HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 25, 1963

The House met at 12 o'clock noon.

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

Psalm 33: 12: *Blessed is the nation whose God is the Lord.*

Eternal and ever-blessed God, we are approaching Thy throne of grace in the faith that Thou who wert the God of our fathers, art also our God and shall be the God of all succeeding generations.

May the democracy and the lofty ideals for which we are striving and laboring, as a nation, be those which will bring peace and prosperity to all our people.

We earnestly beseech Thee that our minds and hearts may go out with kindness and sympathy, with service and sacrifice to the vast multitudes who are still wandering in life's wilderness with very few of the blessings which others so richly enjoy.

Grant that here, in our Republic, the opportunity to enter upon the highways to education, position, and honor and the chance to go as far as their abilities and capacities will warrant and permit, may be open to all alike.

Help us to hasten the dawning of the day when all who live under the Stars and Stripes shall be welded into a solid and compact nation and work as one strong army to do Thy will and seek humanity's welfare.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

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

H.R. 5860. An act to amend section 407 of the Packers and Stockyards Act of 1921, as amended; and

H.R. 6755. An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates.

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

H.R. 3872. An act to increase the lending authority of the Export-Import Bank of Washington, to extend the period within which the Export-Import Bank of Washington may exercise its functions, and for other purposes; and

H.R. 6791. An act to continue for 2 years the existing reduction of the exemption from duty enjoyed by returning residents, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 254. An act to provide for the acquisition of certain property in square 758 in the District of Columbia, as an addition to the grounds of the U.S. Supreme Court Building;

S. 535. An act to extend the principles of equitable adjudication to sales under the Alaska Public Sale Act;

S. 622. An act to improve and encourage collective bargaining between the management of the Alaska Railroad and representatives of its employees, and to permit to the extent practicable the adoption by the Alaska Railroad of the personnel policies and practices of the railroad industry;

S. 626. An act to increase the limitation on payments for construction engineering for Federal-aid primary, secondary, and urban projects;

S. 1032. An act to exclude cargo which is lumber from certain tariff filing requirements under the Shipping Act, 1916;

S. 1122. An act relating to the exchange of certain lands between the town of Powell, Wyo., and the Presbyterian Retirement Facilities Corp.;

S. 1139. An act to repeal a portion of the Second Supplemental National Defense Appropriation Act, 1943, approved October 26, 1942 (56 Stat. 990, 999), as amended, and for other purposes;

S. 1416. An act to amend section 104(b)(5) of title 23, United States Code, to provide for the submission of certain cost estimates for the completion of the National System of Interstate and Defense Highways, and for other purposes; and

S. 1523. An act to make certain changes in the functions of the Beach Erosion Board and the Board of Engineers for Rivers and Harbors, and for other purposes.

HON. EMANUEL CELLER

Mr. CANNON. 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 Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, It is a great and enlightening experience to serve in the House of Representatives, and especially because you meet here, every now and then, men of remarkable talent and statesmanship.

But none of them in the last half century has been more remarkable and talented than the distinguished Member from the Empire State, our own EMANUEL CELLER.

Many men have passed through these portals, on the way in and on the way out, but none who have been of greater service to the Nation, or who has been more beloved by their colleagues than MANNY CELLER.

It has been my good fortune, my pleasure, and my privilege to serve with him here from the first day of our respective terms and my admiration for him and my devotion to him have grown with the years. His congressional district had consistently and insistently returned Republicans to the House from the time of his illustrious predecessor, Peter Stuyvesant—who was perfectly willing to give New York back to the Indians, a policy advocated by some of his compatriots even to this day. MANNY is the first, last and only man of his party elected from that great and historic district for more than 40 years.

Mr. Speaker, I love the Republicans—the Republicans of this House and especially the Republicans of my district. I always vote with them when they are right—a situation lamentably rare—but it is a notable statistical fact that for the last more than 40 years that district has favored us and the Republic by sending MANNY CELLER to Congress with gratifying regularity. And I yield to no man in my admiration and appreciation of his friendship and his political acumen, and his indispensable and patriotic contributions to the national economy and general welfare.

And yet my good friend, Drew Pearson—who is always more kindly and more charitable in his comments about me than I deserve—says this morning in his highly entertaining column—that I have written a book. Neither Drew Pearson nor King Solomon ever wrote a truer aphorism than when they—one or the other of them—exclaimed: "Oh that mine enemy had written a book."

This book is interpreted as questioning some minor feature of Chairman CELLER's administrative program. If this be true—and I never presume to differ with any of Drew's prescient conclusions—then the book is wrong, the rule is wrong, the principle is wrong—and MANNY is right.

EMANUEL CELLER, chairman of the most dignified committee of either House or Senate, does not make mistakes. No bill or resolution reported out by him from the Committee on the Judiciary has ever been rejected by the House in the entire four decades since his accession to that learned and scholarly body.

Both MANNY and Drew live by the side of the road and are friends of all mankind. But if choice must be made, I am constrained to bow first to the majesty and dignity of the judiciary.

Here is to Chairman CELLER. May he, like his fellow New Yorker, Rip van Winkle, "live long and prosper."

CONSTITUTIONAL DEBATE

Mr. PRICE. 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. PRICE. Mr. Speaker, on Wednesday, June 26, the Madison County Bar Association in the 24th Illinois Congressional District will sponsor a debate on three proposed amendments to the U.S. Constitution that have evoked a great deal of controversy. These amendments include establishing a Court of the Union, curbing the Federal judiciary's jurisdiction in State apportionment cases, and amending article V of the

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Constitution regarding the amendatory process.

This debate will feature the Honorable Millard Caldwell, justice of the Florida Supreme Court, arguing for the proposals and Mr. Arthur Freund, a distinguished lawyer from St. Louis, Mo., who has been a leading opponent of the proposed amendments. The moderator of the debate will be Burton C. Bernard, an attorney of Granite City, Ill., and chairman of the Madison County (Ill.) Bar Association Judiciary Committee. Other members of the committee include Emerson Baetz, Alton, Ill.; Charles Godfrey, Alton, Ill.; Roland Griffith, Alton, Ill., and Gilbert Rosch, Granite City, Ill.

The president of the Madison County (Ill.) Bar Association is the Honorable Dick Mudge, State's attorney for Madison County, Ill.

In an address to the American Law Institute convened in Washington, D.C., on May 22, 1963, Chief Justice Warren called for "a great national debate" on the proposed amendments. It is fitting that the first debate be held in Madison County, Ill., which upon its creation September 14, 1812, was named for President James Madison, "Father of the Constitution."

CONSTITUTIONAL AMENDMENT DEBATES

Mr. FUQUA. 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. FUQUA. Mr. Speaker, the Madison County Bar Association of Madison County, Ill., will hold on Wednesday, June 26, an outstanding program when three proposed amendments to the Constitution of the United States will be debated. These amendments have passed partially or altogether in a great number of State legislatures, and it has been said that a great national debate should be held regarding their merits, that the general public is not fully aware of what is being proposed.

Both sides of this question agree that the people need to discuss these matters, and in answer to this call for debate, the Madison, Ill., County Bar Association is staging this debate, in hopes that like events may be staged across the country.

Speaking for the adoption of these amendments will be one of Florida's most distinguished sons, the Honorable Millard Caldwell, who will be appearing in his role as chairman of the Florida Committee on Constitutional Government.

In him we have one of my State's great statesmen, a man of unquestioned integrity and ability. He is a former Governor of Florida, served as a Member of the House of Representatives 1932–40, served as Administrator of Federal Civil Defense, and now is a justice of the Supreme Court of Florida.

I commend the Madison County Bar Association in staging this debate, which will serve to enlighten the people on what is being proposed in the way of these constitutional amendments.

EXTENSION OF REMARKS

Mr. JONES of Missouri. 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 Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, on yesterday I called attention to a situation wherein it is possible for three identical articles to appear in the same issue of the RECORD. I would also report that this same article appeared again yesterday. In other words, on 2 consecutive legislative days we have four identical articles appearing in the RECORD.

I would just suggest that I think we could avoid much of this if we would follow the example of the gentleman from New York, [Mr. KEOGH], who, in extending his remarks in the Appendix of the daily RECORD, identified the extraneous material. I think if we would all identify the extraneous material we intend to insert, the desk would be helped in avoiding this duplication, which is costly and annoying.

BEECHER E. HESS

The SPEAKER laid before the House the following communication:

WASHINGTON, D.C.,
June 21, 1963.

Hon. JOHN W. MCCORMACK,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Since I have spent some 25 years on Capitol Hill and am far past retirement age, I request that my services in the House of Representatives be officially terminated as of June 30, 1963.

I wish to thank you for your kindness and the many courtesies extended to me over the years.

In my retirement it will be my purpose to extol the Members of the House and further congressional good will.

Very truly yours,

BEECHER E. HESS.

MINORITY EMPLOYEE

Mr. HALLECK. Mr. Speaker, I offer a resolution (H. Res. 419) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, Tommy Lee Winebrenner is hereby designated a minority employee effective July 1, 1963 (to fill an existing vacancy), until otherwise ordered by the House, and shall receive gross compensation of $13,918.03 per annum.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON THE JUDICIARY—SUBCOMMITTEE NO. 5

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that Subcommittee No. 5 of the Committee on the Judiciary may be permitted to sit during general debate on June 26 and 27.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PROPOSED AMENDMENT TO THE CONSTITUTION PERMITTING READING OF THE HOLY BIBLE IN PUBLIC SCHOOLS

Mr. BAKER. 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 Tennessee?

There was no objection.

Mr. BAKER. Mr. Speaker, I have today introduced a joint resolution proposing an amendment to the Constitution of the United States permitting the right to read from the Holy Bible and to offer nonsectarian prayers in the public schools or other public places if participation therein is not compulsory.

The effective part of the resolution, section 1, is as follows:

> The right to voluntarily offer, receive and to participate in the saying of nonsectarian prayers or the right to voluntarily read from and listen to the reading of the Holy Scriptures in the public schools and other public places shall not be denied or abridged.

I urge affirmative vote of two-thirds of the membership of the two Houses of Congress at this session and I urge the legislatures of three-fourths of the States to expeditiously ratify this proposed amendment to the Constitution of the United States.

The recent decision of the Supreme Court of the United States is based upon the first 16 words of the first amendment to the Constitution of the United States which is as follows:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof.

It is my considered judgment that our Founding Fathers after due consideration inscribed these words into the first amendment to prevent the establishment or recognition of any particular denomination as the official religion of the United States of America. The domination of the Church of England was one of the reasons that impelled the Pilgrims to leave their mother country and to migrate to the New World.

Our Founding Fathers were deeply religious persons. They recognized God as omnipotent in their public and private lives.

We are faced with the fact that the only constitutional way to overrule this decision of the Supreme Court is by this proposed amendment to the Constitution of the United States.

I believe my amendment can and will be expeditiously adopted and ratified.

CONTINUING APPROPRIATIONS, 1964

Mr. CANNON. Mr. Speaker, pursuant to an order of the House, granted last Thursday, I call up House Joint Resolution 508 making continuing appropriations for the fiscal year 1964, and for other purposes, and I ask unanimous consent that it be considered in the House as in Committee of the Whole.

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

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government, for the fiscal year 1964, namely:

SEC. 101. (a)(1) Such amounts as may be necessary for continuing projects or activities (not otherwise specifically provided for in this joint resolution) which were conducted in the fiscal year 1963 and for which appropriations, funds, or other authority would be available in the following appropriation Acts for the fiscal year 1964:

Department of the Interior and Related Agencies Appropriation Act;

Department of Labor, and Health, Education, and Welfare Appropriation Act;

Legislative Branch Appropriation Act;

Department of Agriculture and Related Agencies Appropriation Act;

Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act; and the

Department of Defense Appropriation Act.

(2) Appropriations made by this subsection shall be available to the extent and in the manner which would be provided by the pertinent appropriation Act.

(3) Whenever the amount which would be made available or the authority which would be granted under an Act listed in this subsection as passed by the House is different from that which would be available or granted under such Act as passed by the Senate, the pertinent project or activity shall be continued under the lesser amount or the more restrictive authority.

(4) Whenever an Act listed in this subsection has been passed by only one House or where an item is included in only one version of an Act as passed by both Houses, the pertinent project or activity shall be continued under the appropriation, fund, or authority, granted by the one House, but at a rate for operations not exceeding the current rate or the rate permitted by the action of the one House, whichever is lower: *Provided,* That no provision which is included in an appropriation Act enumerated in this subsection but which was not included in the applicable appropriation Act for the fiscal year 1963, and which by its terms is applicable to more than one appropriation, fund, or authority, shall be applicable to any appropriation, fund, or authority, provided in this joint resolution unless such provision shall have been included in identical form in such bill as enacted by both the House and Senate.

(b) Such amounts as may be necessary for continuing projects or activities which were conducted in the fiscal year 1963 and are listed in this subsection at a rate for operations not in excess of the current rate or the rate provided for in the budget estimate, whichever is lower, and under the more restrictive authority:

Foreign assistance and other activities for which provision was made in the Foreign Aid and Related Agencies Appropriation Act, 1963;

Agencies for which provision was made in the Independent Offices Appropriation Act, 1963;

Activities for which provision was made in the District of Columbia Appropriation Act, 1963;

Activities for which provision was made in the Public Works Appropriation Act, 1963;

Activities for which provision was made in the Military Construction Appropriation Act, 1963;

United States Arms Control and Disarmament Agency;

Department of State,

Acquisition, operation, and maintenance of buildings abroad.

(c) Such amounts as may be necessary for continuing projects or activities for which disbursements are made by the Secretary of the Senate, and the Senate items under the Architect of the Capitol, to the extent and in the manner which would be provided for in the budget estimates for the fiscal year 1964.

SEC. 102. Appropriations and funds made available and authority granted pursuant to this joint resolution shall remain available until (a) enactment into law of an appropriation for any project or activity provided in this joint resolution, or (b) enactment of the applicable appropriation Act by both Houses without any provision for such project or activity, or (c) August 31, 1963, whichever first occurs.

SEC. 103. Appropriations and funds made available or authority granted pursuant to this joint resolution may be used without regard to the time limitations set forth in subsection (d)(2) of section 3679 of the Revised Statutes, as amended, and expenditures therefrom shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 104. No appropriation or fund made available or authority granted pursuant to this joint resolution shall be used to initiate or resume any project or activity which was not being conducted during the fiscal year 1963. Appropriations made and authority granted pursuant to this joint resolution shall cover all obligations or expenditures incurred for any project or activity during the period for which funds or authority for such project or activity are available under this joint resolution.

Mr. CANNON. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this is the usual continuing resolution to which, unfortunately, the Congress has become accustomed in these later years.

Mr. Speaker, the situation could be arranged—and it would not be a difficult matter—under which continuing resolutions would be unnecessary. All these appropriation bills should be processed and sent to the President before the start of the new fiscal year. It can be done and it would expedite the legislative business of the Congress.

Mr. Speaker, this joint resolution provides, in brief, for keeping open the doors of the Government until the regular bills are enacted in final form. It is fully explained in the accompanying committee report.

To date, the committee has reported seven of the regular 1964 appropriation bills. Five regular 1964 appropriation bills remain to be reported in addition to the usual closing supplemental bill.

A principal reason that these five bills have not been reported is that the Committee on Appropriations cannot under the House rules process them because they contain appropriations not yet authorized by action of the legislative committees. The Committee on Appropriations cannot, under the rules, bring in a bill appropriating a single dollar until it has been authorized by law. We could have processed all the appropriation bills before July 1 but for the lack of authority for certain items in the five bills not yet reported. I hope we will soon reach the day when we can get all the bills to the President by July 1.

STATUS OF THE APPROPRIATION BILLS—88TH CONGRESS, 1ST SESSION

Mr. Speaker, for the information of the House, I am including a tabulation on the current status of the appropriation bills of the session.

As the table shows, the Treasury-Post Office appropriation bill is the only regular 1964 bill enacted into law. In the last two sessions of Congress, no regular bill was enacted before the start of the new fiscal year.

This year, seven bills for fiscal 1964 and two bills for fiscal 1963 entailing budget requests for about $73,630,000,000 have been reported to the House. Five additional regular bills for 1964 and the usual closing supplemental, prospectively involving roughly $26,000,000,000 in budget requests, are yet to be reported to the House. They are:

First. The independent offices bill, $14,620,000,000, on which hearings have been completed for some weeks except for the space agency; annual authorization legislation is delaying completion of this bill.

Second. The public works bill, $4,560,000,000, on which hearings are completed. Annual authorization legislation for the atomic energy program could also delay this bill.

Third. The military construction bill, $1,978,000,000, on which hearings are in progress, but for which the annual authorization bill is not yet finalized—committee hearings have not commenced in the other body.

Fourth. The foreign aid bill, $4,840,000,000, on which hearings are well along toward completion but for which the annual authorization bill has not yet been reported in either House.

Fifth. The District of Columbia bill, $34,000,000 in Federal requests, on which hearings are completed.

Sixth. And, finally, the closing supplemental bill, amounts not yet submitted by the President.

The foregoing amounts exclude approximately $11,800,000,000 in permanent authorizations—mostly interest on the public debt—for 1964 on which annual congressional action is not required.

The tabulation follows:

Table of appropriation bills, 88th Cong., 1st sess., as of June 24, 1963

[Does not include back-door appropriations or permanent appropriations under previous legislation. Does include indefinite appropriations carried in annual appropriation bills]

Bill No.	Title	House							
		Budget estimates to House	Date reported	Amount as reported	Amount reported compared with budget estimates	Date passed	Amount as passed	House action compared with— Budget estimates	House action compared with— Amount reported
	1963 SUPPLEMENTALS								
H.J. Res. 284	Supplemental, Agriculture	[1] $508,172,000	Feb. 26	$508,172,000		Feb. 27	$508,172,000		
H.R. 5517	Supplemental	1,641,507,106	Apr. 5	988,756,506	−$652,750,600	Apr. 10	1,438,691,506	−$202,815,600	+$449,935,000
	Public works acceleration	(500,000,000)		(-----)	(−500,000,000)		(450,000,000)	(−50,000,000)	(+450,000,000)
	All other	(1,141,507,106)		(988,756,506)	(−152,750,500)		(988,691,506)	(−152,815,600)	(−65,000)
	Total, 1963 supplementals	2,149,679,106		1,496,928,506	−652,750,600		1,946,863,506	−202,815,600	+449,935,000
	1964 APPROPRIATIONS								
H.R. 5279	Interior	998,009,000	Mar. 28	929,690,200	−68,318,800	Apr. 2	922,625,200	−75,383,800	−7,065,000
	Loan authorization	(13,000,000)		(6,000,000)	(−7,000,000)		(6,000,000)	(−7,000,000)	
	Contract authority	(17,500,000)			(−17,500,000)			(−17,500,000)	
H.R. 5366	Treasury—Post Office	6,146,842,000	Apr. 1	5,997,026,000	−149,816,000	Apr. 4	5,997,026,000	−149,816,000	
H.R. 5888	Labor—HEW	5,759,489,000	Apr. 25	5,449,988,000	−309,501,000	Apr. 30	5,449,981,000	−309,508,000	−7,000
H.R. 6754	Agriculture	6,368,755,000	June 3	5,979,457,000	−389,298,000	June 6	5,979,457,000	−389,298,000	
	Loan authorizations	(855,000,000)		(855,000,000)			(855,000,000)		
H.R. 6868	Legislative	[2] 148,580,245	June 6	[2]140,038,919	−8,541,326	June 11	[2] 140,038,919	−8,541,326	
H.R. 7063	State, Justice, Commerce, Judiciary	2,159,891,900	June 14	1,851,269,900	−308,622,000	June 18	1,851,269,900	−308,622,000	
H.R. 7179	Defense	49,014,237,000	June 21	47,092,209,000	−1,922,028,000				
	Total, 1964 appropriations	70,595,804,145		67,439,679,019	−3,156,125,126		20,340,398,019	−1,241,169,126	−7,072,000
	Total, all appropriations	72,745,483,251		68,936,607,525	−3,808,875,726		22,287,261,525	−1,443,984,726	+442,863,000
	Total, loan authorizations	(868,000,000)		(861,000,000)	(−7,000,000)		(861,000,000)	(−7,000,000)	
	Total, contract authority	(17,500,000)			(−17,500,000)			(−17,500,000)	

[1] Shifted from budget for 1964, which was reduced accordingly.

[2] Excludes Senate items.

Bill No.	Title	Senate							Final action			Increase or decrease compared to budget estimates to date
		Budget estimates to Senate	Date reported	Amount as reported	Date passed	Amount as passed	Senate action compared with— Budget estimates	Senate action compared with— House action	Date approved	Amount as approved	Public Law No.	
	1963 SUPPLEMENTALS											
H.J. Res. 284	Supplemental, Agriculture	$508,172,000	Feb. 28	$508,172,000	Mar. 4	$508,172,000			Mar. 6	$508,172,000	88-1	
H.R. 5517	Supplemental	1,652,300,456	Apr. 24	1,486,096,841	May 1	1,488,683,841	−$163,616,615	+$49,992,335	May 17	1,467,430,491	88-25	−$184,869,965
	Public works acceleration	(500,000,000)		(450,000,000)		(450,000,000)	(−50,000,000)			(450,000,000)		(−50,000,000)
	All other	(1,152,300,456)		(1,036,096,841)		(1,038,683,841)	(−113,616,615)	(+49,992,335)		(1,017,430,491)		(−134,869,965)
	Total, 1963 supplementals	2,160,472,456		1,994,268,841		1,996,855,841	−163,616,615	+49,992,335		1,975,602,491		−184,869,965
	1964 APPROPRIATIONS											
H.R. 5279	Interior	998,009,000	May 22	979,093,400	May 28	979,693,400	−18,315,600	+57,068,200				
	Loan authorization	(13,000,000)		(6,000,000)		(6,000,000)	(−7,000,000)					
	Contract authority	(17,500,000)					(−17,500,000)					
H.R. 5366	Treasury—Post Office	6,146,842,000	May 3	6,074,216,250	May 8	6,069,466,250	−77,375,750	+72,440,250	June 13	6,045,466,000	88-39	−101,376,000
H.R. 5888	Labor—HEW											
H.R. 6754	Agriculture											
	Loan authorizations											
H.R. 6868	Legislative											
H.R. 7063	State, Justice, Commerce, Judiciary											
H.R. 7179	Defense											
	Total, 1964 appropriations	7,144,851,000		7,053,309,650		7,049,159,650	−95,691,350	+129,508,450		6,045,466,000		−101,376,000
	Total, all appropriations	9,305,323,456		9,047,578,491		9,046,015,491	−259,307,965	+179,500,785		8,021,068,491		−286,245,965
	Total, loan authorizations	(13,000,000)		(6,000,000)		(6,000,000)	(−7,000,000)					
	Total, contract authority	(17,500,000)					(−17,500,000)					

NOTE.—Totals reflect amounts approved and comparisons at latest stage of congressional action on each bill.

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

Mr. CANNON. I yield to the distinguished gentleman from Iowa [Mr. JENSEN], the ranking minority member of the Committee on Appropriations.

Mr. JENSEN. Mr. Speaker, I rise to confirm what our chairman has said about this joint resolution. It is a continuing resolution such as this House and the Congress have passed on many previous occasions. I presume we will find it necessary to pass another continuing resolution during the present session of Congress, since I understand the Senate will insist that the resolution expire a month sooner than was proposed in our original draft.

The original draft resolution provided that the power of the continuing resolution should cease on September 30. The Senate desired to reduce that to August 31. We were told informally this morning that it would not be possible to get a 3 months' continuing resolution through the Senate of the United States, so we have agreed to a month sooner, as this resolution now provides.

Other than that, Mr. Speaker, I have nothing to say, and as a practical matter I suppose there is nothing for the House to do except pass this resolution in order that the various departments, bureaus, commissions, and boards of the Government may continue to carry on their duties.

Mr. CANNON. Mr. Speaker, supplementing what the gentleman from Iowa [Mr. JENSEN] has said, and he is one of the great men of the House and has been especially helpful in the work of the committee this year, as in previous years. Last year we finally had to pass four continuing resolutions. The period of time covered by each resolution was so short—1 month—that we had to pass a continuing resolution every month for 4 months—hardly conducive to speed and expedition in handling the national budget.

SUMMARY OF NET BUDGET RECEIPTS AND EXPENDITURE TRENDS (THE ADMINISTRATIVE BUDGET) IN CURRENT FISCAL 1963 (AS OF MAY 31, 1963) COMPARED TO FISCAL 1962 AND TO BUDGET ESTIMATES FOR 1963

Mr. Speaker, in conformity with leave granted I include, for the information of Members, the fifth monthly synoptic tabulation of the trend of net budget receipts and expenditures in the current fiscal year 1963 as of May 31, 1963, including comparisons with the official budget estimate for the fiscal year 1963 and corresponding actual data for the previous fiscal year 1962.

BUDGET RECEIPTS

Budget revenues are officially estimated by the President at $85,500,000,000 for the fiscal year 1963 ending this week—a projected increase of $4,091,000,000 over actual budget revenues in fiscal 1962. Through the first 11 months—to May 31, 1963—actual budget revenues exceeded the corresponding 11 months of fiscal 1962—May 31, 1962—by $4,521,000,000.

To reach the official budget revenue prediction of $85,500,000,000 for all of fiscal 1963 will require net revenues of $11,185,000,000 in the current month of June 1963. In June of fiscal 1962, net budget revenues amounted to $11,615,000,000.

According to the committee report on the recent debt limit bill, the administration, as of April, apparently adheres to the full year revenue estimate of $85,500,000,000.

In contrast with budget expenditures which tend to recur more evenly throughout the fiscal year, the pattern of budget receipts shows the months of September, December, March, and June as the peak months; and receipts in the second half of the fiscal year, January–June, are usually higher than in the first half.

BUDGET EXPENDITURES

Budget expenditures are officially projected in the President's January budget at $94,311,000,000 for fiscal year 1963 ending this month—an increase of $6,524,000,000 over actual budget expenditures for fiscal year 1962, of which $1,901,000,000 is for national defense and $4,623,000,000 is for other than national defense.

Through the first 11 months—to May 31, 1963—actual budget expenditures in fiscal 1963 exceed the corresponding 11 months of fiscal 1962—to May 31, 1962—by $5,243,000,000, of which $2,071,000,000 is for national defense and $3,172,000,000 is for other than national defense.

AVERAGE MONTHLY EXPENDITURES

Using straight averages in both instances, the table discloses that budget expenditures during the first 11 months of fiscal 1963 averaged $7,721,000,000—somewhat less than the projected budget average of $7,859,000,000 for the full fiscal year of 1963 based on the January official budget estimate of expenditures—a little less for national defense items and also slightly less for nonnational defense items.

To reach the January net budget expenditure prediction of $94,311,000,000 for fiscal 1963, net budget expenditures in the current month of June 1963 would have to aggregate at least $9,384,000,000 as against the actual monthly average of $7,721,000,000 in the first 11 months of fiscal 1963. Budget expenditures in the last month of fiscal 1962—that is, June of 1962—totaled $8,102,000,000. The table discloses that expenditures for all of fiscal year 1963 are officially budgeted at a monthly average $544,000,000 greater than the actual monthly average of all of the preceding fiscal year 1962 and that, in comparison to this, in the first 11 months of fiscal 1963 the actual monthly average exceeded the corresponding 11-month average of fiscal 1962 by a little less—namely, by $477,000,000. Stated in another way, in the first 92 percent of the fiscal year about 80 percent, or $5,243,000,000 of the officially projected $6,524,000,000 expenditure increase, fiscal 1963 over fiscal 1962, has been realized.

