program, but can handle only a small fraction of the total number of leaders eligible. Much more needs to be done in this crucial area.

IMPORTANCE OF PRIVATE ENTERPRISE

I found in my discussions in Latin American countries and I find in my discussions with businessmen here in this country much agreement with the U.S. Coordinator's conclusion: Two years after the Alliance was launched, Latin Americans have come a long way in learning the truth—the fact that the Alliance will succeed only if it accords a large role to a vigorous system of modern private enterprise. They have come a long way in facing the fact that of the $20 billion that will be required from abroad for investment under the Alliance program, $3 billion must come from the United States in private investments. Many now recognize, if they did not when the Alliance was launched in 1961, that the larger share of the investment capital needed for the Alliance must come from private sources, both domestic and foreign.

The pattern for business success in Latin America has already been established—right here in the United States. The U.S. businessman has a record of unparalleled success in adapting to a changing environment, in combining profitable business ventures with farsighted social welfare programs. In adapting to the changing environment of Latin American countries, American business must follow the same practices implemented here at home: support of education, training of nationals for responsible supervisory and managerial positions; sharing of profits, bona fide collective bargaining; opening up stock ownership to the people of the country. In Brazil a prominent and successful businessman told me that American business must expand its stock ownership to more and more Brazilians. He said, "Either get naturalized or be nationalized. Become a part of us instead of using us." His analysis may be prejudiced but it seems to represent the attitude of Latin Americans, rich or poor.

To promote new large scale foreign private investment, some system of international insurance may be needed to guarantee new investments. No individual government can supply all the capital needed. But the U.S. Government, working with European and Latin American governments, could devise a system to guarantee capital lent by private banks to private businesses interested in investing in manufacturing enterprises in Latin American countries. This would follow the procedure now in effect for the housing investment guarantee program under section 224 of the Foreign Aid Act of 1961.

Another essential means of strengthening the private sector is through expansion of trade. The private sector of Latin American economies cannot be strengthened unless markets are available for exports, both commodities and manufactured products. The immediate need is to expand trade between Latin American countries—which is now only 10 percent of their total trade.

One possible way of increasing this intercountry trade would be through the establishment of an export credit system modeled on the U.S. Export-Import Bank. Such a system might be worked out through OAS members, possibly administered through institutions such as the Inter-American Development Bank and/or through the Central American Bank.

THE BATTLE OF ATTITUDES

Even more important than equipping people with the skills needed in a developing economy is exposing both youth and adults to the values and traditions of a free society. This in turn will require that special attention be given to the institutions and media that shape the minds of the men who shape the society—specifically to the university professors, the teachers, to the textbook writers and publishers, to the writers, journalists, and news media personnel. A good example of progress in this area is the textbook program supported by AID in Central America. For the first time, first and second grade children will have modern textbooks published, not by Marxist-oriented presses shipped in from Eastern Europe, but by pro-Western groups and competent educators. This program could profitably be repeated in over half the countries of the continent.

Strange and alien as it may sound to North American ears, the key to controlling a university in many Latin American capitals is control of the student government. For years, Communists have had free run of universities—have had no competition. The vast majority of students and professors are non-Communists. But through organization Communists have dominated the university scene. It is now being proven that they can be beaten through counterorganization. Marxist influence in the national universities in Chile, Venezuela, and the Dominican Republic is now on the decline because the Christian Democratic student organization backed by other pro-Western groups, have organized and have won the student elections, thereby gaining control of the student government. In these instances, democratic oriented groups have matched the leftwing

groups in zeal, in organization and in perseverance—all of which are required to win the intellectual struggle being waged in the universities of Central and South America.

We in the United States are beginning to learn what the Communists have learned long ago—that resources invested in wooing and training the future leaders of society, in all fields, will pay high dividends. But our investment is still a pittance, considering the magnitude of the challenge. I for one have never heard a convincing explanation of why we have not launched a massive program to bring Latin American students and potential leaders to the United States for training and schooling. By massive, I mean 10,000 per year. The cost would be less than that of one modest highway loan, and the benefit for U.S. foreign policy could not be compared.

INFILTRATION OF JOURNALISM

On my trip to the Caribbean area in 1962, I was favorably impressed with improvements in the work of the U.S. Information Agency; its activities seem to have a better sense of proportion and of priority. The Voice of America broadcasts are better, but not yet as good as they ought to be, especially as regards to signal strength. Service to local broadcasters has been effectively strengthened.

In the daily press of many Latin American cities, however, the portrayal of the United States as the "Yanqui imperialist" is continued—or at least goes unchallenged. It is a well-established fact that journalists, and radio and TV commentators are regularly trained in Havana and Moscow and carefully placed in positions in the communications world. The journalist profession has been heavily infiltrated by Marxist trained writers and it is notorious that some large U.S. business firms regularly advertise in the Communist daily that is found in many capital cities.

HELP FROM THE CHURCH

One of the most hopeful signs in Latin America in recent years is the renaissance of the Catholic Church and a new awakening on the part of the church leaders to the shocking social and economic problems of the continent. The farsighted social and economic philosophy of Pope John's recent social encyclical Mater et Magistra is being strongly pushed by the Vatican. Men who once would have been promoted to mountain parishes for their advanced views are now being appointed bishops and cardinals. Efforts are now being pursued to extend the programs in education and health in which the church has long been involved to the mass of the people. An excellent indication of the change taking place in the church in Latin America is found in the pastoral letter on "Social Reform and Common Good" issued in November 1962 by the 24 Roman Catholic bishops of Chile. The pastoral letter scathingly criticized existing social and economic abuses, deplored the inequality in distribution of incomes, and called on the government to extend and speed up its reforms and its social welfare programs. Offering its own example, the church in Chile is now redistributing most of its own lands to local peasants.

Closely related to the new orientation developing in the church is the growth of the Christian democratic movement in Chile, Venezuela, the Dominican Republic, Brazil, Argentina, and Panama. Although currently electorally strong in only two countries, Chile and Venezuela, these strongly reformist pro-Western parties have growing strength in university and labor circles. Such leaders as Eduardo Frei and Radomiro Tomic, in Chile, and Raifael Caldera, in Venezuela, can be expected to play an increasingly significant role in providing leadership for progressive democratic forces in Latin America.

ECONOMIC INTEGRATION

One of the most promising movements toward economic and political integration is taking place today in Central America. The progress of the six small Central American Republics to achieve economic and political integration is especially gratifying in view of the minimal progress made by the countries of South America in achieving integration through the Latin American free trade area. President Kennedy's trip to San Jose in mid-March to confer with the Presidents of the six Republics is a grand gesture of the support we are giving to the integration movement.

In order to deal with Central America as a unit, the United States has established an AID mission known as ROCAP (Regional Office Central America and Panama) with headquarters in Guatemala.

ROCAP is only a few months old, and its precise relationship to the U.S. country missions and to Washington has not yet taken form, but its general role is clear: It is to use the AID program as a means of encouraging the Central American economic integration movement. Similarly, the basic role of the Central American Bank for Economic Integration is clear: It is to use credit as an instrument of encouraging the movement. ROCAP has able leadership, it has the strong support of the U.S. Coordinator of the Alliance for Progress, it has been well received by Central American leaders. In the allocation of U.S. funds under the Alliance for Progress program, this regional mission should receive high priority.

As it is our policy to promote integration in Central America, U.S. diplomats and AID officials assigned to Central American countries will be expected to endorse and promote this aim. If the regional mission, the regional bank and the Common Market are the instruments chosen to achieve this goal, then U.S. officials should support them.

I believe the time has come for another dramatic gesture by the United States—this time to accelerate the efforts now being made to achieve economic and social development in Central America. I propose that the United States offer to make available immediately up to $50 million toward the establishment of a Regional Integration Trust Fund to be administered by the Central American Bank. Because of the preference of some countries for bilateral aid, the decision on whether to accept the offer would be made by the governments of the participating countries. It should be discussed at the meeting of presidents next week in San Jose, Costa Rica. The purpose of the fund would be to initiate new projects and accelerate those now underway that contribute most directly toward economic and political integration.

The following discussion of the Cuban issue reflects the conversations held with numbers of Latin American leaders in the Caribbean and in South America. It should be recognized, of course, that differences exist among Latin leaders on this question.

THE THREAT OF TERRORISM

In the case of Latin America today, there is an immediate problem which must be distinguished from the long-range economic and social problems which the Alliance is designed to solve. This is the problem of the external Communist threat from Cuba, backed by the Soviet Union and China. Cuba by itself is not a military threat to the United States, but Cuba as an extension of Soviet military power is a threat to our security. The Cuban threat to Latin America however is not mythological but real. In the immediate sense, it is not economic, but primarily political, propagandistic and paramilitary. The threat arises from the fact that Castro's Cuba, backed by the Soviet Union and China, has become a forward base for the subversion of the hemisphere. It is now a base for indoctrination and training of hundreds of Latin Americans, including training in sabotage, terrorism, and guerrilla tactics. The threat is magnified by the fact that the aroused peoples of Latin America are pressuring their governments to meet basic social and economic problems that have gone unsolved for centuries.

This systematic attempt to subvert democratic governments in Latin America is best seen in the case of Venezuela. Venezuela is today the No. 1 immediate target of Castro-Communist subversion because the Alliance for Progress is succeeding there. It is the immediate target because the subversion of Venezuela with its huge resources of oil and iron would provide a springboard for the penetration of the entire South American continent. It could convert the Caribbean into a Communist sea. The United States has now made it clear that these attacks on Venezuela will not be permitted to succeed. They will be repelled—regardless of cost. Venezuela has top priority for U.S. support. From Cuba, the Communists have unleashed a continual torrent of intimidation, violence and terror in Venezuela. It is no surprise that of the 1,500 persons from Latin America trained in Cuba in 1962, the largest number have been Venezuelans.

Venezuela has withstood attacks from the radical right and Communist conspirators because its democratic government has been capable of defending itself against armed attack from within and because its action programs in economic and social betterment command popular allegiance. It is obvious to the Betancourt government and to the United States that to cope with such attacks, economic aid alone is not sufficiently effective. Meeting the threat requires measures which are primarily paramilitary, political and propagandistic. All of these programs are designed to provide a shield of security behind which the Alliance for Progress can develop. They are essential to repulse the immediate threat to the stability and internal security that are necessary if the long-term Alliance for Progress economic programs are to succeed.

In considering the Communist problem in relation to the Alliance for Progress, we must therefore always bear in mind the distinction between the two salient Communist threats in the Western Hemisphere: (1) the appeal of the Communist economic model as a solution to the economic needs of impoverished people; (2) the attempt of a Communist regime (i.e., Cuba) and Communist groups within Latin American countries to subvert non-Communist governments through armed attack, internal terror and sabotage and propaganda.

The economic threat cannot be met by military solutions—but rather by effective mobilization of resources and accomplishment of reforms by local governments, combined with U.S. help in the form of foreign aid loans, Food for Peace, the Peace Corps and technical assistance. The subversion and terrorism problem requires specific political and internal security measures. Violence and subversion in Latin America cannot be defeated by relying wholly on the elimination of hunger, poverty and disease.

A POLICY ON CUBA

The United States has made it clear that our policy is to eliminate Castroism. The Cuban satellite will never be permitted to gain the status of an Eastern European satellite. Here the commitment itself is more important than the particular means and methods chosen to implement the commitment.

At the same time, it is important that throughout Cuba and all Latin America it is clearly understood that we want the Castro-Communist tyranny to be replaced with a progressive government, that we will not tolerate a rightwing dictatorship. A Cuban Government dedicated to political liberty and economic and social reform will have the firm support of the United States, just as the progressive government of Venezuela does today.

We must emphasize again and again that the United States is dedicated to the welfare of the Cuban people. Although our Government has placed high priority in getting this message to the Cubans themselves (and was particularly successful at the time of the Cuban crisis in October 1962) a good share of the American public has been so preoccupied with the Castro military threat that it has given too little thought to consideration of a program for post-Castro Cuba. Our goal must be a free Cuba participating in the Alliance for Progress working for economic progress, better health, housing, and education—as well as political liberty.

Latin Americans are acutely aware of being under attack. They sometimes express the feeling that North Americans are mesmerized by Cuba as a military threat, whereas they feel the real war with communism goes on year after year at every level of activity. They are as concerned about the young Brazilian who returns from the Soviet Union, Cuba, or China to enter the journalistic profession as they are about the young Peruvian who comes back trained for guerrilla warfare in the Andes.

In describing the degree of infiltration of Communist-trained opinionmakers into the press, radio, TV and other areas of Latin American life, a perceptive Brazilian concluded that over the past decade the Latin American Republics had already received the billionth bullet in the Communist assault.

Our Latin American friends rightly remind us that the Communist problem existed in Latin America long before Castro came to power in Cuba. The Communist Party has been operating in Latin America for decades, and the threat of communism has been growing because the shocking economic and social problems in so many of these countries have gone unsolved.

Even if Castro and communism should be removed from Cuba, this would not eliminate from the Western Hemisphere the problems of Communist terror, subversion and psychological warfare, nor solve the terrible economic and social ills that plague vast areas of Central and South America. We must keep in mind that Cuba, however important, is only a part of the total problem; part of the total challenge we face in Latin America.

If the Alliance for Progress is to succeed in meeting the staggering problems of poverty, illiteracy, maldistribution of wealth, and economic stagnation in vast areas in Latin America, we must administer and support the Alliance with the same sense of urgency that presently motivates our thinking about Cuba.

We are obliged to take note of the differing attitudes toward Cuba among Latin American countries. The governments of the countries on the South American cone, plus Brazil and Mexico, will continue to be under strong pressure from well-organized groups to oppose firm measures against Castro. Most Latin American leaders in the Caribbean area, on the other hand, will firmly support a strong policy although differing sharply on tactics. In my conversations with leaders of the Caribbean countries, I was repeatedly told that Castro had lost much of the popular appeal that he may once have had, and that public opinion regards his government as a dangerous menace to be eliminated, rather than as a model to be copied. But they look to the United States for leadership. I am hopeful that the guidelines of a common policy with respect to the Cuban problem will be agreed to in San Jose at the meeting of the Presidents.

In implementing such a common policy toward Communist-Castro Cuba, we must recognize that our leaders require wide latitude in choosing means, tactics, and timing. The national interest is not served by emotional and flamboyant public speeches, but rather by cooperative planning, cold reckoning, and persistent action to solve the Cuban problem.

Mr. HUMPHREY. I should like to invite the attention of my colleagues particularly to the contents of this report on the organizational structure of the AID administration and the problems which exist in the administration of our Alliance for Progress program. I have called for the same sense of urgency in carrying out this program that we have in our concern over Cuba.

We ought to recognize that whether or not the Communists ever gained a foothold in Cuba, the social and economic problems of South and Central America would be with us. The problems we face today result from years of neglect, years of tyranny, despotism, and aristocracy. Therefore, we are now trying to do in a very few years what should have been underway for decades. Also I have pointed out in the report the importance of our private investments and private enterprise in the Latin American area. I believe that some of the observations on the economic integration movement in Central America are worthy of our thoughtful consideration.

The Central American Republics have possibly done more than any other area in the world, save Western Europe, to develop a program of economic integration and of a common market. They have made great progress. They have competent, experienced, intelligent leaders who are doing their very best to bring about a more stable, just, and progressive society in this hemisphere.

Mr. President, on the same subject matter, I also wish to invite the attention of Senators to an editorial entitled "Castro: Time Waster for Latin Conference," which appeared in the Detroit Free Press, of Tuesday, March 19. It relates to the report by Representative MARTHA GRIFFITHS, on her recent trip into the Latin American area. Representative GRIFFITHS traveled in Panama, Costa Rica, El Salvador, Nicaragua, Guatemala, and Honduras during December of this past year.

Her report made a very favorable impact upon Members of the House and upon those persons who were privileged to receive it. I commend Representative GRIFFITHS on the very fine report of her study mission and journey. I commend the Detroit Free Press for the thoughtful and constructive editorial that relates to this report and to all the problems that we face in Latin America.

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

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

CASTRO A TIME WASTER FOR LATIN CONFERENCE

Telling the Central American nations to forget about Castro for the moment and concentrate on their own problems, as President Kennedy did yesterday, is like telling junior to quit tattling on sister and clean up his own room.

Junior may not like it, but mother knows best.

Without running the real risk of war, there is not much the United States or the Central American nations can do about communism within Cuba right now. The President is doing about as well as anyone can expect.

The real question, which the President wants to deal with, is how to keep communism and Castroism from spreading throughout Latin America. In the Central American nations, he has a good starting place.

As Representative MARTHA GRIFFITHS reported after her December trip to the area, these six nations—Panama, Costa Rica, El Salvador, Nicaragua, Guatemala, and Honduras—are largely ignored in the rest of the world. They are, in varying degrees, desperately poor, and their main export crop, coffee, has suffered a 30- to 40-percent price drop.

Some of the nations, in fact, are so poor that they can hardly afford the temporary drop in tax revenue that a sensible tax reform program would bring. Instead, to get working cash, they have to rely on a jerry-built program of high excise taxes on such things as cablegrams and slaughtering licenses.