But in connection with expenditures, it is pertinent to note from the committee report on the recent debt limit bill that, as of April, the administration apparently expects budget expenditures for fiscal 1963 to total $93,907,000,000—which would be $404,000,000 less than the January budget estimate from the President—$564,000,000 less for other than national defense, partially offset by $160,000,000 more for national defense.

BUDGET DEFICIT

The January official budget estimate of the deficit for all of fiscal year 1963 is $8,811,000,000, or $2,433,000,000 larger than the actual deficit for all of fiscal 1962. But as noted above, a more recent official administration view, according to the report from the Committee on Ways and Means on the debt limit bill, is that the fiscal 1963 deficit will approximate $8,407,000,000.

Through 11 months of fiscal year 1963, the actual deficit is $10,612,000,000—or only about $722,000,000 larger than the actual deficit during the corresponding 11 months of fiscal year 1962.

The figures seem to suggest that the budget deficit for all of fiscal 1963 may be even less than the $8,407,000,000 mentioned in the report of the Committee on Ways and Means.

THE PUBLIC DEBT

The official January budget projection is that the public debt at the end of fiscal 1963—on June 30, 1963—will be $303,494,000,000, a projected increase of $5,293,000,000 from the actual debt of $298,201,000,000 at the beginning of the fiscal year on July 1, 1962. But the Treasury's more recent estimate, according to the report from the Committee on Ways and Means on the recent debt limit bill, is that the debt on June 30 next will approximate $305,300,000,000.

The actual public debt on May 31, 1963, stood at $305,203,000,000—or $6,029,000,000 above the corresponding date in fiscal 1962—at May 31, 1962—and $7,002,000,000 above the total of the debt at the start of the fiscal year on July 1, 1962.

The table follows.

Net budget receipts and expenditures (the traditional administrative budget), 11 months of fiscal 1963 versus 11 months of fiscal 1962 and comparison with full-year estimates

[In millions of dollars]

	Actual for 11 months			Budget estimates for all of fiscal 1963 compared to actual for all of fiscal 1962		
	Fiscal year 1963	Fiscal year 1962	1963 compared to 1962	Budget estimate, 1963	Actual, 1962	Estimate, 1963 over actual, 1962
1. Budget receipts (net)	$74,315	$69,794	+$4,521	$85,500	$81,409	+$4,091
2. Budget expenditures (net)						
(a) National defense (per official budget classification)	48,139	46,068	+2,071	53,004	51,103	+1,901
(b) Other than national defense	36,788	33,616	+3,172	41,307	36,684	+4,623
3. Total expenditures (net)	84,927	79,684	+5,243	94,311	87,787	+6,524
4. Net surplus (+) or deficit (−), (line 1 minus line 3)	−10,612	−9,890	−722	−8,811	−6,378	[1] −2,433
5. Average monthly expenditures:						
(a) National defense	4,377			4,417		
(b) Other than national defense	3,344			3,442		
Total monthly average	7,721	7,244	+477	7,859	7,315	+544

[1] That is to say, the January official budget projects an estimated increase of $2,433,000,000 in the size of the deficit in fiscal 1963 as compared to the actual deficit in fiscal 1962.

NOTE.—Report on recent debt limit bill indicates administration expectation, back in April, that budget expenditures in fiscal 1963 would be about $404,000,000 below the January figure of $94,311,000,000.
Sources: Budget for 1964 and monthly Treasury statement for May 31, 1963.

Mr. CANNON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include tabulations on appropriation bills and the status of the budget.

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

There was no objection.

Mr. LAIRD. Mr. Speaker, I move to srike out the last word.

Mr. Speaker, there have been many questions asked by Members in the last few days concerning the status of the employment security offices in each of our 50 States and in the territories. The Department of Labor's Bureau of Employment Security has committed all of the $400 million that was appropriated out of the unemployment fund, and is unable to make additional allocations to the States that they had led the States to believe would be forthcoming. There are some 20 States that are affected by this deficiency that presently exists. According to the Bureau of Employment Security, several of these States have had to lay off all of their employees during this week. I think it should be understood that the executive branch did not submit any supplemental request to Congress until yesterday. The continuing resolution, however, that is before us today will put all of these people back on the payroll as of next Monday. When this particular resolution is adopted today those employees, some 18,000 that are affected, will be placed back on the payroll starting on next Monday. This resolution is significant in that regard.

Mr. Speaker, some have tried to pin the blame for this week's situation on Congress. But here are the facts. Congress appropriated $400 million for these activities in the regular Labor–HEW Appropriation Act for 1963. These funds are for regular salary and expense items which are readily controllable. At no time has Congress been advised that spending was proceeding on a deficiency basis, and the Anti-Deficiency Act requires such advice if spending is proceeding at a deficiency rate. It was not until yesterday that the executive branch requested a supplemental appropriation, a request that appears only to be paying lipservice for if the Committee on Appropriations were to meet today and report out a joint resolution it could not be taken up in the House without a special rule from the Committee on Rules or by unanimous consent.

Mr. Speaker, the plain fact is that this situation results from incredibly poor control of appropriated funds. I feel quite certain that either the Bureau of Employment Security or the Bureau of the Budget, or both, have violated the Anti-Deficiency Act and I think an investigation should be made to determine the full facts leading to this fiscal fiasco so that we can know what changes should be made to prevent a recurrence.

I have here a table that the Bureau of Employment Security prepared 1 week ago today which purports to show the situation in each State with regard to this deficiency and the personnel actions that are necessary because of it. I do not have complete faith in the accuracy of this table—for instance it shows that some States would have to close their entire operations for 2 weeks but I am informed that this is not the fact. However, for what it may be worth, I will place it in the RECORD for the information of all Members.

Bureau of Employment Security, Department of Labor, State fund deficiencies based on allocations from available funds and State estimated required staff adjustments

	State estimated deficiency [1]	Personnel reduction required to absorb deficits	
		Number	Duration
Alabama	$66,000	758	1 week.[3]
Alaska			
Arizona ES	34,000		
Arizona UI	20,000		
Arkansas			
California	[2] 800,000		
Colorado			
Connecticut appeals	1,400		
Connecticut agency			
Delaware			
District of Columbia ES			
District of Columbia UI			
Florida	97,000	1,206	2 weeks.[3]
Georgia	95,000	798	1 week.[3]
Guam			
Hawaii	20,000		(4).
Idaho			
Illinois	80,854		
Indiana	73,604		
Iowa	65,000	515	1 week.[3]
Kansas	20,000	150	Do.
Kentucky	165,000		
Louisiana	70,000	387	2 weeks.[4]
Maine			(5).
Maryland	55,000	369	
Massachusetts			
Michigan	170,400		(5).
Minnesota			
Mississippi	47,000	516	1 week.[3]
Missouri	51,900		
Montana	10,000	44	2 weeks.
Nebraska			
Nevada	35,000		
New Hampshire	500		
New Jersey	270,000	1,504	Do.[4]
New Mexico	15,000	66	Do.
New York	613,000	3,540	Do.
North Carolina			
North Dakota ES			
North Dakota UI			
Ohio	273,000	2,762	6 days.[3]
Oklahoma	70,000	300	2 weeks.[4]
Oregon	38,388	700	2 days.
Pennsylvania	288,000	1,632	10 days.
Puerto Rico	40,200	330	2 weeks.[4]
Rhode Island agency	4,000		
Rhode Island treasury	1,400		
South Carolina	88,000	553	7 to 8 days.[3]
South Dakota			
Tennessee	54,000	848	1 week.[3]
Texas	82,000	465	2 weeks.
Utah	43,600	156	Do.
Vermont	14,000	55	1 week.
Virginia	24,500		(4)
Virgin Islands			
Washington	73,780	1,000	3 days.
West Virginia			
Wisconsin	30,329		
Wyoming			
Total	4,000,855	18,654	

[1] Estimates received by wire from individual States as of June 15, 1963.
[2] Bureau estimate (no wire received from State).
[3] Entire agency must be closed.
[4] Layoff ineffective as leave must be paid.
[5] Civil service will not permit layoff.
[6] 2 weeks' notice required.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

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

The SPEAKER. The question is on the passage of the joint resolution.

The joint resolution was passed.

A motion to reconsider was laid on the table.

TRANSFER OF FUNDS WITHIN THE CONTINGENT FUND OF THE HOUSE

Mr. BURLESON, from the Committee on House Administration reported the following privileged resolution (H. Res. 418, Rept. No. 449), which was referred to the House Calendar and ordered to be printed:

Resolved, That such funds as may be necessary to liquidate the 1963 obligations may be transferred, within the contingent fund of the House of Representatives, from "Miscellaneous Items, 1961", to "Miscellaneous Items, 1963".

Mr. BURLESON. Mr. Speaker, I call up House Resolution 418 and ask for its immediate consideration.

The Clerk read the resolution.

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

Mr. BURLESON. I shall be glad to yield to anyone who has a question.

Mr. GROSS. You are here dealing with 1961 funds. If so, give us a brief explanation, if you will.

Mr. BURLESON. This situation is similar to the transaction which just occurred with reference to a continuing appropriation, that is, to meet the end of the fiscal year needs. Appropriations are made to the contingent fund of the House on a fiscal year basis, but remain available to pay authorized obligations for a period of 3 years before reverting to the Treasury. It so happened that in 1961 there was a surplus. In the fiscal year 1962, there was no surplus. At the end of this fiscal year, since the legislative appropriation bill has not become effective, it is proposed to transfer funds available out of the 1961 miscellaneous items account of the contingent fund to meet obligations of approximately $246,000, which would occur before the expiration of this fiscal year. That is what we propose to do here. We have done this before in similar situations.

Mr. GROSS. This is contingent funds of the House?

Mr. BURLESON. That is correct.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 88]

Ashley	Forrester	McDade
Blatnik	Gray	Martin, Calif.
Bolton, Oliver P.	Hanna	Monagan
Brown, Calif.	Hays	Morris
Buckley	Healey	Nix
Colmer	Henderson	O'Brien, Ill.
Davis, Tenn.	Herlong	Patman
Dawson	Kilburn	Powell
Diggs	Lindsay	Rains
Dulski	Lloyd	Reuss
	Long, La.	Rodino
Roosevelt	Staebler	Widnall
Roybal	Talcott	Wilson, Bob
St Germain	Vinson	Wilson, Charles H.
Shelley	Watson	

The SPEAKER. On this rollcall 389 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1964

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7179) making appropriations for the Department of Defense for the fiscal year ending June 30, 1964, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue not to exceed 5 hours, the time to be equally divided and controlled by the gentleman from Michigan and myself.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7179, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MAHON. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, we begin now the consideration of the $47 billion defense appropriation bill required for the fiscal year ending on June 30, 1964.

All the bills which Congress passes are important to somebody. The bill before us today is important to everybody—to everybody in the United States, and to all the peace-loving people of the entire world. This is true, because this is the legislation which, more than any other, enables the United States to maintain its position of military superiority over the Soviet Union.

Mr. Chairman, the military strength of the United States has reached an all-time high. It is greater today than it has ever been before. No major war could be fought now without great losses on both sides, but without doubt the United States is the greatest military power in the world today. Our military strength will not necessarily insure peace, but insofar as military strength can avert and deter war, this Government has what it takes.

The program which this bill supports will make sure that the President of the United States and the Secretary of State can continue to deal at the conference table from a position of military strength. Of course, it is true that limited and even general war cannot be ruled out, but the primary object of our defense program is to deter war and support efforts in the direction of peace.

Mere weapons alone cannot insure peace or, if war comes, victory. We not only have to have the military hardware, we have to have the manpower and the leadership.

The Secretary of Defense is the top man in the Defense Department. He and the Commander in Chief, the President, have the final say in the executive branch; and that is the way it is supposed to be under the American system. That is the American system of civilian control. It is true that we could change the law and the Constitution and give the military final control, but no one recommends this and our military leaders today, as in the past, are strongly in support of the traditional principle of civilian control.

The Secretary of Defense is on top of the job; the job is not on top of him. His job is understandably difficult and quite controversial. But under the law he is required to assume the responsibility for a $50 billion operation in a field which has become unbelievably complex as a result of the world situation and as a result of technological advances, unbelievable technological advances in the art of war.

Secretary McNamara is devoting his enormous talent and energy to the public interest and deserves the respect and the admiration of the American people. And in this same moment I want to add that our military leaders, our men in uniform in positions of leadership, are men of wide experience, great dedication to public duty, and unquestioned integrity and ability.

I make the point, Mr. Chairman, that the top civilian and military team is a strong team, and while I do not always agree with them and they do not always agree among themselves, I, for one, have full confidence in them. I believe that our military affairs today, at this critical moment in our history, are in good hands. Of course, the state of perfection has not been reached and it will never be fully achieved. But progress is being made and there is no question in my mind as to the high quality of the top level leadership which we have in this area.

The military people do not always agree among themselves and the civilian and military leadership at the Pentagon do not always agree. They do agree most of the time. Everybody has his say under the present system and the Joint Chiefs of Staff are getting into military management and budgetary problems in greater depth today than ever before. The lack of complete unanimity, the existence of some discord, should not be considered as unduly disturbing. This, indeed, is just another indication that the democratic process is still operating in the United States.

TFX AIRCRAFT

Among the controversial items which have arisen this year is the so-called TFX aircraft. The proposed TFX program is a program for the development of an aircraft to be known, really, as the F-111. The TFX will be a tactical fighter aircraft which has a variable wing. This means that the wings can be moved forward when the pilot wants

to fly at slow speeds and swept sharply back when he wants to fly at high speeds. No aircraft today possesses this ability. I believe that this ability will be important and useful in that the same aircraft can achieve high speeds to fight enemy aircraft and then fly efficiently at slower speed to offer close support for ground troops.

Other performance characteristics of this aircraft including its ability to fly great distances without refueling in order that it may be quickly deployed to trouble spots, make it appear to be a worthwhile program.

The Secretary of Defense was asked by both the Air Force and the Navy for a new aircraft. It was decided that one aircraft should be built and used by both the services. I am sure that the taxpayer applauds this idea. The savings are obvious, both in the development, production and in the later maintenance and operation of the aircraft.

Several major companies competed for the job of developing the TFX. The competition was narrowed down to two proposals—a joint proposal by General Dynamics and Grumman Aircraft Co., and a proposal by the Boeing Co. The whole issue was studied in the Pentagon over a period of months. Finally, the Secretary of Defense selected General Dynamics and Grumman for the development of the aircraft.

It is not possible to prove conclusively that the Secretary was right or that he was wrong. Many judgment factors were involved as is often the case. The TFX will represent a long step forward in aircraft production. The complexities are many and every knowledgeable person knew in advance of the selection that the company selected to do the development work would encounter many complex and difficult problems. Mr. McNamara knew this. He undoubtedly selected the General Dynamics-Grumman proposal because he felt it would be in the best interest of defense and the taxpayer. Undoubtedly, the company selected will have difficulty and there will be delays in the development of the plane. The Secretary must have believed, as I do, that the Boeing Co. design would have been even more difficult to develop. It is pretty obvious that if we had known how to build a TFX-type aircraft without difficulty, we would not be proposing to spend $1 billion for its development.

As I have stated, the Boeing design is more complicated. In addition to the complexity of a variable wing, it introduces other innovations which, it is thought, would increase the development time, cause the cost to mount, and not achieve the primary goal of producing one aircraft for all the services.

No sympathy need be wasted on these gigantic companies. Both have had their successes and both have had their failures and both have received a tremendous amount of Government business, approximating, during the 5 years an average of more than $1 billion each per year.

COMPLEXITY OF WEAPONS

In my discussion of the TFX I have mentioned the matter of complexities of defense weapons. Understandably both the military and the civilians in the Defense Department want the finest, most modern weapons that can be conceived. In the very early stages of research and design we can launch out into the wild blue yonder, but in the actual development of weapons we must get down to earth and make sure that the weapons to be developed are feasible and practicable of operation by the men of the armed services. Simply stated, often the plans and designs are beyond the state of the art. There are a lot of examples which would be cited.

A few years ago it was thought by the Air Force and other agencies of the Government that a nuclear powered airplane should be constructed. After over a billion dollars was spent on the project, it was decided that such an airplane was currently beyond the state of the art.

The Navy tried to build a jet-powered seaplane called the Seamaster. After an investment of about one-half billion dollars in this program, it was canceled. Earlier, the Air Force undertook development of a pilotless bomber-type missile called the Navajo. Before it was terminated in 1957, almost $700 million was down the drain. Some benefits accrued to the Defense Department but they were not worth the cost.

I am not pointing this out because I think that we should never try to develop a difficult weapon. We not only should, we must. But, we must also be very careful to define the capabilities of the weapon we want and to be as certain as we can that the state of the art is such that the weapon can be developed before it is obsolete.

We have had considerable difficulty in having weapons developed that were so complex that the military men assigned to operate them could not properly do so. We all applaud the technical and scientific accomplishments and capabilities of this age, but we just cannot let weapons become so complicated that they can only be operated by Ph. D.'s and men with degrees in engineering. We have good and intelligent people in the services but most of them are not technical geniuses. The Navy's three T's, the Terrier, Talos, and Tartar antiaircraft missiles are a prime example of what I am talking about. Although these weapons have been installed on ships for some time, they are not foolproof enough to be satisfactorily operated by the crews of the ships. A seasoning of practical thinking must be included in the technical planning of weapons.

RS-70

The RS-70 aircraft development program provided for in the bill as presented to the House, is the program recommended in the budget. It is proposed to obligate $81 million in fiscal year 1964 of the $155,800,000, available from prior year appropriations for the RS-70. The $81 million which the Defense Department plans to obligate in fiscal year 1964, leaves a remainder of $74,800,000 held in reserve, which is available only for the RS-70 program and which can be utilized for the program as the need arises. The Appropriations Committee included language in the bill which will make any part of the $125 million allocated to the Dyna-Soar program, and not used for that program, available for the RS-70.

Also, there is about $53 million budgeted for components which, if developed, would be useful on the RS-70.

While the Congress has supported the RS-70, and I have supported it and recently voted for additional authorization for the program, I think it is fair to say that the future of the manned strategic bomber in our defense inventory does not depend exclusively upon the RS-70. Funds are provided in the bill before us for studies of other types of aircraft which might either replace or accompany the RS-70. Three possible future types of strategic manned bombardment aircraft are being studied. The first reports from these studies will be available in July. This fall the Air Force will analyze them and study the possible application of these various types of aircraft to various 1970 situations.

In order to provide continuity in our manned bomber forces, we must develop and deploy an aircraft to replace the B-52 before it is phased out of the inventory. Testimony before the committee indicated that if a decision to develop a specific aircraft is made within the next 1 or 2 years, it can be developed in time to replace the B-52.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MAHON. Mr. Chairman, I yield myself 10 additional minutes.

Mr. ARENDS. Mr. Chairman, would the gentleman care to yield at this point?

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

Mr. ARENDS. I might ask the gentleman, for informational purposes, I recently read that there was a study going in the Pentagon to the effect that they should further explore the possibility of again opening up the production lines of the B-52 or the B-58 bomber and that such further studies and evaluations are presently being made. Would the gentleman care to make any comment on that?

Mr. MAHON. The Defense Department is not making any study, of which I know, about reinitiating the production of the B-52 or the B-58. I believe that some segments of the industry have been giving consideration to this sort of proposition in the event that this matter should develop. I personally do not believe that it will be desirable or that the Defense Department will recommend the additional production of the B-52 or the B-58. Under the present program for these aircraft they will be in the inventory in 1970. Many of them will be in the inventory through a large portion, in my judgment, of the 1970 period. So we will have to make some decision fairly soon in this matter, because we do want a balanced force and we must not rely exclusively on the intercontinental ballistic missile. But officials who appeared before our committee—and their testimony is in the record—said that we have 1 year or possibly 2 years in which to make a determination as to just what should be done about a follow-on weapon to the B-52 and the B-58.

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

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

Mr. SIKES. I think it might be helpful in clarifying the question asked by the distinguished gentleman from Illinois on the interest of the Air Force in further production of the B–58's. This came about through an informal inquiry from within the Air Force to industry as to the cost of producing an additional 200 B–58's if this should be found desirable.

Mr. MAHON. I thank the gentleman for this additional clarification.

REDUCTIONS MADE IN BUDGET

Some statement should be made on the reductions made in the budget by the committee and recommended to the House. I read a headline in a paper this morning, which was published last week, saying "House slashes defense program." I looked in the dictionary for the meaning of the word "slash" and I found it meant cutting with a sweeping action, or making a drastic reduction.

Let me assure you that the press announcement is exaggerated, because in my judgment, and I think it can be substantiated, the committee did not slash the budget. It made very studious efforts to bring about reductions and modifications in such a way that we would save money, that we would accentuate the public clamor and the congressional demand for better management and economy.

In the bill authorizing appropriations for certain procurement and research and development, the President's military budget was, in effect, cut by $408 million and the pending appropriation bill was reduced in this amount.

Additional reductions of about $1.5 billion are described in the committee report. These reductions are designed to generate more competition and more efficiency in procurement, require firm and reliable plans prior to the initiation of the procurement of new weapons and equipment, reduce excess amounts allocated to specific programs, and stimulate greater discrimination in the selection of research and development projects.

This about covers, in a very general way, the reductions in the President's budget which are recommended in the bill before us.

I will give you an example which will be crystal clear to you. There has been talk about a mobile medium range ballistic missile. It is not certain just where this missile would be used, and before it can be deployed in a friendly country the consent of that country could be required. In my idea the concept of such a weapon is good.

Last year the Defense Department asked us for $100 million for this project. We studied the situation, we made inquiry, and we said: You do not need a hundred million dollars. We do not want to cripple a program as important as this, but we will lop off $20 million and give you $80 million, which we did.

We were advised a short time ago that the Defense Department was utilizing only $25 million of the $80 million which we provided. A reduction of the kind we made could not be called a slash. The Defense Department came before us this year and said: Now, for the forthcoming year we would like to have about $143 million for the mobile medium range ballistic missile. Looking at the past, and undertaking to benefit by the past, we said, We will recommend a reduction of $100 million, because we do not believe you would use the $143 million requested. We will leave in the bill $43 million that you may use for development.

There are no funds requested for production, only for the development of the missile. Mere development will cost over $400 million. That is one example.

Another example I might give, of reductions made, is the $140 million reduction we made in the overall appropriation for personnel. We also provided for a portion of the funding of this account from additional transfers from the stock and industrial funds.

We found that the Departments had transferred from these accounts, or used from these accounts for unforeseen developments, which had not been presented to the committee, a total of over $400 million in a 2-year period. So we concluded that we could safely eliminate from the budget request $140 million. That is not a reduction which would bring about the elimination of one single man in the Armed Forces.

It is impossible to describe, in a brief statement in the House all of the various actions taken on a bill of the magnitude of the defense bill, but I commend the report to you for the details in which you might be interested.

In my opinion, most Members will applaud the efforts of the committee to maintain control of the purse by the Congress.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MAHON. Mr. Chairman, I yield myself 5 additional minutes.

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

Mr. MAHON. I will be glad to yield to the gentleman.

Mr. SIKES. Would it not be well to stress the fact that the reduction in personnel funds definitely does not mean a reduction in the numbers of personnel in the armed services? Even the Secretary of Defense is quoted as having said that a reduction of 60,000 would result from this cut. No such reduction in numbers of personnel is intended by the committee; nor is it necessary.

Mr. MAHON. The gentleman is eminently correct. I am not sure what the Secretary of Defense may have had in mind.

INCREASED DEGREE OF READINESS

The reductions should not be interpreted to mean that defense programs have been slashed; far from it. This is the second highest peacetime defense bill in the history of the Nation.

The bill is $7 billion higher than the Defense Appropriation Act of 3 years ago. During the past 2 years, we have appropriated $15.5 billion more for defense than during the prior 2 years.

This bill represents the continuing determination of the House that we shall maintain our military superiority and expand our military capabilities, that we support a policy of strength and firmness.

I have mentioned the increase in appropriations in the past 2 years. It should be pointed out that we now have three times as many nuclear weapons on the alert as we had in 1961. We have 16 combat-ready Army divisions compared with 11 at that time. We have three full Marine Corps division teams and the nucleus of a fourth as compared with three slightly understrength groups.

The number of tactical wings of the Air Force has increased from 16 to 21. Our capacity in terms of airlift, which is important to the mobility of our forces needed to protect our vital interests in many areas of the globe, has increased by 60 percent.

Our Army Special Forces which are designed to cope with the very limited and guerrilla-type warfare have increased threefold since 1961 and are to be expanded under the terms of this bill. Similar increases have taken place in Navy, Marine, and Air Force elements devoted primarily to these forms of special warfare. Thus, although we all earnestly hope for peace, we are obviously stronger and better prepared for coping with a wider range of military situations than we have even been in time of peace.

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

Mr. MAHON. I will be glad to yield to my colleague from Oklahoma.

Mr. EDMONDSON. The gentleman just stated we increased our airlift capability by 60 percent. Can you tell us over what period of time that increase was?

Mr. MAHON. We really effectively started in fiscal year 1961. Congress put a special appropriation in the Defense Act and appropriated $200 million above the budget. We said to the Joint Chiefs of Staff and the Secretary of Defense, "You have not been providing adequate airlift. Now we are going to put this money in the bill and make it available only for that purpose, and will you get on your horses and do something about it." They did, and this was the first time we had been able to accomplish that objective. It is a part of recent history of which the Congress can be proud.

Mr. EDMONDSON. I certainly want to agree with the gentleman on the importance of improving our readiness and reducing this time lag, and I congratulate the committee on its efforts in that direction.

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

Mr. MAHON. I yield to my distinguished colleague, a member of the committee.

Mr. FLOOD. Mr. Chairman, I was just going to say that I would not want the gentleman from Oklahoma to feel, on the question of airlift, that everything is as hunky-dory as he has been led to believe.

As a matter of fact, what the chairman has said is true, but by no means is the airlift adequate; by no means will it be adequate even under our pres-

ent planning for at least 3 or 4 more years, although we are doing probably as much as we could do under all the circumstances.

Mr. MAHON. I think that a word of caution is in order. We have a long way to go to be ready to project our forces quickly to a number of areas simultaneously. This is one of the problems with which we are confronted. We have made rapid strides forward but there are other problems ahead.

DEFENSE VERSUS NONDEFENSE SPENDING

The question of defense versus nondefense spending often arises in the debate on the Defense appropriation bill. In examining the situation, I think it would be fair to fix July 1, 1953, as a starting point, the beginning of fiscal year 1954. The Korean war had just concluded.

From fiscal year 1954 through fiscal year 1961, ending June 30, 1961, defense spending rose 1 percent over fiscal year 1954. During the same period nondefense spending increased by 65 percent.

Following the Berlin crisis in 1961, defense spending began to move upward rather sharply. It is estimated to rise during the current fiscal year to a level of 12 percent above fiscal year 1954, and through the coming year, the fiscal year ending June 30, 1964, it is estimated to increase to a level of 18 percent above 1954. The comparable percentage increases for nondefense spending during the fiscal years 1963 and 1964 are 101 and 111 percent, respectively. The figures for fiscal years 1963 and 1964 are estimates and are subject to slight change when final compilations are made.

In making the foregoing comparisons, I have used spending figures rather than appropriations figures and I have included in defense spending not only those resulting from regular military functions of the Defense Department, but expenditures for foreign military assistance, atomic energy, stockpiling, selective service, civil defense and emergency preparedness, and expansion of defense production. I shall include a table of figures on both expenditures and new obligating authority:

Analysis of new obligational authority and budget expenditures for the fiscal years 1954–64

[In millions]

Fiscal year	National defense functions				Other than national defense				Budget totals	
	New obligational authority		Budget expenditures		New obligational authority		Budget expenditures			
	Amount	Percent of budget totals	Amount	Percent of budget totals	Amount	Percent of budget totals	Amount	Percent of budget totals	New obligational authority	Budget expenditures
1954 actual	$38,901	62.1	$46,986	69.6	$23,864	37.9	$20,551	30.4	$62,765	$67,537
1955 actual	33,656	59.0	40,695	63.2	23,420	41.0	23,694	36.8	57,076	64,389
1956 actual	35,903	56.8	40,723	61.5	27,295	43.2	25,501	38.5	63,198	66,224
1957 actual	40,234	57.3	43,360	62.9	29,945	42.7	25,606	37.1	70,179	68,966
1958 actual	40,448	53.0	44,234	62.0	35,897	47.0	27,135	38.0	76,345	71,369
1959 actual	45,517	55.9	46,491	57.9	35,848	44.1	33,851	42.1	81,365	80,342
1960 actual	44,761	56.3	45,691	59.7	34,813	43.7	30,848	40.3	79,574	76,539
1961 actual	45,994	53.1	47,494	58.3	40,681	46.9	34,021	41.7	86,675	81,515
1962 actual	52,414	56.4	51,103	58.2	40,448	43.6	36,684	41.8	92,862	87,787
1963 estimate	54,490	52.8	53,004	56.2	48,702	47.2	41,307	43.8	103,192	94,311
1964 estimate	56,702	52.5	55,433	56.1	51,225	47.5	43,369	43.9	107,927	98,802

NOTE.—The data on this table corresponds to the classification used in the 1964 budget. "National defense functions" include Department of Defense military functions, including foreign military assistance, Atomic Energy Commission, stockpiling of strategic and critical materials, Selective Service System, expansion of defense production, civil defense and emergency preparedness activities.

Mr. Chairman, I have no disposition to take too much of the time. I have discussed, with your indulgence, some of the important matters.

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

Mr. MAHON. I yield to my friend from California.

Mr. BALDWIN. Mr. Chairman, I would like to ask a question dealing with section 539 on the last page of the bill. This section reads:

> Of the funds made available in this Act for repair, alteration, and conversion of naval vessels, not to exceed $352,752,400 shall be available for such repair, alteration, and conversion in privately owned shipyards.

It is my understanding that a similar provision in last year's act was worded in a different way to say that not less than 35 percent of these funds would be allocated to private shipyards. May I ask for an explanation of the reason for the change in wording?

Mr. MAHON. The gentleman has asked a very good question. The House last year provided a rigid requirement that a certain amount, 35 percent, of ship repair, alteration, and conversion should be done in the private yards.

The House voted on this, after some considerable controversy, and approved the position of the committee. But when the bill went to the other body, the House language was changed and a loophole was inserted to enable the Secretary of Defense in the event of an emergency to set aside this allocation of business to private yards. It was established, we thought, before the committee, that the private yards were more economical and saved considerable funds in this program, but the language in the bill of last year would be subject to a point of order because of the addition in the other body, so we came up with the language of section 539. However, the objective of this language, and we have made this known to the Secretary of Defense and others, is to create the same situation we had last year, which would allocate on a 65–35 basis this type of work to the public yards and to the private yards. That is the history of the situation.

Mr. Chairman, I commend to the House the reading of the report. I think that when you vote for this bill, as I believe all of you will, you can go to your people and you can say, "For myself, I stand for firmness and military superiority on the part of my Nation. When I voted for $47 billion for the Department of Defense for the forthcoming fiscal year I thought then and I think now that these funds will enable us to continue to be the most powerful country in the entire world."

That is the way we want it, and in my judgment that is the way the people at home want it.

Mr. FORD. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, we have before us this afternoon $49 billion of the $54 billion requested for the major aspects of our national security program. The total requested for the Defense Department and related agencies of our national security in the President's budget for 1964 is approximately $54 billion.

Any program as comprehensive as this one, involving as many dollars, and concerning as many people in civilian and military capacities, could hardly be unanimous. One evidence of a lack of unanimity is the fact that all three military services when they made their budget requests to the Secretary of Defense in total requested approximately $67 billion of new obligational authority for the fiscal year 1964. The Secretary of Defense in his wisdom in the final analysis recommended to the President and the President has recommended to us $54 billion in new obligational authority for 1964 in this area of our national security program.

The Secretary of Defense on more than one occasion has spoken with some pride about his recommendations for reductions in the budget requests made to him by the respective military services. He indicated to the subcommittee that he took a long hard look at the $67 billion of departmental requests and finally reduced it some $13 billion—to $54 billion.

May I say parenthetically at this point, although I have great respect for the

Secretary, he is not the only Secretary of Defense in the last 12 years or more who has gone through precisely the same process. As a matter of fact, the record will show that even during the Korean war, former President Truman indicated publicly at one time that he had been requested by the various services to make available in his budget $104 billion for a fiscal year. Former President Truman indicated that he and his Secretary of Defense had made reductions in that budget to a level of approximately $60 billion.

The record also shows that in 1953 the Secretary of Defense and the President at that time made reductions of $16 billion in the original budget figures proposed by the respective services.

In 1957 the services requested $4½ billion more than the Secretary of Defense and the President allowed.

In 1958 the various services, Army, Navy, and Air Force, asked for $6 billion more than the President and the Secretary of Defense recommended.

Secretary McNamara should be commended for finding a way to reduce funds originally requested by the Army, Navy, Air Force, and Marines by $13 billion and at the same time provide sufficiently for our national security. However, he has been following this year, last year, and the previous year, much the same process in this regard that his predecessors have done in a similar situation.

During the consideration of this budget, as the report shows, we had a substantial number of Department of Defense witnesses. We had a number of outside witnesses. The report indicates we had more outside witnesses than any time in the past. We had, for example, witnesses who covered the spectrum. On the one hand, we had Prof. Seymour Melman, a professor at Columbia University. Professor Melman and a group of his associates in the academic world came before the committee and recommended a military budget for fiscal year 1964 of $34 billion in contrast to the budget submitted by the President and Mr. McNamara. This was a budget Professor Melman categorized as a budget for the maintenance of present forces. He had another budget in this document which is entitled "A Strategy for American Security" called the finite deterrent budget. Under this heading, the amount he would recommend would be $9 billion plus. This would be a reduction of about $45 billion in the President's recommendation.

On the other hand, and at the other end of the spectrum, we had the American Legion and other similar organizations proposing that the committee approve far more funds than proposed by the Secretary, Mr. McNamara, and the President.

These organizations favored more money for the RS–70, for the Nike-Zeus, and for a number of other weapons systems, plus additional funds for added personnel.

Mr. Chairman, the committee in its wisdom analyzed the recommendations by the President and Mr. McNamara as well as the proposals by these various organizations such as the American Legion and the group headed by Professor Melman. We came to the conclusion that the budget submitted by the President and Mr. McNamara could be bona fidedly and legitimately reduced to the extent of $1.9 billion against a request in this appropriation bill of $49 billion. This is a reduction of 3.9 percent.

Mr. Chairman, I would like to point out at this point that this reduction below the figures proposed by Mr. McNamara and the President constitutes the greatest dollar cut and the largest percentage cut since the consideration of the fiscal year 1958 budget for the Department of Defense. The overall reduction is $1,922,028,000 and let me assure you these dollar reductions are meaningful. For example, in fiscal year 1958 the House of Representatives, under the leadership of the chairman, the gentleman from Texas [Mr. MAHON] reduced the military budget by $2,565 million. This was a reduction against the total request of $36,128 million. Almost without exception since 1954 this committee has recommended to the House of Representatives reductions in appropriation bills for the Army, Navy, and Air Force. But I say again this cut this year is the largest dollarwise or percentagewise since the consideration of the 1958 fiscal year Defense Department budget.

Mr. Chairman, during the hearings this year Secretary McNamara was before the committee for a week or more. He had a very comprehensive statement. In some instances I took exception to programs that he recommended and dollars that he proposed in the budget. For example, I took exception to a statement made by the Secretary of Defense concerning our strategic retaliatory forces. Permit me to read what the Secretary said, in part, in his prepared testimony. It appears on page 311 of part 1 of the hearings:

> We are approaching an era when it will become increasingly improbable that either side could destroy a sufficiently large portion of the other's strategic nuclear force either by surprise or otherwise to preclude a devastating retaliatory blow. This may result in mutual deterrence, but it is still a grim prospect.

Mr. Chairman, these two sentences seriously disturbed me.

On page 312 of the hearings I asked Secretary McNamara this question:

> When do we reach this period of mutual deterrence which is a grim prospect?
>
> Secretary MCNAMARA. I think the date on which we reach it is difficult to pinpoint with any accuracy because in part deterrence is a frame of mind.
>
> Mr. FORD. Why must we assume that this is going to come to pass?
>
> Secretary MCNAMARA. Well, I have not assumed it. I have said "We are approaching an era when it will become increasingly improbable." I do not assume it is coming to pass. I believe we are approaching that era.
>
> Mr. FORD. Why do we have to approach that era? Are we so unimaginative, lacking in skill and diligence, to permit this to be upon us relatively soon?

After the response by the Secretary, I went on:

> Mr. FORD. In other words, you are saying that for technical reasons, scientific, engineering reasons, we have to assume that we are moving into an era of mutual deterrence.
>
> Secretary MCNAMARA. Again, when you add the word "assume," I am not trying to be excessively technical now, but I do not assume it; I believe it.
>
> Mr. FORD. I think that is even worse than assuming it.

In other words, if you read carefully what the Secretary has said in his prepared statement to the committee, he is telling our committee, the Congress, and the American people that we have reached a position of mutual deterrence as we confront the Soviet Union. I do not want to get into an argument as to whether one word or another or one phrase or another more accurately spells out what we are talking about; but there are many people who will say that mutual deterrence is identical with the phrase "nuclear stalemate" and other phrases that imply or infer the same thing.

I want the record perfectly clear. In my judgment, we are adopting the wrong attitude, a bad frame of mind, when we concede that we are inevitably in a period of mutual deterrence, regardless of what we do programwise and dollarwise.

As I read the Secretary's statement, and, furthermore, based on my interrogation of him, I had the distinct impression he is personally convinced that regardless of what we do we cannot avoid this condition of mutual deterrence or nuclear stalemate. I reject that philosophy, attitude, or frame of mind. I am convinced that American ingenuity, American initiative, and American industry can prevent this condition from taking place.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. FORD. Mr. Chairman, I yield myself an additional 15 minutes.

Mr. Chairman, the money provided in this bill will permit an end year military strength for all branches of the services of 2,695,000. This will provide an end strength for the Army of 975,000, the Navy 670,000, the Air Force 860,000, and the Marine Corps 190,000. It will also provide for a paid drill strength for all the Reserve forces of 969,900.

The total active duty manpower for the Army, Navy, Air Force, and Marines, although it is a figure of 2,695,000, the end strength will actually be 8,334 less than the end strength on June 30 of fiscal year 1963.

In my opinion, the reductions which have been made in the personnel account will in no way whatsoever prevent the Department of Defense and the various services from carrying out their planned personnel programs. In other words, each of the services, with the dollar reductions we have made, can maintain the active duty strength set forth in the President's budget.

Over the last 3 or 4 years, perhaps longer, in the personnel account for the Army, Navy, and Air Force, there has apparently been a dollar cushion. What is the evidence to substantiate that statement? For the last 3 or 4 years the Department of Defense and the various services have been able to absorb the added costs of various emergencies such as the Cuban crisis and the Berlin crisis.

In addition, the services have been able to take some obligational authority out of personnel accounts and transfer it to the emergency account for utilization elsewhere. Our committee looked at the past history and, based on the facts of the past made reductions in fiscal 1964 in the personnel accounts. If an emergency arises in fiscal 1964, an unforeseen contingency, and they need money, the proper procedure for the Defense Department is to come to Congress with a supplemental. Then all the facts can be determined on their merits. There should not be any water in this bill to meet contingencies and unforeseen circumstances for the future.

In the personnel accounts we made some extra reductions by transferring obligational authority from the stock and industrial funds to the personnel accounts. I know that the various services will complain that we have in effect depleted their inventories in the stock and industrial funds; that we have withdrawn too much cash. I formerly listened to those complaints with some sympathy. However we have made these transfers over the last 7, 8, and maybe 10 years. Each year the services said these transfers would create hardship on their inventories and would interfere with the efficient and proper utilization of the inventories and our cash balances. The facts then seem to be the contrary when the committee hears testimony the following year. Almost without exception, despite these withdrawals from the stock and industrial fund, the Secretary of Defense in the succeeding year recommends additional transfers. The committee in this bill simply says that the proposals for transfer by the Secretary and by the President were insufficient and, therefore, we recommend greater transfers. I do not think that the various departments can justify any criticism of this proposal.

The chairman has made some comments about the RS–70. The facts are set forth, I think fairly well, on pages 4 and 5 of the committee report. Through fiscal 1963 $1,750 million has been made available for the RS–70. Last year we provided $191 million over the budget request. Because of this overfunding last year, there is about $155 million available for fiscal 1964 and succeeding fiscal years for the completion of the RS–70 three-aircraft prototype program.

However, I am not sure they can complete the three-aircraft prototype program with $155 million. There have been extensive overruns, dollarwise. There have been extensive slippages in the overall program. I am convinced the Air Force will need more than $155 million to complete the three-aircraft prototype program. In order to take care of that situation we have a provision in the research and development part of the bill giving authority to use part of the Dyna-Soar funds if there is such a need.

Mr. MACGREGOR. Mr. Chairman, will the gentleman yield for a point of information on the RS–70?

Mr. FORD. I yield to the gentleman.

Mr. MACGREGOR. The gentleman has referred to certain slippages in the program. I think members of the committee would be interested in knowing from the committee on which the gentleman from Michigan serves when we might anticipate the first prototype RS–70 model to fly.

Mr. FORD. It is very difficult to be precise. If you ask the Department of Defense they would probably tell you in September. If you ask the Air Force they will indicate August. Based on the slippages of the past my own forecast is that the first flight will take place in October.

Mr. MACGREGOR. I thank the gentleman.

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

Mr. FORD. I yield to the gentleman.

Mr. MAHON. It might be pointed out that it was stated last year that the first flight would be in December 1962.

Mr. FORD. So there is almost a 9-month delay in the flight of the first aircraft.

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

Mr. FORD. I yield.

Mr. LAIRD. If I were a betting man I would wager that it would not be until December.

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

Mr. FORD. I yield to the gentleman from California.

Mr. COHELAN. The gentleman knows of my interest in this problem and my previous testimony as a member of the authorizing committee. I want to share the feeling of the gentleman from Wisconsin. I predict December, but I would like to ask the gentleman quite seriously if he can tell the committee a little more about what the problems are in connection with the slippage.

Mr. FORD. The principal technical problem in the aircraft is the fuel problem. They have had great difficulty with the sealing of the fuel tanks and fabrication of the aircraft. As a consequence, the authorities felt they could not fly the plane with safety. Until they lick these problems, they will not fly the first aircraft. I hope it is flown in October. The Department should finish the other two aircraft as rapidly as possible. We can derive tremendous benefit from the program. On the other hand to some extent, the program has been overcome by the passage of time, new technical developments, and tactics. In my judgment, we must complete the three aircraft RS–70 program, and Secretary McNamara has assured us this will be done. From the RS–70 we go on into new high performance, long-range, long-endurance, manned aircraft. There is a need and a serious need in this area even though it now appears that the RS–70 is not the particular plane for the responsibility.

Mr. COHELAN. Mr. Chairman, will the gentleman yield briefly?

Mr. FORD. I yield.

Mr. COHELAN. Mr. Chairman, I want to say that I concur heartily in what the gentleman is saying. I believe there is great benefit to be derived from the present planes that are in this research and development program. But again I commend the committee for its prudence.

Mr. AVERY. Mr. Chairman, will the gentleman yield before he reaches that particular point?

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

Mr. AVERY. I am sure the gentleman realizes that this particular subject is of more interest to more Members than any other he might touch on this afternoon. Can the gentleman tell us if there is any coordination in the research that has taken place at the defense level on the RS–70 or the B–70, call it what you may and the effort that we are reading about in the papers that is being expended by the FAA and the CAB in the development of a mach 2.5 or 3 commercial aircraft? Is there any coordination in the research or their two programs?

Mr. FORD. I happen to know that at the time the final decision was under consideration by the President, the Defense Department, NASA, FAA, the Commerce Department and other agencies were present to make the final recommendations. Yes, there will be some benefits derived from the RS–70 program in the development of the supersonic aircraft for commercial utilization. Most of the benefits, however, will be in the area of the airframe. The powerplants that are being produced for the RS–70, the engines, most likely will be of very little benefit to the supersonic commercial aircraft.

The RS–70 engines have been developed only for military purposes, where fuel consumption is a different problem, where noise is not a factor. When you build a supersonic commercial aircraft you have to land and take off in commercial airports. Noise is a factor under these circumstances. A supersonic commercial aircraft also has to be designed so that it will be commercially profitable. It cannot have an excessively high fuel utilization because if it does the operating cost goes up. So the powerplant in the supersonic commercial aircraft will be quite different from the RS–70 plane. I am told that of the $750 or $800 million that will be needed for the development of the supersonic commercial aircraft, almost $500 million of it will be for the development of the new engine to take care of these two points I mentioned.

Mr. AVERY. I thank the gentleman for yielding.

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

Mr. FORD. I yield to the gentleman from California.

Mr. GUBSER. I was thinking of all programs development for weapons systems. The RS–70 is one. It has been decelerated or slowed down from what was originally contemplated. My understanding is that the Dyna-Soar program has been slowed down to some extent. The Skybolt program has been canceled. The Nike-Zeus program has been slowed down. I wonder if the gentleman could tell me of any additional development programs for weapons systems which have been slowed down, and if he could also tell me of any that have been speeded up.

Mr. FORD. The gentleman has asked a very important question. I must say

at the outset, however, he has oversimplified several of the statements he made before he asked the question. On the other hand, I am concerned, and my concern is reflected in the committee hearings, that there have not been any major weapons system breakthroughs in the last several years. I did ask some questions on this point. The responses indicated that the Defense Department and the various services were trying to finish up some of the important programs that had been started in years preceding. On the other hand, the Department of Defense did provide a list that was prepared by the Director of Research and Development of so-called new weapons systems that had been initiated or speeded up or completed within the last several years. However, in my opinion none of these are what you might call a big dramatic weapons system breakthrough. This situation really bothers me when I look back at what the Secretary of Defense said about the condition of a mutual deterrence and the grim prospect of the situation we face.

Mr. GUBSER. I was about to ask whether or not it was the gentleman's opinion that this situation we have been alluding to might not be caused from a reliance on the mutual deterrent philosophy. I should like to ask the gentleman if reliance upon this delicate state of balance called mutual deterrence is not very easily upset by such a simple thing as, for example, deployment of as few as 41 missiles to Cuba and 41 IL-28 bombers to Cuba. Cannot the mutual deterrence theory be upset by the simple deployment of a very few weapons?

Mr. FORD. To honestly answer the question of the gentleman from California, I would have to take more time than I have on the floor today. Certainly, the deployment of Soviet forces and Soviet military hardware to Cuba within the last year have created a serious new problem in addition to the problems we already had. Certainly, the missiles that were deployed and erected and that were in the process of being erected in Cuba in September and October of 1962 created serious—dreadfully serious problems to the military security of the United States. How this situation relates to the overall problems of mutual deterrence is hard to be precise about at this time. But, it was certainly not healthy then and it would be a lot healthier now if all Soviet personnel and all Soviet hardware were out of Cuba right now.

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

Mr. FORD. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I share the concern of the gentleman, if I read his feeling correctly, from his remarks about the fact that the past 2 or 3 years have seen no significant breakthrough in the field of weapons' systems. I just wonder if the gentleman would comment on the understanding which I believe exists, that the military role in space has been restricted, and that the license for deployment of weapons' systems in space have been very severely curtailed for the Armed Forces, and would the gentleman tell us whether he thinks this understanding is limiting the capacity of the Armed Forces to make a breakthrough in the weapons field?

Mr. FORD. There are many people in the military, particularly those in the Air Force who feel that we should be doing more in space. I think the facts are that our defense budget for fiscal year 1964 contemplates about $1,200 million for space programs in all three services, most of it going to the Air Force. What concerns me primarily is a tendency on the part of many people to say there is no military potential in space and, therefore, we are not going to do as much in space as we should. When you deny there is a military potential and seem to brush the problem aside, this attitude tends to hamper the imagination that many people would like to utilize in looking at the problem and finding solutions to it.

For example, about the only real space vehicle with any potential military value in the whole Defense Department program is Dyna-Soar. I concede it has no military potential right now. However, it is maneuverable. It is a program that our committee for the last 2 or 3 years has strongly urged for action by the Department of Defense. However, the Committee in February, when Secretary McNamara was before it, was astounded to find that there was a feeling in the Department that the program ought to be canceled and that the Air Force should go for Gemini. Subsequently Secretary McNamara and his advisers looked at the Dyna-Soar program at Boeing's plant. Apparently they came back impressed. So we have had less and less talk in recent weeks about the cancellation of Dyna-Soar. On the other hand, in this period from February to June, the alternative program, Gemini, which is not maneuverable has slipped badly. NASA has not been able to keep up the Gemini schedule. So the net result, in my opinion, it would be very unwise to cancel Dyna-Soar and to put all our chips on Gemini. In my judgment, if NASA wants to proceed with Gemini and if the Air Force wants to be a partner in Gemini, that is fine.

Mr. Chairman, on the other hand, it would be most unwise to cancel Dyna-Soar and put all our eggs in the Gemini basket. This would not make sense as far as I am concerned.

Mr. EDMONDSON. Mr. Chairman, if the gentleman will yield further, I certainly appreciate the gentleman's remarks along that line. I hope that the gentleman would agree with me that advanced technological programs designed to provide the ability to maneuver in space are a very essential part of our preparedness picture for the future and should be pressed progressively by the Armed Forces and supported further by the Secretary of Defense.

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

Mr. FORD. Yes, I yield to the gentleman from Texas.

Mr. MAHON. In order to have the point made at this place in the remarks, there is in the bill $1.2 billion for space activities to the military.

Mr. FORD. I agree that we have a substantial amount in the bill for military space programs. There is $125 million of it in Air Force research and development for Dyna-Soar. As I said a minute ago, I hope we continue with Dyna-Soar.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from California.

Mr. MILLER of California. I am quite interested in the gentleman's remarks, because they leave the connotation that the space effort is perhaps trying to limit what the military is doing. I am certain that the gentleman from Michigan does not want to leave that thought, but that there is coordination between the two and that NASA works very closely with the Air Force. I am sure that the gentleman would not want to see a duplication of effort just so that one branch of the Government can say that it is ahead of the other in some program.

Mr. FORD. I do not want the inference left that we should not have a sound civilian space program. On the other hand, the facts are that in many respects there has been a lack of cooperation and excessive duplication between the defense program and NASA. There is a Department paper available, prepared by responsible people, which clearly sets forth that as far as the Atlantic Missile Range is concerned, NASA and the Defense Department were spending money, wasting effort that could not be justified. Each department or agency wanted the same facilities and the same responsibilities. This duplication cannot be condoned. I hope and trust that something is being done about it. We have been assured that there is an effort in that direction.

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

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

Mr. LAIRD. I would like to call to the attention of our colleagues in the committee a series of questions that the gentleman from Michigan [Mr. FORD] directed to Dr. Brown, head of research and development for the Department of Defense on this very question of coordination between NASA and the Department of Defense. The colloquy begins on page 157 of part 6 of the hearings. The gentleman from Michigan [Mr. FORD] went into some detail in this particular area. Anyone reading this hearing record could come to no other conclusion than that the Department of Defense and NASA do not have proper coordination, as Dr. Brown felt that it was not his responsibility to review NASA programs and facilities and he did not think it was their responsibility to review his.

Mr. Chairman, I would commend the reading of this particular record to every interested person here in the Congress, because the gentleman from Michigan [Mr. FORD] has made a very good and clear record on this subject of coordination between Defense and NASA.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. FORD. Mr. Chairman, I yield myself 10 additional minutes.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield further?

Mr. FORD. I yield to the gentleman from California.

Mr. MILLER of California. I am sure that the gentleman is familiar with the fact that NASA and Department of Defense have worked out an agreement for the use of their respective activities at Cape Canaveral; that NASA has acquired land at Cape Canaveral perhaps greater in extent than the original cape, and that part of this will be used by the Air Force; that they have worked out these agreements and that it has taken some time, but on the working level they have worked them out.

All we are interested in in NASA is to keep the program for the peaceful use of outer space going, and to make sure there is no duplication on the other side. We have heard a lot about Gemini and the Defense Department being interested in Gemini. Now, Gemini, in no sense of the word can be compared with Dyna-Soar. It is not supposed to be, and we hope to bring about through main space vehicles that will make space stations.

Mr. FORD. May I say to the gentleman from California I am in favor of the civilian space program, but I do not want NASA taking over, and dictating and running the Defense Department space program. When the Authorization Act, the basic law, for NASA was drafted, I was on the select committee that drafted it. We were very careful to make certain that NASA would not take over the proper responsibilities of the Department of Defense in space. I do not want NASA, with its growing pains, overreaching itself. Unfortunately, there is some evidence it has.

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

Mr. FORD. I yield to the gentleman from California.

Mr. GUBSER. I would like to cite a case in point. A few months ago members of the Armed Services Committee went to the Redstone Arsenal in Alabama to study a proposal by the Army for a guidance control laboratory. I was surprised to find that at this Army installation more than $51 million in assets had been transferred to NASA, along with 3,100 competent scientific personnel. A tremendous complex has been built there by NASA at the Marshall Space Center. Now we are being asked to build duplicate laboratories for use by the U.S. Army in its missile program, when right across the street we have NASA doing the same kind of work. I think that is an example of lack of coordination between the NASA and the Defense Department.

Mr. FORD. I would like to say a word now about Nike-Zeus.

Nike-Zeus, as all of you know, is our only serious antimissile weapon program. Thus far through fiscal 1963 we have made available to the Defense Department $1,454,600,000 for the Nike-Zeus program. In the bill that you have before you there is an additional amount of $88,955,000 for Nike-Zeus. On the other hand, there is $245 million requested for the follow-on program of Nike-Zeus, now known as Nike-X.

It has been determined that Nike-Zeus would not be capable of handling air defense problems presented by the newer version of ballistic missiles. It was therefore determined that improvements had to be made in the basic concept.

Within the last 6 months or a year we have developed a better missile for Nike-Zeus, called Sprint, and we have developed a far better radar. Both the new radar and the better missile are not hardware yet.

When they do become hardware we will be in a position to determine whether or not we should go from research and development in either Nike-Zeus or Nike-X to procurement and production.

May I add this footnote, and this is important: Look at the testimony given by Dr. Harold Brown, Director of Research and Development. He categorically says that we should not spend one penny on procurement for Nike-Zeus or Nike-X unless we go into a big civilian defense program of fallout shelters. It is in the testimony categorically—no Nike-X, no Nike-Zeus procurement unless the Congress is willing to embark upon a big fallout shelter program. So, if there are enthusiasts for Nike-X or Nike-Zeus, they had better be enthusiasts for a fallout shelter program of considerable magnitude.