In Panama, rural roads are so bad, she said, that it takes a farmer longer to get his goods the 7 miles to market than it did for John Glenn to circle the earth. In Honduras, there are no roads in the eastern half of the country, and even the Inter-American Highway is far from the economic center. Instead of being able to use Alliance for Progress funds for developing industries, the money must go first for roads.

In addition, we have long ignored the Central American nations in favor first of Europe, then Asia, and then South America. Since 1939, during the era of the good neighbor policy, U.S. disbursements to Central America, partly in loans already repaid, have come to only $14.10 per person, or 56 cents a year.

Mrs. GRIFFITHS found that these nations need to do major work on improving their higher education programs, both in the caliber of the work and the role of the universities. Five of the six nations, excluding Panama, have begun to pool their graduate level studies, but this is only a beginning.

A further problem facing these countries—and us—is the simple problem of how to give or lend our money. When we get into aid programs, we do not dip a toe, but plunge head first.

There are, for example, six agencies in the tiny country of Costa Rica borrowing or begging from six different U.S. agencies.

Add on the international lending agencies and the United Nations, and there are 15 channels of U.S. assistance, many working without knowing what the others are doing, and some even working at cross-purposes.

It is no wonder that much of our money is wasted, while the rich get richer and the poor get poorer.

To begin on these problems is as much as the Presidents of the six nations, plus Mr. Kennedy, can do in the short and formal time alloted to the San Jose meeting.

It is all well and good that the six Latin Presidents want a declaration of opposition to Castro. But the conference would be a waste if their time is spent discussing how to get rid of him.

Their most effective way, as President Kennedy said, is to solve their own problems, so that the seeds of Castro's communism cannot find fertile soil in Central America.

THE STATE DEPARTMENT AND BRAZIL

Mr. HUMPHREY. Mr. President, since we are speaking on matters re-

lating to South and Central America, I should like to take the State Department to task for just a moment for what I consider to be a rather amateurish, unprecedented and, I believe, unwarranted handling of very difficult and sensitive relationships between our country and Brazil.

I cannot imagine how this situation developed. To say that the Government of Brazil was being infiltrated by Communists, and to say so in the public press, does little to help our efforts to improve our relationships in Latin America.

There is a time and a place for making statements of that kind if we believe them and if we have evidence to support them. If other so-called friendly governments were to make that kind of charge about our country, we would be very much disturbed, and rightly so. It is not a good idea for the officials of one country to inject themselves into the internal politics of another country, publicly at least. We had ways of doing this through our embassies and our diplomatic missions. But, as many of the newspapers in our country have noted, there was little to be gained and much to be lost by the rather crude and abrupt public comments upon the situation in Brazil. The Brazilian Republic has many problems. As a fellow member of the OAS we have every right to be concerned about those problems. If Brazil should fall by the wayside or should fall into the lap of the Castroites and Communists, the Alliance for Progress would surely fail. Not only that, but the security of our hemisphere would be seriously jeopardized.

There are many men in the Government of Brazil today—and I know some of them—who are as deeply dedicated to the principles of freedom and democracy as is anyone in our country.

I ask unanimous consent that the editorial which appeared in the Washington Post of recent days be printed at this point in my remarks.

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

DEALING WITH BRAZIL

Whatever the chill wind from Paris, there is at least one rift in this country's historic alliances that can and should be promptly repaired. Few countries in the world have been older friends and allies than Brazil, the giant Republic of South America, which, more than any other, may determine the success of the Alliance for Progress. For more than 2 years there has been static in United States-Brazilian relations, a melancholy outbreak of petty vexations in which an insistence on being right on small things has obscured larger common goals.

Fortunately, with the visit of Francisco Clementino San Tiago Dantas, Brazil's powerful Minister of Finance, there is at hand an opportunity for a fresh start. Mr. Dantas, a pragmatic liberal leftist of formidable gifts, brings an important distinction to his mission. He represents an administration that has the power (and hopefully) the will to govern. Last January, the voters gave President Goulart the full executive powers that had been withheld from him 2 years before when he succeeded the erratic Janio Quadros.

The overriding hope in this country is that Mr. Goulart will use this power to cope responsibly with the single most pressing economic problem in Brazil—uncontrolled inflation. Though Brazil has had a dramatic rate of economic growth, fiscal insolvency has eaten away at the fruits of development. Everyone acknowledges this. To his credit, President Goulart has begun the task of reform. Brazil's anti-inflation program calls for a 35-percent cut in public expenditures, an elimination of subsidies for fuel and wheat, credit ceilings on Bank of Brazil loans to private firms, an internal price freeze on coffee and wage limitations for governement employees.

In the past months, Brazil has received ample and unsolicited criticism in the United States for its failure to set its house in order. What Brazil now needs is support and encouragement in carrying out an anti-inflation program that is long overdue. Specifically, Mr. Dantas is seeking to reschedule debt payments and release $84 million in aid money held up by the United States pending a genuine counterattack on inflation.

But what Brazil also needs is an affirmative attitude in the United States based on an understanding of life and politics in a swiftly changing country. Brazil is not a banana Republic and is on the threshold of great power status. It is foolish to expect Brazil to see eye-to-eye on the details of foreign policy, yet the amount of noise aroused by dissent on specifics has tended to obscure solidarity on fundamentals. When the Cuban crisis shook the world last October, there was no question of where Brazil stood.

As elsewhere in Latin America, there is an exotic spectrum of left-wing politics in Brazil. There are men like Mr. Dantas who describe themselves as liberal leftists. There are nationalists who want free enterprise at home but anti-American policy abroad. There are Moscow Communists and Castro Communists, and some of these, as our Ambassador, Lincoln Gordon, accurately reported, are in the government.

But no responsible U.S. official, emphatically including Mr. Gordon, would describe the government of Brazil as pro-Communist. The places of power are held by non-Communists, leaders whose influence will grow if Brazil prospers. It is this vigorous center, speaking for a burgeoning middle class, that should get more attention than the fanatic fringe. By dealing justly and generously with Brazil, by remembering that the overall terms of trade have tipped to Brazil's disadvantage, and by viewing Brazil in continental perspective, the United States can now give new strength to a faltering partnership.

SEISMIC CALCULATIONS SUPPORT U.S. TEST-BAN PROPOSAL

Mr. HUMPHREY. Mr. President, I had hoped that I might present for the RECORD of the Senate earlier today some observations on recent statements that have been made by Members of Congress, as well as other citizens, concerning the U.S. proposals at the nuclear test-ban conference in Geneva.

I should like to comment today on the seismic calculations that support the U.S. test-ban proposals.

It has been alleged that there is a big hole in our present proposals for a nuclear test-ban treaty with the Soviet Union. I would like to point out a few rather substantial holes in this unwarranted attack on the administration's proposals for an effective and safeguarded halt to the further testing of nuclear weapons.

The opponents of the U.S. proposal now assert that underground nuclear explosions below 3 kilotons carried out more than 620 miles inside the borders of the Soviet Union could not be detected by the U.S.-operated network of control posts, which would be located around the periphery of the Soviet Union but outside its borders. In order to create this so-called big hole or zone of undetectability, three assumptions have been made, none of which stands up under close analysis.

My colleagues will recall that about 3 days ago a map appeared in one of the local newspapers, showing a picture of the Soviet Union and an area within the center of the Soviet Union called the zone of undetectability, or the big hole in the proposals of the United States at Geneva.

The map was not drawn very well. As I said earlier, it was a poor example of map drawing. The geographical aspects were even more unlikely and inadequate.

As I said, there were three assumptions which had been made, none which stands up under close analysis.

First, it is assumed that our detection capability necessarily decreased as the distance of the detection station from the location of the clandestine test increased. This assumption is not based on scientific fact.

The truth is that our capabilities to detect underground nuclear explosions at long range are frequently better than our capabilities to detect the same explosions at shorter ranges. This is due to the characteristics of the seismic waves which are generated by an underground nuclear explosion and the manner in which these waves pass from the point of detonation through the earth's crust or mantle to the detection station. For example, detection capability actually increases from about 2,000 to 3,000 miles. As a matter of fact, two relatively simple seismic stations located 2,000 and 2,500 miles away from our Nevada test site detected most of the 3-kiloton underground shots which have occurred in the dry desert dirt at the site. Improved equipment at these two stations would certainly have permitted detection of even smaller explosions.

These significant discoveries as well as overall improvements in our long-range detection capabilities have been the result of the continuing research effort in the field of the seismology of nuclear explosions—an effort which has been carried on by the Department of Defense since 1959.

The second assumption upon which the "big hole" argument is based is that the explosions of 3 kilotons or less would occur in a type of dry sandy soil known as alluvium. The proponents of this theory seem to recognize that tests in harder rock would increase the size of the seismic signals generated by the explosion, and therefore increase its detectability. This Soviet Union, however, contains precious little of the required type of soil to muffle the 3-kiloton tests. In fact, according to a U.S. Geological Survey map, no dry alluvium beds are to be found more than 620 miles inside the Soviet Union, which, according to the theory, would be the distance required to be outside the range of detectability. The two relatively small areas where soil of this alluvium type is shown to exist

are both within 500 miles of the southern border of the Soviet Union.

Moreover, testing in this dry, loose soil creates many more hazards of external detection than does testing in other more substantial types of rock. In order to prevent a large cavity clearly visible on the earth's surface, tests in alluvium must be carried out at considerable depths. However, it is rare to find any dry sandy soil very far below the earth's surface—in the U.S.S.R. or anywhere else. The horns of this dilemma seem to punch quite a hole in the "big hole" argument, which its proponents have carefully chosen to omit from discussion.

In fact, I think it would have been much better if the proponents of the "big hole" argument had gone to our geologists. We know a good deal about it.

The third assumption on which the U.S. proposals have been challenged is that the long-range detection system would have a fixed detection threshold of 3 kilotons below which nuclear explosions could not be detected. This is not the case. The detection threshold varies from station to station, and, for each station, from day to day. It depends on the way the station is constructed, on the structure of the earth between the station and the explosion, and on the amount of background noise at the time of the explosion. A potential violator could not possibly know the threshold at each of the 100 or more detection stations located all around the world at the instant of the explosion. He could therefore never be able to be sure that even a small clandestine explosion would go undetected.

This should suffice to collapse the "big hole." But its proponents have also made rather broad claims about what can be done in the alleged big hole—that is, nuclear testing that might escape detection under a nuclear test-ban treaty. It is claimed that all tactical nuclear weapons and a substantial fraction of strategic nuclear weapons can be developed without detection. This assessment runs directly counter to the unanimous opinion of some of the best qualified people to judge. I am referring to the Secretary of Defense; the Secretary of State; and the Chairman of the Atomic Energy Commission; in addition to Mr. William Foster, the Director of the Arms Control and Disarmament Agency; and their scientists. On March 11, in a public hearing before the Senate Committee on Foreign Relations, Secretary Rusk stated, in answer to my question, that these individuals had unanimously recommended to the President the adoption of our latest test-ban proposals. Therefore, it is the unanimous and considered judgment of those who have primary responsibility in this field that our nuclear test-ban proposals would promote our national security. I will return to this question in a subsequent portion of my remarks. It is a very important one.

Granted there are risks that certain small and carefully concealed nuclear tests might escape detection. But any conceivable advances in weaponry resulting from these tests could not significantly affect the strategic military balance between ourselves and the Soviet Union, a balance which, according to the President's top national security advisers, presently runs in our favor.

That is not my judgment. That is the judgment of the most competent scientists and military weaponry men we have.

Those who assert that there is a "big hole" in our test ban proposals have made a number of other misstatements of fact and errors in judgment in reaching their conclusion. For example, whereas they emphasize the problem of "background noise" caused by all kinds of natural phenomena as placing restrictions on our ability to detect seismic disturbances, they totally ignore the significant improvements that have been made in our ability to deal with this problem through finding quiet locations for seismic stations, placing seismic instruments in arrays, and perhaps locating some in deep holes—not big holes.

When our latest proposals for a nuclear test ban and the verification system associated with it are examined in their totality, it becomes clear that the President and his advisers have proposed an effective and safeguarded treaty which would be in our national interest. In fact, it is a much better treaty ban than that proposed 2 or 3 years ago. I might add, that was a treaty which did not run into the same kind of sharp, partisan criticism this treaty is now facing. On the other hand, the "big hole" shrinks to its real size when it is tested against what we have actually proposed in the light of our substantial detection capabilities.

Frankly, I am puzzled why these irresponsible, misleading, and mischievous criticisms are being heard now, when the U.S. position is stronger than ever before. Why were they not made under the previous administration, which proposed a treaty below a threshold of approximately 20 kilotons? This was our position between 1958 and 1961—it was proposed, offered, supported and adopted by both President Eisenhower and President Kennedy. But now the opposition is quibbling over tests with a yield of 3 kilotons or less. To my way of thinking there is no comparison between the potential military significance of a test of 20 kilotons and one of 3 kilotons.

What is really going on? Does the "big hole" theory represent a concern for genuine scientific truth, or as seems more likely, is it simply a device to undercut a nuclear test ban regardless of the cost in terms of scientific veracity and probability?

Mr. President, up to this point I have tried to avoid injecting personalities into the dispute. I have tried to present a factual case without reference, except in very general terms, to the individuals who, in all good faith, have objected to the current test ban proposals of the United States. This morning, however, I obtained a copy of a letter from the Honorable CRAIG HOSMER, a Representative from California, to the President of the United States. The gentleman implores the President to accept certain very dubious scientific claims with a view to dumping the carefully worked out test ban proposals which he, the President, has already approved. Over and beyond that, Mr. HOSMER literally asks the President to disregard the advice of three principal officers of the Arms Control and Disarmament Agency, as well as the advice of some of his top Cabinet and sub-Cabinet officials. Now that the gentleman from California has injected personalities into the controversy, I have no choice but to meet him on his own ground and to demonstrate where he is both misinformed and the victim of his own bias against an effective test-ban treaty.

The Republican spokesman asserts that three top officials of the Arms Control and Disarmament Agency—Director William Foster, Deputy Director Adrian Fisher, and the highly respected scientist, Dr. Franklin A. Long—are so anxious to "succeed" in their jobs by concluding a test-ban agreement with the Soviet Union, that they are the victims of "subconscious miscalculations of the balance of risks." He attacks their qualifications for the responsible posts in which they have all been confirmed by the U.S. Senate. In less detail, but with far-reaching implications, he denigrates the President's "Committee of Principals," which advises him on disarmament and test ban matters. In so doing, the Republican spokesman is casting aspersions on the qualifications and judgment of the Secretary of State, the Secretary of Defense, the Chairman of the Atomic Energy Commission, the Director of the Central Intelligence Agency, and several others. Many of these responsible public servants were Republicans—and I imagine they are still of that political persuasion—before accepting the invitation to serve the President of the United States.

But I want to deal specifically with the points raised against three of the top officers of the ACDA. These men, all appointed by President Kennedy and confirmed by the Senate, are Director William C. Foster, Deputy Director Adrian S. Fisher, and Assistant Director for Science and Technology Franklin A. Long.

The Republican spokesman believes he is better qualified to evaluate the advantages and risks of a test-ban agreement than these men are. Let us examine their records.

Mr. Foster—a Republican—has served under Presidents Roosevelt, Truman, Eisenhower, and Kennedy. He came to Washington from private industry in 1941 to help out for a few weeks in the war effort. He stayed for the duration of the war. He held key positions in the War Department and was responsible for millions of dollars in weapons procurement. After the war he served as Under Secretary of Commerce, head of the Marshall Plan, and Deputy Secretary of Defense. President Eisenhower appointed him to the Gaither Committee and to be Chairman of the U.S. delegation to the 1958 Geneva Surprise Attack Conference. He also served as executive vice president of Olin Mathieson Chemical Corp. and chairman of the board of the Aerospace Corp. In 1961 John J. McCloy—I may add, another good Re-

publican—then the President's advisor on disarmament, asked him to join his staff as a special consultant. When Congress created the Arms Control and Disarmament Agency, President Kennedy, on the same day that he signed the bill, asked Foster to be its director.

This is the man whom the Republican spokesman attempts to dismiss as a "former business executive."

I submit this man has had quite a record in terms of national security and in terms of protecting the vital interests of this Nation.

Adrian Fisher also has a long record of public service. In the early forties he served in the State Department and in the War Department. He was awarded the Legion of Merit for his service as a B-29 navigator with the 20th Air Force. He was appointed Solicitor of the Department of Commerce in 1947, General Counsel of the Atomic Energy Commission in 1948, and Legal Adviser to the State Department in 1949. He has served as a member of the U.S. Panel on Permanent Court Arbitration, a member of the President's Commission on Immigration and Naturalization, chief reporter for the American Law Institute's Restatement of Foreign Relations Law of the United States, trustee of the Institute of Advanced International Studies, and member of the advisory committee of the mathematics department of Princeton University.

This is the man the Republican spokesman attempts to dismiss as "a former lawyer."