One comment or two about Army modernization. I think we are going too fast. In fiscal 1962 the Army had in the account for the procurement of missiles and Army hardware $2,500 million. In fiscal 1963, in the Pema account there was approximately the same availability. In fiscal 1964 the Department asked for $3,200 million. This is about a $700 million increase in funds for the Army in the procurement area. I think this is proceeding at too rapid a rate. In this bill before you there are reductions in the Army Pema account of $232,906,000. In my judgment the reduction could have been greater. We could have slowed the modernization program without any serious handicap to our military capability. We do not have to modernize in 1 or 2 years. We can do it over a slightly longer period of time. This would not necessarily save any money but it would have a better impact in my opinion on our overall fiscal situation.

In this program before you, this bill that you are about to vote on tomorrow, I indicated there were approximately 1 million men in a paid drill status for the various Reserve Forces. In the Army National Guard we have provided language in the bill and language in the report which calls for a program strength of 400,000. In the Army Reserve we recommend in the bill and in the report a program strength of 300,000. However, it is not anticipated that in the Guard or the Reserve they will reach 400,000 or 300,000. We have not put money in to finance the total of 700,000. The President requested and the Secretary of Defense recommended funds only sufficient for a Guard strength of 384,400 and a Reserve strength of 281,000, or a total strength of 665,400.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. FORD. Mr. Chairman, I yield myself 5 additional minutes.

On the other hand, the committee says on page 10 of the report that if the Guard and the Reserve can meet the higher figures, that a supplemental request should be made to the Congress, and the committee would be sympathetic in its consideration of the proposal.

The reason the President and the Secretary of Defense opposed more money for the Guard and the Reserve is that new criteria have been established for recruiting. At the present time the Guard and the Reserve when recruiting must meet the same standards that are imposed on men seeking to join the active Army. In addition, the Guard and the Reserve cannot have overstrength in certain areas and understrength in others. Both of these criteria in my opinion are sound. I, therefore, subscribe to the dollar amounts and the program that we have submitted to you in this bill.

May I add a word or two about section 539 of the bill? It is the provision that refers to 35–65 for Navy ship repair, alteration and conversion. Last year at the time this bill was considered we had a real donnybrook on the floor because the committee at that time had recommended a very rigid program of 35 percent for private yards and 65 percent for Navy yards in the area of repair, alteration, and conversion. The gentleman from Georgia, the distinguished chairman of the House Committee on Armed Services, objected to this provision. We had extensive debate. We had a teller vote and on the teller vote the Committee on Appropriations was upheld by a vote, as I recall, of 130 to 64—better than 2 to 1.

When the bill went over to the other body the Senate made a change in the language and provided an escape clause. In conference we in the House agreed to the original language with the escape clause to provide the Secretary of Defense certain flexibility, whereby he could set aside this 35–65 formula if there was an emergency.

As the chairman, the gentleman from Texas, indicated, the provision that was in the 1963 law which President Kennedy and which Secretary of Defense McNamara endorsed could not be brought to the floor of the House because of a parliamentary situation. If this language which is in the 1963 law were before you today and tomorrow it could be stricken on a point of order because of the escape clause. In order to avoid this problem, the committee has written new language which is not entirely satisfactory to me. On the other hand, the language in the committee report is very categorical; the Secretary of the Navy and the Department of Defense are to live up to the allocation of 35–65. As the chairman, the gentleman from Texas [Mr. MAHON], indicated, we have assurances from the Secretary of the Navy that the Navy will live up to the 35–65 split. There is no mistake about these assurances.

What is the justification of 35–65, the allocation of 35 percent of the repair, alteration and conversion funds to private yards and 65 percent to Navy yards? There is ample evidence to justify the

35–65 provision. Admiral James in testifying before the committee on the bill for fiscal year 1963, part 4 of the hearings, pages 248 and 249, said that if they took all of their Navy shipbuilding program and put it in private yards and put none in Navy yards the Bureau of Ships could save $70 million.

Admiral James, who was the head of the Bureau of Ships in testifying on the fiscal year 1962 bill, part 5 of the hearings, page 271, estimated that savings of 8 to 15 percent could be made if repair, alteration and conversion were done in private yards in preference to Navy yards.

This issue was so controversial last year that the Navy decided it would make a check and produce an unbiased report. The Navy hired the very reputable accounting firm of Arthur Anderson & Co., of Chicago. They spent $200,000 to have an unbiased judgment made of the relative cost between private yards and Navy yards.

Here is a copy of the Navy analysis, for which they paid $200,000. This report categorically says that the Navy yards—the 11 of them—are far more costly to the taxpayers than the private yards in every category whether it be new construction, repair, alteration, or conversion. This report indicates that the Navy yard costs compared to the private shipyards ranged in excess of 5 percent for alterations to over 30 percent for types of new construction, and includes a 10-percent add-on for ship repair.

The Secretary of the Navy endorses this report; the Secretary of Defense is impressed with it. Once and for all it proves that Navy yards for some good reason are more expensive, more costly than private shipyards. Therefore, how can anybody argue legitimately that we should not provide that the private yards have at least 35 percent of the repair, alteration, and conversion funds?

I should like to say a word or two in anticipation of some comments that might be made by other Members of this body later on. In the fiscal year 1963 the naval shipyards, despite the 35–65 distribution, had more dollars assigned to them for repair, alterations, and conversions than they have had in any year since 1959. According to the Navy's own figures, in this current fiscal year the Navy shipyards will have almost $602 million in the Navy yards for repair, alterations, and conversions. This is a larger figure than any year since 1959.

If the appropriation bill before you is approved as it is, in fiscal 1964 the Navy shipyards under a distribution of 35–65 will have more funds available than any year since 1957.

It was inaccurate to say, that under the fiscal 1963 35–65 program there would be a cutback of 5,000 Navy shipyard employees. This was the prediction last year as we debated the bill. Furthermore, under the fiscal 1964 program there can be no cutback in personnel in Navy shipyards because of 35–65 alone.

The Bureau of Ships will have much more money than they have had in past years. The division of funds based on 35–65 in and of itself will not interfere with the shipyard employment in the Navy shipyards.

The CHAIRMAN. The gentleman from Michigan has consumed 1 hour.

Mr. FORD. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

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

Mr. FORD. I am glad to yield to the gentleman.

Mr. WHITTEN. In this connection, and I think the gentleman has made a very fair presentation of the division of the funds made available, I would hate for this subject to close without making it clear that involved here is the defense of the country and the necessity of keeping the Government Navy shipyards open and available. Also, I would point out that there is involved here the matter of whether strikes can be carried out or whether they cannot.

Further, the committee, as an arm of the Congress, is faced with the necessity of keeping both the Government Navy yards and the private shipyards available and in healthy condition so that if strikes do come along, we can turn to the Navy Government yards and, on the other hand, if they do not come that we keep the other yards alive and available. I suggest that the question of the money involved and the question of employment is not the sole criterion on which the committee must act.

Mr. FORD. I am sure the gentleman from Mississippi knows very well I am not interested in trying to gut, so to speak, the Navy shipyards.

Mr. WHITTEN. I think the gentleman has been most fair in his attitude. But I just want to point out here that it is not a case of who works and who does not work and who gets money and who does not get money. The question is, how to keep both the Government Navy yards and the private yards available in a time of real need.

Mr. FORD. We do need an adequate—a wholly adequate—Navy shipyard program. But, on the other hand, they must be competitive with private yards if the taxpayers are to get a fair break. We need Navy shipyards in order to have a base in time of war. We also have a need for Navy shipyards in case there is a nationwide strike in the private yards. On the other hand, we must point out in fiscal year 1963, this year, the Navy yards in repair, alteration, and conversion are going to have almost $602 million. Furthermore, if the Department divides the proposed funds in fiscal year 1964 on the basis of 35–65, the Navy yards will get approximately $655 million which is a bigger amount than they have had since 1957.

Mr. Chairman, in conclusion I want to say without hesitation or qualification that despite the reductions made by this committee in the consideration of the military budget, in my judgment, the Defense Department in every respect will be fully prepared and totally adequate to provide this country and the free world with sufficient strength to meet any emergency. I am convinced also that the reductions that we have recommended will help Secretary McNamara in his diligent and conscientious efforts to achieve economy and to achieve efficiency in the Department of Defense. It would have been a mistake to rubberstamp his recommendations and the recommendations of the President. The Congress has a responsibility to act independently on Defense Department programs, policies, and dollar requests. Defense Department views are not sacrosanct. We want to help the Secretary. We want to aid him. We want to cooperate with him in his desire to achieve maximum results with the funds available. I am convinced that by these reductions of about 4 percent—selective reductions and across-the-board reductions, he can do a better job than he would have been able to do with the larger amount and furthermore these reductions will help, not impair, our defense programs.

Mr. SHEPPARD. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. COHELAN].

Mr. COHELAN. Mr. Chairman, while the bill before us today does not include all the items in the degree to which the Armed Services Committee felt necessary, I would like to commend the distinguished members of the committee for the excellent job they have done.

In particular I would like to commend them for their wisdom in refusing to recommend additional appropriations for the RS–70 aircraft over and above the $155,800,000 which already remains available in that account.

Mr. Chairman, as the House will remember, several of us on the committee strongly opposed the addition of $363 million for this program, when the authorization was debated earlier this year. We opposed this addition on the ground that the limited amount of added defense value would not warrant the enormous ultimate expenditures required.

I am delighted that the Appropriations Committee, following their extensive appraisal, has seen fit to confirm our judgment.

Mr. SHEPPARD. Mr. Chairman, I yield 20 minutes to the distinguished gentleman from Florida [Mr. SIKES].

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

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

Mr. POOL. I would like to have some comment on the legislative intent of this "not to exceed" and "not less than" argument which has been going on with reference to this 65–35 percent formula.

Would the gentleman care to give us some comment on that at this point?

Mr. SIKES. That argument has been going on now for some 15 or 20 minutes. I think possibly the Committee would like to have this in broken doses and would just as soon hear about something else for a little while. But, in substance, the crux of the matter is this: Regrettably the American merchant marine has just about priced itself out of business worldwide. There is less commercial shipbuilding in this country, there is less commercial ship repair work in this country. The private yards very seriously need additional work. So they are trying to move into the fields pre-

viously done largely by the Navy shipyards. That has brought about the controversy. I do not think there is too much question about a desire on the part of the committee to have both of them participate. There is fairly general agreement that the 65–35 percentage split is a fair division. There is some concern about the ability of the Navy to keep a proper in-house capability, under these terms and I would not want to see this go any further than it goes now. We must realize that a Navy in-house capability is essential because the Navy must undertake a lot of cats and dogs of ship repair work that the private yards do not want to bother with. Therefore a broader range of skills and more equipment are necessary in Navy yards. The Navy yards must be able to perform any requirement. That is the principal reason it costs more to do work in a Navy yard. The private yards get the pick of the work.

There are many aspects of this, but obviously it is essential to preserve an in-house capability in Navy shipyards. Here there is an accumulation of skills acquired over many years and not surpassed anywhere.

When we seek to insure a continuation of the availability of these in-house skills, we are not thinking of jobs alone. We are thinking of careers, of useful service, of homes, and families. We are thinking of people who pay taxes just as do corporate interests and their employees. We are thinking of the times when private yards may be closed by strikes; a situation impossible in Navy yards. We are thinking of emergency periods when shipbuilding and repair is accelerated, when such contracts are more remunerative, and when private yards no longer want Navy work. Then if our in-house capability were not available the situation would be serious indeed.

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

Mr. SIKES. I am happy to yield to the distinguished gentleman from Texas.

Mr. MAHON. I thank the gentleman for making a clear statement, as I see it, of this provision. Saying it another way, I would say to the gentleman from Texas that it is the purpose of the proviso to which he referred to carry on a program of ship alteration, conversion, and repair on the basis of 65 percent to the public yards and 35 percent to the private yards. This will be the rule unless a national emergency of some kind should come about requiring the setting aside of this division of work in the interest of national defense.

Mr. SIKES. And there was testimony by Navy witnesses that had the Cuban crisis continued just a little longer, it would have been necessary to set the limiting proviso aside; that in a national emergency it just is not workable.

Mr. POOL. If the gentleman will yield further, the gentleman thinks this is the best possible percentage figure, 65–35?

Mr. SIKES. That is the conclusion of the committee.

Mr. Chairman, this bill comes to you nearly $2 billion below the recommendations of the Department of Defense and the Bureau of the Budget. I am concerned that in some areas the cuts may be too great. Particularly is this true in the field of research and development. Now I know there can be and there probably is waste in research and development. But, I know too that tomorrow's weapons are being developed today in the field of research and development. I know that the improvements which can keep some weapons current and avoid the costly process of scrapping and replacement are taking place in research and development. So, this is a field about which I am disturbed.

Nevertheless, we are providing a great deal of money for defense; $47.092 billion can undoubtedly make a substantial contribution to the defense of America and the free world. Yet, for the first time in a number of years we are appropriating less than in the prior year. We have followed a pretty definite pattern of appropriating a little more each year than we did the year before. Now this has been reversed. I hope it is not a temporary situation and that world conditions will permit a continuation of the downward trend.

The increasing expenditures of the past few years have not been in vain. We have clearly made significant improvements in our defenses in that period. This has been reflected in a new spirit and a new confidence on the part of the free world alliance. While our allies have gained in confidence, the picture of world communism has begun to fade and tarnish. Today America has the best balanced defense, the most complete defense, the most modern and effective defense we have had since World War II. This was best illustrated last October at the time of the Cuban crisis. There America was able to carry out the most significant buildup ever attempted in peace time. It showed an amazing degree of coordination between the services and proved that we could launch a devastating attack within days. We had known for a long time that we could launch air and missile strikes of tremendous magnitude almost instantaneously. Now we know that we can also launch land and sea attacks without the long, slow buildups which previously have accompanied America's military efforts.

I can state categorically that the military strength poised for a strike against Cuba, had it been necessary, was in the magnitude of a major military operation. Even so, we are not out of the woods. The Air Force called in a substantial part of their Reserve Forces for this operation. The Army and Navy both testified in these hearings that a similar callup would have been necessary had the operation been expanded or had there been a second such operation simultaneous with the Cuban buildup. We have made very considerable progress in giving America an absolutely first-class defense. We cannot relax in our efforts. We must keep those efforts moving. Defense does not stand still. There is no such thing as a second best defense. We must constantly raise the standards of our fighting men and the weapons with which they fight. Our enemy is not standing still.

Achieving tomorrow's defense today, or even achieving today's defense today, is much more than a matter of holding hearings and passing appropriations bills. There are some areas which simply refuse to respond, no matter how great the effort. One of these has been in the area of antisubmarine warfare. The committee has repeatedly urged a more vigorous effort on the part of the Navy in coping with the problem of antisubmarine warfare. There is no reason to believe that there is any lack of effort on the part of the Navy or the Department of Defense to master the problems in this field. Yet, those problems continue. This is the area of our greatest weakness and greatest danger. Science simply has not been able to cope with the problems of undersea detection. There have been improvements, but Russian submarines are improving faster than detection methods.

This year the committee has again provided all the money that has been requested other than the percentage cuts. And we have again urged greatest effort in coping with the problem. Perhaps an entire new look is indicated—with new minds and new thoughts and new techniques. Whatever is required, we must provide a way to meet this challenge. It could be our undoing.

The inability of the Navy to locate the sunken atomic submarine, *Thresher*, for such a long time points to the extreme problems encountered in submarine detection. The menace of submarines to the security of the United States cannot be underestimated. Though progress has been made in submarine detection, it is less substantial than in any other field of warfare. Instead of significant new breakthroughs which have characterized nearly every field of warfare, there have been only limited improvements in systems in use 20 years ago.

The difficulty lies in the fact that submarines operate in water where sound is the most reliable device for detection and sound transmittal in water is slow, limited, and affected materially by the thermal layer. Two factors are of particular consequence in the tragedy of the unfortunate *Thresher:* great depth, much below normal operating depths of submarines, and the fact that she is dead in the water. No sounds are being given off for detection devices to pick up.

Another area which may have equal significance within a very short time is that of defense against missiles. The Russians have made strong claims about their antimissile weapons. They have demonstrated a superiority in some fields of space activity; it would be unwise to discount too drastically their claims on missile defenses. The nation which first develops an effective defense against missiles has neutralized the missiles of every other nation and in effect, has other nations at its mercy. For a number of years we have sought to develop an antimissile capability, primarily through Nike-Zeus. Now there is a feeling in the Pentagon that this weapon will not give us a sufficiently satisfactory

capability to defend against missiles and bypass weapons and their variations are being studied. There is doubt in many quarters that enough effort is being placed in this field. There is a feeling by such top nuclear physicists as Dr. Edward Teller that there is too much go-it-alone on missile defense efforts; that we should enlist the scientific minds of our allies in a command effort to develop an effective defense. If we do not go ahead vigorously and successfully in this field, we may soon be left far behind. This would be an invitation to disaster.

In the past year or two there has been a reorganization of Reserve components. New requirements have been imposed to bring them up to the same standards that are observed by the Regular Forces. All of this is intended to sharpen the effectiveness of the Reserves and to make them more immediately available in time of emergency. They have taken these requirements in stride. They stand ready to rally to the Nation's defense at any moment. But, because of the new standards which they must live up to, there has been a drop in the number of people participating in drill pay activities. We now have fewer than the 700,000 which has been considered a standard for a number of years. There is, however, a change in the picture. For years we have had to fight for an agreement that the Reserve components would be maintained at a level of 700,000. This year the Department of Defense has agreed that this is the desired goal and that funding for this figure will be made available as needed. This is a definite improvement in the field of understanding between Congress and the Secretary of Defense.

One of the important areas discussed in this bill is that of research and development on tomorrow's aircraft. There is considerable doubt that the United States is placing sufficient emphasis on the new mach 3 concept of aircraft. Usually we think of the RS–70 when we discuss aircraft in this field, but it should be stressed that mach 3 aircraft are not limited to the RS–70. Stepping over into the commercial side of the picture, President Kennedy's statement that the United States should proceed immediately on the development of a U.S. supersonic plane is gratifying. Aviation experts in this country have been disturbed by the fact that there has not been enough emphasis from Government on commercial aircraft development. France and Britain have been stressing such a program and aircraft engineers concede their superiority today. The Russians have, of course, stressed jet development, and they were among the first in the field. While the President spoke of an aircraft that would reach twice the speed of sound, aviation officials long have stressed the need for the United States to build up a mach 3 transport to travel at 2,000 miles per hour. U.S. airlines already are buying British and French transport aircraft. This is an indication of the superiority achieved through stress of advanced design by government in those countries. A capability achieved in military fields on mach 3 aircraft will, of course, have value in the commercial field as well. This we help to provide through money in this bill.

In defense, as in warfare, no one can say what tomorrow will bring, or what tomorrow's requirements will be. Without proper weapons and equipment, bravery and skill may fail. But, regardless of the adequacy of the weapons, there cannot be victory unless there is a will to win and unless there is skill in handling the complex weapons which are associated with modern defense requirements. The United States is doing far more for its military personnel and their families than any other nation has ever done. But in this country the contrast is not in what is being done by other nations, but with what is being done by industry. In thousands upon thousands of instances, personnel trained at Government expense for the military forces have been lured away by high pay and attractive working conditions in industry. In many of those cases, the higher cost of personnel is charged back to the Government on cost plus contracts by industry, but that is another story. We want to keep service in the military forces attractive as a matter of national pride. We have to do so as a matter of simple necessity to secure qualified personnel for national security. A pay raise bill is one essential feature. It has passed the House. Good living conditions may be the next most overlooked area of military service. This comes under another bill. There should be greater emphasis throughout on patriotism, prestige, and the great traditions of the service. Pride of organization and pride in the service should have greater recognition in and out of the military forces.

The military forces are, of course, a prime target for those who write sensational stories. I read a recent column entitled "Billion-Dollar Blunders" in one of the Sunday supplements. It has started heads to shaking and tongues to wagging with such statements as this:

> Men have even died in South Vietnam—on the altar of service jealousy—merely to win an advantage over a sister service.

This is a reprehensible statement which I challenge on its face.

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

Mr. SIKES. I yield to the distinguished gentleman from Michigan.

Mr. FORD. I read the article that appeared in one of the Sunday papers last weekend. I was astonished; I was appalled at the looseness of the charges which were made. In my judgment—in most if not all of the instances—the charges, the allegations were unfounded and without proof. I think it is tragic and unfortunate that a headline like that, an article like that will cast a wrong impression on the fine people, both military and civilian, serving in the Department of Defense in each of the military Departments. All America should be extremely proud of our men in uniform. They are patriotic, dedicated, well trained and extremely competent. I am certain Secretary McNamara would agree. America is fortunate to have these men heading up our military services.

Mr. SIKES. The gentleman is so right. There are no people more dedicated than those who serve in the Armed Forces. There are no people more honorable than those who serve in the Armed Forces. They constitute a group whose integrity is essential to the safety of this Nation. To charge that men who serve in uniform have caused their brothers in the service to be killed through service jealousy is inexcusable and wholly without foundation.

In this same column there is this statement:

> Behind the military maneuvering on Capitol Hill is a story of appalling waste, of misspent millions, which have disappeared down the Pentagon drain like so much green garbage.

Mr. Chairman, everyone knows there is waste in war. There is waste in preparation for war. It is a built-in liability which will never be stamped out. This is an era of sophisticated weapons. Their effectiveness cannot be determined without testing, and oftentimes it costs great amounts of money to reach the testing stage on today's complex weapons. Sometimes they have to be washed out and the investment is lost. But even so we cannot rely on yesterday's weapons. We must continue to develop new ones even though it costs a lot of money and some of it is lost. But, I happen to know that the tightest rein in modern history is being exercised over expenditures in the armed services by Secretary McNamara and his staff. I happen to know that congressional committees, House and Senate, are constantly seeking ways to eliminate waste. A lot of progress has been made. For anyone to make a wild statement which indicates waste is predominant in the armed services is ridiculous. But, I can say that any charges of waste, which have the slightest substantiation, will be promptly and thoroughly investigated both on Capitol Hill and in the Pentagon. Unfortunately, you can not investigate a blanket charge.

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

Mr. SIKES. I yield to the gentleman.

Mr. ANDREWS. The gentleman will recall that Secretary McNamara invited members of our committee or any other Members of Congress to call his attention to any specific cases of waste or fraud and that those cases would be given his personal consideration.

Mr. SIKES. That is correct. I think the same invitation is extended to the press.

In the article is this statement:

> Storerooms hold nearly $5 billion worth of spare parts for canceled and antiquated weapons alone.

Of course, there are unneeded spare parts, not all of them for canceled and antiquated weapons. But, if war were to come tomorrow, there would be a desperate need for spare parts. In most instances they cannot be bought off the shelf. They have to be manufactured on special order. War is a great consumer of materiel. Once war breaks out, it is too late to order spare parts. Spares

now are being purchased at the lowest levels in modern history. This is a deliberate gamble to avoid an unnecessary buildup in spare parts, but it is also a gamble that could get us into trouble. The military forces do not buy spare parts for the sake of having them on hand. They are bought so our forces can have weapons and equipment with which to fight when war comes. Some, inevitably, will be left over.

The author takes a slap at the use of helicopters in Vietnam. Every Army man and I think every serviceman who has had duty in Vietnam blesses the day the decision was reached to use them. It has given the Vietnamese a mobility which could not have been achieved in any other way; it has eliminated the necessity of foot slogging across rice paddies and jungles which would have crippled the activities of anti-Communist Vietnam operations; it has saved the lives of many Americans by giving Government forces advantages over the Communists they could not have had in operations limited to ground movements. The fact that one bad estimate exposed helicopters to heavy enemy fire, with loss of lives and equipment, does not mean hundreds of other helicopter operations were not a success and in fact, they have been tremendously so. The article is riddled with inconsistencies which cast doubt on the whole structure and personnel of the Armed Forces and undeservedly so.

Mr. Chairman, Americans are being killed in Vietnam. On tomorrow the dogs of war may be unleashed in other parts of the world. This committee has brought you a bill which will give our people the weapons with which to fight and help to give them the will with which to fight. There is not much more than that which we can do, but let us be sure that we have done what we can. Let us be critical of them when there is reason for criticism. Let us insist on standards of the very highest order. But, let us also be sure that our servicemen know we have pride in them, confidence in them, dependence on them.

Mr. FORD. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. OSTERTAG].

Mr. BOW. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Fifty-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 89]

Ashley	Harris	Powell
Baker	Harvey, Ind.	Quillen
Bass	Hays	Rains
Blatnik	Healey	Riehlman
Bray	Hébert	Rodino
Brown, Calif.	Herlong	Roosevelt
Buckley	Kilburn	St Germain
Burkhalter	Lindsay	Shelley
Celler	Lloyd	Sullivan
Clark	Long, La.	Talcott
Colmer	McDade	Taylor
Davis, Tenn.	Miller, N.Y.	Trimble
Dawson	Monagan	Vinson
Diggs	Morris	Watson
Dulski	Nix	Widnall
Edmondson	O'Brien, Ill.	Wilson, Bob
Edwards	Patman	Wilson, Charles H.
Forrester	Pepper	
Hanna	Poage	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7179, and finding itself without a quorum, he had directed the roll to be called, when 376 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, I assume that the quorum call was made on the basis that this tremendously large appropriation bill, amounting to some $47 billion, was worthy of the attention of the Members of the House.

At the outset, I want to take this opportunity to pay tribute to the chairman of our subcommittee, the gentleman from Texas [Mr. MAHON], and to the ranking minority member of our committee, the gentleman from Michigan [Mr. FORD], along with the gentleman from California [Mr. SHEPPARD], the gentleman from Florida [Mr. SIKES], the gentleman from Mississippi [Mr. WHITTEN], the gentleman from Alabama [Mr. ANDREWS], the gentleman from Pennsylvania [Mr. FLOOD], and the gentleman from Texas [Mr. THOMAS], as well as the gentlemen on my side of the aisle on the committee, in addition to the gentleman from Michigan [Mr. FORD]; namely, the gentleman from Wisconsin [Mr. LAIRD], the gentleman from California [Mr. LIPSCOMB], and the gentleman from Ohio [Mr. MINSHALL].

Mr. SIKES. If the gentleman will yield, I want to be sure nobody overlooks the gentleman from New York who now has the floor. He does a great job also.

Mr. OSTERTAG. I thank the gentleman.

Mr. Chairman, the work of this subcommittee is long, arduous, and taxing. As you can well imagine, in the consideration of the defense appropriation bill for 1964 it required many, many hours of hearings.

As a matter of fact, it represents not only many months of strenuous hearings, but the testimony involves some six volumes which has been reported and made available to the House. I might say, too, we bring to you today a unanimous committee report and our recommendations are predicated on a unanimous basis. As has been indicated, Mr. Chairman, the original budget request, the defense budget for 1964, amounts to $49,014 million. Your committee has approved and brings to you, a bill amounting to $47,092 million which is a net reduction in the overall Department of Defense appropriation bill, 1964, of $1,922 million.

Mr. Chairman, although the subject has been rather capably discussed and described here today, in breaking down the reductions made by your committee, I might point out that it calls for a reduction of $387 million in the field of personnel. But that is achieved mostly by transfer of some $247 million from the stock fund and a net reduction of $140 million in personnel funds. The operation and maintenance fund was reduced by $114 million. But the largest reduction made in this budget is in the field of procurement which amounts to $1,048 million and in the field of research, development, test and evaluation the reduction amounts to $373 million.