Dr. Franklin H. Long, in addition to his long service as a professor of chemistry and head of the Department of Chemistry at Cornell, has a long record of Government service. He became a consultant to the National Defense Research Committee, Office of Scientific Research and Development, in 1941. Later in World War II, from 1943 to 1945, he engaged in explosives research pursuant to a Government contract. Beginning in 1946, he served as consultant to the AEC's Brookhaven National Laboratories, and in 1947 he was named a member of the board of trustees of Associated Universities, which operates Brookhaven for the AEC. In the fifties and sixties he served as a consultant to the Army's Ballistics Research Laboratory at Aberdeen, as a member of the Air Force Scientific Advisory Board, as Chairman of the Chemistry Advisory Committee of the Air Force Office of Scientific Research, as a member of the Navy's Solid Propellant Advisory Committee, as a consultant to the Defense Department's Scientific Advisory Committee, and as a member of the President's Science Advisory Committee.

This is the man the Republican spokesman seeks to dismiss as just a "chemist."

Mr. President, if these men are to be "bypassed"—and I use the word which appears in the published text of Mr. HOSMER's letter to President Kennedy—who is left to be trusted? According to the gentleman from California, the President should rely on Dr. Carl Romney, seismologist for the Air Force Technical Applications Center, and on Gen. A. W. Betts, Director of Military Applications for the Atomic Energy Commission.

These are distinguished gentlemen, exceedingly able scientists, and their testimony should be considered with the greatest concern and respect, because they are considered among the best men in their field. Without minimizing the qualifications of these men in the slightest degree, the Senator from Minnesota is not convinced that their judgment should outweigh that of the Secretary of State, the Secretary of Defense, and the Chairman of the AEC—not to speak of the leading officials of the Arms Control and Disarmament Agency—when it comes to a political calculation based on the best available scientific evidence and demonstrated U.S. detection capability.

Here again we have a situation in which a policy decision has to be made, and that policy decision must be made by policy officers. The law of the land sets up the program known as a Committee of Principals. That committee represents high level officials of the Government. They are directed, by law, to advise the President of the United States on these difficult, complex, and sensitive matters of nuclear test proposals. The President meets with the committee, which consists of the Director of the Central Intelligence, the Secretary of Defense, the Secretary of State, and the Chairman of the Atomic Energy Commission. Those men have their technical advisers, the best this country can offer, and these men have unanimously recommended to the President of the United States the proposals presented at Geneva. Those proposals undoubtedly have shortcomings. Any proposal would. But the question is whether the risks we take with those proposals are greater or less than the continued unlimited nuclear arms race in which we now find ourselves.

I believe that the men making the proposals have more information about this question than I have, or the gentleman from California. Therefore, I rest my case on the many years of study which have been made by the leading scientists in this area and the policy officers to whom I have referred.

I ask unanimous consent that further information which sheds light on various aspects of this problem be printed at this point in the RECORD. I call attention, for example, to the critique of the scientific assertions of Representative CRAIG HOSMER in his letter of March 18, to President John F. Kennedy, which was prepared by representatives of the Arms Control and Disarmament Agency; also a copy of a letter from Representative HOSMER to the President of the United States, which was sent to me; and an editorial from the Washington Post entitled "Concession and Alteration."

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

CRITIQUE OF THE SCIENTIFIC ASSERTIONS OF REPRESENTATIVE CRAIG HOSMER IN HIS LETTER OF MARCH 18 TO PRESIDENT JOHN F. KENNEDY

The Representative from California [Mr. HOSMER] argues that a signal of 10 millimicrons strength is necessary to overcome background noise which at a quiet location may be 5 millimicrons. He ignores the fact that several American stations have average background noise levels of only 1 millimicron. He ignores the fact that a 5-millimicron background level can be reduced to 1 millimicron by using arrays of seismographs or placing one seismograph down a deep hole. Even a natural background level of 1 millimicron is not "irreducible" as HOSMER contends.

HOSMER's mistaken calculations throw his whole computation into a cocked hat. If a 1-millimicron average background level can be achieved, a 2-millimicron signal is sufficient for detection. HOSMER's own table shows a 4-millimicron signal over 600 miles from a 3-kiloton shot muffled by dry desert dirt. If he had continued the figures in his table to greater distances instead of stopping arbitrarily at 620 miles, he would have found that a 10-millimicron signal could be obtained at about 1,200 miles, and that the signal remained above the 2-millimicron level for hundreds of miles after that.

STATEMENT IN REPLY TO CONTENTION THAT A "BIG HOLE" EXISTS IN OUR PROPOSED TEST BAN VERIFICATION SYSTEM

The opponents of a test ban treaty have again resorted to the well-known technique of answering careful, reasoned, and factual arguments with a misleading but eye-catching slogan. This time the slogan is that a "big hole" exists in the proposed test ban treaty draft.

No "big hole" exists

The "big hole" contention is based on three assumptions, each of which is wholly inaccurate.

1. The first assumption is that small tests could not be detected by stations more than 620 miles away. Since the U.S. proposal is to rely on stations outside the Soviet Union to detect tests inside, the opponents contend that tests carried out within about 2½ million square miles in the center of the Soviet Union more than 620 miles from its border would be immune from detection.

The fact is that detection at distances greater than 620 miles is frequently better than that at 620 miles. Indeed, a 1961 study made by two scientists from the AEC's Livermore Laboratory and one from the Rand Corp. shows that the signal from a 1-kiloton shot in soft rock (tuff) at about 1,200 miles is over twice as high as the signal is at 620 miles. At either distance, the signal was strong enough for detection. A graph showing conclusions from this study has been given to the Joint Committee on Atomic Energy.

Another graph submitted to the Joint Committee by Defense Department Scientist Jack P. Ruina shows that while detection capability decreases from about 1,000 to 2,000 miles, it increases again from 2,000 to 3,000 miles. Throughout the range from about 600 to 6,000 miles, a modern multielement detection station would have a high probability of detecting nuclear explosions down to 1 or 2 kilotons in soft rock (tuff). As a matter of fact, two relatively simple seismic stations located 2,000 and 2,500 miles from our Nevada test site detected most of the shots equivalent to about 1 kiloton in soft rock. Improved equipment at these two stations would have permitted detection of even smaller explosions.

The falsity of the opponents first assumption alone destroys their "big hole" contentions.

2. The second assumption on which the "big hole" is based is that the central part of the Soviet Union contains areas of dry desert dirt (alluvium) which would muffle nuclear explosions. According to a U.S. Geological Survey map shown at the Joint Committee hearings, it is unlikely that dry alluvial beds of the requisite depth are to be found more than 620 miles inside the Soviet Union. The two relatively small areas

where soil of this type appears to exist are both within 500 miles of the Soviet border.

The falsity of this second assumption is also alone sufficient to destroy the "big hole" argument.

3. The third assumption on which the "big hole" contention is based is that the long-range detection system would have a fixed detection threshold of 3 kilotons below which nuclear explosions could not be detected. This is not the case. The detection threshold varies from station to station, and, for each station, from day to day. It depends on the way the station is constructed, on the structure of the earth between the station and the explosion, and on the amount of background noise at the instant of the explosion. A potential violator could not possibly know the threshold at each of the hundred or more detection stations located all around the world at the instant of the explosion. He could therefore never be sure that even a small clandestine explosion would go undetected.

The falsity of this assumption is also sufficient in and of itself to destroy the "big hole."

PROPOSED ONSITE INSPECTION PROVISIONS WOULD INCREASE RISKS OF CHEATING NOT DECREASE THEM

The opponents of a test-ban treaty contend that there are some 400 earthquakes each year in the Soviet Union which would have to be distinguished from clandestine nuclear explosions; that Soviet "military areas" would be totally excluded from inspection; that inspection parties would be limited to only 14 people of whom not more than 10 may be American or British; and that the administration's proposals would not deter cheating. These contentions are incorrect.

1. There are some 170 shallow continental earthquakes in the Soviet Union each year equivalent in size to about a 2-kiloton explosion in soft rock (tuff). By various methods other than onsite inspection, this number could be reduced to about 30 which would be relatively more questionable than the others. Seven annual onsite inspections would be provided.

In 1960 and 1961, when the United States was proposing 20, and then 12 to 20 onsite inspections each year, our Government estimated that there would be 600 earthquakes of this size each year in the Soviet Union. Of these, about 70, which were large enough to be subject to inspection under the treaty draft, would not have been identified as earthquakes or explosions without onsite inspection, according to estimates submitted to the Geneva test ban conference.

During this same period, inspection of earth tremors equivalent in size to about 19 kilotons in soft rock would not have been permitted by the treaty drafts. An uninspected moratorium on such tests was then contemplated while research was conducted to determine how to detect and identify them. The United States does not presently propose any uninspected moratorium. Any detected and located earth tremor which we regarded as suspicious could be inspected within the quota.

The present U.S. proposals would provide as great a deterrent as before against clandestine tests above 19 kilotons and a far greater deterrent against those below.

2. "Military areas" would not be excluded from inspection. However, we would clearly not wish Soviet teams to inspect the Pentagon or a missile installation. Therefore, the U.S. proposal would exclude sensitive defense buildings or similar military installations with the proviso that abuse of this provision by the Soviets would justify our withdrawal from the treaty.

3. Fourteen key members of an inspection team sent to the Soviet Union would be designated by the United States and the United Kingdom. The team would contain six or more individuals from the staff of the international control organization, but the leader of the team would be American or British. This is a strengthening of earlier proposals.

The earth tremors in the Soviet Union which would be inspected by this team would be selected and located by American and British scientists from data supplied by stations which they chose. This is also a strengthening of earlier proposals.

TESTS WHICH MIGHT ESCAPE DETECTION WOULD NOT ALTER MILITARY BALANCE

The opponents of a test ban argue that a broad range of militarily significant tests could be conducted without risk of getting caught.

The administration believes that a potential violator could never conduct a significant series without risk of getting caught either by seismic detection or intelligence means. It is true that the smaller the test and the greater the effort at concealment, the greater will be the difficulties of detection. However, this is the risk with any test ban treaty because no detection system can be made entirely cheat proof.

This problem has been carefully studied by the President, the Department of Defense, the Atomic Energy Commission, and other interested agencies in both this and other preceding administrations. Both administrations came to the conclusions that the risks of cheating were outweighed by the advantages of a test ban treaty. It is the unanimous view of the President, the Secretaries of State and Defense, the Chairman of the Atomic Energy Commission and the Director of the Arms Control and Disarmament Agency that our present proposals are in the national interest despite risk of cheating.

It is the view of this administration that, for the developments which could make a substantial change in the military balance in a way unfavorable to the United States, underground testing of a kind which might evade detection would be unsatisfactory. The most significant improvements in weight-yield ratios have probably already been made. Pure fusion weapons which might be developed either in the laboratory or with very small tests would be of lesser advantage to us than to the Soviet Union because such weapons would constitute for us primarily a cheaper substitute for the explosive component in our already larger stockpile of fission weapons. Hence, any inhibitions on the development of pure fusion weapons would appear to be to our net advantage. Moreover, we have already made significant advances in the direction of tactical weapons with a smaller fission as compared with thermonuclear and fusion components. For these and the reasons set forth below, there is general agreement within the executive branch that a test ban of the kind now contemplated would be in the interest of the United States. There has been a strong consensus in favor of a nuclear test ban since 1958 and earlier.

ADVANTAGES OF A TEST-BAN TREATY

No statement in reply to the opponents of a test ban would be complete without describing the advantages of a test ban to the United States, something which the opponents wholly ignore.

The advantages are as follows:

First, the President and his key advisers in the national security area believe that a treaty of the kind we are proposing would preserve for a longer period our present nuclear advantages.

With continued unlimited testing by both the United States and the U.S.S.R., there would be further increases by both in the efficiency of weapons of higher yield. Our advantage in small weight, high yield weapons would most probably diminish. Both sides would certainly increase their knowledge of weapons effects. In the field of tactical weapons, the Soviets would probably be able to match our more diversified and numerous arsenal. It is in the nature of the nuclear weapons race that unlimited testing on both sides would tend to produce equality.

With a treaty, improvements in yield-to-weight ratios would come more slowly through laboratory work alone. Our advantage in smaller weapons would last for a longer period. Some weapons effects phenomena would remain unknown by both sides. The development of missile defense systems would be slowed down on both sides. Our tactical weapon superiority would persist longer. In general, our present nuclear advantages would last for a considerably longer period. In fact, if President Eisenhower's repeated efforts to secure a test-ban treaty from 1958 to 1961 had been successful, we would probably be in a better position than we are today.

Secondly, a nuclear test ban would constitute a significant first step in achieving control over the further spread of nuclear weapons. A test ban would by no means solve the problem of the spread of nuclear weapons. But it would place the principal nuclear powers in a position to come to grips with the problem more effectively, and in a position from which further steps in the same direction could be taken more easily than at present.

If a nuclear test-ban treaty were concluded, it would be to the interests of both sides to seek to obtain as broad participation as possible among present and potential nuclear powers. The difficulties of obtaining the adherence of France and Communist China to the treaty cannot be underestimated. However, there are a number of other countries likely to develop nuclear weapons in the absence of a test ban adhered to by the United States, the United Kingdom, and the U.S.S.R. With unlimited testing, the incentives to other powers to secure nuclear weapons are greatly increased. With a treaty and relatively broad participation, our ability to persuade other nations to accede should be substantially increased.

A third advantage of a nuclear test ban treaty is the effect it would have in eliminating radioactive fallout. The extent of the danger to ourselves and future generations from fallout has been the subject of a good deal of controversy and the question has not been completely answered. However, there is general agreement in the scientific community that any increase in the general level of radioactivity is harmful to some degree. Moreover, the danger of radioactive fallout is a significant political issue in many countries of the world, and is a source of real concern to many people in the United States.

A final advantage is that a nuclear test ban treaty would constitute a first step in the direction of bringing the arms race under control. It would at the same time constitute an opportunity for the United States to demonstrate to the Soviet Union that some reciprocal control in our relations does not necessarily mean less security for the Soviet Union. It would give both sides experience with inspection and permit us to appraise their cooperation, and in the light of that appraisal, to estimate the cooperation which we might receive in the verification of broader agreements. It could lead to the development of a basis for confidence in other agreements.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 18, 1963.

Re nuclear test ban.

Hon. JOHN F. KENNEDY,
President, the White House,
Washington, D.C.

DEAR MR. PRESIDENT: I sincerely hope this letter may reach your eyes because it con-

tains information relating to the national security which I feel you may not otherwise receive.

Your Disarmament Agency people recently outlined to the Joint Committee on Atomic Energy many of the provisions of a revised test ban treaty under preparation which they state soon will be offered the Soviets. This proposal contains a loophole through which the Soviets can move clandestinely to nuclear weapons superiority and its equivalent Communist world domination.

According to testimony of Government technical witnesses heard by the JCAE at the same hearings, the verification system to be proposed is inadequate to detect and identify underground test cheating at yields equivalent to 3 kilotons and below conducted in alluvium formations if cheating is carried on at least 620 miles inside Soviet borders. According to my calculations, this leaves an area of at least 2½ million square miles in the interior of the U.S.S.R.—and probably twice that size—in which significant secret Soviet underground tests can be carried on wholly without fear of detection.

This undetectability results from the inherent inability of seismographs to detect and locate signals unless they are at least twice the size of the earth's normal microseismic background noises and their inherent inability to distinguish, i.e., identify, suspicious events from earthquakes unless the signals are 10 to 20 times larger than background noise.

In short, natural background noise, which averages 10 to 20 millimicrons, affects seismographs just like static affects a radio receiver—the signals are blotted out by the noise.

This is what happens:

Assume a quiet location for the seismograph, with background noise of only 5 millimicrons. This means the signal must be at least 10 millimicrons for detection and location and at least 50 millimicrons for identification. Yet, the signal from a 3 kiloton shot 620 miles distance will be only 4 millimicrons in size—far below levels required for verification of cheating.

Even assuming special instruments could reduce the background noise to an irreducible 1 millimicron minimum—where marginal detection and location capability would appear, still a 10 millimicron signal would be needed for identification, and the actual signal will be only 4 millimicrons.

It is to be noted that signals can be held to the 4 millimicron level either by limiting test yields to 3 kilotons in alluvium or equivalent soils or by conducting larger shots in underground cavities which "decouple" the shock waves from surrounding earth and reduce the signal to the undetectable level.

The foregoing all is a matter of public record in the JCAE's hearings. Also on the JCAE's public record is testimony as to what weapons development progress can be made in this big hole undetectable cheating area. It amounts to the entire spectrum of tactical and strategic nuclear weapons except an "unsubstantial fraction" of strategic weapons—these being superyield H-bombs the U.S.S.R. already has developed anyway.

If you offer the Soviets the treaty now being drafted it will mean an offer by the United States to forego wholly all nuclear weapons development and, as a practical matter, simply to trust a Communist promise not to continue nuclear weapons development when it can be done without fear of discovery.

This is exactly what your Disarmament Agency relates it is advising you to do on the grounds the risks of not doing so are greater than those of doing so. In effect, they say it is more risky for both sides to test in the open than it is for the Communists to be given the opportunity for cheat testing while we stop progress. This flies in the face of logic if we assume we distrust the Soviets enough to spend $50 billion a year on military defense.

The advice also flies in the face of logic if a treaty with a big hole in it is an ineffective treaty, and I do not see how it could be otherwise. Secret weapons testing of the magnitude possible would drastically affect the military balance between the United States and the U.S.S.R.

Further, if an ineffective treaty is concluded, it will surrender all opportunity to conclude an effective one. What happens then to the hopes and aspirations of people everywhere who see an effective treaty as one of the very few opportunities there is to achieve a less risky world?

There is no need to take my word, Mr. President, for the facts on undetectability and clandestine weapons development opportunities above related. Dr. Carl Romney, seismologist for the Air Force Technical Applications Center, can explain the inherent physical limitations on seismic detection imposed by background noise as he did to the JCAE. Gen. A. W. Betts, the AEC's Director of Military Applications, can define for you the wide spectrum of opportunity for undetectable weapons development, as he did to the JCAE. I urge you to confer with these men.

Why do I suggest bypassing your Disarmament Agency advisers for this information?

Simply because if they have not already put this matter to you, then you should no longer have confidence in their advice. With the hopes of mankind aroused for a reduction in the world's risks by an effective test-ban treaty, they are not doing their jobs advising you to enter an ineffective one. They cannot safely be relied upon if they tell you to trade the reality of an effective risk reduction device for only an illusion of effectiveness, with the eventual prospect of a nuclear Pearl Harbor thrown in for good measure.

If their advice to you is so bad, why do they give it? These are patriotic men of integrity—what, you may ask, is my answer to that?

My answer, Mr. President, does not reflect on either the patriotism or the integrity of these men. They are hard working people, intensely anxious to succeed in their jobs. It is simply that success in their jobs can only be demonstrated by the conclusion of some agreement with the Soviets. They want a good agreement, not a bad one. But they want an agreement. I am certain that this factor leads them into subconscious miscalculations of the balance of risks which overemphasizes hopes for the verification system and underemphasizes practical difficulties with it.

Mr. Foster, who heads the agency, is a former business executive, his assistant is Mr. Fischer, a former lawyer. Both receive their advice on seismology from Dr. Long, a chemist. None have been on their jobs even for a period of 2 years. Your committee of principals which reviews the Disarmament Agency's advice is composed of three former business executives and four former college professors. This group too has only been on the job for about 2 years.

Look at it this way: At Cape Canaveral, when "all systems are go" it means the check out of many, many components of a missile have been made electronically and infallibly before the final light is green.

By contrast, at the Disarmament Agency all components of a test-ban proposal are not checked out electronically and infallibly before you receive the green light. They are checked by human beings who must make many, many individual subjective judgments as to each component before giving you a red or green light on the overall treaty package. Each of these many, many judgments is subject to a subconscious intrusion of the desire for an agreement. Constant favorable resolution of small doubts by this means, bit by bit, piece by piece, eventually add up to one big major miscalculation.

Such miscalculation, Mr. President, I sincerely feel has occurred. It has occurred substantially in the manner I have outlined. Both you and the Nation will be its innocent victims unless prompt steps are taken—steps which can only be taken by you.

So again, I urge you to talk directly with Dr. Romney and General Betts, or others of equal knowledge and ability, who are not subject to the subconscious pressures upon Mr. Foster and his associates.

I am certain what they tell you will substantiate the proposition that an effective test ban treaty—one which will in fact cause the Soviets to stop nuclear weapons development if we do—will require manned seismic observatories inside the Soviet Union as well as on free world soil.

Again, in closing, I reiterate the danger of missing the chance for an effective, risk reducing treaty by the proposal of an ineffective, risk increasing treaty.

Sincerely,

CRAIG HOSMER.

CONCESSION AND ALTERATION

The English language is so swiftly, subtly and silently changed by the environment in which it exists that it is sometimes necessary to use the swiftest photography to catch a word in flight from an old to a new meaning.

Such a metamorphosis seems to be overtaking the words "concession" and "alteration" as they concern negotiations for a test-ban agreement. The word "concession" hitherto has meant a "yielding" or "conceding" or "surrendering." But in the vernacular of this controversy, the word "concession" suddenly has become synonymous with "change" or "alteration" whether the change or alteration demands a reduction in American demands or even an increase in American demands.

Those who criticize recent changes in the U.S. proposals were not conspicuously the advocates of the earlier American proposals when they were made. But suddenly, the offers of last year have become the basis of national security and any change from them is endowed with peril to the Republic. Whether the U.S. amendments stiffen or relax previous offers, in the language of the day's debate, they are all "concessions."

The semantic objective of the Arms Control Agency must be the development of a word which, in English, has the connotations of virtue and which is synonymous with "tough," "hard," "stiffening," and "unyielding" and which, in translation into Russian, means "surrender," "softening," "yielding" and "conceding." Armed with such a vocabulary, it should be possible to get a test-ban treaty approved by both countries.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ALLOTT in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Without objection, it is so ordered.

A NATIONAL STANDARD FOR EDUCATION

Mr. ALLOTT. Mr. President, I have had my attention called to an article which appeared, in the newspapers this

week, I believe, written by Admiral Rickover, on the subject of education. As everyone knows, the admiral over the years has shown a great interest in this field, and many times has had a very thoughtful approach to the fulfillment of the goal that I believe every American has a right to look for with respect to our educational institutions, and that is, chiefly, an improvement in education at all levels.

In the 4 years that I served on the Committee on Labor and Public Welfare, I have many times called the attention of the Senate to the fact that our primary and secondary institutions of learning are not availing themselves of the quality of education which they can produce, and that this, as much as anything else, is responsible for the state of education of which so many people, including educators, complain.

Admiral Rickover reiterates a suggestion he made earlier to help speed educational progress through the establishment of a National Standards Committee. The Committee would be composed of prominent persons devoted, as he puts it, to the ideal of an American education second to none.

I was particularly interested in this article because the recommendations parallel to a considerable degree title I of S. 181, a bill introduced by the Senator from Arizona [Mr. GOLDWATER], which I was pleased to cosponsor. Title I of S. 181 calls for the establishment of a National Scholarship Board consisting of 13 members, to be appointed by the President, whose duty would be to administer the scholarship program.

It appears to me that when hearings are held on the bill it would be worthwhile to consider the possibility of delegating additional responsibility to this Board, somewhat along the lines advocated by Admiral Rickover. I say "somewhat along the lines" because I am not fully in accord with the views he expresses in the article. However, I believe they are challenging enough that they should be very carefully considered by the Committee on Labor and Public Welfare and the Subcommittee on Education.

I invite particular attention to these words of Admiral Rickover:

> Now, the word "standard" has many connotations. I use it in the sense that comes first to mind: A specific requirement or level of excellence deemed worthy of esteem or reward.

I do not say that I would wish to see any such committee have control over the educational system of this country. I believe implicitly that the educational system should be controlled at the local level, and nowhere else. However, it seems to me that a committee which would set up standards which were acceptable and which were recognized standards, as to grade school graduates and high school graduates and college graduates, would be a step forward in our educational system.

Therefore, I ask unanimous consent that there may be printed in the RECORD at this point in my remarks the article to which I have referred.

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

RICKOVER URGES EDUCATORS TO SET NATIONAL STANDARD

(By Adm. Hyman Rickover)

(NOTE.—Admiral Rickover, one of the most outspoken men of the times, is unhappy about the state of American education. Here he bluntly states what he thinks is wrong with education and educators, and what he thinks ought to be done.)

American education just isn't good enough.

That statement is true whether we look at it from the point of view of the kind of educated youth we need in our complex society, or from the point of view of our competitive position in education vis-a-vis other advanced nations.

Every American wants the best for our children. In education, the best we can give them is the chance to stretch their minds and reach the highest goal their intellect can encompass. They do not get this chance in "progressive" schools and permissive homes.

WHAT'S TO BE DONE

What, then, is to be done to improve American education?

Well, local communities and State governments have the power to increase the amount of classroom instruction per school year. We have the shortest school day and school year among leading nations.

They could eliminate from the curriculums everything that can be learned elsewhere. We are the only advanced country where precious school hours are wasted teaching children how to make fudge, twirl batons, drive cars, budget income, handle the telephone, catch fish, and similar trivia that any reasonably normal person picks up on his own or learns at home.

NEED NATIONAL STANDARD

Most important of all, they could improve teacher qualifications, bringing them up to the level existing abroad.

All this is important, but I am convinced we cannot put through a really effective reform program unless we set up a national scholastic standard.

Now the word "standard" has many connotations. I use it in the sense that comes first to mind: a specific requirement or level of excellence deemed worthy of esteem or reward.

Last May, in a hearing on English education before the House Appropriations Committee, Chairman CLARENCE CANNON asked me by what means I thought Congress might help speed educational progress.

I suggested that a National Standards Committee be created. This would be a small committee, composed of men of national stature and eminence—trustworthy, intelligent, scholarly and devoted to the ideal of an American education second to none.

The committee would have two tasks:

First, it would act as an educational watchtower, announcing danger when it saw it approaching. It would keep under continuous scrutiny, and periodically report on, the state of American education. Does it meet the needs of our times? Is it competitive with education in countries of similar levels of culture and technology?

We need a disinterested agency to tell us the unvarnished truth about the true state of American education.

Second, the committee would formulate a national scholastic standard on the basis of its findings; a standard which would make us internationally competitive and which also respond to our specific domestic needs. The committee would do this by means of examinations set at different ability levels. No one would have to take them, but those who passed would receive national accreditation.

INTERFERENCE RULED OUT

The committee would in no way interfere with established institutions now granting degrees or diplomas. It would simply set up a higher standard, offer it to anyone who wished to meet it, and certify those who had successfully done so.

Such a committee would help prevent complacency and illusions of superiority and thus save us from the kind of painful shocks that sputnik and other evidence of Russian scientific proficiency have given us in the past few years.

Let me make it crystal clear that nothing in my proposal would violate the constitutional separation of power between Federal and State Governments, nor go counter to our tradition of control of schools by the local community.

A SERVICE ONLY

I envisage the rendering of a service, not regulation in any way, shape or manner.

The committee might provide one set of examinations at the level appropriate for a high school graduate who aspires to enter a first-rate college, and another set at the level of students who may wish to prepare for a semiprofessional or technician's job not requiring a bachelor degree but still requiring a good high school education.

There could be still another set of graduates of various types of colleges, especially those bound for the teaching profession.

I stress again that no one would need to take these examinations; but those who did pass them successfully would obtain national certification, perhaps the notation "N.S."—National Scholar—stamped on their regular diplomas or degrees.

SAVINGS ENVISAGED

There are many occasions where admissions officers of higher educational institutions, or prospective employers, have a valid reason for wanting to know what an applicant's scholastic qualifications actually are. Think how much time and money would be saved if the diploma were clearly to indicate this.

I do not share the pride our educationists take in the fact that we are the only leading nation with a school system that does not challenge its children to meet a national scholastic standard in order to receive academic awards.

I do not agree with them that children must not be judged, that each child has a right to equal education and equal status.

I do not believe that, as one superintendent of schools put it, "straight thinking and democratically minded school administrators will hand out the same diploma, regardless of the variation of high school courses and the range of scholastic achievement that are presented by the graduates as evidence of accomplishment."

DIFFERS WITH EDUCATIONISTS

Nor do I share educationist concern that children who do not measure up to a standard will suffer pain and lose face.

All of life is a series of tests. Young people will be better able to take these tests in their stride if at an early age they begin to learn that everything worthwhile requires great effort but that the satisfaction derived from attaining a standard makes effort worthwhile.

Given the wide differences of aptitude with which we are born and which we do not know how to alter, is it not good for young children to discover that some goals are beyond their capacities, that they cannot win all the tests?

Is it not better to know one's limitations, as well as one's capacities; not to live in delusions which life sooner or later will rudely shatter?

FRANK S. HOAG

Mr. ALLOTT. Mr. President it is with a great sense of sorrow that I rise today to pay tribute to an outstanding American and a true pioneer in the publishing field for my State of Colorado.

On Saturday, March 16 at 7:50 p.m., after a full and rewarding life of 91 years, Mr. Frank S. Hoag passed away at the Parkview Episcopal Hospital in his home city and my original home city, Pueblo, Colo.

Until just prior to the death of his beloved wife, Mrs. Louise Hillebrand Hoag, on February 12 of this year, Mr. Hoag, despite his advanced years, remained mentally and physically alert and actively engaged as president of the Star-Journal Publishing Corp. in Pueblo.

Mr. Hoag was one of the newspaper pioneers of my State, having been actively engaged there in his profession since 1901. He was an outstanding civic leader and lay leader in his church. Only last month, Mr. Hoag received the Service to Mankind Award from the Pueblo Sertoma Club. He was one of the Nation's oldest Rotarians and a past president of the Pueblo Chamber of Commerce. His newspapers had long battled for improved conditions in the city he loved, and in his State. He and his papers were also one of the leading supporters for a measure which only last year he was able to see reach a successful culmination by action of the Congress—the Frying Pan-Arkansas project.

In the short space of time available to me here, it would be impossible to enumerate all of the accomplishments of this truly great and respected Coloradan—but, I should like it known here that Mrs. Allott and I, along with many thousands of others in my State, have felt, since last Saturday, a deep sense of personal loss with the death of Mr. Hoag. Additionally, a sense of nostalgia has prevailed, with the passing of an era—an era of journalistic greats—of which Mr. Hoag was surely one of the greatest.

I ask unanimous consent to have read into the RECORD immediately following my remarks, the Associated Press dispatch appearing in the Denver Post on Sunday, March 17, reporting on the passing of Mr. Hoag.

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

FRANK S. HOAG DIES IN PUEBLO—PUBLISHER 91

PUEBLO, COLO.—Frank Stephen Hoag, 91, president of the Star-Journal Publishing Corp. here, died at Parkview Episcopal Hospital at 7:50 p.m. Saturday.

An erect and energetic man, Hoag was active until the last few weeks of his life. He entered the hospital February 6.

His wife, the former Louise M. Allebrand, died at the same hospital February 12 after a long illness. They were married October 3, 1895, in McKeesport, Pa., and celebrated their 67th wedding anniversary last fall.

Hoag was born September 23, 1871, in Minerva, Ohio, of Quaker parents whose strict religious views provided a guiding influence throughout his life.

As a boy he supplemented the family income by trapping muskrats and raising bees. His father owned a country store and young Hoag learned to bargain with the customers.

After attending elementary and commercial schools he became a stenographer for the Iron City Tool Works in Pittsburgh, Pa. Later he became a bookkeeper for the Philadelphia Record.

The family moved to Colorado in 1901 because of Mrs. Hoag's health. After a short time with a lumber company in Colorado Springs, Hoag became associated with the Colorado Springs Gazette.

A short time later he moved to Pueblo to become an advertising solicitor for the recently merged Evening Star and Pueblo Journal.

The new company was owned by John F. Vail, head of the light and power company; Alva B. Adams, later a U.S. Senator; James B. Orman, a former Governor; Thomas Kelly, I. C. Porterfield, J. W. Finland, J. A. Black, Hume Lewis, and Samuel D. Trimble, later a district judge.

Hoag became discouraged because he felt the new owners of the paper did not take sufficient interest in the editorial content and returned to Colorado Springs where he remained for 2½ years.

BACK TO PUEBLO

Stockholders later persuaded Hoag to return to Pueblo to become general manager. He did, with the understanding that he could purchase the paper if he became financially able.

Hoag bought the Star-Journal in 1908. In 1933, he acquired the Pueblo Chieftain, the second oldest newspaper in Colorado.

Last month Hoag received the Service to Mankind Award from the Pueblo Sertoma Club.

He was president of the Pueblo Chamber of Commerce, a past president of the Rotary Club here, and one of the Nation's oldest Rotarians.

He was a cofounder of the Rocky Mountain Council of Boy Scouts, founding president of the Pueblo Knife and Fork Club, and president of Pueblo Manufacturers and Jobbers.

His newspapers long battled for improved conditions in the city and were among the forces behind the Fryingpan-Arkansas water diversion project.

CIVIL SERVICE

From 1919 to 1930 he was a member of the board of corrections which administered the State hospital here, penitentiary in Canon City, and reformatory in Buena Vista.

Hoag is survived by a son, Frank S. Hoag, Jr., publisher of the Star-Journal and Chieftain; two daughters, Mrs. John W. Rawlings and Mrs. Frank E. Evans, Sr., both of Pueblo; five grandchildren, Robert H. Rawlings and Frank E. Evans, Jr., both of Pueblo; Col. John W. Rawlings and Mrs. Walter G. Farr, both of Washington, D.C.; and Mrs. Richard Nelson, who is with her husband in Pakistan; and 16 great-grandchildren.

Services will be at 3:30 p.m., Monday, at the First Presbyterian Church in Pueblo. Burial services at Rozelawn Cemetery will be private.

DISARMAMENT

Mr. ALLOTT. Mr. President, I wish to address myself to one other matter very briefly, apropos of the recent remarks of the distinguished Senator from Minnesota who now occupies the Presiding Officer's chair [Mr. HUMPHREY].

I for one admit I am no authority on disarmament. I will have to say that I really cannot recognize any great authorities on the subject of disarmament in the Senate at this time, either.

However, I should like to say this about the criticism which has been made of the distinguished gentleman from California, Representative CRAIG HOSMER. I know that he has performed outstanding service in the House. He is a Republican. I know that he works very hard at his job of being a Representative, as I have found in personal relationships with him when I have had reason to come in contact with him through my work in the Senate.

I have always found him to be very well informed on any subject on which he was speaking.