Mr. Chairman, in this world struggle between communism and freedom we have constantly recognized, I am sure, the dangers of an all-out nuclear war and our security has been our prime and major concern. We, the people of the United States, as the leader of the free world, have been and must continue to be in the forefront in military capability and supremacy. Many far-reaching and fantastic developments have taken place in recent years—costly developments which have held the defense appropriations at a relatively high level for the past decade. This is an important factor which has enabled the United States to maintain a position of military superiority over any other nation or power in the world. I am confident, Mr. Chairman, that this defense appropriation bill now before us will provide for the security of our country through the means of its continuing support of the policy of military supremacy. The Secretary of Defense spent several days before your committee followed by the Chiefs of Staff and the civilian and military heads of the respective services.

Mr. Chairman, the Secretary presented a very comprehensive statement and report on the military picture, the strategy, the change in roles and missions, as well as an assessment of the international situation as it bears on policies and programs. Testimony covering the several areas of the world can be found in the transcript of our hearings, including such subjects as strength and weakness of the Communist bloc, impact of the defense program on the economy, balance of payments, present U.S. strategic retaliatory capabilities and our future strategic retaliatory force.

Our report, Mr. Chairman, and the defense appropriation bill which is before us is divided into what might be termed four titles; namely, "Military personnel," which amounts to about $12.9 billion; "Operation and maintenance of our Military Establishment across the board," which amounts to $11.7 billion; "Procurement—that is the hardware—and our weapons as well as general procurement, which amounts to nearly $16 billion. Last but not least is "Research, development, test, and evaluation," which amounts to about $7 billion.

Mr. Chairman, the subject relating to military personnel has been covered thoroughly, although I might point out to the Committee that this subcommittee made no change in the end strength of our military personnel, which I believe the figure comes to somewhere in the neighborhood of 2,695,000 in military personnel of all services. I shall not discuss it further except to point out that the bill does not include funds which will become necessary to meet the pending military pay raise now before

the Congress. I believe the estimates of that increased cost to meet the military pay raise which will eventually become law amounts to about an additional $1.4 billion in annual costs. But this bill does include $1,163 million which is estimated as the amount required to meet the obligation of military retired pay. Incidentally, I might mention that the testimony before our committee projects the annual cost of retired pay by the year 1970 to be about $2 billion. I repeat that by the year 1970 our obligation in meeting the military retired pay will reach the $2 billion mark.

Now, Mr. Chairman, I want to say a word about defense procurement, which takes the biggest chunk of our defense dollar. This is the area where your committee applied the largest reduction in the budget estimates. As has been stated previously, the committee has made certain specific reductions coupled with an overall reduction in procurement funds of 1 percent.

Mr. Chairman, our report deals with the areas of direct procurement reductions adequately. However, there has been considerable room in the past to effect percentage cuts across the board, and there is certainly room here, by employing better procurement practices, by efficiency, and a greater return for our defense dollar.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FORD. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. I thank the gentleman from Michigan.

Mr. Chairman, may I say again that our report deals with the areas of direct procurement reductions adequately. However, there has been considerable room in the past to effect percentage cuts across the board, and there is certainly room here in this bill. By employing better procurement practices, by efficiency and a greater return for our defense dollar, I am confident that our Defense Establishment can provide the required materiel, hardware, and weapons for less money.

Secretary McNamara, in his presentation to the committee as well as that of his testimony, emphasized the possibility of large savings in military procurement by means of substantial shift from noncompetitive to competitive procedure. The Secretary pointed out that the Department of Defense has established specific goals for each military department expressed in terms of percentage of procurement contracts awarded competitively in each commodity category. The record shows that in 1961 the overall competitive procurement amounted to 32.9 percent; in 1962 it was 35.6 percent. The Secretary indicated that in fiscal 1963 competitive procurement will increase to 37 percent and in the year of 1964—for which this appropriation is applicable—the estimated competitive contracts will be about 38.4 percent. This means a gradual decrease in the so-called cost-plus and price-fixed contracts and by virtue of this shift alone, an annual savings of nearly a half billion dollars can be achieved. Further, the Secretary told your committee in discussing the 5-year cost reduction program:

> Our goal for end fiscal year 1965 is to initiate actions which will increase the rate of savings to over $3.4 billion per year.

So you can readily see that the reduction made by the committee in the overall procurement area is justified and by the application of improved management and policies can be met without impairing the defense program in the slightest degree.

Now, may I say a word about the national space program? There has been, and I believe will continue to be, speculation as to duplication, conflict of interests, and other aspects as between our Defense Department and NASA in relation to space programs and their missions. Believe it or not, more than $1.5 billion of this appropriation is for space, and I might add that the military space program accounts for more than 20 percent of the total 1964 research and development program. The Secretary advised us of a directive clarifying the procedures for insuring a proper meshing of the military and civilian space programs and that all basic agreements for Department of Defense support of NASA undertakings would be made in writing between the heads of the two related agencies.

These relationships apply to such matters as the conversion of Gemini into a national manned space program. Among other principal efforts in which both agencies share a great interest are the Titan III and the Dyna-Soar.

I refer to this situation merely to point out that all funds and efforts in connection with the space program are not reflected in the NASA authorization and budget. Second, to indicate the dual relationship and the great need to coordinate such efforts and expenditures in a proper manner.

All in all, Mr. Chairman, your committee has prepared and presented to the House a sound and proper Defense appropriation bill.

I heartily endorse and recommend this Defense appropriation bill for 1964 as it has been reported by your subcommittee and I hope it will receive the unanimous support of the House. It represents the continuation of our national security and our military supremacy and we must not underestimate the importance of this measure.

Mr. MAHON. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, my colleagues have covered the details of this bill, however I wish to join with them in saying that the people in the Armed Forces and in the Defense Department are second to none in ability, in patriotism, and in their desire to protect our great Nation. I wish to say too that if our Nation is to follow its present policies I do not know how our chairman, the gentleman from Texas [Mr. MAHON], or our subcommittee or any other could have done a better job in developing the needs and in allocating the various funds that were requested by the Defense Department. As you know, through the years I have tried to point out some other facets of this overall problem, and when I realize that we have not only the job of defending our country from attacks abroad, but we have the responsibility of trying to keep our country from following a policy which leads us into untenable positions which in turn invite us into situations where we can at best not be sure that we can control it, I must rise to point these things out.

DEFENSE SPENDING—EVERBODY WANTS A SHARE

In this bill before you there is something like $47 billion. As I say, if our present policy is to be pursued in spite of the lessons we should have learned, doubtless this amount is essential. I do not second-guess my subcommittee. I went along with the figures that are here. However, personally it is my belief that the American people have been built up to the point that if you want to be sure something is spent in your district and in your State, get it under the listing of "defense," and then everybody who is sincerely disturbed about spending will say, "Don't cut defense"—and thereby protect the project. In my opinion quite a part of what is involved in this bill is a matter of dividing the spoils and being sure that everybody gets cut in on it. I speak for myself only. If you listen to the debate on the 65–35 division of money spent with Navy shipyards and private yards, the discussion and testimony largely centered around who is going to make money out of defense spending, which area is going to have most employment and which company is going to make the most money. I had a man approach me and say, "I am not going to build a drydock in your State unless you keep that provision in there."

I told him it was not our job to put somebody in business, and I mean it.

Through the years you have heard me point out the tremendous wastes that have existed and the fact that defense spending has gotten far away from true defense. The Congress stopped the services from making bread, and served Bolling Field by a caterer from down town, and there were other things of that sort to which you have heard me object throughout the years.

I grant you that nobody especially wants to be wasteful, but I point these things out so you might stop and listen.

May I say we are continually investigating procurement practices, trying to bring about improvement.

As former Congressman Rich, of Pennsylvania, used to ask, "Where are you going to get the money?"

That might well be asked here, for Secretary McNamara said his projected plan for 5 years included an anticipated 5-percent inflation each year.

The further question today is, "Who is going to get the money?"

It is easy to believe that is the real basis of the controversy over the TFX, a $6½ billion contract. Not only is there the question of which company gets the contract but in which State the $6.5 billion will be spent.

WE MUST CHANGE OUR POLICY

I thoroughly believe that this Nation of ours needs to change its overall inter-

national policy in the defense of our country, and I will tell you why. In the name of making the world safe for democracy, we are doing directly the opposite. We are busy making people knuckle under to Central Governments of our choosing. Take Vietnam. Friends, we are not trying to protect the people of south Vietnam in their right to live as they please. We are trying to make villages that never heard of a Central Government subject themselves to a Central Government of our choosing.

Take Thailand, and numerous places around the world, or look at the Congo. I know the instrument for our doing this is the United Nations. I happened to be in New York City and attended the United Nations when I saw Khrushchev run the entire length of the floor to put his arms around Castro, and I heard the votes counted. Many of these are people who represent "tribes" we put there to vote so we could buy their vote today and have to buy them every session hereafter. In the Congo, the only Province or the only part of it that had shown any ability to govern itself was Katanga. Do we ask that the rest of the Congo be put with Katanga so they can learn and have the benefit of Katanga Province in trying to supervise the Congo? No, we insist Katanga subject itself to an area that has never shown an ability to govern or control itself. So it is around the world. In the name of protecting peoples we are insisting they subject themselves to the people that we designate. And in the process—and most of this happened when we had the atomic bomb and Russia did not—we went around the world, helter-skelter saying, "We will defend you, we will protect you," and now we find that the enemy has the atomic bomb and we cannot live up to those promises. What is the result? The result is Cuba.

Here our Nation is so bound by its commitments, financed in this bill, which we have before us, that this Nation of Washington and of Jackson has to stand by and let Castro take American lives and property in Cuba, right off our shores, releasing some few because we paid ransom.

Yes, and let me tell you what happened in this committee—and if it were not so serious it would be funny. In the midst of the hearings—and I can tell this, because it was presented on television the same day—we were told that we had pictures taken of Cuba weeks before any pictures showed the Russian missiles. It was said that those earlier pictures did not show the buildup in Cuba, but we never saw those pictures. We saw only the later pictures which did show the Russian missiles. We had these pictures shown with the word "secret", inches high, on top of them. And in the middle of the afternoon the Secretary of Defense received a call to present the same information and pictures on television all over the country that day. So you saw it within 30 minutes after we did.

Then the next day, at the door of the committee room, after the official meeting had closed, Secretary McNamara said, "Gentlemen, if we delete any of this secret testimony I have given you from the printed record and you think it ought to be put back, just let me know." That led us to say to him, "Mr. Secretary, if we delete anything from our side which you want to use on television, you go ahead." He replied, "Touché."

Mr. Chairman, right off our shores we have the greatest threat in Castro, Russia, and Cuba. We have already paid ransom for the first time in our proud history because we are following a policy that is getting us deeper and deeper and deeper in areas we cannot hold. In Europe we see the Common Market. The President is even now pleading with the Common Market countries to treat us fairly. It was the United States which promoted and actually created the Common Market and made it strong enough for them to stand up to us. And now our leaders are surprised that they use their new power, which we promoted. We are the ones who made them strong enough to keep us out, not even asking for any agreement that they would treat us fairly, and now we are paying the penalty.

Mr. Chairman, we have spent over $100 billion in foreign aid and our position in the world is worse in many respects than before. My colleagues on the subcommittee for foreign aid gave me these figures:

In 1950 a number of countries that we were helping had about $13½ billion in gold. The United States had $24 billion in gold. Since 1950 your Nation and mine has continued to help those same countries, and today they have $17½ billion in gold and we have only $14 billion in gold. And we are borrowing money today from the very nations that we are helping. How ridiculous can you get? How unwise can you be?

ON THE HOME FRONT

We destroy ourselves at home in an effort to run our country to suit the members of the United Nations, in an effort to appease these people abroad, we see the Supreme Court break down local self-government here at home. We all regret the unfortunate occurrences in my State. In the hearings you will see the orders that were issued, sending about 28,000 soldiers into my area of Mississippi. When? After the President had federalized the State militia, which is the only law-enforcement body that our Governor has. You will see those orders in part 1 of the hearings. There is no State police force in my State after the National Guard and the militia are taken by the Federal Government. Is it any wonder that law and order could not be maintained? Is it not a sad commentary when all these things are done on what the Attorney General "reads between the lines of the Constitution?"

Mr. Chairman, I say to you that if those agitators are to retain direct lines to the Attorney General and the ear and support of the President, it will set in motion forces which are uncontrollable and it will lead to the ruin of this Nation, as it has the Congo. Clearly the forces set in motion will never be satisfied until they are in the saddle. What the President and the Attorney General believe will solve the problem will only begin it.

A hundred years ago it was my section which felt the whiplash of destruction. But today, if the present course of events is followed, it will not be nearly so much my area, but it will be Cleveland, Detroit, New York, Philadelphia, Chicago, St. Louis, Los Angeles, and all the rest. You cannot destroy local self-government; you cannot turn the reins of your Government over to those who as a group would agitate, who have little self-restraint, who lack self-discipline and make demands such as we have been reading about in every paper here, without setting loose a whirlwind.

May I say to our leaders who try to appease the groups which are making demands accompanied by threats on the home front today, that is the way we dealt with Castro, and look what happened there.

As I have said before, not since the Civil War have our people faced a more trying time. Our problems today call for the best within us. The attack on the Constitution and on our way of life is insidious. It comes under the guise of government. It is offered with an appeal to the natural tendency of Americans to be law abiding. It appeals to religion, is presented in the name of world peace, but creates strife, dissension, and disturbance. It is said to be necessary to protect the rights of individuals, but is itself based on usurpation of power. We are told it is necessary in order to maintain our form of government; yet its starting point is the destruction by judicial decree of the rights of the States, of the Congress, and of the people. Yes, it begins with destruction of the Constitution itself. It can only lead to complete ruin.

Mr. FORD. Mr. Chairman, I yield 30 minutes to the distinguished gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, at the outset I should like to express a few of the remarks which I expressed in the full committee as we consider this bill and the report of the committee.

ANTISUBMARINE WARFARE

The report which you have before you today is a fine 70-page narrative report. I should like to emphasize the word "narrative" because I do not believe it shows any real direction as far as the Defense Establishment of our country is concerned. It lacks direction in several very vital areas where I think we need to get this country moving forward to provide a proper defense posture as we face the 1970's.

During the past 4 or 5 years the House Subcommittee on Defense Appropriations has considered at some length and given very thorough consideration to our whole problem which we as a Nation face in the area of submarine warfare. In this particular area it is my belief that we as a nation face the most serious threat that we face in any area of defense for the national security of our country.

The House Appropriations Committee over the period of the last 4 or 5 years in each of its reports on the defense appropriation bill has spent a considerable amount of time and given considerable emphasis to the whole area of antisubmarine warfare. In our report of 3 years ago and in our report of 2 years ago and

in our report of last year we directed the Department of the Navy to establish a single manager over the area of research and development as far as antisubmarine warfare was concerned. During this period of 4 years the Navy has failed to put in operation a single manager over antisubmarine warfare research and development. They have gone halfway. They have established a coordinator over antisubmarine warfare research and development, but this is not enough.

We had one of the top Navy admirals testify before our committee, one who did a tremendous job as a single manager over the Polaris program, Admiral Raborn, who is now in charge of research and development for the Navy. He testified before our committee this year stating emphatically and positively that what is needed in this area is a single manager with full responsibility to move forward in this most vital area of antisubmarine warfare. What has happened? The Department of Defense, the Navy, have not fully implemented the recommendation of our committee. It seems to me this report is lacking in not being critical of the Department of Defense and of the Navy for not implementing this very important recommendation, which I feel is very vital as far as our whole antisubmarine warfare work is concerned if we are going to move forward and face up to the Soviet submarine threat, which this Nation is going to have to consider if we are going to maintain military superiority during this cold war conflict.

It is regrettable that in the committee report this year, Mr. Chairman, there is no strong language indicating the subcommittee's displeasure with the managership of the antisubmarine warfare program. This committee has long been interested in seeing the Navy establish a single-managership for antisubmarine warfare similar to that for the Polaris program under Admiral Raborn. In the hearings this year, beginning on page 390 of the research and development section and going on for several pages, several members of this committee expressed deep dissatisfaction with the rate at which this concept is being implemented. In fact, Admiral Raborn testified:

I think the Navy has recognized that the complicated nature of weapons systems requires single management. Inasmuch as antisubmarine warfare embraces about everything we are doing in the Navy, we have been somewhat nonplused as to how to grab hold of creating a second CNO because it has to do with just about everything in the Navy as far as the R. & D. and producer's side is concerned.

Mr. Chairman, for the last 3 years this committee has singled out antisubmarine warfare in its report and made clear that it was the definite sense of this committee that antisubmarine warfare be put under single management because of the crucial nature of its development for U.S. security. This year the report is strangely silent on this important aspect of the defense picture. It does not even deliver a mild slap on the wrist to the Navy Department for not fully implementing the committee's recommendation first made 3 years ago.

At this point in the RECORD, I insert Admiral Raborn's comments on this matter and excerpts from the committee report of the last 2 years which I quoted in the hearings this year:

Admiral RABORN. May I make a few remarks on the situation as I see it?

Following the advice of this committee, the Navy 3 years ago, as today, had no mechanism other than the Office of the Secretary of Navy, to draw together inside the bureaus concerned a special projects-type office for antisubmarine warefare. The then Secretary of the Navy considered that the proper place to bring together all aspects of the Navy's research and development in antisubmarine was in the Office of the Assistant Secretary for Research and Development, Dr. Wakelin's office, so they created the post which Admiral Hooper now holds. He is the director of all research and development in the Navy, across the board in all bureaus, for antisubmarine warfare.

Mr. LAIRD. A step in the right direction?

Admiral RABORN. Yes.

Mr. FLOOD. This we know.

Admiral RABORN. This was the first approach by the then Secretary of the Navy to draw together all aspects of the research and development part of antisubmarine warfare. When Mr. Korth became Secretary, it was clear to him that some method of tying together the material bureaus that had collateral work in projects like antisubmarine warfare was necessary. He created the group which has been mentioned before, and one of the recommendations of that report is the creation of a ———.

This then provides an ideal mechanism, when it is established, to create in the bureau organization proper, an additional support organization which can tie together things such as antisubmarine warfare on the producer's side which would support and embrace the job Admiral Hooper is doing for antisubmarine warfare. It can carry it across from research and development into procurement. I think the Navy has recognized that the complicated nature of weapon systems requires single management. Inasmuch as antisubmarine warfare embraces about everything we are doing in the Navy, we have been somewhat nonplused as to how to grab hold of creating a second Chief of Naval Operations because it has to do with just about everything in the Navy as far as the research and development and producers' side is concerned.

I believe the idea Dr. Wakelin has mentioned of creating a Chief of Naval Support will be the missing link which this committee has so wisely counseled.

Mr. SHEPPARD. I think I can understand the problem you have. This does not take away from the Chief of Naval Operations his authority. This is merely adding by narrowing down the determination point. I think it can be done.

COMMITTEE RECOMMENDATIONS ON ANTISUBMARINE WARFARE MANAGEMENT

Mr. LAIRD. I do not want to go back more than 2 years, but if we go back 2 years our report states:

"The development work in this area is not being divorced from control of the semi-autonomous bureaus in the Navy Department. Until a single manager similar to that provided for the Polaris ballistic missile system, with delegated responsibility, and the full backing of top officials, is established, it is doubtful that antisubmarine warfare will attain the goals so urgently required. The committee recommends that such action be taken immediately."

A year ago—and I quote under antisubmarine warfare—the committee last year recommended:

"In its report last year the committee recommended that the Navy assign a single manager to direct the research efforts in antisubmarine warfare. The Navy did not follow the committee's wishes in this matter and in the hearings this year opposed the creation of such an assignment.

"The committee is still of the opinion that there is much merit to this proposal and that the organization and management of the antisubmarine warfare research and development efforts in the Navy would be considerably improved if such a plan were to be adopted.

"The committee has been informed that the initial Chief of Naval Management Office has been requested to conduct a study of the management of research and development efforts of the Department of Navy in connection with all antisubmarine warfare programs. The committee feels that such a study is important and urgent and expects to be informed of the results of this study. The committee insists that this study comport with the committee expression on study groups found on page 33 of this report."

We made this recommendation 2 years ago, and we have a reply back from the Navy and the Navy's reply tried to becloud the whole recommendation with the fact you could not get tied up with the operating fleet. This has nothing to do with the operating fleet. The statement that was supplied to the committee last year I thought was unacceptable.

It seems we are still just talking about this.

There are two other aspects of this problem which I feel we have not dealt with adequately. In the immediate years ahead the Soviet submarine capability will pose one of the most serious threats to this Nation's security. In my opinion, it is time to select those areas in antisubmarine warfare that have the greatest potential of providing a significant breakthrough and place those programs on a crash basis. To my mind there is infinitely more sense attached to this type of a crash program than there is in our present crash programs to get a man on the moon.

The second aspect has to do with getting new developments in antisubmarine warfare equipment into the fleet. We have come a long way in some areas of antisubmarine warfare but it does little good to have improved weapons such as the MK-46 torpedo or improved detection devices if they are not delivered to the fleet in a timely manner. We seem to be dragging our feet in this respect.

In this particular area I would also like to point out another deficiency.

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

Mr. LAIRD. I would be happy to yield to the distinguished chairman of our subcommittee.

Mr. MAHON. I applaud the gentleman from Wisconsin for making reference to the very serious threat which exists today and which will continue to exist with increasing seriousness in submarine warfare.

I do not think the Navy has done an adequate job in responding to demands of this committee in the past. While there is no specific reference in the report, as the gentleman says, I think it is fair to point out, that the members of the committee are unanimous insofar as I know in feeling that this area of warfare must be given the very highest priority and that a better management situation must be worked out than we have today, if we are to expect maximum results from the program.

As the gentleman knows, of course, there is a reorganization plan being considered by the Navy. I certainly hope, as I know the gentleman does, that in any reorganization of the Navy, adequate strength will be given to that portion which has to do with the direction of research and development in the area of antisubmarine warfare. I want to compliment the gentleman and the other members on the committee for the interest that they have shown and for the drive and energy they have exhibited over a period of a number of years in this important area.

Mr. LAIRD. I thank the gentleman from Texas, the chairman of our subcommittee.

Mr. Chairman, it is my intent to point out certain deficiencies which I believe need to be called to the attention of the Congress and discussed in this discussion of the defense appropriation bill today. I also plan to go into some areas where there are no deficiencies, but I would first like to point out these deficiencies so far as our report is concerned.

OVERHEAD COST RESEARCH GRANTS

On page 52 of this committee report, you will see discussed the matter of overhead costs of research grants. Last year this Congress took it upon itself to enact a limitation on the defense appropriation bill which provided that on any grant made to a college or university throughout the United States no more than 20 percent of that grant could be used for overhead costs. This was a provision which was carried in the HEW appropriation bill and in the Independent Office appropriation bill as well as this defense appropriation bill for 1963. The Department of the Army used a very clever technique to violate the intent of this provision. Knowing full well that contracts which are made are not subject to the overhead limitation, the Department of the Army went out and negotiated contracts to replace some 57 grants that were made to colleges and universities in order to get around the grant limitation which this Congress wrote into the defense appropriation act last year. In the full committee I pointed out that the language on page 52 does not even slap the Army on the wrist for violating the expressed intent of the Congress in the grant limitation which was written into this bill. I point this up for one reason. It seems to me, the executive agencies of our Government have a responsibility to live up to the intent as well as the law as written by the Congress.

Mr. Chairman, if we as congressional committees condone the use of subterfuge to get around this kind of a limitation, I think we are making a great mistake and it will come back to haunt us in the years to come.

DEFENSE CONTRACTING

Mr. Chairman, there are several other features of this defense bill which I would like to call to the attention of my colleagues. At the outset, I would like to address myself to some misconceptions that have arisen about the awarding of defense contracts. Widespread confusion exists in this area. Many of our citizens and, unfortunately, a not inconsiderable percentage of our elected State officials, have some misconceptions about how defense contracts are awarded to the various firms in different States. The misconception is that political strings are pulled in the awarding of these contracts and that therefore, Congressmen should be able to influence the awarding of these contracts. To help clear up these confusions, I include at this point in the RECORD a colloquy conducted between Secretary of Defense McNamara and myself during the hearings.

In addition, however, I will also insert a discussion concerning the setting of an unfortunate precedent in the awarding of defense contracts. In this case, a firm in Dallas, Tex., was awarded a $100 million missile B contract—the Lance missile. However, there was a stipulation in the contract to the effect that the work had to be done in a plant in Detroit, Mich., at an increased cost of $11 million to the taxpayer. The committee did reduce the request for the Lance missile by $5 million in order to insure that the cost of the work, if done in Warren, Mich., will not exceed the cost had the work been done in Dallas, Tex. This particular example, I would hope, will not be repeated in the future.

The material referred to follows:

AWARDING OF DEFENSE CONTRACTS

Mr. LAIRD. I would like to discuss with you for a moment the whole problem of Defense contract awards. During the past few weeks the Governor of our State has put out several statements in which he has indicated that it is necessary for a State to set up a lobbyist in Washington in order to secure Defense contracts because Wisconsin has slipped in the past 2 years from 2 percent of the total Defense contracting to 1 percent.

Personally, as a member of this committee, I have never felt it was any of my business to get into this whole question of Defense contract awards other than to see that they were awarded competitively.

He has indicated our congressional delegation has been derelict in its duty in not channeling more in the area of Defense contracts into our State.

I am interested in finding out what you think is proper for a congressional group or congressional delegation to do? What should a congressional delegation do to see that awards are made to this company within a given State?

If the bidding were on a comparable basis I can see where there might be some basis for a congressional delegation to move into this field. If there were two bids that were just the same and the award balanced on just that kind of basis I can understand active aggressive interest by our delegation.

Many of these bids—they are on a competitive basis, are they not?

Secretary MCNAMARA. Most of the contracting is not done on a full competitive basis in the sense in which you use the term, as I outline on the charts in my prepared statement (p. 200 of these hearings). We are increasing very substantially the percentage of the contracting done on a competitive basis above that of prior years, and we expect to achieve major savings as a result.

If I may answer the question, "What do I believe to be the proper role of congressional representatives in relation to Defense contracting?" I would say this:

I believe it is quite appropriate for a Member of Congress or a group of Members of Congress to inquire as to why an award is to be made to one company instead of another company. I don't believe it would be appropriate for the Members of Congress to seek to change the award from company A to company B contrary to the intent of the law under which we procure, and the law is very clear. We are to procure from the lowest price source, other things being equal, subject to certain special situations, such as set-asides for small business, and in certain cases labor surplus areas.

I think the most important function that a congressional representative or delegation can perform in relation to Defense contract awards is not to try to influence the award, because, frankly, we will not be influenced——

Mr. LAIRD. I hope you are not.

Secretary MCNAMARA (continuing). By any representations made to us unless they bear on the extent to which we are complying with the law. If we have failed to examine a fact or have lacked information that can properly be taken into account within the meaning of the law, then we will certainly correct any error in our activity. Beyond that we will not be influenced by anyone's representations to us, whether they be Members of Congress or others.

However, I do believe it is appropriate for the Members of Congress to bring to our attention information we may not otherwise have had, to inquire as to the basis on which the awards are made, and most importantly to then go back—having learned why a particular company, which may have been in their State, did not receive a contract—to go back to their State and seek to modify the conditions so that companies in their States or districts will be better prepared to bid effectively on the next occasion. This can be done by a variety of actions. It may mean insuring those companies greater access to information or explaining to them how they can obtain information on future awards. It might mean——

Mr. LAIRD. Those things have all been done by both of our Senators, Senator PROXMIRE and Senator WILEY. I am sure our present Senators will be doing that. I am sure each of the 10 Members of the Wisconsin congressional delegation have been doing that, both Democrats and Republicans alike.