However, I believe that this matter goes to another little point, and I wish to say one thing relative to the comment made by the Senator from Minnesota, our distinguished assistant majority leader [Mr. HUMPHREY], and that is, that I believe Mr. HOSMER had a legitimate right to do what he has done. Aside from everything else, if this is the way he feels, it is his duty, representing his constituents, to write this letter to the President, even if he is a hundred percent wrong. I do not believe he is a hundred percent wrong. After looking at the performance of this administration in the field of foreign affairs for the last 2 years, anyone has a right to look at any proposal made by it along the lines of disarmament or otherwise with a somewhat jaundiced and at least a critical eye from the standpoint of whether we are making true progress in this field.

I, too, am concerned about disarmament. I had the privilege last fall, as a delegate to the United Nations—a subject upon which I intend to speak at some length later, but not this evening—to spend a great deal of time with our Ambassador to the United Nations, Mr. Stevenson, and with others also, including our Ambassador to the disarmament conference.

I am not certain that we are pursuing the right course. If Mr. HOSMER does nothing else than to interject a note of caution at this point, the purpose will have been served, because we cannot become so enamored of the subject of disarmament itself, desirable as that is, as to make so many concessions that our public safety will be endangered.

Perhaps the President feels that the present proposals are satisfactory. Perhaps Mr. Foster, Mr. Fisher, and Mr. Long feel that these proposals are all right. I simply add that I believe Mr. HOSMER is completely correct in raising the question, because there are a great many of us who are wondering whether, in our desire to reach a disarmament agreement, we may not go too far. I hope we do not.

ADJOURNMENT TO MONDAY

Mr. ALLOTT. Mr. President, if there is no other business to be transacted, I move that the Senate adjourn, in accordance with the previous order, until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 55 minutes p.m.) the Senate adjourned, under the order previously entered, until Monday, March 25, 1963, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

Independence Day of Tunisia

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1963

Mr. POWELL. Mr. Speaker, on March 20, the Republic of Tunisia celebrated the seventh anniversary of her independence. On this memorable occasion, I wish to take this opportunity to extend warm felicitations to His Excellency, the President of Tunisia, Habib Bourguiba; and His Excellency, the Tunisian Ambassador to the United States, Habib Bourguiba, Jr.

The granting of complete independence by the French on March 20, 1956, was but an intermediate step in the political growth of the Tunisian state. Since 1881 when they had been forced to live under a French protectorate, Tunisians had gradually and steadfastly fought for their sovereign rights and liberty. With the formation of national parties in the 1920's, the political energy of the people became canalized and the national movement was accelerated. French rule was first challenged actively during the month of April 1938, when serious clashes occurred between French soldiers and the nationalist-led Tunisian populace. These riots caused the French to clamp down strongly on any political activity.

It was not until June 3, 1955, that the French authorities, pressured by internal disorders and by the nations of the world through the United Nations, bowed to the inevitable and ceded their powers of internal rule to the Tunisians, keeping only foreign affairs and defense matters under their control. A year of peaceful negotiations led finally to complete sovereignty for the Tunisian state.

The first obstacle which the Neo-Destour Party, the major political organization in Tunisia, had to overcome was an archaic government, both foreign and obsolete, headed by an unpopular hereditary ruler, the Bey. This party, guided by the competent Habib Bourguiba, was able, in 1 year, not only to depose the Bey and establish a republic, but also to promulgate a constitution whereby the rights of the people, freedom of religion, and equality of all citizens are guaranteed. This was the culmination of political growth and freedom for which the Tunisians had long hoped and fought.

The new Republic was immediately beset with many serious problems which had to be met and overcome; chief among them were exploitation of natural resources, insufficient housing, and unemployment. Because of political cohesion through the Neo-Destour Party, the Government made rapid gains. Children's villages were established to take care of the orphans and those small children who were forced to work for a living. Foreign investments, so important for the growth of a country, were guaranteed by public law. Attention was focused on mineral development and water resources—a 35,000 acre tract of irrigated land was opened for cultivation. And recently construction was begun on an oil refinery to supply fuel for local consumption, thus eliminating costly fuel imports.

Since our troops first fought to liberate Tunisia from the Axis Powers, the United States has proved itself to be a generous friend. Through foreign aid, we are helping the Government build electric power stations, enlarge port facilities, and extend airports to accommodate jet service for tourists who wish to see famous Roman and Carthaginian antiquities. When Mr. Bourguiba visited Washington in May 1961, the President promised further assistance for more noteworthy and necessary development projects. As one writer commented:

> This decision by the American Government to make of Tunisia a pilot project for long-term investment came as a clear recognition of the commendable progress the country (Tunisia) has made in every respect.
>
> (Lorna Hahn, "Tunisia: Pragmatism and Progress," the Middle East Journal, winter 1962, p. 28.)

Thus it is with pride that we in the United States salute our sister Republic, Tunisia, on its Independence Day anniversary and wish the people of the country continued success.

Communists Use United Nations To Promote Their Cause

EXTENSION OF REMARKS

OF

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1963

Mr. ASHBROOK. Mr. Speaker, more and more we are learning of the double standard which has existed at the United Nations. Americans have clung to a hope through the past 17 years that this organization would help bring about world peace but increasingly we find evidence to indicate that we are being taken for a sucker in many of its efforts. This sad fact has come from the fact that in no sense is this organization a united nations. Working within the framework of this world organization is the hard-core Communist bloc which is not even remotely united in the same beliefs and aspirations which motivate American policy or interest.

A long series of instances including almost 100 Soviet vetoes which have blocked most constructive action can be recounted down to the happenings of the past month. After diligent inquiry, I believe I have received the only copy on Capitol Hill of the fraudulent 106-page booklet published by the United Nations Educational, Scientific, and Cultural Organization, commonly known as UNESCO, which is an insult not only to America but to commonsense. In the foreword, UNESCO indicated its duplicity in referring to "race discrimination" in the United States in the factual sense while semantically mentioning "a concise statement of the constitutional position of the non-Russian populations of the U.S.S.R. and an account of their economic and social condition at the present time." Note there is no reference to discrimination. This report, UNESCO concludes "will be found most useful." As a tool of Communist progaganda, I would say, yes, but as an objective treatment of the situation in the U.S.S.R. today, absolutely not.

Written by two Russian professors, S. L. Ronin and I. P. Tsamerian, the first 8 lines are a dead giveaway. They piously state:

> The purpose of this publication is to acquaint the public with one of the major social triumphs of our day, namely, the way in which the problem of nationalities has been solved in the Soviet Union. It is, in fact, the story of the successful establishment of full equality of rights between races and nationalities in the U.S.S.R.

The booklet states the Communist line of economic determinism. All problems relate to the economic. There is no morality, just the economic. On page 11, the two Reds state:

> Thus in czarist Russia, the inequalities between national elements, and the oppression of national minorities and colonial peoples, were consequences of a reactionary social system based on czarist absolutism, capitalism, and landlordism.

The Russians had their dirty capitalism but overthrew it. The line is then propounded throughout the book that only communism will answer this situation which is prevalent where neofascism and western colonialism breed discrimination. The writers observe:

> Only the revolution of October 1917, which overthrew this regime and instituted the Soviet system, enabled the peoples of Russia to achieve genuine equality of rights and freedom of development. * * * It was the Communist Party which showed the peoples of Russia the true way to free themselves from social and national oppression.

Just consider a few more of the quotes from this fantastic booklet which parrots the Communist Party line:

> Another well-known object lesson is the immense progress achieved by the great Chinese people in all economic and cultural fields since it freed itself from colonial domination, overthrew the reactionary regime, and established the rule of the people (p. 10).
>
> The Soviet Union is a brotherhood of free and equal peoples comprising 15 sovereign Soviet Republics in voluntary association on a footing of complete equality. Under the Constitution of the U.S.S.R., each of these Republics retains the right to secede from the union. Each of them embodies the collective will of its people and can decide its own future in entire freedom (p. 13).
>
> Socialist internationalism, fraternal union with equality of rights, steadfast friendship, and mutual aid, such are the true foundations of the sovereignty of the Union Republics (p. 13).

Soviet citizens of all nationalities are working enthusiastically to build a Communist society. For that purpose it is essential to consolidate peace throughout the world. The Soviet Government is resolutely and firmly pursuing a policy of peace between the peoples and upholds the principle of peaceful coexistence between nations with different social systems (p. 15).

The Soviet Union Constitution of 1936, which marks the triumph of socialism and the full flowering of Socialist democracy, sets out and confirms in the most definite and absolute fashion the principle of equality of rights for all nationalities and all races on the juridical plane (p. 28).

The principle of national and racial equality of citizens of the U.S.S.R. is fully applied in the electoral sphere. All citizens have equal electoral rights and are equally eligible for election to all organs of the state—from the village Soviet to the Supreme Soviet of the U.S.S.R. (p. 29).

The multinational Soviet state, grouping the equal peoples of Russia in a single state in a manner unprecedented in history, was a mighty achievement of the October revolution which thus solved a highly complex problem (p. 33).

The lies are even more blatant when mention is made to the Baltic and Ukrainian affiliations with the U.S.S.R. It is well remembered how the many millions of Ukrainians were liquidated and yet the UNESCO booklet contains this mention on page 41:

It was likewise thanks to the conditions created by the Soviet Socialist regime and the multinational Soviet State that the Ukrainian people were unified for the first time in history in a national Soviet State.

As to the Baltic States, the report notes:

In 1940, the Soviet regime was restored in the Baltic Republics (Lithuania, Latvia, and Estonia), which voluntarily joined the Union (p. 37).

One lie after another is propounded in this United Nations organization booklet. The writers say that the central feature of the new government in the U.S.S.R. "was the assertion of the peoples' right to self-determination, including the right of secession and self-government." Few American apologists of communism will even go that far. Can anyone believe that the right of secession exists in Russia? Could Hungary secede? The "cornerstone" of this wonderful system in Russia, the professors venture, was the solemn proclamation of Lenin in 1917 when he said:

"Your beliefs, your traditions, and your national cultural institutions are henceforth declared free and inviolable. Organize your national life in complete freedom and without hindrance; it is your right."

What about the millions of White Russians, Georgians, and Ukrainians who were liquidated—not purged as is popularly stated but murdered? What about religion in Russia today?

This is not an isolated case. It is happening all of the time. The more obvious cases like the U.N. Special Fund expenditure of $1,157,000 in Cuba for an agricultural aid project receives great press but the day-to-day operations which are just as one sided in all too many instances, go unnoticed.

I have followed UNESCO particularly close because of my interest in education. This same double standard was obvious in their 1960 discourse on discrimination throughout the world. The October 1960 edition of their magazine UNESCO Courier depicts the Little Rock situation, and so forth, but not one word about discrimination in the Soviet Union where entire peoples are enslaved.

When questioned on this, the Director General of UNESCO wrote that the Soviet Union denies that minorities are persecuted in the U.S.S.R. and, therefore, nothing was said or could be said about it. On the other hand, the Courier only presented what American officials readily admit to exist within our country. A neat double standard, do you not think?

It is in light of this terrible double standard that we should start taking a second look at many of the programs of the United Nations. As long as we play by the rules of decent and civilized people we will be hamstrung. The Soviets use the veto, every cunning and deceit to promote their ends. I do not want us to change our high-principled ways but there is no need to be stupid either. Emotional cliches in behalf of the United Nations will not change the fact that the 17-year history shows a definite pattern of Soviet subversions which are working against our interests and the interests of all of the peoples of the world. The publication, "Equality of Rights Between Races and Nationalities in the U.S.S.R." is a good example of this. What makes it worse, the U.S. taxpayers are paying a great share of the cost of these efforts. Efforts are now being made by our Government to have the United Nations supervise our disarmament despite the fact that a Communist now heads up and, in fact, has always headed up the U.N. Military Secretariat which would supervise the world police force. One of these days we are going to wake up and ask, "Why did not someone tell us about all of this?"

"Bury": A New Unit of Measurement Appears in the Record

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1963

Mr. HOSMER. Mr. Speaker, a new unit of measurement appeared for the first time anywhere in yesterday's CONGRESSIONAL RECORD.

The new measurement unit is "bury."

It is found in the proceedings of the House entitled "Disarmament Agency Spokesman States Inaccurate Test-Ban Facts," and two accompanying tables.

Heretofore in evaluation of capabilities of seismic detection systems to check on possible underground test ban treaty cheating, seismic signals equivalent to those produced by an underground shot of 1, 2, 3, or more kilotons fired in alluvium soil formations have been used as a yardstick.

This yardstick has been used simply because the United States has fired underground shots in Nevada alluvium soil from which fairly accurate seismic signal readings have been obtained. Equivalent signals may be produced in other soft geologic formations. The equivalents also may be produced in harder formation by firing a shot of larger kiloton yield in a cavity which decouples the explosive force from the surrounding earth thereby reducing the seismic shock signal to that created by a smaller kiloton yield device which is not decoupled by a cavity.

I have adopted "bury" as the unit of measurement for this signal equivalent for shots fired in alluvium. Thus, "1 bury" is the seismic signal equivalent of a 1-kiloton shot in alluvium; "2 bury" is the seismic signal equivalent of a 2-kiloton shot, and so forth.

This unit measurement has been adopted because of the widespread confusion being created in the evaluation of capabilities of the seismic verification system in a new test ban treaty draft soon to be offered to the Soviets by the Kennedy administration according to its Disarmament Agency spokesmen.

In this connection, it was demonstrated in a recent report of the GOP conference's nuclear testing committee based on testimony to the Joint Committee on Atomic Energy that cheat shots at "3 bury" and less, that is, 3 kiloton equivalents or less, can be kept from detection by the administration's verification system. The Soviets need only fire the shot underground anywhere in an area of approximately 2½ million square miles in the interior of the U.S.S.R. The testimony also revealed that almost the entire spectrum of nuclear weapons of interest to the military, including the neutron bomb, could be developed clandestinely in this big hole of undetectability. Soviet cheating in this way could lead to Communist nuclear weapons superiority and its equivalent, Communist world domination.

In fact, that is why the name "bury" was selected for this measurement unit. It seemed particularly appropriate in the context of Premier Khrushchev's threat: "We will bury you."

Public statements by persons who have not done their homework on recent testimony to the Joint Committee on Atomic Energy illustrate this confusion between the yardstick and the actual formations in which cheat test shots can be fired.

For example, Deputy Disarmament Administrator Adrian Fischer contends there is not much alluvium in the Soviet Union, and reasons therefore, that the Soviets would not have much chance to cheat without being detected. Inasmuch as he surely would not want to mislead anyone as to the deficiencies in detection, identification, and location of cheat shots under a test-ban treaty, one must conclude he simply does not understand that undetectable seismic signals can be manufactured in soils other than alluvium or by firing in underground cavities. Use of the bury should clean this matter up.

Another victim of apparent confusion in this matter seems to be a vocal Member of the other body. The gentleman

was moved recently to term as "irresponsible," "misleading" and "mischievous" the GOP's revelation of the big hole in the interior of the Soviet Union open for cheat testing toward Communist nuclear weapons superiority.

In the same statement to newsmen, the gentleman also asked, "If our proposals are as poor as HOSMER says they are, as full of loopholes as he says, why don't the Russians accept them?"

Perhaps that gentleman has forgotten that just a short time ago he, himself, gave the answer to that question in another of his recent interviews by the press. As I recall it, his statement was to the effect that the Russians are planning another series of nuclear tests in the atmosphere this year. They would, of course, stall accepting a treaty until they get them out of the way.

Also Russians well know the oriental bargaining technique of never accepting an agreement until the last possible concession is euchred out of the victim by sharp bargaining practices. U.S. negotiators certainly have given no reason for the Kremlin to assume that the long string of U.S. test ban concessions is anywhere near its end.

Message to Hibernian Society of Baltimore From President Kennedy

EXTENSION OF REMARKS

OF

HON. EDWARD A. GARMATZ

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1963

Mr. GARMATZ. Mr. Speaker, as is customary, the Hiberian Society of Baltimore left no stone unturned to make their St. Patrick's Day celebration last Saturday one of the biggest and best the city has seen for a long time. Approximately a thousand members and guests were in attendance, including all the members of the Maryland congressional delegation.

Our colleague, the gentleman from Maryland, GEORGE FALLON, not only the dean of the Maryland delegation in the House, but obviously Irish, was honored by the society by being selected to toast the President. Incidentally, several years ago President Kennedy was the guest speaker at the annual dinner. Following the toast, the gentleman from Maryland [Mr. FALLON], read the following message which was sent to the group by the President:

THE WHITE HOUSE,
Washington.

It has been said, by an Irishman I am sure, that the whole world is Irish on the 17th of March. Perhaps not the whole world, but it is indeed true and worth noting well that the joyful observance of St. Patrick's Day is now fully as much an American as an Irish tradition.

It is no simple matter to fix in words the teeming and contrary past, far less the bounding future of the Gael. Effort, even some guile, is required to sort out the truth from the facts. But certainly the celebration of St. Patrick's Day is centuries old in America. It began before the Revolution; it has never ceased; may it never do so. It has taken root among us because it is an occasion dedicated to freedom; to national freedom and religious freedom, and to the great St. Patrick.

There was never a better cause. We stand in the mighty succession of those who first proclaimed it, and those who brought it to fulfillment in our land. It is our cause to defend and ours to advance. In that conviction, I send you the greetings of this day.

JOHN F. KENNEDY.