The problem which bothers me is that there is an implied connotation here that somehow or other we can influence the award and that awards are being made on a political basis. Certain statements made by the President in Pennsylvania during last fall's campaign have been brought into this discussion within the past few weeks.

I hope that you do not operate the Department of Defense that way.

Secretary MCNAMARA. Awards are not made on a political basis, and I think one of the best evidences of that is that the States which are increasing their percentage of awards to the best of my knowledge have no special representatives here in Washington at all. I think particularly of California, for example.

Mr. LAIRD. They have quite a few good representatives in both the House and Senate.

Secretary MCNAMARA. No lobbyists, as the term is used.

Mr. MINSHALL. Is it possible for you to give us a rule of thumb of what a particular State might do to increase its defense contracts?

Secretary MCNAMARA. No, sir; I cannot give you a rule of thumb. You need people of imagination and initiative. That is all I can say.

Mr. MINSHALL. Certainly it is not the Congressman's fault if they do not get it.

Secretary MCNAMARA. This is a clear responsibility of private business in the State. It is a matter that I think the congressional delegations can contribute some information on to their local business groups, but it is primarily a problem for private business in the State to face and meet. They may need some local assistance from State and local

governments in the sense of increasing expenditures for research activities in universities or elsewhere in the area, but it is primarily a private business problem.

NUMBER OF CONTRACTS IN EFFECT DURING 1964

Mr. LAIRD. General Beach, I would like to know the total number of research and development contracts which the Army will have in effect in fiscal year 1964.

Dr. LARSEN. May I supply that for the record?

General BEACH. We have between 3,000 and 4,000 tasks and investigations.

Mr. LAIRD. Contracts?

Dr. LARSEN. Yes, we will supply the number.

Mr. LAIRD. Outside contractors in research and development?

Dr. LARSEN. Yes, the information will be supplied.

Mr. LAIRD. How many do you have in weapon systems?

How many do you have in medical research?

How many with private organizations and how many with nonprofit organizations?

How many with universities and colleges?

In other words, I would like to have the total number and a breakout and how they were placed.

General BEACH. Yes.

(The information, to be supplied, follows:)

"It is estimated that the Army will have 7,100 research and development contracts in effect in fiscal year 1964. These contracts will be placed as follows:

With profit organizations	4,000
With nonprofit organizations	300
With universities and colleges	2,800
For weapon systems	150
For medical research	500"

STIPULATION OF PLACE OF CONTRACT PERFORMANCE

Mr. LAIRD. How many of these research and development contracts include a proviso as to where the work will be performed by area of the United States?

Perhaps you can give me that now.

Dr. LARSEN. The only research and development contract I know of with this exact proviso is the Lance missile.

(Additional information follows:)

"It is the policy of the Army to stipulate the place of contract performance as a part of the agreement in contracts for research and development when the location of the worksite or the use of particular facilities is of material effect or concern to the parties. In this connection, ASPR requires a disclosure of the contractor's intentions in his response to the request for proposals (ASPR 3-501(b)(xxvi)) and in make-or-buy agreements (ASPR 3-902.1).

"Agreement in this area is generally necessary to define cost considerations and may be occasioned by such factors as available Government facilities, proximity to other related work, available trained labor force, and potential for future production effort. When the place of contract performance is of essential interest to the Government the procurement action may direct that the work be performed in a specific place, as was the case with the proposed Lance missile system."

There is presently a procurement request out for bids on three different vehicles—the 195 which is a self-propelled gun, and the 196 which is a self-propelled gun, and the M-114 which has a specific plant designation for their production.

Mr. LAIRD. But on these three bids in question, you were advising the prospective bidders in advance of this proviso?

Dr. LARSEN. That is correct, Mr. Laird.

Mr. LAIRD. Do you know of any case where you have never advised the prospective bidders of the particular spot that the work must be done at other than the Lance?

Dr. LARSEN. "Never" is a very strong word. We would have to have the record searched.

Mr. LAIRD. General Beach, who is responsible for the letter of September 28, addressed to the Chance Vought Co.?

I may be off a day or two. It is an Army letter advising Chance Vought that if they want the work it will have to be done at a specific location in the United States.

Dr. LARSEN. I do not believe that is correct, sir.

The first Army request of this nature was made by me on September 17. I have checked the records. This was an oral request to Mr. Gifford Johnson asking him if they had considered doing the work in any place other than Dallas, Tex.

He said "No," but immediately took steps to take a look at the facilities of the Warren, Mich., plant.

Mr. LAIRD. I do not have my notes here with me because I have just sent them back over to the office so my dates may be incorrect, but I think if you will check there is a letter that was sent by the Army.

Dr. LARSEN. I certainly will, sir.

Mr. LAIRD. And there was a reply to that letter, and I believe the reply was dated October 20, which was sent by the Army to the contractor. The contractor was convinced in his own mind, after conversations with the Army, and also on the basis of a letter of inquiry sent to him, that he had better do this work in a particular location. I believe that he responded on the 20th of October, or thereabouts.

Dr. LARSEN. I believe that is the 22d, and that is the letter that accompanied his proposal.

Mr. LAIRD. Is this not a little unusual, this kind of procedure?

This is the only contract that has ever been handled this way. Are you going to make that a regular practice?

Dr. LARSEN. We certainly are not going to make it a regular practice. We do not have that many plants, sir.

Mr. LAIRD. Well, whether it be a Navy plant in Texas, or an Army plant in Michigan, that does not make any difference to me.

I would think the people from California and from New York and other sections of the country would continue to insist that these contracts be based on price evaluation along with quality and performance.

Dr. LARSEN. That is precisely what we took into consideration, sir.

Mr. LAIRD. We are not getting into this today.

I understand the Secretary of the Army is going to be before us to discuss this matter at a later time.

Mr. SHEPPARD. Does the gentleman have possession of the letter?

Mr. LAIRD. I have the information in my office. I sent the material back because I thought we were not going to have the hearing.

I notice in this document this morning we are considering the funds for the 1964 portion of this program, and I thought there should be something in the record because it does come before us this morning.

Mr. SHEPPARD. As far as the funding is concerned?

Mr. LAIRD. Yes.

Mr. OSTERTAG. The 1964 programs, but not the reprograming.

Mr. SHEPPARD. Is there any reluctance on the part of you gentlemen to furnish the committee a copy of the letter to which the gentleman refers?

Dr. LARSEN. The letters that are available. We have no objection to that.

(The information follows:)

"LING-TEMCO-VOUGHT, INC.,
"Dallas, Tex., October 22, 1962.

"Hon. FINN J. LARSEN,
"Assistant Secretary of the Army,
"The Pentagon, Washington, D.C.

"DEAR DR. LARSEN: On Friday, October 19, our key missile B program personnel, together with Mr. Paul Thayer and his aeronautics and missile division general manager, Mr. R. E. Galer, visited Redstone Arsenal for a verbal presentation of our missible B phase I program definition and development plan. The written report has also been submitted. A copy of the letter transmitting this report is attached herewith for your information. I believe you will find the planned performance will more than meet the requirements and the trade-off studies are particularly interesting.

"In line with our discussion on the Warren Ordnance Plant, we have received general information about this facility. Studies of the plant layout, show that placing missile B and other Army projects in that plant is indeed practical. I would like to repeat my verbal offer to you to negotiate with the Army not only the building of missile B in that plant, but all other Army ordnance and vehicular projects now under negotiation, under contract and underway in our own research and development program.

"May I call your attention to paragraph 6 of the attached transmittal letter which offers the possibility of producing this project in an Army facility.

"'Chance Vought has investigated the possibility of performing the design, development, test, and production of missile B in other Government-owned facilities which are administered by the Department of the Army. In the event it should be judged desirable for this contractor to do so, he would be quite willing to negotiate on such a basis. Should the decision be made to place missile B in an Army Ordnance facility under the direction of Chance Vought, it would then be logical and desirable to consider placing all related ordnance and vehicles contracts plus future Army contracts, in these facilities. These projects would include the XM-561 truck and its production potential of 10,000 vehicles per year; the PATA development (plenum air trend amphibian); and other subcontracts we hold, such as the Sergeant launcher, in order to achieve a greater utilization of the total area and equipment available.'

"If the Warren plant were assigned to LTV to produce these type projects, we would establish an Army Ordnance and Vehicles Division and move all projects research and development work and required personnel to that division so as to make it an operating entity in every way. In addition, the missile B rocket motor manufacturer would place his production in this facility. It would be our objective to vigorously pursue other prime and subcontract Army work to fill that plant to capacity and to allocate a substantial portion of our company research and development program to such work. This would remain a prime objective of our corporation.

"Anticipating what would then result, in terms of employment, by this new division (including offsite testing personnel), and floor space utilization, I would expect employment to average 765 and floor space utilization would be approximately 20 percent within 1963. In 5 years, with missile B and Gama Goat well into production, expecting an increased level of subcontract project work such as the Sergeant launcher is underway, and anticipating that we have won a new program to place in this facility (as a result of our vigorous research and development activity), I would expect employment to average 5,085 and floor space utilization to rise to 68 percent. You will find more detailed information on employment and floor space utilization enclosed.

"I have sent General Beach a copy of this letter as I had expressed to him the same willingness to utilize the Warren Ordnance Plant.

"Sincerely yours,

"G. K. JOHNSON."

"LING-TEMCO-VOUGHT, INC.,
"*Dallas, Tex., November 3, 1962.*
"Hon. FINN J. LARSEN,
"*Assistant Secretary of the Army,*
"*The Pentagon, Washington, D.C.*

"DEAR DR. LARSEN: I am herewith enclosing copies of the announcements which appeared in the Dallas morning and afternoon papers following the announcement of the contract awards by the Army to Ling-Temco-Vought. The Dallas Times Herald evening paper carries what I consider to be a fairly good straight-forward story. The Dallas Morning News front cover story is, in the opinion of our people, not a good piece of reporting. It is written by their Washington reporter and based on a telephone interview he held with me very early the morning of the announcement of the award and does not accurately reflect the offhand remarks I made to that reporter. The business section of that same paper carried another article which much more accurately reports the written position we took. Unfortunately, however, it carries some inaccuracies, evidently influenced by Gov. John B. Swainson's announcement in Michigan. The inaccuracies include statements that LTV has an agreement with Chrysler and it also conjectures that there are political implications in the award. I feel that Governor Swainson may have either not completely understood the relationship (i.e., this was a contract by the Army with Ling-Temco-Vought and Chrysler is not involved) or else he was misunderstood in his press conference. It is not particularly important at this point.

"With respect to any observers choosing to read political implications into this announcement, I must say that our negotiations have been with the Army, on a straightforward, competitive, and business basis and the decision to place the business in Detroit is as explained in the business section article of the Dallas Morning News—nothing more, nothing less. Inevitably there are some politicians, civic leaders, reporters, and others who may choose to read political implications into such a decision either by stepping forward to claim the credit or by stepping forward to condemn, depending on the person's point of view.

"All in all, this announcement of the award has gone very well and I have every reason to believe that we will receive the cooperation of the people involved in the Michigan area in making this move. We are making some very quiet and preliminary checks on conditions there, being careful to avoid any publicity. We are using such data to further develop our planning for the move.

"I hope we can look forward to an official visit to the city of Detroit and the Michigan area in about 2 weeks. It would be to our mutual advantage for the Army, represented by the Secretary and yourself, together with the writer and others to make this first official visit so as to properly set the stage for what we expect to be a long, continuing and successful relationship with that community and between the Army and my company.

"We will, of course, adapt ourselves to your plans and desires. We look forward to early advice from, or through your office as to how best to proceed with our planning for the Michigan trip and when to sit down with appropriate Army personnel to discuss and negotiate on the broad aspects of assuming the occupancy of this Warren, Mich., facility.

"Meanwhile negotiations are continuing by personnel involved on the 1¼-ton vehicle and on missile B to bring these two projects under contract. The Army personnel involved in each project (particularly the missile B group) are anxious to conclude and are naturally interested in the aspects and timing of the move to the Warren plant which will affect their programs. This serves only to further illustrate the desirability of discussing the plans and terms for occupying the plant, as such, at the earliest opportunity.

"We will await instructions on this matter. Until then I remain,

"Sincerely,

"G. K. JOHNSON."

"[From the Dallas Times Herald]

"WORK'S IN MICHIGAN—ARMY GIVES CV MISSILE CONTRACT

"Chance Vought, Inc., Thursday was selected as prime contractor for a $100 million Army missile—but the research, development, and employment on this specific contract will be done at a Chrysler Corp. plant in Michigan.

"The new contract for missile B means that Chance Vought will move a limited amount of management, personnel, and research facilities from its Dallas area plants to the Warren Ordnance Plant in the Detroit area.

"'The new contracts are expected to involve the transfer of less than 150 key technicians and management people to the new facility in Detroit with the remainder, under 1,000 people initially, to be hired in the Detroit area during 1963,' Gifford K. Johnson, president of Ling-Temco-Vought, said in Dallas.

"'We anticipate further growth in this facility during the years ahead.'

"LTV spokesmen said the Army made the decision to locate the new programs in the Detroit area, apparently based on the fact that it had, in the Warren plant, an Army-owned facility specifically equipped to handle development and production of the type of defense systems involved.

"Company spokesmen emphasized that placement of the programs in Detroit would not alter LTV's traditional aerospace and electronics activities in the Dallas area. Anticipations were, they said, that resident divisions here will participate in the new programs.

"Michigan Gov. John B. Swainson boasted Thursday that employment at the Chrysler plant is expected to reach 1,000 by 1963 and 5,000 in 5 years.

"EMPLOYS 429 NOW

"This plant in the Sterling Township southwest of Mount Clemens has only 429 employees now. By contrast, Ling-Temco-Vought employees in Dallas County alone number 10,000.

"In addition, Chance Vought was selected prime contractor for development of a $2.5 million 6-wheeled Army transport vehicle and this work, too, will draw most of its major assemblies from automotive centers in Michigan, the Army announced.

"Chance Vought and the Chrysler Corp. were the only two firms left after a bidding field of several companies had been narrowed.

"In Dallas, Mr. Johnson said that the contracts 'launched the corporation into a new and important field of endeavor, supporting the Department of Defense and the Army in their counterinsurgency and tactical battlefield missions through the production of modern combat equipment and supplementing and expanding LTV's position in aerospace and electronic.'

"'This substantial penetration of a new market is the result of more than 5 years of research and development work by LTV,' he said.

"Gov. Swainson said Thursday in Detroit that he had received assurances from Mr. Johnson that the missile B work would be done in Michigan.

"The Governor said he was told by Johnson that it would be 'logical and desirable to consider placing all related ordnance and vehicle contracts, plus future Army contracts, in the Michigan plant.'

"Chance Vought, said Governor Swainson, will establish an Army ordnance and vehicle division at the plant near Warren and move all projects, research and development and required personnel to that division to make it an operating entity.

"Missile B, a tactical weapon, will be the first Army weapon to use prepackaged liquid fuel for propulsion.

"In an announcement Thursday, the Army said: 'Missile B is one of several Army missile programs selected for specialized management by the Army Materiel Command.'

"The missile will use a new guidance concept developed by Army Missile Command engineers at the Redstone Arsenal in Alabama.

"Governor Swainson said formal contracts are yet to be negotiated. While actual occupancy of the Michigan plant has not been set, he anticipated work will begin early next year."

"[From the Dallas Morning News]

"WORK ON CV JOBS SET FOR MICHIGAN

"(By Rudy Rochelle)

"Chance Vought Corp. of Dallas was selected for one of the largest single jobs in the company's history Thursday, but its direct economic impact on the Dallas area is questionable.

"Work on the $100 million contract for an Army missile will be done in Detroit, Mich. An estimated 150 employees are scheduled to be transferred from Dallas to Detroit to oversee the job.

"Another $2.5 million contract was announced for Chance Vought Thursday. It is for a 1¼-ton, all-purpose vehicle, but the development of the vehicle will also be accomplished in Detroit.

"Some observers read political implications into the Michigan angle of the Army contracts.

"Announcement of the $102.5 million in contracts was made by Michigan Gov. John B. Swainson Thursday morning. This was a departure from the procedure usually followed in such announcements.

"Governor Swainson stressed that Chance Vought, a division of Ling-Temco-Vought, had entered into an agreement with Chrysler whereby most of the work on the missile contract is to be done in Michigan.

"He said employment at the Chrysler plant is expected to reach 1,000 by 1963 and 5,000 in 5 years.

"Chrysler and Change Vought bid in competition for the missile B contract.

"Concerning this aspect, Governor Swainson commented that he regretted sincerely that the great effort put forth by Chrysler Corp. did not result in the contract for that company.

"Then he added that he had been in contact with G. K. Johnson, LTV president, and had the assurance of Mr. Johnson that it would be logical and desirable to consider placing all related ordnance and vehicle contracts plus future Army contracts in Chrysler's Warren plant.

"The Warren plant is a U.S. Army-owned facility which has been used in the past for the development and production of major Army weapons systems.

"LTV's reasons for choosing the Michigan plant for the missile and vehicle development were outlined in a statement issued by the company Thursday afternoon.

"In discussions with the Army with respect to the optimum approach to designing, testing, and production of these programs from the standpoint of organization and available resources, the Warren Ordnance Plant in Detroit, Mich., was considered desirable for the following reasons:

"'1. The Warren plant is a Government facility equipped and particularly suited for the development and production of missiles. Further, it is located in the heart of the

automotive industry where sources of automotive supply and skills are close by.

"'2. The facility occupied by the Chance Vought Corp. in Dallas and under the cognizance of the U.S. Navy contains programs under contracts with the Navy, Air Force, and National Aeronautics and Space Administration. To place these Army ordnance and missile developments in the Dallas plant would require additional facilities peculiar to this type of production.

"'In consideration of the above factors it was determined to be desirable to conduct both Army programs in the Warren plant by establishing a separate LTV division devoted to these and similar Army programs, and to carry out research and development directed toward this objective.'

"Perhaps even more significant was a statement from the LTV president: 'We anticipate further growth in this facility during the years ahead.'

"The missile B contract is the largest Chance Vought has received since late 1957 when it was awarded a $200 million Navy job for F8U Crusader fighter planes.

"The missile is planned as a simple, low-cost weapon system. It will be the first Army missile to use a prepackaged liquid fuel for its propulsion system.

"The cargo truck will be a six-wheeled vehicle which can 'swim' inland waters and move over rough terrain easier than other wheeled vehicles. The contract calls for development of several prototypes.

"The Army said it expects that most of the major assemblies for the vehicle will be obtained from auto centers in Michigan.

"The elimination of all contractors except Chrysler and Chance Vought was announced 2 months ago when each was awarded $1 million to refine their proposals.

"Six companies submitted proposals on the cargo trucks after 50 were solicited for them.

"Mr. Johnson said the contracts would be signed later."

"[From the Dallas Morning News]

"CHANCE VOUGHT G. ARMY MISSILE PACT

"(By John Mashek, Washington Bureau of the News)

"WASHINGTON.—Chance Vought, a division of Ling-Temco-Vought in Dallas, was awarded Thursday two Army research and development contracts totaling $102,500,000 with a potential for bigger production contracts in the future.

"Work on the projects will be done in Detroit, Mich., a development that injects political overtones into the contract. First word on the contract announcement came early Thursday from Democratic Gov. John B. Swainson, of Michigan, 5 days before his crucial election day test against Republican George Romney.

"The Army awarded Chance Vought a $100 million research contract on the new missile B, expected to be the service's battlefield support weapon of the future.

"The second contract is $2,500,000 for developing a new 1¼-ton cargo truck capable of complete battlefield mobility. The truck is called the XM561 and is based on the 'Gama Goat' which was developed by Chance Vought on its own initiative.

"Gifford Johnson, president of LTV, said a 'small cadre' of LTV employees would go to Detroit for work on the two jobs. He estimated that 300 local workers in Detroit would be employed initially.

"Governor Swainson, at a press conference in Detroit, said that while the contracts went to a Texas firm, they would increase employment in Michigan. He talked of as many as 5,000 employees by 1965. The work on the contracts will be performed at the Warren Ordnance plant, an Army facility used in the past for development of major weapons systems.

"(Employment is a major issue in Swainson's campaign for reelection in Michigan. The Governor is given no better than an even change against Romney in a race that can have national repercussions. Romney has been tagged as a possible GOP presidential nominee in 1964).

"Representative OLIN TEAGUE, of College Station, meanwhile, said it looked to him like some 'pressure move to get more work done in the Midwest.'

"Johnson said the Army approached LTV and asked if it would do the work in Michigan where facilities were ready. Johnson said the decision was with the service since LTV was working for them.

"The LTV president said the work could have been done in Dallas after a short period of preparation.

"Johnson said the truck contract could be a bigger one in the long run for the Dallas firm although much smaller in the research phase than the missile B.

"The missile is a long-range project which is several years away from full-scale production. Also, a contract of this type is eventually spread around with many subcontractors necessarily coming in on the work.

"The cargo truck, however, if it is accepted and standardized by the Army, could bring in fat production contracts.

'The Army calls the missile the 'long offensive punch of the division commander.' It will replace the Honest John and LaCrosse as the increased fire support weapon for combat divisions."

Mr. OSTERTAG. What is the relationship between the 1964 programing that is here and the 1963 reprograming which is also in the mill.

Dr. LARSEN. The 1964 program is a continuation of the 1963 program, sir. We have made no adjustment in the 1964 program, as far as any locations are concerned, as far as one location or another is concerned. We have abstained from finalizing the contract and therefore committing the company to any move until after this committee is satisfied in regard to this matter, and this is what I assumed we were going to discuss at the program change proposal hearing.

Mr. OSTERTAG. My point is, that your 1964 program is contingent to a certain extent on approval of the reprograming.

Dr. LARSEN. Yes, sir.

IMPLICATION OF POLITICAL INFLUENCE ON DEFENSE CONTRACTS

Mr. LAIRD. The reason I brought up these questions—I do not believe there is anything wrong as far as this Lance contract is concerned, as far as the evaluation by the Army is concerned. This is a different matter from TFX.

I notice some people have tried to tie the Lance problem up with the TFX problem. There is no relationship between the two.

I read an article by Allen and Scott trying to show that the Army evaluation proceedings had been set aside.

Dr. LARSEN. That is not true at all.

Mr. LAIRD. I know that is not the case at all.

The only question that I have, as far as the 1964 program is concerned, is that this is the only time, to my knowledge, that I have ever heard of such a proviso being put into a contract. If we start this sort of a procedure when we know it does increase costs, it seems to me we are more or less getting the Defense Department into a depressed area program.

I have always felt that the Defense Department should not be used in this sort of a way. I also have been one of those under the Eisenhower administration, and under the Kennedy administration, who has thought we make a mistake by trying to give people the impression that Defense contracts are handed out on a political basis.

I believe, in fact, that there is a very, very small percentage of the Defense business that is handled on that kind of basis. I think many of us on both sides of the aisle have always felt we wanted to keep it that way.

It seems to me that some of the procedures being used, not only in research and development contracts, but also in procurement contracts, and the manner in which the announcements have been handled, the manner by which it has been processed by the various services and Department of Defense, are trying to give the opposite impression to the American public. This is a very dangerous thing for your shop to be engaged in, the procurement activities to be engaged in, not only in the Army, but in the Navy and the Air Force as well.

I would hope that you do not become a party, Dr. Larsen, to that kind of an operation.

Dr. LARSEN. I would like to state, sir, that the fiscal year 1964 funds are required for the Lance program no matter where the contractor carries out the task.

We have not committed the move because we do recognize this is something this committee does have the right to explore with us.

Mr. Vance and I expect to appear before you and I believe we will establish to your satisfaction there will be a net lower cost to the Government by moving to Detroit than carrying the work out in Dallas.

You asked quite a few questions. The manner of making releases is not under the control of the individual services. We actually are asked to go through a certain routine in notifying.

We had, to the best of my knowledge, no part in making the announcement a political one.

Mr. LAIRD. I am notified about these things.

Dr. LARSEN. In advance of of the published release?

Mr. LAIRD. I have always been notified.

The Army, Air Force, and Navy have always notified me on all contracts in Wisconsin.

Dr. LARSEN. Right.

Mr. LAIRD. I have never used one of these releases at any time since I have been in Congress, or since I have been a member of this committee, because most of them I did not even know anything about.

It just looks ridiculous, I think, to make announcements on things you do not know anything about. You do not know anything about the bid procedure. You are not necessarily certain it will go to the lowest bid.

We had this same problem in 1959 and 1961, in the matter of research contracts for the National Institutes of Health, where Members of Congress on both sides of the aisle were notified. We stopped it in 1959. Our subcommittee was able to stop it.

It started up again in 1961 and our subcommittee got in trouble because an announcement was made by one Member on a monkey research program and several Members of Congress started jumping on this. We downgraded the researcher.

There was a lot of bad publicity that resulted because the person who made the announcement was not familiar with the kind of research being carried on. So we were able to stop this once again last year in our bill. We stopped this announcement procedure.

People that are qualified and can talk in detail about the particular award are given the responsibility for making the announcement.

My only problem is that I think we are trying to give the impression to the public that there are strings that have to be pulled on defense contracting, and I do not think that helps the Congress, and I do not think it helps the Defense Department.

I was notified in January that on procurement contracts they were going to start

notifying my office on the subcontracts. I immediately got in touch with the Department of Defense and tried to impress upon them it was a mistake to start notifying congressional offices of subcontract awards and giving us 48 hours' advance notice on these subcontracts.

I understand Mr. Gilpatric has now put out an order stopping that procedure.

You understand the problems involved, do you not?

Dr. LARSEN. I certainly do, sir.

I think the only appropriate answer I can give is, the Army will be glad to follow whatever instructions we have in regard to the manner of giving out information and news releases.

Mr. MINSHALL. What are those instructions you have presently, Mr. Secretary, for announcing the award of contracts?

I agree wholeheartedly with Mr. LAIRD. He has made an excellent statement here regarding the procedure, and the onus is certainly on those who have prescribed the manner in which you announce the contracts. It makes it look like political pull is involved, and certainly no Member of Congress has been instrumental to my knowledge in ever determining how a contract award should be made.

Mr. LAIRD. I can see where if there are two bids exactly alike, a Member of Congress may be able to be of some influence, but I cannot see, when you are making selections on a competitive basis, why we should play a party line.

Dr. LARSEN. I understand.

Mr. MINSHALL. What is your system now? Can you recount it very briefly for us?

Dr. LARSEN. Yes, sir.

The system is that the Army prepares an actual news release after an award is made. It sends this to the Department of Defense.

Mr. MINSHALL. How soon after an award is made?

Dr. LARSEN. Immediately, the same day, or the following day.

It submits this to the Office of the Secretary of Defense, and I believe Mr. Sylvester's office must clear this news release. Then, on the day on which the normal public announcement is to be made, those Members of Congress who are affected are notified.

If for example, it is in a particular State, the Senators of that State and the Congressmen from the district affected are notified.

Mr. MINSHALL. Are they all notified at the same time?

Dr. LARSEN. Yes, sir.

Mr. MINSHALL. That is where I disagree wholeheartedly with this whole system. The announcements are made on a political basis and they have been for the last 2 years.

Mr. LAIRD. The Senators from my State have always been notified about the same time I have.

Mr. MINSHALL. Not in my case. I can give you a case in point.

I have several plants in the Cleveland area. I have the Thompson-Ramo-Wooldridge plants and I have the Cleveland Ordnance Tank Plant. In each instance in which I get an award notice of the contract, I call up the newspapers or the AP or the wire services or the television stations to tell them and they say, "We had that from your Democratic colleague 6 or 7 hours ago."

Mr. SHEPPARD. I was just going to comment, that insofar as the political aspect is concerned, I think that while this has merit, nonetheless you will find about 80 percent of the time the newspaper will tell you first about anything before you get it.

Mr. LAIRD. That is why I have never used one word of these releases.

Mr. SHEPPARD. You only get into trouble if you get your chin out too far.

Mr. OSTERTAG. Dr. Larsen, if I understand correctly, Defense contracts, generally speaking, are awarded only to the degree of less than 30 percent on a competitive basis, is that correct, so far as the Army is concerned?

Dr. LARSEN. No, sir. There is a misunderstanding of terminology here. It is probably 30 percent on open advertising. We have competition which is limited to a smaller number of qualified contractors occurring on almost every single contract, certainly on all development work and much of our research work where there is competition.

There will be anywhere from 3 to a dozen or 15 contracts competing.

Mr. SHEPPARD. Is this not the situation: In the total picture, if you are going to bring it down to a percentage basis, you have two approaches. One is the open-competitive advertised bid and the other is the negotiated bid?

Dr. LARSEN. Yes, sir.

Mr. SHEPPARD. You figure them both in the competitive status?

Dr. LARSEN. Yes, sir.

Mr. SHEPPARD. Some Members of Congress feel the competitive bid and advertised bid is the most solid and I think, in general, it perhaps is if you can definitize your requirement.

Dr. LARSEN. Yes, sir.

Mr. SHEPPARD. In the absence of being able to do that, you have a bigger problem on your hands, in order to get your procurement accomplished. Your total percentage is a combination of those two insofar as the competitive concept pertains?

Dr. LARSEN. Yes, sir.

Mr. OSTERTAG. How can you negotiate something you cannot define?

Dr. LARSEN. If you cannot define it at all, you cannot, of course.

There are times, of course, when we can define to a degree in the research and development process. Whenever we can do that, we do have competition wherever we can, sir.

Mr. OSTERTAG. My only point was that you speak about competition in bids but yet a very limited percentage of your contracts are made on that basis?

Dr. LARSEN. I believe a very high percentage of our contracts are on competition. In fact, I would like to supply the percentage for the record because I think there is competition with the Army on a much higher percentage than that.

Mr. LAIRD. On the original procurement?

Dr. LARSEN. Yes, sir. This will have to be that.

Mr. LAIRD. You would have to include that.

Dr. LARSEN. Thank you.

Mr. LAIRD. Your reorders are not on a competitive bid basis.

(The requested information follows:)

"Approximately 99 percent of all research and development 'original procurements' are made competitively (more than one offeror), and less than 1 percent by sole source procurement. Of these original procurement contracts, 5 percent are placed as a result of formal advertising. In original research and development procurement, competition should not be confused with the type of competition normally associated with formal advertising used in procuring supplies and hardware. In research and development procurements qualified sources are requested to submit proposals to undertake research and development projects. These proposals are evaluated and the contractor submitting the best approach is selected for further negotiation. Occasionally the Army negotiates with a sole source but this is the exception rather than the rule for original procurements. Sole source procurement is used when a particular contractor has the only competence in a specific area."

Mr. MINSHALL. Mr. Secretary, I think in the case of announcements of contract award, an awful lot of manpower is being wasted. Each time they make one of these announcements, a colonel comes up to my door and hand delivers to me an announcement and says, "Here it is. You get it the same time everybody else does."

This to me is ridiculous.

Dr. LARSEN. Sir, we get requests from many Members of Congress. I did not add earlier when you were asking me to describe the process, but in addition to the affected Senators in the State and district, we also notify all Senators and Congressmen who request notification. We regularly get requests of this kind. You can understand that when the Army gets requests from Congressmen we would find it very difficult to refuse them.

Mr. MINSHALL. My only comment to your remark is that maybe you do not know it, but some of them get 4 or 5 hours' priority. To me, it is patently wrong.

I do not think it should be done that way because it gives the general public the feeling that Mr. LAIRD so ably brought out, that these contracts were originally awarded on political influence bases. They are not at all, as you well know.

Dr. LARSEN. If you know of specific instances, I would be very happy to have this looked into, Mr. MINSHALL.

Mr. SHEPPARD. Gentlemen, this committee will stand adjourned until 2 o'clock this afternoon.

On the question of the additional cost of the Lance program, Mr. Chairman, I insert a portion of the transcript of the hearings in which Dr. Harold Brown testified:

Mr. MAHON. With respect to the project known as Lance, a missile required by the Army, we have considerable conversation and testimony. It is not my object at this point to rehash that testimony. You are probably familiar with the testimony we have had.

Did you, or anyone in your office, direct the Department of the Army to develop the Lance missile in the State of Michigan?

Dr. BROWN. No, sir; no such direction was issued from my office.

Mr. MAHON. To your knowledge, did anyone in the Department of Defense, in the Office of the Secretary, do this?

Dr. BROWN. No, sir; I do not think any such direction was issued, to my knowledge.

Mr. MAHON. Are you prepared to testify in regard to how much more the development will cost in Michigan than it would cost in Texas?

Dr. BROWN. I am prepared to discuss that matter, Mr. Chairman.

My own conclusion, after looking at it in some detail, not as much detail as the Army has looked at it, is one can expect offsetting savings from the development in Michigan which will equal the added costs due to the transfer of personnel from Dallas to Detroit. There are a number of offsetting factors which I believe prompted the Army decision and which I believe to justify the decision.

Mr. MAHON. The Army would necessarily, it seems to me, be the best witness in this case if the Army made the decision.

Mr. LAIRD. We heard the Army, and they were not very good witnesses.

Mr. MAHON. We have not heard the Secretary of the Army.

Mr. LAIRD. They talked of the costs of mothballing a plant and used some doubtful figures.

Dr. BROWN. There is some additional information which can be provided to you by the people who made the actual judgments and used information which has not been presented to the committee.

Mr. LAIRD. Did you read the transcript of the Army testimony?

Dr. BROWN. Yes, I did.

Mr. LAIRD. Was it not rather weak?

Dr. BROWN. It is not the whole story. I think by itself it is not an adequate story.

Mr. LAIRD. I hope now that they have had a couple of weeks to work on it, they have been able to find some better reasons.

Dr. BROWN. I can give you some better reasons, and I am prepared to do so, or I can just mention them and you can wait to hear from the Army.

Mr. MAHON. You might mention them and save us some time here. We shall have the Secretary of the Army before us to discuss this matter with the committee and we will thereby get the complete viewpoint of the Army.

I would like to have your reactions to what you know about the decision, and what the facts seem to be.

Dr. BROWN. It seems to be a reasonable decision based on the following facts—the Warren Ordance Plant in Detroit is a Government-owned facility which is partially occupied now. The whole thing has to be heated and maintained. That means putting the Lance development, and if there is production possibly the production, into that plant will essentially save 1 or 2 million a year just because you are already heating and maintaining a large part of the plant that is empty.

A second item is, there is tooling which is in that plant which, to the extent of about $10 million, will be suitable for this development. It is Government-owned.

If Ling-Temco-Vought had gone ahead in Dallas, they would have bought the tooling. On the other hand, that would have been depreciated against the contract and would have shown up in overhead in a few years.

The tooling in Detroit is Government tooling. Much of it cannot be moved. It consists of environmental chambers twice the size of this room, and so on. There will not be any charge for that because that is Government-owned.

Finally, had the development not been done in Detroit, additional plant space would have had to be acquired. There is a Navy facility in Dallas, I believe, and it is not fully occupied. On the other hand, not all the space is suitable and the judgment of the Army is additional space would have to be acquired there.

Mr. LAIRD. Is that the Army's judgment or Chance Vought's?

Dr. BROWN. I do not know whether it is Chance Vought's. It may also be Chance Vought's.

Mr. MAHON. You are not a competent witness in that area?

Dr. BROWN. That is right.

That also amounts to several million dollars.

When you add these things up, it appears that more than offsets the $11 million additional cost coming from higher labor rates and the transfer of critical personnel. That is the story as I understand it.

I believe you can get more details from the Army. It has been a convincing story to me.

Mr. MAHON. Do you believe that the Government should let contracts in areas where there is unemployment even though additional costs are thereby incurred?

Upon what basis do you think we should proceed, and upon what basis are we proceeding with respect to that point?

Dr. BROWN. I think we must follow; in fact, we have followed, and we are following, the policy that the Government should get work done where it will be done best and at the lowest cost to the Government. These additional factors such as labor surplus, economic distress, and so on, I think are social ills, and it is legitimate for the Government to try to cure them.

That happens to be my personal philosophy of government. But I do not think the legitimate way to do it is by allocation of defense contracts. If other things are exactly equal, and they never are, then I think this could be a factor that the Government could use to decide. I have not seen it so used.

I really do not see how it can be easily used because things are never equal. I believe once you take the step of allowing that, anything but the best job at the lowest cost to influence the determination of a contract, you are in a morass. There is no good stopping point under those circumstances.

Mr. Chairman, at one time or another, each member of our subcommittee has had misgivings about the desirability of this or that defense program. Back about 5 years ago we faced a hard decision on the Polaris program and finally decided to appropriate more than was requested for the leadtime items. That decision, as we all know, greatly enhanced the Polaris program.

In another instance, we faced a hard decision concerning the Titan program. Hindsight tells us we should have gone directly from the Atlas to the Minuteman instead of developing the Titan in between. The total cost of the Titan has been about $12 billion. A substantial amount of this could have been saved had we faced up to that decision. If I recall correctly, none of us on the committee at that time felt that we should bypass the Titan and go directly to Minuteman, although subsequently I did try to knock off the last five squadrons of Titan.

At this point, Mr. Chairman, I include as a portion of my remarks, a partial transcript of my discussion with Dr. Harold Brown, Director of Defense Research and Engineering, in which the question is raised whether the Department of Defense is often reluctant to go ahead with a needed program unless its people are absolutely sure it will be successful.

The material referred to follows:

Mr. LAIRD. Dr. Brown, I remember in 1958 when this committee did not follow the Defense Department's recommendation as far as the Polaris submarine was concerned. We increased that program in research and development over and above the recommendation of the Defense Department.

Finally the funds were released and made available. That has been a dramatic weapons system which has been developed.

Don't you think that people in your position are reluctant sometimes to stake your reputation on some of these projects? You want to be absolutely sure, don't you?

Dr. BROWN. It depends on the importance of the project and how much it can contribute.

If it is a new capability, as was Polaris, then I think error on the side of oversupport is perhaps desirable.

If it is a small change, then I think conservatism is indicated.

Mr. MAHON. Off the record.

(Discussion held off the record.)

Mr. MAHON. We would like the best information you can supply for us on these issues, Dr. Brown.

Mr. LAIRD. It seems to me that in the area of space there are tremendous opportunities for military weaponry.

Dr. BROWN. I shall treat that in my prepared statement. I think that may lead to a number of questions which will bring that out, Mr. LAIRD.

TFX CONTRACT FUNDING

Mr. Chairman, today a similar situation exists. We may be making the same mistake with the TFX that we did with the Titan. The TFX tactical aircraft has a speed of 2½ times the speed of sound or mach 2.5. The F-4B and the F-4C tactical aircraft have a speed of mach 2.4. In the procurement budget we will be buying approximately 2,000 of these mach 2.4 aircraft for the Navy and Air Force. It seems to me that the TFX is a doubtful venture at best and one that will cost at least $6 or $7 billion. It would seem the better part of wisdom to leapfrog from the F-4B and F-4C tactical aircraft and go directly into development of the mach 3 or a faster aircraft. The greatest consideration in this matter is the development of jet engines and material that can attain this speed. Many aerodynamic engineers feel that the materiel problem is about licked but there are still problems as far as development of engines is concerned.

Mr. Chairman, we have faced hard decisions before—some successfully, others not. Today we have a unique opportunity to take a hard look at the TFX program. The difference between a mach 2.5 and a mach 3 could become a decisive difference in the not-too-distant future. A $6 or $7 billion expenditure for a mach 2.5 may become a mistake we can ill afford. The bill before us today provides $257 million for fiscal 1964 on research and development costs of the TFX. Within the committee I offered an amendment earmarking these funds for mach 3 aircraft rather than the mach 2.5 aircraft supported by Secretary McNamara. It is my hope that the Secretary will revaluate his position and use this $257 million R.D.T. & E. money for mach 3 or better tactical aircraft.

We did provide in this bill we have before us $125 million in research and development money requested for the Dyna-Soar program. In view of the possibility that Secretary McNamara may stop this program, we earmarked these funds for mach 3 aircraft. This limits the discretion of the Secretary with these funds. Either he uses the $125 million for the Dyna-Soar or the mach 3 aircraft or the money is not available.

In another area that is much less costly than the Titan or the TFX, we may again be missing the boat. I am referring to the Comet roll-on, roll-off cargo ship, designed for special operations. We have funded in this bill $20,500,000 for another new Comet roll-on, roll-off cargo ship. We presently have one new and one converted Comet. The Department of Defense has ordered a trial head-on test for August of this year between the Comet and the Challenger lift-on lift-off cargo ship. The Challenger is a conventional ship costing approximately $10 million to construct. The total cost to the Federal Government for constructing a Challenger would be $5 million. I offered an amendment in committee to delay funding the Comet at least until the trial tests have been completed. By funding tne Comet before these tests have been completed, we are saying in effect, that the trial test is irrelevant.

This is the priority problem again, Mr. Chairman. I find it extremely difficult to see why a cargo ship that is in the process of undergoing evaluation tests should be given priority over, say, the leadtime items for two additional attack submarines. The attack submarines

have already been tested out and proven to be a practical and extremely valuable addition to our defense program. It would cost $15 million to fund the necessary leadtime items for two additional attack submarines. This would ensure their delivery to the fleet 15 months sooner than would otherwise be the case. This is similar in many respects to my Polaris amendment 5 years ago in which the funding for the leadtime items in that case made possible a marked speedup in the timetable by which the subsequent Polaris submarines have joined the fleet.

There are other areas that need hard decisions. In the military uses of outer space, we are not doing nearly enough in my view. The Secretary of Defense stresses the fact that we have many programs in the space field, that most of them are programs that deal with the peaceful uses of space, but that they also provide us with valuable information which can later be used for military applications if that becomes necessary or desirable.

In past wars in which this country has been engaged, we placed the primary emphasis on the development of military weapons that would insure victory. Many concepts developed under wartime conditions later were found to be very useful for peaceful purposes. In war, peaceful uses can be the byproduct of military developments. To reverse the process under present cold war conditions is rather risky.

We are engaged in a so-called cold war. Nevertheless, it is very decidedly a war that could tomorrow become the hottest war in history. So long as this possibility exists, we owe it to ourselves and our successors to provide every instrument that will win a cold war turned hot. Military space capabilities will very probably become an indispensable factor in the very near future and one we should not lightly dismiss.

These are not easy questions, Mr. Chairman. They are hard decisions. And these decisions are related in a very intimate manner to the whole question of strategy formulation. To my mind, there are three important levels in defense matters that are interrelated and interdependent, one upon the other. They are not, however, interchangeable. One must be resolved before the next can be faced. The first level, of course, is the strategy level. Next comes tactics. And the third is the weapons, materiel, and manpower in the proper mix that is necessary to carry out the tactics of U.S. strategy.

The members of the Defense Appropriations Subcommittee—and for that matter, any other committee that deals with defense and security matters—must be fully aware of all three areas. Without knowing the ultimate goal of our strategy, we could not conceivably fund the appropriate defense programs best designed to implement that strategy.

Why, for example, should this committee appropriate billions of dollars to develop and eventually deploy all of the ships, planes, weapons, missiles, and related equipment necessary to destroy hardened ICBM's or Polaris-type submarines, if it is the unequivocally stated policy of this country that "we will never strike the first blow in any attack"? Obviously, if the only capability we are serious about is a second strike capability, there seems to be no logical reason for spending the vast sums of money necessary for first strike weapons. In a second strike posture, our retaliatory blow, in most cases, will be destroying targets such as missile sites that have already discharged their missiles.

We should not deny ourselves the capability to destroy hardened missile sites or Polaris-type submarines, Mr. Chairman. This committee has been on record since 1961 in favor of a first strike posture under certain conditions and I fully subscribe to that view. Yet there were a number of disturbing comments in Secretary of Defense McNamara's statement before our committee. Under the section entitled "Strategic Retaliatory Forces," the Secretary said:

> We have not found it feasible, at this time, to provide a capability for insuring the destruction of any very large portion of the fully hard ICBM sites, if the Soviets build them in quantities, or of missile launching submarines. Fully hard ICBM sites can be destroyed but only at great cost in terms of the numbers of offensive weapons required to dig them out.

The very serious implication here is that we currently have no plans to prevent the Soviets from attaining nuclear parity with the United States. The day we stop attempting to neutralize Soviet weapons by developing a capability to destroy them—which day apparently has already arrived—we insure the coming of nuclear parity. Such a situation, Mr. Chairman, in which nuclear parity becomes a fact is neither in the long- nor the short-range interest of the United States.

At this point in the RECORD I insert a transcript of part of the colloquy between the Secretary of Defense and myself on this and related matters of strategy.

The material referred to follows:

NUCLEAR PARITY

Mr. LAIRD. The other day in the discussion I had with you, I outlined four strategy phases which I think this country has gone through since World War II—the first phase was—and this has to do with nuclear delivery capabilities and its influence on our strategy—the first phase was the post-World War II phase, or the monopoly phase. We had nuclear power and the Soviets did not.

In phase 2, the United States had in any action in Western Europe a vast nuclear preponderance. In addition, we could reach the Soviet Union by virtue of the fact we could reach the Soviet Union with our aircraft and bases.

During phase 2, however, the Russians could not reach us.

It seems in 1957 or 1958 phase 2 ended and the Soviets developed their large numbers of intermediate range missiles to meet our nuclear capability in Western Europe.

In phase 3, the Soviet Union developed the capability to destroy sizable numbers of key U.S. cities, but not the United States. In this phase, nuclear parity has still not been obtained because the United States, unlike Russia, continues to possess a strong margin of nuclear dominance even in a second strike and an overwhelming dominance in a first strike.

Phase 4 is the phase of nuclear parity, or, worse yet, Soviet superiority. Do you not think we are in phase 3 at the present time?

Secretary McNAMARA. Mr. Laird, I presume you are referring to the four phases outlined in your book. I do not recall them described in the book exactly as I understood you to describe them today. But my memory may be in error because I do not have the book in front of me.

Responding to your description of them as you have outlined them today, we definitely are not in phase 4. I will certainly agree with that. In no sense of the word is there Soviet nuclear superiority today, nor is there nuclear parity measured in terms of numbers of weapons.

Mr. LAIRD. I never referred to the question of mutual deterrence. I have always talked about nuclear parity or superiority. It does not seem to me we have reached nuclear parity during this time period.

Secretary McNAMARA. I do not mean to overly emphasize semantics, but I do not know how you define nuclear parity. I say if you do define it in one way, as it might well be defined, that is to say, numbers of weapons, we in no sense of the word are in a state of nuclear parity today. Our number of nuclear weapons in any category I am familiar with far exceeds the number of weapons in a similar category in the hands of the Soviet Union, in my opinion.

Mr. LAIRD. If we were to have an exchange with the Soviet Union at the present time, in the discussion yesterday you talked about ——— getting through. Is that correct?

Secretary McNAMARA. No, sir. I do not believe so. The specific terms I used——

Mr. LAIRD. I may be wrong on the exact numbers.

Secretary McNAMARA. The point I am emphasizing is, I did not speak in terms of getting through. Rather, I spoke in terms of "launched" or "targeted" against. I was very careful to do that, and here is the specific sentence:

"I think for rough purposes you can assume there would be a minimum of ——— such warheads launched against us, and for rough purposes, you can therefore assume there would be something on the order of ——— megatons targeted and launched against our Nation."

I differentiate between launched on the one hand and getting through on the other because with respect to the figure of ——— and you are quite correct in saying it would vary between ——— there is a difference between launched and getting through. A percentage of the missiles would be unreliable and would not get through.

Mr. LAIRD. What degree of destruction do you estimate as far as number of people are concerned?

Secretary McNAMARA. I would hesitate to give you a precise figure because I think it depends so much, as I believe I stated yesterday, upon the targets against which those warheads were launched. I cannot conceive, however, of the launch against us of ——— warheads from the Soviet Union, or their submarines, without fatalities in this Nation under today's conditions exceeding, at an absolute minimum, 10 million, and I would say the much more probable figure would be on the order of several times that.

Mr. LAIRD. What is the comparable situation as far as the Soviet Union is concerned?

Secretary McNAMARA. Off the record.

(Discussion off the record.)

Mr. MINSHALL. A year ago we talked about the Soviet Union being able to receive unacceptable damage and we being able to accept "unacceptable damage." Is that not what we are talking about: We reached a damage parity, so to speak?

Secretary McNAMARA. No; I do not believe it is damage parity either. Maybe it is a question again of semantics.

Our force today can create far greater damage in the Soviet Union than their force can in the United States.

Mr. MINSHALL. Will not the damage they inflict on us be unacceptable?

Secretary McNAMARA. I think that is for you to decide. I can only give you the level of damage I think they can inflict upon us. Whether that is acceptable or not I think depends upon the circumstances and your own judgment.

Mr. MINSHALL. What does the Defense Department think of it?

Secretary McNAMARA. We are not prepared to state what is unacceptable. This is a non-Defense issue.

Mr. MAHON. The committee will stand adjourned until Monday morning.

MONDAY, FEBRUARY 11, 1963.

Mr. MAHON. We will resume the hearing.

When we adjourned the committee last Friday, Mr. Laird was interrogating the Secretary and General Taylor. He has some additional questions. I will yield to Mr. Laird at this time. Will you proceed, Mr. Laird?

SOVIET SUBMARINE THREAT

Mr. LAIRD. Mr. Secretary, when we quit on Friday we had had some discussion about the threat of the Soviet submarines.

As you project through 1968 the submarine will perhaps be the major threat of the strategic forces of the Soviet Union; is that correct?

Secretary McNAMARA. I would not say "the major threat" in the sense that there was no other important threat. I believe it will be a serious threat in fiscal year 1968. I also believe that the ICBM's which the Soviets will very probably have in a hardened condition in substantial numbers at that time will be a very serious threat.

Mr. LAIRD. I was not really trying to downgrade the Soviet ICBM's at a hardened site.

Would it be all right to say that the submarine will be a major threat, or one of the major threats of the 1968 period?

Secretary McNAMARA. I believe it will be one of the major threats at that period.

Mr. MINSHALL. What period?

Secretary McNAMARA. Fiscal year 1968.

FISCAL YEAR 1964 BUDGET FOR ASW

Mr. LAIRD. I have had a longtime interest, along with other members of the committee, in ASW because we felt a major strategic striking force of the Soviet Union would, in the future, be the submarine.

This committee has increased over and above the recommendations of the Department of Defense funds for ASW on several occasions. Last year in the budget presentation we were given the program as far as ASW was concerned, and purchases for ASW purposes, through the fiscal year 1966.

In looking over the program for this year I find that the ASW program has been cut back substantially from the program that was set forth in the budget presentation just 1 year ago.

I refer particularly to the cut in carrier ASW airplanes. In the fiscal year 1963 budget presentation there were 60 S2-E's and 42 SH3-A's and for fiscal year 1964, ——— of the first were programed and ——— of the second were programed.

In the fiscal year 1965, ——— of the first were programed and ——— of the second. So it goes on down this program.

The same thing is true when we look at the P3V's. This is perhaps the best ASW patrol plane in the eyes of the Navy. Many people in this area of ASW work think it is the best that has been developed. We are still using P2V's to a large extent. I have been out on P2V patrols. I do not see how effective ASW work can be done in the P2V with its overcrowding and search capabilities.

In the program you presented last year, for fiscal year 1965, it was projected that we would buy ——— P3V's. In fiscal year 1966, ——— P3V's would be purchased. In the presentation this year this program has been cut to a ——— purchase right straight down the line.

In view of the threat of the Soviet submarine in this particular period of time what is the reason for the cutback in this ASW program? I use aircraft procurement as an example of the cutbacks in the ASW program. Later I will use the submarine figures. Is it a budget consideration entirely?

Secretary McNAMARA. No, not at all as a matter of fact. The change is simply a better balance between the various elements of the ASW force—the destroyers with their potential helicopter operations; the carriers with their antisubmarine air groups; and the patrol aircraft operating from land bases. While it is true we have reduced the number of P3V's tentatively planned for procurement in subsequent years compared to what had been projected last year, you will notice from the schedule that the P3V program is increasing very rapidly to a total of ——— planes and it will give us a much greater search capability through those patrol aircraft than that which we had in 1962 before the P3V's came into service.

The problem is not merely one of obtaining additional P3V's.

(Statement off the record.)

Secretary McNAMARA. The Navy has recognized this problem and has endeavored to correct it in two ways; first, by concentrating their antisubmarine warfare research and development activities under one man; and second, by expanding their budgets for antisubmarine warfare research and development activities.

There are several major antisubmarine warfare research and development activities included in the research and development program.

Off the record.

(Discussion off the record.)

Mr. LAIRD. The Navy made the request. Take the HSS-2. The Navy program was a different program than is presented in this budget. The cutback in the HSS-2 is quite a major cutback from the Navy's recommendations. If you use the HSS-2 and the S2F3 you will see this cutback.

Secretary McNAMARA. I did not understand the question.

Mr. LAIRD. The Navy's request was somewhat different from the request in this budget. The Navy must have felt there was capability in these particular ASW vehicles that are going to be used on carriers.

Secretary McNAMARA. I do not recall the specific Navy request for fiscal year 1964 procurement versus———.

Mr. LAIRD. Mr. Secretary, it seems to me that No. 1 priority should be given to getting new ASW developments into the fleet and operating. The vast improvements in ASW will mean nothing if not in the hands of the operating fleet.

Secretary McNAMARA. The Navy request for HSS-2 aircraft was ——— reduced ——— in order to achieve better balance between those aircraft and the other elements of the antisubmarine force with which they would operate.

I would be quite happy to be more responsive on this. I do not have all the information with me at the moment.

Mr. LAIRD. We will go into that when we get into the general purpose area.

The only reason I brought it up in the strategic section was because such great importance was placed on the threat we faced from the Soviet Union in the 1968 time period and the cutbacks here in this ASW area will effect that particular timetable.

Secretary McNAMARA. Yes. I think the question is not whether they were cut back from what the Navy requested, but rather if they had not been cut back would our ASW potential have been greater. I do not think it would have been. I think if you increased our antisubmarine force in the fiscal year 1964–68 period by a substantial percentage, far more than they requested—and let us assume we increased it by 25 percent as an illustration—I do not believe we would have substantially changed our ability to combat the Soviet missile-carrying submarine threat at that time.

Mr. LAIRD. Mr. Secretary, it seems to me in this ASW area, if we are going to face up to this problem, that it is necessary for us to go forward with a crash program on certain items.

It does not seem to me that the Mark 46 torpedo in this particular budget is put on a crash basis. Was any thought given to picking out two or three of the real breakthroughs we have had in ASW and putting them more or less on a crash basis to meet this Soviet threat?

Secretary McNAMARA. We have asked the Navy to increase their expenditures on every item of ASW research and development that appears to offer any reasonable likelihood of increasing our capability. My recollection is the Mark 46 torpedo is funded at the rate proposed by the Navy. I would have to check the details of the Navy budget.

Mr. LAIRD. That is correct. In this budget the Navy has been given their request as far as the Mark 46 is concerned.

Secretary McNAMARA. I thought that was the case.