Cuban Problem

EXTENSION OF REMARKS

OF

HON. ROBERT W. HEMPHILL

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1963

Mr. HEMPHILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I enclose a newsletter from the Yorkville Enquirer, York, S.C., from our beloved and distinguished senior Senator from South Carolina, Senator OLIN D. JOHNSTON. The letter is as follows:

CUBAN PROBLEM

(By Senator OLIN D. JOHNSTON, of South Carolina)

Overshadowing all other problems facing the Congress is the needling and dangerous problem of Cuba. In a very short time, Castro and his brand of communism in Cuba has become a great funnel for world communism to pour in on the Western Hemisphere. Castro and Cuba do not just represent an island of Communist activity but a dynamite key which could blast us into world war if treated carelessly.

In view of this situation, it is my opinion that any public official making statements concerning the Cuban situation should do so only with care and when he is armed with facts. Officials of Government, whether they are elected like myself or appointed as they are in the State and Defense Departments, must realize that when they speak to the people of the United States and the world, they have the ability to inflame and excite or to calm and subdue.

REPUBLICANS RESPONSIBLE

The Kennedy administration inherited the Cuban mess from the previous Republican administration and the very ones who are now attacking the administration for its policy in Cuba, were a part and parcel of the Eisenhower administration which helped to put Castro in office. It was back in 1957 that I conducted an investigation into Communist activity in Latin and Central America. In my published report I warned the Republican State Department and President Eisenhower that unless we took affirmative action in the Caribbean area as well as in other points in Latin America to lead these people away from communism, that world communism would gain a foothold in the Western Hemisphere. Those who now criticize President Kennedy, at that time laughed off my report and continued to ignore Latin America.

Later, when Castro's revolt was progressing in Cuba, the State Department under Eisenhower, together with his own executive orders, halted the shipment of arms and supplies necessary to protect the Cuban Government against the Rebel Castro. The Republican administration closed its eyes at shipments of American arms and other help to Castro's Communist guerrillas in the mountains of Cuba.

NAIVE STATE DEPARTMENT

Castro had hardly reached Havana to claim his new office of Dictator when the State Department rushed in blindly to recognize the new regime without even so much as asking a question. During all this time, I had pointed out in the Senate by speeches and press releases, Castro was surrounded by a brother and a number of key friends who had been trained by Russians in guerrilla warfare tactics and who had been schooled in communism. Long before the first Russian saw Cuban soil, the Eisenhower administration could have acted out of a just cause when our properties were seized and our citizens jailed and some even shot to death. This was the time to act.

The leadership in the Republican Party which now criticizes Kennedy for his policies toward Cuba, conveniently forgot the mess they made and handed to President Kennedy when he took office. The time to preserve the Monroe Doctrine should have been when it was being torn up and not wait until now when the Russians are holding the pieces.

NOT POLITICAL ISSUE

Any politician who harps on the Cuban situation to make it a political issue is doing his nation a great disservice. Those who cry invasion without just provocation should accompany their remarks with an estimation of how many Americans will die as a result. We are not cowards but neither do we wish to be foolhardy. So I urge every citizen to weigh carefully the charges and countercharges that may come as a result of major and lesser crises coming from the Cuban situation. We must rid Cuba of communism, but the means we use to achieve this end can be the difference between peace and war.

Let Freedom Ring

EXTENSION OF REMARKS

OF

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1963

Mr. ANDERSON. Mr. Speaker, I call the Members attention to a most worthwhile project being advanced by the citizens of one of the communities in my congressional district.

On July 4, the residents of Mount Morris, Ill., will commemorate the birth of our great nation with an old-fashioned patriotic celebration. The highlight of which will be ringing of every bell in the city at the same time. It is hoped that this resounding simultaneous peal will ring out loud and clear the theme of the celebration—Let Freedom Ring—thus vividly reminding the community of the reason why the holiday is celebrated.

Since the Liberty Bell in Philadelphia typifies the Nation's heritage of freedom, it has been suggested that the ringing of the Nation's freedom bell be carried coast to coast by the national communication media, immediately to be followed by the ringing of every available bell in every community across the country. At this time of grave national concern a return to the traditional theme of the Fourth of July—flying the flag and ringing the bells—is needed. Thus I strongly urge the Members to impress upon every American the importance of this project and the need for their par-

ticipation in this nationwide symbolic rededication to the principles upon which this Nation was founded.

Mr. Charles Himes, Jr., chairman of the Mount Morris Family Festival Committee, as well as the many other Mount Morris citizens who are working diligently to make this affair a success are to be commended for this concerted attempt to refresh our memories as to the true meaning of the Fourth of July.

United Fruit Co. Cited for Part in Cuban Prisoner Exchange Program

EXTENSION OF REMARKS

OF

HON. HALE BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1963

Mr. BOGGS. Mr. Speaker, I would like to call to the attention of my colleagues in the Congress the very fine letters of congratulations written by the Honorable Robert Kennedy, Attorney General of the United States, and Gen. Alfred Gruenther, president of the American Red Cross, to Mr. Thomas Sunderland, president of the United Fruit Co., for that company's humanitarian service in providing one of its ships for the shipment of supplies to Cuba in connection with the prisoner exchange program, and for the return of some 750 Cuban refugees to our country.

The United Fruit Co. certainly is to be commended for this unselfish service to the Cuban Families Committee; the ship, SS *Santo Cerro* and her crew were most welcome in this humanitarian project, and this act of generosity will always be remembered among the finest ones in our Nation's history.

Under unanimous consent, I include the letters from the Attorney General and from General Gruenther to Mr. Sunderland in the RECORD, along with Mr. Sunderland's gracious reply to General Gruenther.

The letters follow:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., February 1, 1963.

Mr. T. E. SUNDERLAND,
President, United Fruit Co.
Boston, Mass.

DEAR MR. SUNDERLAND: The recent return of the Cuban prisoners to their families has been a source of satisfaction to all of us. Your company is to be commended for its willingness to help the American Red Cross and the Cuban Families Committee in this outstanding humanitarian project, and I hope you will accept my sincerest congratulations.

Sincerely,

ROBERT F. KENNEDY,
Attorney General.

THE AMERICAN NATIONAL RED CROSS,
Washington, D.C., February 20, 1963.

Mr. THOMAS E. SUNDERLAND,
President, United Fruit Co.,
Boston, Mass.

DEAR MR. SUNDERLAND: The American Red Cross is most grateful to the United Fruit Co., for the use of the SS *Santo Cerro* for the shipment of supplies to Cuba in connection with the prisoner exchange program, and for bringing 750 Cuban refugees to Port Everglades on the return voyage.

Several of our Red Cross personnel had an opportunity to work with officials of your company and with personnel aboard the *Santo Cerro*. The cooperation was perfect at all times.

I was especially impressed by the warm attitude of the crew toward the refugees on the return voyage. I am sure this created a most favorable impression of their new home.

Thus far three ships and several planes have carried supplies to Cuba totaling approximately $28 million. Twenty-nine hundred refugees have been transported to Port Everglades. A fourth ship is scheduled to sail from Baltimore within a few days.

It is clear that we shall be in the shipping business for at least 2 more months. Please pray that we do not have any natural disasters in the United States during that period. Our key disaster experts are heavily engaged in the Cuban program.

With warm regard.

Sincerely,

ALFRED M. GRUENTHER,
President.

UNITED FRUIT CO.,
Boston, Mass., March 12, 1963.

Gen. ALFRED M. GRUENTHER,
President, the American National Red Cross,
National Headquarters, Washington, D.C.

DEAR GENERAL GRUENTHER: Thank you for your letter of February 20 concerning our donation of the use of the SS *Santo Cerro* and its crew in connection with the prisoner exchange program. We appreciate your very generous comments, particularly with respect to the attitude and action of our personnel.

Our personnel enjoyed working on this project, especially as it was concerned with the people of Latin America with whom we have enjoyed such a long relationship. Although the Cuban exchange program is a controversial matter, we could not permit this to stand in the way of the humanitarian aspect of the exchange. It was this latter aspect which was a major factor in our company decision to contribute over a quarter-million dollars in addition to the use of the ship and its crew.

I am certain you join in our hope that the day will come when Cuba will again be governed by the democratic. freedom-loving Cubans.

Sincerely,

THOMAS E. SUNDERLAND.

Thirty-five Years a Public Servant

EXTENSION OF REMARKS

OF

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1963

Mr. FINDLEY. Mr. Speaker, one of the outstanding members of the legal profession in the Midwest is Marks P. Alexander, who recently retired after 35 years' public service. Federal Judge Omer Poos describes Mr. Alexander's knowledge of criminal law this way:

> I think he knows more about it than any other man in the United States.

Mr. Alexander recently observed his 76th birthday and is recovering from surgery. He is retiring as assistant U.S. attorney for southern Illinois.

It is noteworthy that every U.S. attorney who has taken office since 1927 has asked Mr. Alexander to remain on the staff.

Address By Senator McClellan Before Arkansas Basin Development Association

EXTENSION OF REMARKS

OF

HON. A. S. MIKE MONRONEY

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Thursday, March 21, 1963

Mr. MONRONEY. Mr. President, on March 8 at Tulsa, Okla., the Arkansas Basin Development Association held its annual meeting. We were fortunate in having as our guest speaker the Honorable JOHN L. MCCLELLAN, U.S. Senator from Arkansas. I cannot recall attending a meeting where the crowd was more enthusiastic or accepted more completely the views of a speaker.

I had the honor of being master of ceremonies at that meeting; and it is a distinct pleasure and honor for me to submit, for inclusion in the CONGRESSIONAL RECORD, the remarks of our distinguished colleague, who made such a profound impression upon those who were present to hear him.

Therefore, Mr. President, I ask unanimous consent to have excerpts from the address by the senior Senator from Arkansas printed in the RECORD.

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

EXCERPTS FROM AN ADDRESS BY SENATOR MCCLELLAN, THE ARKANSAS BASIN DEVELOPMENT ASSOCIATION, TULSA, OKLA., MARCH 8, 1963

Mr. Chairman, it is a real pleasure to be your guest on this occasion and to have the privilege of addressing this splendid audience of fellow citizens of the Arkansas River Basin.

Your presence here this evening impressively demonstrates again your support of, your enthusiasm for, and your dedication to, the accomplishment of the comprehensive water resource development program of this valley, to the construction of which our Federal Government is now, I think, irrevocably committed.

The large attendance at this meeting and the ardor and buoyancy of spirit prevailing here, significantly indicate that you are generally satisfied with the progress made and the momentum that we have achieved in carrying this project forward. We have, I am sure, every right and good reason to be pleased and gratified.

We have long since passed the conception, visionary and planning periods, and the authorization action that necessarily precede all construction programs of magnitude that are sponsored and financed by the Federal Government.

Our Arkansas River Basin program has now reached the stage where it is so thoroughly and finally planned, so firmly and positively directed, and so completely activated and energized that we now not only know where and how it is going, but we also know when it will get there. As presently scheduled, we will reach our goal in 1970.

To that end I can assure you that all members of your congressional delegations will not only be alert to and will oppose any proposal or action that would hinder, delay, or interfere with that happening; but we

will also actively support adequate appropriations to expedite further construction and make certain the job is completed by that time.

The distance we have traveled to reach the milestone of the present has, at times, been rugged and difficult. In earlier stages of our journey, we encountered delays and hindrances that were vexing and disappointing. Some of them, of course, were unavoidable.

However, faith, vigilance, perseverance, and hard work on the part of your organization, other auxiliary groups, and your Representatives in Congress have succeeded in moving the project from the early stages of hope and uncertainty to the present state of advancement and progress that assures success and the full attainment of our ultimate goal.

When measured by the dollar yardstick, this basin project is now about one-fourth completed. We are probably further along, however, than the dollar figures would indicate. With the closure of the big upstream dams and of Dardenelle on the main stem, and with the progress that has been made on bank stabilization work, we have already gained substantial control over the river's bad habits—silting, wandering, bank destruction, and irregular flow and flooding.

The size of the total task in which we are engaged in this valley is hard to comprehend. It is immense. Over the period of the next 7 or 8 years, nearly $1 billion will be poured into this basin in the form of contracts, wages, and materials by the Federal Government. Some of the material used, will be bought outside the basin, but much of it and most of the labor are being procured right here in the area.

More than 100 million cubic yards of earth will have to be dredged from the channels. Another 100 million yards will be piled into earth embankments. More than 600 million pounds of steel, 8 million barrels of cement, and 8 million tons of rock and aggregate will have to be put into place.

In addition, some 1,700 miles of highway, railway, and utility lines will have to be moved and relocated.

Within the next 10 years, State, county, and municipal governments, along with private enterprise, are expected to spend at least another billion dollars for the improvements necessary to make adjustments to the changes taking place and in the opportunity investments that this great resource development invites and provides.

Income and employment generated by such large scale construction is bound to provide an economic surge of unprecedented dimensions in this basin—one that is sure to carry forward until the project is completed. After completion, and when the Government's construction income has dwindled off, no doubt there will be a slack period of time—maybe a few years—before the full impact of new industrial development is felt.

State and local governments and business should be aware of this problem and make plans accordingly for that transition period. To the extent, of course, that industrial development can be accelerated, this situation can be met or at least greatly alleviated. We must keep on, and never cease planning for more expansion, more growth, and more building as our valley changes and future needs develop. For it is when we look beyond the construction period, that we foresee in the decades ahead, great, almost revolutionary, changes in our lives.

Much has already been written and said about the glowing future of the Arkansas River Basin. I will not attempt to match crystal balls with anyone, but I would suggest that we recall many demonstrated facts as revealed and experienced by other river basins that have had similar programs. I shall only mention one as an illustration.

In 1920 the tonnage carried on the Ohio River was only about 10 million tons. By 1929, when the Corps of Engineers had completed the first canalization program on the Ohio, that tonnage had more than doubled. It had increased to almost 50 million tons by 1950, and now it is in excess of 80 million tons.

There can be no doubt that water resource development has tremendously accelerated economic growth and progress in the Ohio River Basin. That development is credited with being an important reason for the investment of about $13 billion in industrial facilities in that valley during the 1950's.

As I have indicated, the Ohio River is not an isolated instance. Comparable statistics could be recited for the Illinois River, the upper Mississippi, and the Tennessee Valley.

Our late lamented and beloved Senator Kerr, to whom we are indebted more than to any other man for progress on the Arkansas Basin program, recently estimated that if the Arkansas Valley matches the achievements of the Tennessee Valley (and there is no real reason why it shouldn't), this development program should bring $20 billion in personal income into this region within the next 20 years. He felt that in view of its superior resources, the Arkansas Basin should far outstrip the achievements of the Tennessee. I share that view.

The more we look at this region, the more we must wonder that so many of its opportunities have remained neglected and untapped for so long.

A disadvantageous freight rate structure, which placed us in a poor position to compete for industrial development; the unreliability of our river with its unstable course and irregular flow; the relative sparseness of population; and the limited markets available to this region—all these have handicapped us in the past.

But these handicaps are being overcome. Navigation on the Arkansas will give us the low-cost transportation we need to open our coal resources and attract industries. And, as people move out of the increasingly congested eastern section of the country to seek open spaces and opportunities farther west, we may expect the population growth of our States to be greatly accelerated.

Then, at long last, we will be able to capitalize on the great blessings that nature has given us. We can utilize to the fullest one of the largest supplies of uncommitted water to be found in the United States—water which modern industry seeks with increasing eagerness to cool its machines, to drive its turbines, and to incorporate into its manufacturing processes.

Thus, industry can make maximum use of our huge wealth in basic energy fuels—gas, oil, and coal. Moreover, our many other mineral resources would also be turned into wealth. The Arkansas-White-Red Basin contains 65 commercial minerals, including 30 of the 38 important minerals that our country is now importing from abroad. Among these 65 minerals are sulphur, coal, salt, glass sands, ceramic clay, building stone, lead, zinc, and petroleum with its vast implications for the development of petrochemical industries.

Along with industry, other forms of enterprise will benefit. Fertilizer and farm machinery, building materials, steel and cement will come to our communities at lower cost; and many of our agricultural and other domestic products can likewise be shipped and marketed more cheaply.

To proclaim the Arkansas River Basin to be the land of opportunity, both as of now and for tomorrow, is no idle boast, no overstatement, nor is it an exaggeration. Instead, that assertion is based on fact and simply declares that which is true.

This claim of opportunity that we can proudly make today for this river valley and for our respective States amounts to only a modest appraisal and a very conservative evaluation of the great worth of the magnificent multipurpose development now in progress and the tremendous wealth and benefits that are destined to flow therefrom.

Reference to our area as a land of opportunity is not a mere attempt to coin or to make use of the phrase for any propaganda value that it may have, but rather to describe adequately and appropriately a pleasant and impressive reality.

This comprehensive development program on the Arkansas River is one of the largest ever undertaken by our Government, as an overall project, under the direction of the Corps of Engineers of the U.S. Army.

In many respects its potentials transcend and surpass those of any other water resource development system in our Nation. It is truly one of the most dramatic and progressive programs for the conservation and development of water resources ever authorized and embarked upon by the Federal Government.

The completion and operation of these vast improvements will open up new vistas of prospects and possibilities for the expansion and growth of agriculture and industry, far beyond anything that was contemplated when the project was first envisioned or when it was finally justified and authorized.

What we have here is not just a local or area development standing alone or apart and isolated from other national interests. It is not a development whose benefits are restricted and confined to the immediate community or to the geographic section in which the improvements are being made. It is, and will be, a vital integral part of the overall structure of America's might and power.

New products and increased production emanating and resulting from this great venture will tremendously strengthen our economy, reinforce our national defense establishment, and further promote and enhance progress and general prosperity throughout the Nation.

Every dollar being expended on this program is an investment in these things—in the future of our country. All the cost incurred in the building of this system of improvements properly comes within the category of national investments rather than in the column of Federal expenditures. In the course of time—and much sooner than we may have estimated—these funds now being appropriated for this purpose will all be recovered into the Federal treasury. It will pay for itself many times over, by reason of the enlargement of the tax resources which this development will generate.

Thus, we are transforming what has heretofore been a significant, but dormant, economic potential into a future dynamic national asset. What we are building here is another powerful pillar of strength of such quality and endurance that the march of time for generations to come cannot efface or weaken. The years of progress that lie ahead can only augment and accentuate its force and influence upon our national image and stature.

By doing this—by making large investments of public funds—we also enrich the heritage of future generations.

In my judgment, some of the fiscal policies our Government is pursuing are unsound. In some other fields, I believe, it is unwisely making excessive and unnecessary expenditures—expenditures that are improvidently swelling our national indebtedness and further encumbering the estate that we are leaving to those who will follow us.

I definitely oppose that course and policy. But, in the vast development and conservation that we are making in our vital water resources—for every dollar we are prudently spending for this purpose—we are adding substantially to the wealth of their heritage.

We should also keep in mind another and vital area of compelling interest in which

enormous expenditures are necessary and currently being made—that is in the field of science and technology. Some $15 billion annually is now being spent by Government and private sources for research and development. Research and development, in fact, has itself become a major industry in this country, one of the largest—one of the fastest growing.

We must therefore anticipate and prepare for the future by looking understandingly at what is happening today—what is emerging from the present. It is clear, and becoming more and more so every day, that the economic pattern of the future is emerging around science and technology. It is emerging through the difficult process of creative thought and innovation. We see this all around us everywhere.

The principal elements of this developing economic change are threefold. They are the scientists and their research facilities; the management and financial resources capable of bringing research to an economic outcome; and the educational, business, and political leadership capable of creating the proper setting for these scientific and technological forces.

Research and development have definitely become one of the few determinative influences in the ebb and flow of industrial location. This is a positive factor that we should not lose sight of. Again, I think, circumstances greatly favor us, and opportunity is knocking at our door.

The National Aeronautics and Space Administration has built five major installations to the south and east of us. They are Cape Canaveral; the George C. Marshall Space Flight Center at Huntsville, Ala.; the Michoud plant in Louisiana (where the Saturn rockets will be assembled); the giant test facility now being built in Mississippi; and the Manned Spacecraft Center at Houston, Tex. (the home of the astronauts).

These installations are permanent—they are here to stay. They are fundamental to the creation, the assembly, the manning, and the launching of this Nation's largest rockets. These plants may, in time, be supplanted, but they will not be duplicated. They are a part of our economic landscape for many, many years to come.

It is of significant advantage that our great river basin leads directly into this whole gigantic space complex. It would seem, therefore, that we have done our river work in good time. We should seek to take full advantage of this magnificent opportunity to manufacture here in our area many of the components for missiles and spaceships and to carry on other vital work related to these installations.

It is not enough, however, for us to look down the river and see those things that might be of value to us. We must bring our great potential to life and find ways and means to make it an efficient part and parcel of this vital new space system. We must make this a major effort. Just as we have worked over the years to build the base from which we can now draw out the physical potential of this great river basin, so should we now work to achieve the full fruits and benefits of the opportunities this river development program has opened up to us.

We should pursue with unrelenting vigilance the opportunities that we have to develop those industries and those services that are now coming within our reach. This will be no easy task. It may well be more difficult than our work has been thus far, but it is most challenging, and success in the effort will surely be abundantly rewarded.

In conclusion, may I say, that the wonderful progress we have made in our river basin program is a tremendous tribute to the unity, vigor, and indefatigable persistence with which the people of this basin, and particularly your organizations, have supported the program throughout the years. The unified presentations made to the congressional Appropriations Committees each year by the Tri-State Committee representing Arkansas, Oklahoma, and Kansas, and speaking for them with one strong voice, have been truly impressive and effective. The unity of your respective organizations and their working together have brought home to the people of this region a broad understanding of the importance of this development program and rallied their support behind it.

I congratulate you, and may I urge that you continue to labor harmoniously together in further seeking to bring into full fruition the magnificent and dynamic possibilities of future progress and prosperity that are now available to us.

The Nuclear Test Ban: An Appraisal of Mr. Foster's Views

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1963

Mr. HOSMER. Mr. Speaker, William C. Foster, Director of the Arms Control and Disarmament Agency, submitted a statement on the nuclear test ban issue to the GOP conference committee on nuclear testing. It is to be found at page 1641 of the CONGRESSIONAL RECORD for February 4, 1963. Of the many statements submitted to the committee, Mr. Foster's contribution is perhaps the most significant, since it almost certainly must represent the official views of the administration of the subject.

In what follows, a critical appraisal will be made of Mr. Foster's statement. Admittedly the test ban issue contains a number of vital factors which are not amenable to scientific or even logical analysis. These factors relate to the great political issues which enfold the problem and there is little doubt but that they are the truly determining factors in the final judgment which one makes on the matter. As such it is only natural that the test ban issue should be a highly controversial one, as all important political issues are apt to be. However, in the overall assessment of the problem it is crucial that those scientific and military factors which are subject to reasonable analysis be understood and clearly expressed by those who attempt to arrive at judgment decisions. Rather than challenge Mr. Foster's statement in those areas which pertain to political judgments, this appraisal will mainly be restricted to an examination of those arguments which include technical and military considerations.

Section I of Mr. Foster's statement is headed by the contention that "a test ban treaty is in our national interests." To support this contention the following remarks pertaining to nuclear weapons development are made:

> Without a treaty and with continued unlimited testing on both sides, there would be a further increase by both in the efficiency of weapons at the higher yield end of the scale. Our advantage in small-weight, high-yield weapons would most probably diminish. Both sides would enhance their knowledge of weapons effects. In the field of tactical weapons, the Soviets would eventually be able to match our more diversified and numerous arsenal. Overall, the trend would be more toward equality between the United States and the U.S.S.R.
>
> With a treaty, improvements in yield-to-weight ratios would come more slowly through laboratory work alone. The U.S. advantage in smaller weapons would persist over a longer time. Some weapons effects phenomena would remain unsettled or undiscovered by both sides. The developments of antimissile systems would be slowed down on both sides. Our tactical weapon superiority would persist longer. In general, our present nuclear advantages would last for a considerably longer period.

Implicit in these remarks are two basic assumptions: First, our current knowledge of Soviet nuclear weapons technology is sufficiently accurate to permit an assessment of the relative nuclear capabilities of the United States and the U.S.S.R., and, second, a test ban treaty would not permit significant progress to be made by unverified clandestine testing.

It should be understood that our knowledge of Soviet nuclear weapons is based far more upon speculation than upon cold hard facts. Edward Teller has described our process of evaluation as akin to trying to determine a neighbor's cooking by means of sniffing the smoke from his kitchen. Evaluation of this kind must of necessity be highly narcissistic, in that we must guess the Soviet technology by assuming that it is essentially the same as ours. To put it mildly, such methods are bound to be highly inaccurate and subject to human interpretation. As a result our evaluation process is really a result of human compromise rather than an exact analysis.

Dr. Hans Bethe, who is the Chairman of the evaluation panel which assesses the Soviet tests, reported early last year that the Soviet tests in 1961 had produced very substantial gains in multimegaton warhead technology, especially in the 1- to 5-megaton category and indicated that the yield-to-weight ratios they had achieved would permit them to attain hardened missile capabilities similar to our own. Such remarks as these hardly conform to the statement by Mr. Foster that we hold an advantage in small-weight high-yield weapons. If there is indeed a difference between Bethe's interpretations and those of Mr. Foster, it should be explained to a concerned public.

Incidentally, Mr. Foster chooses to ignore the relative position of the United States and the U.S.S.R. in the very high yield range, that is, tons of megatons. One wonders whether this is because he attaches no military significance to this range or whether, perhaps, he believes the Soviets now lead us in this area.

The lower the yield which the Soviets elect to test, the more difficult it is for our diagnostic system to analyze the debris from the explosion. And should the Soviets have elected to conduct extensive underground tests similar to our own, our ignorance of the nature of these tests will be complete. In this context it is important to understand that we

really have only the most sketchy knowledge of low-yield Soviet tests. Since these yields are representative of those most preferred for tactical military operations it is both misleading and dangerous to assume that our tactical arsenal is superior, more diversified, and more numerous than that of the Soviets. Unfortunately, the current administration, and, but to a lesser extent, its predecessor, have elected to take a "what we don't know won't hurt us" attitude toward unknown and poorly known Soviet nuclear tests. This has been both fallacious and highly perilous, considering the great importance of the test issue to our national security.

In order to assess Mr. Foster's remarks on the progress that could be made in the event of a test ban treaty it is necessary to obtain an idea as to how effectively a violator might operate through clandestine testing which cannot be verified under the treaty conditions. In discussing these possibilities, what are believed to be our present detection and verification capabilities—in terms of our more recent proposals to the Soviets—should first be briefly summarized.

It is generally conceded that the major obstacles to effective detection and verification of clandestine tests arise from considerations of underground and outer space testing.

Over the last few years the proposals we have advanced toward monitoring underground tests have reflected a belief that explosions of approximately 20 kilotons and above could be effectively policed. The advisors to the current and the last administration have, in their considered judgment, on the matter tended to minimize the effect of seismic decoupling, and have, in effect, ruled it out from serious consideration. Rather than making serious efforts to reduce this yield threshold, that is, 20 kilotons, to a lower, and presumably safer, value, the recent gains in seismic verification capability which have been claimed have been used to wipe out any threshold whatever and to lower the inspection quota, and thus constitute a concession to Soviet demands instead of an increase in the effectiveness and security of the system. In this light, let us examine some of Mr. Foster's statements on the possibilities of successfully catching the Soviets at clandestine underground testing.

Mr. Foster states that—

> None of the seismic systems proposed by the United States from 1959 on would be capable of detecting with any certainty many explosions of 3 kilotons or less if they occurred in alluvium, a common soil formation similar to gravel. Moreover, artificial decoupling (i.e., the so-called big hole technique), might permit considerably larger yield explosions without detection. Furthermore, an evader testing in alluvium would probably have little assurance that the cavity produced by the explosion would not collapse, leading to a large visible surface crater which might itself be detected. Moreover, due to the variability in the size of the seismic signals which can occur from explosions of the same size, an evader could not be sure of evading even seismic detection at low yields by testing in alluvium. "Big hole" decoupling is both time consuming and expensive. Preparation of a large cavity might itself be detected during the construction phase. Moreover, since this form of decoupling has never been tried on any practical scale so far as we know, a potential evader would again be unsure that he could escape detection. Finally, while single tests might sometimes escape detection by seismic means, a test series would be far more difficult to hide. Yet little progress can ordinarily be made with individual, isolated tests.

An examination of these statements shows that they are incomplete, inconsistent, and illogical—with respect to those facts which are incorporated in our actual test ban proposals, present and upcoming.

Perhaps the seismic network can detect some number of underground—but also undecoupled—events in the range, of, say, 3 to 20 kilotons. But what about the probability that these detected events can be distinguished from earthquakes and be verified, through on-site inspection, as cheat nuclear explosions? Considering that we are now bargaining over an inspection quota which involves but only a handful of inspections each year and taking into account the fact that there will be many hundreds of earthquakes each year in the Soviet Union which will be indistinguishable from nuclear explosions in the 3- to 20-kiloton range, many more below that, it would hardly seem that we stand a good chance of catching a violator even if no other problems existed.

With respect to the remarks on the efficacy of decoupling, the conclusions reached in Mr. Foster's statement are misleading and contain a strange brand of illogic. It is stated that "big hole decoupling is both time consuming and expensive." It would appear from this that we have made up the Russians' minds for them on whether they felt that such procedures would work toward their advantage—this is certainly fallacious reasoning. However, what is perhaps more important than "big hole" decoupling is "small hole" decoupling, which need not entail excavations too much larger than those we have been making in our underground tests in Nevada; and the AEC has recently stated that underground testing has actually proved to have a number of advantages not previously foreseen. To decouple a nuclear explosion to the maximum theoretical extent—that is, by a factor of 300 in reducing the strength of the seismic signal—might well entail a "big hole" and involve considerable time and expense. But the far more germane point is that a relatively "small hole" type of decoupling could lead to a serious degradation in the efficiency of the monitoring system.

For example, a 20-kiloton explosion could be reduced in seismic strength to well below 1 kiloton, and thus be undetectable, less alone be distinguishable as an explosion, in a hole which is but a few tens of yards in diameter—hardly an evacuation which is too time consuming and expensive. Perhaps we could get a much better idea of how far the Soviets might be willing to go in decoupling if the Disarmament Agency would release some rough estimates of the relationship between the cost of such measures and the gains in weapon system effectiveness which can be achieved. After all, it must be realized that such gains can represent sizable cost savings in weapon systems for which we have spent, or will spend, billions of dollars.

Without meaning to do so, Mr. Foster unconsciously displayed a degree of both illogic and conceit in stating that—

> Since this form of decoupling has never been tried on any practical scale so far as we know, a potential evader would again be unsure that he could escape detection.

Because we have not yet done decoupling experiments on a practical scale by no means should lend any degree of assurance that the Soviets have not done so. And if the Soviets have achieved a reliable understanding of how far they can go in such evasive tactics, they could get away with a lot more than Mr. Foster's estimates indicate.

How much the Soviets can get away with is something which only they can decide, not we. But one statement that does seem reasonably safe to make is that they can test underground, without too much difficulty, at yield levels in excess of 20 kilotons, and with propensively less difficulty at successively lower yields, with little fear of detection and with a really trivial chance of being caught. In this respect, if the cheating is not even detected, it will be of precious little good to have observed the preparation of the test during the construction phase. The treaty we are proposing does not allow for suspicion, it covers only the positive verification that a nuclear explosion has taken place.

It is most peculiar that the possibility of cheating through tests in outer space is not even mentioned in Mr. Foster's paper. Perhaps this is because our present state of knowledge does not permit any practical scheme which could detect and verify nuclear explosions in outer space.

In testifying before the Senate Preparedness Investigating Subcommittee last September, Dr. Franklin Long, who is Mr. Foster's technical director in the Disarmament Agency, answered a number of questions posed by Senator JACKSON, regarding outer space detection and verification. Dr. Long made the following remarks:

> I think the Senator's point is basically correct; namely, that if you have a test in far outer space, the type of verification that for near tests we think of as adequate, is not accessible to you—the thing is very far away. But you do not get positive verification in the sense that you can never know for sure that some natural phenomena might have produced the same signal. So in that kind of sense, verification of an outer space test is difficult.

The best that Dr. Long could say about attempts to monitor such tests was that they could lead to a "heightening of suspicion, perhaps."

Should we sign a test ban treaty with the Soviets if it is extremely doubtful that we would attempt to establish an effective monitoring system, such as satellite detection systems orbiting around the earth and the sun. The expense of such systems would be prodigious and they would not be able to provide positive verification; and, as pre-

viously remarked, suspicion is not covered by the treaty.

The question to which the American people deserve a fair answer is what types of gains in nuclear technology can be made by our outer space testing? Several years ago, when space technology was in its infancy and we were making efforts to orbit grapefruit-sized objects, it was fashionable to dismiss space testing of nuclear weapons as being Buck Rogers stuff. It is not so easy to do this today and our recent Venus shot gave proof enough of the great wealth of information that can be telemetered back to earth. And we should keep in mind that the Soviets are still adjudged to be ahead of us in placing large payloads in outer space.

Admittedly, space testing will be expensive but it would now be irresponsible to claim that it is infeasible. The question then is whether such tests would be worthwhile to the Russians; and, of course, only the Russians can provide the answer. However, we might get some clue to the answer by considering our own possibilities.

Take for example, the warhead for our Minuteman missile, which will soon constitute the major strategic weapon system of the Air Force, or equally well, one could consider the warhead for the Navy's Polaris missile. Over the coming years we are going to invest tens of billions of dollars toward developing and maintaining these systems.

Suppose that it was possible, through such improvements as increasing warhead yield and decreasing warhead cost, to effect a substantial decrease in missile requirements, or, conversely, achieve a substantial increase in missile firepower. Substantial fractions of tens of billions of dollars represent substantial sums indeed, and thus the question of space testing is far from trivial.

Many experts hold the firm belief that space testing, expensive as it may seem, would be a huge bargain to a would-be cheater. In all fairness to the American people, they should be provided by the Government with the opinion of the Disarmament Agency on this matter and the relevant factors—which need not reveal sensitive information—should be brought into the light of public scrutiny.

Having discussed the frailties of the arguments which Mr. Foster advanced to defend the effectiveness of our proposed detection system, we can now turn to an examination of his statements regarding the effect of clandestine testing upon the balance of military power.

Mr. Foster states that with a treaty "the U.S. advantage in smaller weapons would persist over a longer time" and "our tactical weapon superiority would persist longer." It is interesting to note that his views on this matter were not quite so optimistic a few months ago. Testifying before the Senate Preparedness Subcommittee, Mr. Foster was queried by Senator GOLDWATER, who said:

> The point that I would like to raise is this: Is detectable testing required to develop the type of tactical weapon in which some of us believe we are still deficient and in which the Soviet Union is also believed to be deficient?

Mr. Foster replied:

> There can be some developments in that type of weapon, presumably below the threshold of detection. Whether this is adequate, in a sense, to distort the tactical balance, I don't know. The military decision has been—the military advice is that in weighing that risk against the risk of continued testing, it is in the national interest to attempt to get a comprehensive test ban which would terminate presumably tests in all environments and at all levels.

Senator GOLDWATER:

> I can appreciate that. But knowing the nature of the enemy, I don't think we can have much faith in their stopping testing at any level at which they think they need further development. I can believe that they might agree to stopping the testing of large yield weapons. They might even agree to stop testing at all levels. But they could continue with the testing of weapons of a strength that we could not detect. I am talking now of the yield of weapons that will measure in pounds and small tonnages, not kilotons or megatons.

It would appear that the discussion between Senator GOLDWATER and Mr. Foster, was based upon consideration of the much publicized all-fusion bomb, or, as popularly called, the neutron bomb, and Mr. Foster admitted to some uncertainty as to whether the development of this weapon might distort the tactical balance. Furthermore, he divulged the military opinion on this matter—namely, that it would be in the national interest to get a ban which would not permit clandestine testing of such weapons.

But is such a ban possible? Apparently not, and Mr. Foster's statement on all-fusion weapons confirms this.

Mr. Foster states:

> Many important scientific principles involved in nuclear weapons can be studied with nuclear explosions of less than 3 kilotons, including certain of the principles involved in developing possible pure fusion weapons and in reducing weight-yield ratios. This figure is significant, for explosions of this size and smaller may not always be detectable. However, for the weapons developments and knowledge of weapons effects which are of primary concern to us, and which might make a substantial change in the military balance in a way which would be unfavorable to us, clandestine underground testing would be unsatisfactory * * * and pure fusion weapons would not be of a great advantage to us because they would constitute primarily a cheaper substitute for the explosive component in our already large stockpile of nuclear weapons. Hence, any inhibitions on the development of these weapons would appear to be to our net advantage.

An analysis of this train of reasoning quickly reveals two gross discrepancies: First, a complete ignorance, or avoidance, of the fundamental importance of pure fusion weapons, and, second, a strange inconsistency regarding the importance of pure fusion weapons.

First, we shall consider the inconsistency, and then we shall examine the implications of all-fusion weapons. It is contended by many of our most knowledgeable experts that this class of yet undeveloped—at least by us—weapons is one of the most important factors, if not the most important, entering into the test ban issue.

The inconsistency is briefly, the following:

It is first implied that pure fusion weapons can be developed by testing at yields, less than 3 kilotons—which are well below the threshold of effectiveness of the monitoring system we have proposed. Next, it is claimed that such weapons would not be of great advantage to us. And, finally, it is concluded that inhibitions on the development of such weapons would be to our net advantage.

It is quite apparent that the thought process behind such remarks could not have been very deep, for they are plainly self-defeating. If the pure fusion weapon is not advantageous then why worry about whether or not its clandestine development can be detected? On the other hand, if, as stated, inhibiting such development works to our good then there must be some advantage to the weapon. But plainly, since our proposed monitoring system is incapable of inhibiting such development, there is this puzzling inconsistency which leads to the growing question: Are those weapons advantageous or are they not? It is truly surprising that a statement dealing with a subject of such great importance should contain such obvious inconsistences.

During the past 3 years, a number of public statements regarding the importance of pure fusion weapons have been made. To do those statements full justice would be far too time consuming. and only a relatively brief synopsis of them is presented here.

In May 1960 Senator THOMAS J. DODD gave a major speech in the Senate on the test ban issue. In an incisive analysis of the then existing weakness of our proposals at Geneva—which have since became increasingly weaker—Senator DODD brought up the importance of the neutron bomb:

> The production of a clean tactical nuclear weapon would open the way to a whole series of technologically significant breakthroughs. By definition such a weapon would have to have a fusion warhead—that is, a heavy hydrogon or tritium warhead. If a straight fusion weapon can be developed—and there is no doubt that it can—this would open the way to the production of thermonuclear weapons of all yields in vastly increased quantities and at much smaller cost.
>
> And then there is the matter of the neutron bomb, to which there has already been some reference in the press. Such a bomb can be theoretically produced by tailoring the energy of a fusion explosion so that, instead of heat and blast, its primary product is a burst of neutrons. Such a burst would do negligible physical damage, but it would immediately destroy all life in the target area. It would in short, operate as a kind of deathray.
>
> I consider all the hush-hush that surrounds the neutron bomb to be a glaring instance of the official abuse of secrecy. To keep the facts of life on the nuclear age from the American people is foolish, and potentially disastrous. If there is a possibility that a neutron bomb can be built, if there appears to be any chance that the Soviets may succeed in building one before we do, then the American people have a right to the facts.

In April 1960, Freeman Dyson, a nuclear physicist and also a consultant

to the AEC nuclear weapon laboratories, wrote an article in the magazine Foreign Affairs. The article discussed the important characteristics and military implications of pure fusion weapons. In concluding the discussion of these weapons, Dyson stated:

Imagine a hypothetical situation in which the United States is armed with existing weapons, while some adversary (not necessarily the Soviet Union) has a comparable supply of nuclear fuel and has learned how to ignite it fission-free. The adversary's bombs would then outnumber ours ten or a hundred to one, and theirs could be used with far greater versatility in infantry warfare. Suppose that in this situation a local war of the Korean type should begin. God help the American infantryman who is sent in to fight, against these odds. Practically speaking, our army would have only two alternatives, either to retreat precipitously or to strike back with our much more limited number of heavier nuclear weapons and thoroughly destroy the whole country. This is not a pleasant situation to contemplate, and yet it is necessary that our people understand that it is a possibility. Any country which renounces for itself the development of nuclear weapons, without certain knowlege that its adversaries have done the same, is likely to find itself in the position of the Polish Army in 1939, fighting tanks with horses.

John Wheeler, a nuclear physicist who did pioneering work with the famed Niels Bohr on the physics of nuclear fission and has long consulted with the AEC and the Department of Defense on nuclear weapons problems has very recently issued the following statement:

As a physicist and specialist on nuclear fission I see a decisive loss to national security from a test ban.

It will prevent us from developing a technology of pure hydrogen devices free of fission fallout. I am convinced that present nuclear weapons will be outdated in 3 to 10 years. The new technology will have important peacetime applications in mining and earthmoving and will revolutionize ground warfare.

If we do not keep this scientific leadership others will take it. Second level nations will be able to make these ultimately inexpensive devices. No responsible proponent of any detection system has claimed ability to detect a minuscule pure hydrogen detonation underground.

It is unconscionable to renounce for the free world a revolutionary device which others will then make without our knowledge.

If these statements, and many others made by responsible public officials and scientists—who have held access to the so-called secrets of nuclear weaponry—are at all correct, then Mr. Foster's statements that a test ban treaty would allow "our advantage in smaller weapons" to "persist over a longer time" and that "our tactical weapon superiority would persist longer" simply do not bear out. In fact, quite the contrary would be true; we would fall greatly and tragically behind and the credibility of our tactical forces would disappear, and so might much of the free world.

After introducing a bold and imaginative new strategic counterforce concept which held high promise of greatly reducing the level of death and destruction to the civilian fabric, in case of thermonuclear war, the Department of Defense is now retreating to a position of nuclear statemate. If this transition is to actually occur the balance of thermonuclear terror will again begin to act upon the will of the American people—a prospect which is not a happy one to contemplate.

The rationale behind this new and unpleasant shift is twofold:

First. Both sides will soon have invulnerable strategic weapons, that is, hardened missile sites and undetectable nuclear submarines armed with ballistic missiles; and

Second. There is no evidence that the defense against ballistic missile attacks will become feasible and practical.

Both of these premises are inherently dangerous because they are based upon an inherent smugness that technological breakthroughs will not occur to destroy the strategic balance. History has invariably shown such assumptions to be ill-founded and disaster has frequently resulted from such stubborn opinion.

Indeed, it was little more than a dozen years ago when some of our leading nuclear weapons experts were arguing against the H-bomb development and were recommending that we concentrate upon improving our A-bomb technology. Incidentally, in the foreground of those who argued against the H-bomb in this vein was Hans Bethe, and it is revealing to note that Bethe was an early pioneer in helping develop the new "nuclear stalemate" concept.

At present it is difficult to perceive how hardened missile sites can be destroyed in an economical fashion and how Polaris submarines can be located and destroyed. But it is not nearly as difficult to conceive of advanced antimissile weapons which could dangerously offset the presently envisaged nuclear stalemate.

From time to time there have been reports in the press that the pure fusion bomb would have an important effect upon the development of a successful antimissile system. Very recently, Senator DODD intimated quite strongly that this is the case. With these in mind, we return to Mr. Foster's statement that a test ban treaty would slow down the development of antimissile systems on both sides.

If these contentions about the importance of the pure fusion warhead ballistic missile defense are essentially correct, then Mr. Foster's claim is only half true—we would be slowed down, but not the Soviets. And, if pure fusion warheads were to provide the final step to the feasibility of an antimissile system under development by the Soviets, a test ban treaty might portend a disaster of a magnitude which is difficult to even comprehend.

The criticisms which have been leveled here against Mr. Foster's statement are not intended to be a personal attack against him. Indeed, Mr. Foster must bear the responsibility for his statement, but it is incorrect to state that he is fully responsible for its contents. Like any high-ranking Government official who is called upon to guide a large, complex effort which embraces many different skills, some of which are extremely technical, Mr. Foster is in no small measure at the mercy of his advisers and consultants. It is against certain of these advisers and consultants, particularly the technical experts, that this criticism is directed.

That a certain body of scientists has figured prominently in the test ban positions held by this administration, and its predecessor, is a subject which has not been thoroughly understood and appreciated by the public. However, such has indeed been the case; and although proved wrong and even biased, time after time, these scientists have continued to have a profound influence upon the proposals we have made at Geneva and upon the rationale which the current and past administrations have adopted.

To question the intellectual competence of these scientists would be folly; practically all of them represent top caliber in their fields. But to question their judgment on these vital matters appears to be well in order.

Mr. Foster's statement is far from reassuring. Without questioning the validity of his political judgments, relating to such subjects as the proliferation of nuclear capabilities and the effect of a test ban treaty upon future arms control agreements, the great variance between the technical-military arguments he presents and those which have been presented here in rebuttal is extremely disturbing. And its is emphasized again that the judgment of his scientific advisers is open to serious question as it appears highly probable that their technical judgment has been conditioned to a large degree by nontechnical considerations.

The differences in opinion, on such a crucial issue, which have been brought out here are too great to go unresolved. If our democracy is to remain strong, effective, and truly democratic then a greatly concerned, worried, and confused citizenry must be given sufficient data to participate in debates which affect their very existence.

Thus far, the artificial security barriers erected by the current and past administrations have prevented the necessary healthy public debate. The basic information necessary to foster such debate need not include numerical detail and specific weapon designs; such information would not even be understood by most people. What is needed is a qualitative appraisal of the important technical factors which bear the test ban. Such information should be released as soon as possible.

We should keep in mind that all of these secrets will be of little avail in the future if we are to act falsely and unwisely in our negotiations with the Soviets and consummate a treaty which will allow them to fully exploit their potential while we remain paralyzed by our good intentions. It will be of precious little comfort for our Nation to perish with its secrets clasped tightly to its bosom.

The importance of secrets is not whom they are kept from but how they are handled and interpreted in deciding the destiny of our country. The American people have every right to know whether these secrets are being treated objectively in the deliberations of those who provide the guidance for our top decisionmakers, such as Mr. Foster. If the

strong criticism made here is essentially fair and correct then the advisers to Mr. Foster have not been objective in their interpretation of the meaning of classified material. Let the people decide for themselves who is more nearly right. They have every right and reason to do so; it is their fate which hangs in the balance.

Replies to a Questionnaire

EXTENSION OF REMARKS

OF

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1963

Mr. BERRY. Mr. Speaker, under leave to extend my remarks, I wish to place in the CONGRESSIONAL RECORD the results of my recent questionnaire, distributed to every resident of my district whose address was available through telephone directories.

The questionnaire covered two main fields—domestic and foreign affairs. I feel sure the views of my constituents as expressed through this questionnaire will be of special interest to my colleagues. The questionnaire results are as follows:

[In percent]

	Yes	No	Undecided
Domestic affairs:			
1. Do you favor tax reduction without an equal reduction in Federal spending?	10	88	2
2. Do you favor stricter controls over agricultural production and marketing?	11	84	5
3. Do you prefer the present voluntary medical care program for the aged over a compulsory plan, financed by increased social security taxes?	76	20	4
4. Do you favor establishment of a Youth Conservation Corps similar to the CCC's of the thirties?	36	55	9
5. Do you favor the establishment of a domestic Peace Corps?	19	69	12
6. Do you favor aid to public schools below the college level?	36	58	6
7. Do you think the President is doing a good job in domestic affairs?	22	59	19
Foreign affairs:			
1. Should we continue to support the U.N.?	63	25	12
2. Would you favor elimination of the foreign aid program?	33	52	15
3. Do you favor substantial reduction in foreign aid?	84	9	7
4. Would you maintain the foreign aid program at about its present level?	15	64	21
5. Do you approve of the handling of the situation in Cuba?	28	62	10
6. Do you approve of the handling of the situation in the Congo?	20	49	31
7. Should the existing foreign Peace Corps program be expanded?	31	52	17
8. Do you think the President is doing a good job in foreign affairs?	26	53	21

SENATE

MONDAY, MARCH 25, 1963

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

Rabbi Gershon B. Chertoff, of the Temple B'nai Israel, of Elizabeth, N.J., offered the following prayer:

Sovereign of the universe, whose law is perfect: Do Thou instruct out of Thy law the Members of the Senate of these United States, that they might exercise just and rightful authority. Confer upon them the wisdom and understanding to convert righteousness into law, and justice into statute. Remove from them a sense of guilt in the employment of power, by alerting them to the ethic of power. Uphold them in their conviction that the complexities of international relations admit of no easy solutions: so that they shall pursue peace, not despair, and seek security with quiet confidence.

The days proclaimed by Daniel are at hand: *There shall be a time of trouble such as never has been since there was a nation.* Do Thou, O God, confirm Daniel's hope and trust in Thee that: *Every one of your people shall be delivered.*

May God bless you with every good, and keep you from all evil. May He enlighten your heart with lifegiving prudence, and favor you with enduring insights. May He befriend and prosper you with peace, now and forever. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 21, 1963, was dispensed with.

ENROLLED BILLS SIGNED DURING ADJOURNMENT

The PRESIDENT pro tempore announced that on today, March 25, 1963, the Vice President signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

H.R. 212. An act to amend section 904, title 38, United States Code, so that burial allowances might be paid in cases where discharges were changed by competent authority after death of the veteran from dishonorable to conditions other than dishonorable; and

H.R. 2085. An act to amend the Internal Revenue Code of 1954 to provide that the deduction for child care expenses shall be available to a wife who has been deserted by and cannot locate her husband on the same basis as a single woman.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

CALL OF LEGISLATIVE CALENDAR WAIVED

On request of Mr. MANSFIELD, and by unanimous consent, the call of the Legislative Calendar was ordered to be waived.

LIMITATION ON STATEMENTS DURING MORNING HOUR

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

EXECUTIVE COMMUNICATIONS, ETC.

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

APPROPRIATIONS FOR NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes (with accompanying papers); to the Committee on Aeronautical and Space Sciences.

STOCKPILING, STORAGE, AND DISTRIBUTION OF ESSENTIAL FOODSTUFFS

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to provide for the stockpiling, storage, and distribution of essential foodstuffs, including wheat and feed grains, to assure supplies to meet emergency civil defense needs, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON TITLE I AGREEMENTS UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Associate Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, a report on title I agreements under the Agricultural Trade Development and Assistance Act of 1954, for the month of February 1963 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON STRENGTHENING RESEARCH ON UTILIZATION OF AGRICULTURAL COMMODITIES

A letter from the Secretary of Agriculture, transmitting, pursuant to law, a report on "Strengthening Research on Utilization of Agricultural Commodities," dated March 1963 (with an accompanying report); to the Committee on Appropriations.

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Labor for "Employees' compensation claims and expenses," for the fiscal year 1963, had been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

REPORT ON DEPARTMENT OF DEFENSE PROCUREMENT FROM SMALL AND OTHER BUSINESS FIRMS

A letter from the Assistant Secretary of Defense, Installations and Logistics, transmitting, pursuant to law, a report on Department of Defense procurement from small and other business firms, for the 7-month period ended January 1963 (with an accompanying report); to the Committee on Banking and Currency.