Mr. LAIRD. This committee last year increased the Mark 46 funding above your recommendation on its own. This additional money was released for the Mark 46. There is no quarrel here. It just seems to me when you have the Mark 46 developed as far as it has been developed it might not be a bad idea to take a chance on something like that.

Secretary McNAMARA. ——— is the amount requested and approved for the Mark 46.

Mr. LAIRD. It is a long way from the fleet. We are talking about research and development money here. We are postponing the possibility of getting this to the fleet. At this rate we would be doing good to get it generally in the fleet by ———.

Secretary McNAMARA. Off the record.

(Discussion off the record.)

Mr. LAIRD. That is true. This torpedo goes a long way toward improving our position. Coupled with more and better listening platforms it will make a major contribution to ASW.

Secretary McNAMARA. I do not disagree with your point of view. It is a problem that has disturbed me from the first day I came to the Department. I asked the Navy Secretary, Mr. John Connally, to address himself to it very early, which he did. We have changed the organizational structure of the Navy to put more emphasis on antisubmarine warfare research and development. I must confess we are still facing a situation where the offense has the advantage over the defense, as best we can tell.

Mr. MAHON. Off the record.

(Discussion off the record.)

Mr. LAIRD. Mr. Secretary, I will get off this ASW subject.

CONTROL OF ESCALATION OF ARMED CONFLICT

In your opinion, with the forces being as they are in the world today, meaning the Soviet Union and the United States, in any conflict who would control escalation?

Secretary McNAMARA. I cannot answer the question. I think the control of escalation in an armed conflict between the Soviet Union and the United States is a very difficult matter to predict. I would hope we would be in a position where we could exercise control over escalation, but such control depends so much on the other person's

mental attitudes I could not predict we would achieve such control.

Mr. LAIRD. Has not history shown us that the superior power usually controls escalation?

Secretary MCNAMARA. No, I do not believe it has. I think in many cases an inferior power acting in desperation has escalated the conflict. In any case the problem here is one of the type of force and the situation in which that force is being applied.

There is no question in my mind but that we have nuclear superiority, measured in numbers of warheads, and I am certain the Soviets realize that. I can visualize situations where acting in desperation, and with lack of reason they escalate nonetheless.

NUCLEAR STALEMATE

Mr. LAIRD. In a Saturday Evening Post interview that you had with Mr. Alsop the impression was given—and this may not be correct—that we were in a position of an almost stalemate with the Soviet Union. I wrote a letter to the President asking him certain questions on the 19th of January. This letter was not made public in any way. I wrote this letter for my own information. In that letter I tried to find out what kind of strategy we were following in the present world situation. I have here a copy of that letter.

(The letter follows:)

JANUARY 19, 1963.

The PRESIDENT,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: Events of recent years in the areas of the foreign and military policies of the United States have caused me a great deal of concern.

I have recently written a book "A House Divided: America's Strategy Gap," Henry Regnery Co., Chicago, a copy of which I enclose, which attempts to analyze policy and strategy formulation in recent years. In my analysis, I endeavored to divorce myself completely from partisan considerations in the hope that a true and meaningful dialog could be stimulated by its contents.

Knowing of the immensely heavy burdens on your time, I hesitated to send the book to you since I am aware that you can only concern yourself with matters of the gravest consequences.

However, I overcame my reluctance because I feel very strongly that grave mistakes are being made today and that only a President of the United States can provide the leadership and direction needed for a successful formulation of right policy.

Specifically, Mr. President, I write this letter to pose a question which I feel goes to the very heart of the problems we face today.

As a distinguished Senator in August of 1958, you delivered a notable speech on the floor of the Senate. It dealt with the foreign policy problems of the United States for the immediate years ahead.

In that speech, Mr. President, you, like many other well-informed leaders of the day, assumed that a missile gap would exist during the 1960–64 period. For that reason you called upon the United States to follow an "underdog strategy" for the duration of the missile gap period.

In recent months your statements and those of other distinguished members of your administration have unequivocally indicated that no missile gap exists now and that no missile gap ever existed.

If this is correct, the question raised in my book, and the question I ask now, is this:

Why, for the last 2 years, have we been pursuing an underdog strategy although we have never been and are not now the underdog?

By an underdog strategy I mean a strategy of response rather than one of initiative.

A strategy of initiative, in my view, would act when the possibility of a given situation getting out of control first arises.

A strategy of response, on the other hand, would go into effect only after the situation has deteriorated so far that a nation must take extraordinary steps even to salvage a return to status quo.

Cuba, of course, illustrates this rather dramatically.

But a more subtle illustration of our continuing reliance on a strategy of response came from your very able Secretary of Defense, Mr. McNamara. In his recent interview with the Saturday Evening Post, Secretary McNamara seemed to be calling for the development of a second strike capability by the Soviet Union.

I quote from the Secretary:

"I believe myself that a counterforce strategy is most likely to apply in circumstances in which both sides have the capability of surviving a first strike and retaliating selectively * * *. But today, following a surprise attack on us, we would still have the power to respond with overwhelming force, and they would not then have the capability of a further strike. In this situation, given the highly irrational act of an attempted first strike against us such a strike seems most likely to take the form of an all-out attack on both military targets and population centers. This is why a nuclear exchange confined to military targets seems more possible, not less, when both sides have a sure second-strike capability. Then you might have a more stable 'balance of terror.' This may seem a rather subtle point, but from where I'm sitting it seems a point worth thinking about."

Mr. President, one staggering implication of these words is that the strategy of the United States does not include the objective of a Communist defeat. For with nuclear parity a stalemate of fact rather than policy would exist.

In short, Secretary McNamara seems to be saying that although we are not "underdogs" as we once feared, perhaps we should become "equidogs."

If a more stable balance of terror by the expedient of permitting the Soviet Union to develop an adequate second strike capability is now the wish of the United States, my question is: What strategy will we pursue when that happens?

If, as a superior power, we pursue the "underdog strategy" Mr. President, what strategy will we pursue when we are "equidogs?" When nuclear parity has become a fact?

The necessity for clarification of these points is, I think, obvious. It is my sincere hope that you and your advisers will study the apparent confusion of our recent strategies and that you will seek to clarify them for my benefit and for the benefit of my colleagues and the American people.

With best wishes and kindest personal regards, I am,

Sincerely yours,

MELVIN R. LAIRD,
Member of Congress.

Mr. LAIRD. You do not believe we have anything near a nuclear stalemate at the present time, do you?

Secretary MCNAMARA. As we discussed last week I am wary of tagging a word like "stalemate," or "nonstalemate" onto our present condition. I would rather describe our present position as fully as I can and then allow you to draw your own conclusion.

Mr. LAIRD. I think you have done well explaining your position in detail in answer to Mr. Ford's question. I am sure people will take that answer of yours to Mr. Ford and make out of it a nuclear stalemate.

Secretary MCNAMARA. I do not personally believe the word "stalemate" is the proper word to apply. "Stalemate" implies lack of action and I visualize our military program leading to quite the contrary. I visualize it leading to action in the foreign policy field. That is why we have increased the budget in the last 3 fiscal years.

It is particularly for this reason that I do not like to see a single noun or adjective applied to what is really a very complex set of relationships. I do not think "stalemate" describes our present position.

Mr. LAIRD. I certainly do not say that it does.

Secretary MCNAMARA. I know it.

Mr. LAIRD. Other people did after listening to you.

Secretary MCNAMARA. This morning the New York Times had an editorial in its western edition in which it uses the word "stalemate." After having read my statement, it concluded we are not in a position of nuclear stalemate. Now this is one reason why I hate to see a single word applied to a very complex set of relationships. I believe we have sufficient power to absorb the first strike of the Soviet Union and, even then, destroy the Soviet Union. I also believe they have today, and will have increasingly in the future, the power to cause severe damage to the Western World, including the United States, in the event of a nuclear exchange. I do not believe I would call that a position of stalemate. Particularly, it does not lead in my mind to a stalemate in foreign policy. This, I think is the important conclusion I wish to emphasize.

Mr. LAIRD. You talked in your interview about a more "stable balance of terror." This is a quotation attributed to you from the Post article. Perhaps it is incorrect. I am not sure. It would seem to me from reading that particular paragraph in which you refer to "balance of terror" that the implication is that strategy of the United States does not include the objective of eventual defeat of the Communists in this cold war challenge with which we are faced. If nuclear power were near a stalemate, or a balance of terror, however you want to describe it, I am not sure what kind of policy we would then pursue as compared to the policy we are presently pursuing.

Secretary MCNAMARA. I do not believe I said, and I certainly did not wish to imply, that our objective does not include eventual defeat of the Communists. Quite the contrary. Our objective is the defeat of the Communists. I do not believe we can achieve that victory by engaging in strategic nuclear war. I think that kind of stalemate will become increasingly more controlling with the passage of time. That was the point that I was trying to make in my response to Mr. Alsop's questions.

Mr. LAIRD. I am glad to have your answer.

Secretary MCNAMARA. I think that was specifically the point at issue in the article. Implicitly the question was, "Can we achieve defeat of the Communists by engaging in strategic nuclear war? You have said we have superior nuclear forces measured in terms of numbers. Can we not use those superior nuclear forces to achieve defeat of the Communists?"

My answer is, I do not believe we can achieve defeat of communism by engaging in strategic nuclear war. There are some who do believe that. I do not. I think it is very dangerous, as a matter of fact, for any significant number of our people to believe we can achieve defeat of communism by engaging in strategic nuclear war.

Mr. LAIRD. But at the same time, Mr. Secretary, if we are forced to engage in that kind of an activity we must maintain our present superior position in order to win? Are we not in that position?

Secretary MCNAMARA. No, sir; I do not believe we are, not in the normal sense of the word "win," because in my opinion there would be such severe damage done to this

country that our way of life would change, and change in an undesirable direction. Therefore, I would say we had not won. In another sense of the word "win" we would win. We would win in the sense that their way of life would change more than ours because we would destroy a greater percentage of their industrial potential and probably destroy a greater percentage of their population than they destroyed of ours. By "ours" I am speaking of the United States. I suspect that in terms of facilities the amount of industrial destruction in the West would exceed that of the Soviet Union. This is so because you would have to add to the destruction in the United States the probable destruction of Western Europe. My personal opinion is—and I think you should hear from General Taylor on this subject because it is so important—we cannot win a nuclear war, a strategic nuclear war in the normal meaning of the word "win." I think you should hear from General Taylor.

General TAYLOR. I can only add that throughout history men have waged war presumably because they felt that at its conclusion their country would be in a better position than had they not waged war. In other words, they acted in accordance with the old Clausewitzian theory that war is the pursuit of national policy objectives by forceful means. The kind of war we are talking about is not that kind of war at all.

I quite agree with the Secretary, that when you talk about "winning" a general nuclear war it is usually in a sense I do not understand. The losses on both sides would reduce these two world powers to secondary or tertiary powers. Certainly in a general nuclear war we would lose many of those things which have been thought worth fighting for in the wars of the past.

Mr. LAIRD. Mr. Secretary and General Taylor, you do feel it is necessary as we go forward to maintain our superior force in this area in order to deter and in order to prevent destruction by the Communist forces?

Secretary McNAMARA. Always.

Mr. LAIRD. And to prevent the Communists from imposing their will on us as well as the entire free world?

Secretary McNAMARA. Absolutely. We can never be complacent about this. Going back to the word "stalemate," "stalemate" suggests that we are satisfied with an impasse that will not change. But change occurs continually. Technical factors which may change this offsetting capacity which now exists pretty much on both sides are constantly revealing themselves. We must watch pretty carefully and pursue all the research and development programs you are concerned with. We do not have a balance. We have a dynamic offsetting situation which may change, not overnight, but in the course of a few years.

FISCAL YEAR 1964 ASW BUDGET

Mr. LAIRD. Since I have been on this committee there was the big drive for the manned bombers. We had to get going on the bombers. We were going to be behind.

Now I listened to you, Mr. Secretary, the other day say really the money we are spending on these bombers today is not important from the standpoint of the targets we are planning to use these bombers for. It is secondary, or down the line somewhere. This keeps changing all the time.

In this budget we have a great deal of money for these bombers, for the maintenance of these bombers to keep them flying, to fly alerts, to train the crews, to keep them up to date, and yet I find a downgrading of this ASW problem which seems to be of much greater significance than all the money we are spending on these bombers.

We are in a crash program to go to the moon. As far as outer space is concerned we are spending 10 to 1 in dollars as compared to inner space. It seems we are neglecting the inner space program. We should have some sort of crash program to solve our defense problem right here on the earth surface and under the oceans. This should be given a much higher priority than our present crash program to the moon. Those are personal opinions.

Secretary McNAMARA. The inner space expenditures I assume would include missile expenditures.

Mr. LAIRD. I am talking about under the ocean and on earth surface when I am talking about inner space.

Secretary McNAMARA. I would simply say that we are spending large amounts for "inner space"—as I distinguished from "outer space"—with particular emphasis being given to missiles. In ASW I have one ground rule and that is that money is no limit whatever on research and development projects associated with increasing our ability to detect, track, and kill Soviet submarines, including particularly Soviet missile launching submarines. I do not feel the Navy—and you can check this statement with them—would testify that their research on ASW is limited in any way by lack of funds. Quite to the contrary.

Mr. LAIRD. They did not get as much as they asked for and several ASW procurement programs have been cut back. If we don't get newly developed equipment to the fleet it serves no useful purpose.

Secretary McNAMARA. In the case of ASW research and development, they were not cut because of any fund limitation. We are not going to approve wasteful expenditures which do not appear to lead to an increase in potential capability. There may have been some reductions along that line, but even there, the amounts must have been small because I do not recall the specific reductions.

INCREASE IN SOVIET SUBMARINE THREAT

Mr. LAIRD. This is the first year any Secretary has come before us with as large a number of Soviet submarine launched missiles for the period of 1968 that you have indicated in your presentation.

Secretary McNAMARA. I think last year we had roughly similar figures. I can tell you approximately what they were last year. The submarine threat estimates have increased, but the character of the threat and the extent of our capability to meet it effectively has not materially changed since last year. It was a problem last year; it is a greater problem this year as we look into the period ahead. Moreover, the national intelligence community has somewhat increased its estimate of the submarine threat, since last year. The number we are estimating now is larger for end 1968. This is a very rough approximation because we are out beyond the leadtime period of the Soviet decisions. They may not have yet decided on everything that affects their fiscal year 1968 forces. These are rough estimates. I think they are reasonably reliable estimates. They are based on the best intelligence evaluation we have.

Mr. LAIRD. Even in your statement you refer to the Soviet submarine missile capabilities as a "significant change."

Secretary McNAMARA. You are quite right. That was a very substantial threat last year—Soviet missiles in submarines. The threat has increased, but it is essentially the same type of threat.

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

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

Mr. GROSS. Did the committee go into the TFX to any great extent?

Mr. LAIRD. May I say to the gentleman I will be very happy to comment on the TFX contract. We went into the TFX contract. The present title of it now is the F-111. We went into that in some detail within our committee.

Personally, I think we are making a mistake in Congress to get involved in the area of which contractor should have gotten this particular contract. Whether it should have been Boeing or whether it should have been General Dynamics I do not think is the point we should be investigating. After listening to the testimony before our committee this year, I think the question the Congress should look into is whether the TFX should be funded at all.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. FORD. Mr. Chairman, I yield the gentleman from Wisconsin 10 additional minutes.

Mr. LAIRD. Mr. Chairman, the big issue here is not whether contractor A or contractor B gets this particular contract. The big question here is whether we should go forward and spend the $257 million that is authorized in this bill under research and development in the fiscal year 1964.

Let me develop that a little bit for the gentleman from Iowa. In this bill we are authorizing the procurement of over 1,800 F-4-B and F-4-C tactical fighters. Those particular fighter planes have a speed of mach 2.4. These have already gone through research and development. They are now in procurement. We have a contract. We are going forward, and we are buying the F-4-B's and the F-4-C's. The TFX is the follow-up plane from the F-4-B and F-4-C. It has a speed of mach 2.5, one-tenth of a mach greater. The mach 2.5 is two and a half times the speed of sound. We are going forward in a research and development effort, and we are not gaining enough by this research and development over the F-4-B and the F-4-C to justify the long-term cost of this particular plane, which is $6½ billion if we go into a procurement program. I would like to predict right here on the floor of the House today that the TFX will never go into production, it will never be manufactured. This particular plane will not be built because we have reached a state in aerodynamics in this country today where we can go forward with tactical aircraft of at least mach 3 speed. We should be going from our present planes in production to the F-4-B and F-4-C and jumping forward to a speed of mach 3, or better.

There are many side factors and many important defense considerations which I believe the committees of Congress should be giving greater consideration to than as to whether it went to this contractor or that contractor, because the TFX will be an obsolete aircraft as far as the 1970's are concerned.

Mr. GROSS. I agree completely with the gentleman that it is important that we get the most useful and effective products for the money we spend. But how those responsible arrive at the awarding of the contracts is also tremendously important.

Whether they are dealing from the top of the table in the Defense Department, or whether they are dealing from under the table is tremendously impor-

tant. In my opinion they did not deal from the top of the table with respect to TFX. The Secretary of Defense, on the basis of testimony of the Comptroller General of the United States, dealt in figures out of his head and nowhere else. So I say it is tremendously important to know in the light of contracts to be awarded in the future, how the contracts have been awarded in the past.

Mr. LAIRD. I agree with the gentleman that it is important to see that these contracts are properly awarded. I have questioned the Department about the manner in which the contract on the TFX was awarded, but I do not want those questions to outweigh the important defense considerations which I believe that the Congress should look over; that is, whether the TFX should be built at all, or whether we should not leapfrog this particular type of aircraft and go forward to the kind of plane we can now build for the future. Let us not build an obsolete plane. This plane does not give us enough of an additional value in defense potential to justify the expenditure, in my opinion.

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

Mr. LAIRD. I will be glad to yield.

Mr. GROSS. The gentleman also mentioned the announcements of the awarding of contracts and other procurement on the part of the Defense Department. In connection with the TFX contract, and even though the policy was abandoned in January of this year——

Mr. LAIRD. That was on subcontracting it was abandoned. On contract it is still being followed.

Mr. GROSS. All right. The newspaperman from Houston, Tex., who appeared before the McClellan committee in the other body, made it quite evident that these decisions as to procurements are being made available to a favored few, apparently.

Mr. LAIRD. We had no evidence that they were favoring the Senate over the House, or anything along that line, but it is the whole practice that I object to. I believe that this should be looked over very carefully by the Secretary of Defense with an effort made to stop this procedure, because the public image that is presented in this area of defense contracting is bad and it is not in the best interest of our national security.

The gentleman from Iowa raises the question about the proper awarding of contracts. In our hearings we did develop information in respect to the development of the Lance and the peculiar procedure that was used on this particular contract. I will place this material in the RECORD at the conclusion of my remarks.

Mr. GROSS. Mr. Chairman, will the gentleman yield very briefly again?

Mr. LAIRD. I will be happy to yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman know of any reason why the General Dynamics Corp. would be interested in the congressional districts in which it may put out awards to subcontractors? Would the gentleman know of any reason why this information would be so important to General Dynamics with respect to the TFX contract?

Mr. LAIRD. I assume that General Dynamics might feel that that would have a little greater influence in regard to the TFX. This whole particular question of the industrial defense complex is one which needs very careful examination.

Mr. Chairman, in still another crucial area, every member of this committee has expressed various degrees of concern over what may be becoming the primary emphasis of our strategy. As everyone knows, when this administration took office, the Eisenhower-Dulles doctrine was all but shunned and in its place was substituted what many now call the strategy of controlled response. In addition to this, we seem to be trying to build up our conventional capabilities and our special warfare capabilities in order to be able to play the game the way the Soviets want to play it anywhere in the world. The distinguished chairman of our subcommittee, the gentleman from Texas [Mr. MAHON] raised a very pertinent question at the outset of the hearings. He said:

> We are doing more and more to improve our conventional weapons and our weapons for special operations in guerrilla warfare and counterinsurgency. * * *
>
> Could it be that by this modification of course of policy that we are taking some steps that might encourage a nuclear war by indicating too strongly a reliance upon conventional weapons?

This is a deep concern of many of us, Mr. Chairman. It was subsequently brought out in the hearings, especially by General Wheeler, Chief of Staff of the Army, that as soon as the two Army divisions we added last year are fully modernized, this subcommittee can expect, probably next year, another request for two more divisions, presumably to give us a capability to wage a conventional war in Europe. Mr. Chairman, the wisdom of this country's attempting to develop a capability to wage a successful conventional war in Europe is open to serious question. The geography of West Berlin, the conventional military and manpower advantages the Soviets hold in that area of the world, and the many other considerations that work to the disadvantage of the West in a conventional war, argue quite persuasively that we would be foolish to abandon our successful nuclear strategy for a very doubtful conventional strategy. If we are going to supply the manpower for a conventional war in Europe, perhaps we should abandon our military assistance programs. Also, I think it is an inescapable conclusion that if we fought a conventional war in Europe, we would have to escalate the conflict.

A second point was brought out by the distinguished chairman's question. He said he hoped the Secretary could observe his thinking here and give his views "in such a clear way that there can be no doubt about our position."

To me, Mr. Chairman, this is the crux of the problem we on this committee face. The distinguished chairman is not alone. There has existed and there continues to exist a very definite doubt in the minds of many of my colleagues both on and off the committee as to what we are trying to accomplish. This is crucial. It represents an exercise in futility to get up on the floor of this House and try to defend expenditures of some $50 billion when, at the same time, none of us can give a satisfactory definition of what our positive strategy is, of what we are trying to do.

It has been amply spelled out for us what we are trying to avoid. We are trying to avoid further Communist expansion anywhere in the world; we are trying to avoid the holocaust of a nuclear war; we are trying to avoid offending the neutralists; we are trying to avoid driving these so-called neutralists into the waiting arms of the Communists; we are trying to avoid the further commitment of our troops in southeast Asia; we are trying to avoid the proliferation of nuclear weapons among our allies; and, perhaps worst of all, we are trying to avoid the responsibility of facing up to the Communists in those areas where it has become crystal clear that we should face up to them, namely in Cuba, in Berlin, in Laos, in South Vietnam, and in a number of other areas.

Mr. Chairman, at this point in the RECORD I insert the partial transcript of a colloquy between Secretary McNamara and myself in this year's hearings on the subject of our ultimate objective in the cold war.

The material referred to follows:

ULTIMATE OBJECTIVE OF MILITARY STRATEGY

Mr. LAIRD. Mr. Secretary, your presentation and the statement which was prepared for the committee I think is superb. I read it over with a great deal of interest and commend you for it. I do, however, have some policy questions which bother me. I do not think the statement deals with them in any great detail, although the statement goes into various systems and procurement in a very adequate manner. I think some things are decisions that have to be left to the Department of Defense and to you and your experts rather than to a congressional committee.

I think in the area of policy there are certain questions which we in the Congress should have a better understanding of and should become familiar with. I am not sure in my own mind what the objectives of our present defense policy are. What is the overall objective? Is it to deter war, to avoid war, to destroy communism, to coexist peacefully, or what?

Secretary MCNAMARA. The basic objective is to, of course, protect our national security and our vital interests. I think, to be more explicit, it is to prevent, in association with other Government policies, the advancement of communism to the control of areas not now controlled by it. That is a foundation upon which we have calculated our military force requirements.

Mr. LAIRD. Is the long-range ultimate objective of our strategy containment, then?

Secretary MCNAMARA. I think the long-range objective is, of course, the spread of freedom throughout the world. I personally believe our policy is accomplishing that objective. It is not an objective that can be achieved primarily through the development of military force or the application of military force. But I think that it is quite clear that we as a nation and, as a matter of fact, as the Western World, have standards of values, standards of behavior, economic power, and a record of accomplishment in the political and economic fields such that, given the opportunity to exist in a peaceful world, the advancement of our forms of society is almost certain to occur over a long period of time.

Mr. LAIRD. Is our strategy one of merely reacting to Soviet probes?

Secretary McNAMARA. Of course not.

Mr. LAIRD. Our strategy was not that in Cuba?

Secretary McNAMARA. Our strategy does preclude reaction to Soviet probes, but it is not limited to reaction to Soviet probes.

Mr. LAIRD. What is our strategy as far as Vietnam is concerned? Was not that a reaction to a Soviet probe?

Secretary McNAMARA. We have for a considerable time in the previous administration and in this administration sought to expand the base of freedom in southeast Asia. We have had that as our objective in South Vietnam.

With that as our objective, we of course increased our assistance to that nation when it came under covert attack by Communists operating out of North Vietnam and with the obvious support of the other members of the Communist bloc.

Mr. LAIRD. It seems to me that we are engaged in a war now. Some people call it a cold war, and other terms are used in referring to it. I think our Secretary of State has referred to it as a cold war, as have former Secretaries of State.

I am not sure in my own mind what our objective is in this cold war. In all past wars, whether hot or cold, we have had an overriding objective to win, to defeat the enemy. Sometimes it seems to me that when we talk about our present strategy—and I am not limiting this to the last 2 years or the last 4 years—it seems to me that we place major emphasis in our strategy to avoid war. Is that the case or not?

Secretary McNAMARA. I do not believe it is. I think that, quite clearly in the case of the Cuban crisis of last October, we acted in a way we hoped would avoid war but certainly we exposed ourselves to the risk of war.

As to our objective, I think it is quite clear—it is to me—that it is to advance the cause of freedom throughout the world and to do this in a way that protects our own national security, which means we are not prepared to destroy our Nation in the process of attempting to advance freedom elsewhere in the world.

Mr. LAIRD. We have to be willing to take that risk?

Secretary McNAMARA. I do not believe we should embark upon a course of action that is almost certain to destroy our Nation when that course of action can be avoided without substantial penalty to us.

Mr. LAIRD. Did we take that risk in Cuba?

Secretary McNAMARA. The problem there was to avoid a situation developing which increased the risk of destruction to our Nation, increased the danger of nuclear war, and to act in such a way as to nip that development in the bud before it reached a point of higher risk.

At one point in this colloquy, I asked the Secretary whether in our strategy we do not place a major emphasis on the avoidance of war. He said he did not think so and cited last October's Cuban crisis as one place where we risked war. Mr. McNamara said that the problem in Cuba "was to avoid a situation developing which increased the risk of destruction to our Nation, increased the danger of nuclear war, and to act in such a way as to nip that development in the bud before it reached a point of higher risk."

Mr. Chairman, I quite agree with the Secretary that this Nation should always take appropriate action to prevent a situation developing which will—and I want to emphasize these words of his—which will "increase the risk" to the United States. This is precisely the basis upon which I feel this Nation should act at all times. Where I depart from the Secretary, however, is at that point where the time element comes in—in other words, When do we act to prevent such a situation from developing?

I venture to suggest that the basic difference between a strategy of initiative and one of response derives from the time element. Initiative would apply if action were taken at one particular point in time; response would apply if action were taken at a different point in time. To spell this out, a strategy of initiative would act whenever the possibility of a given situation getting out of control first arises—the Bay of Pigs, for example, if that had been successful. A strategy of response, on the other hand, would go into effect only after the situation had deteriorated so far that the United States had to take extraordinary steps even to salvage a return to the status quo—last October's Cuban confrontation, for example.

In both cases, action was indicated to prevent an increase in risk. The abortive action at the Bay of Pigs automatically meant that the subsequent action last October was undertaken at far greater risk. Last October's failure to press the advantage when we had it simply means that the next Cuban crisis will hold even greater risks. This is what I like to call true escalation—each postponed or unsuccessful action means escalation to a higher plateau of risk.

Mr. Chairman, these are only a few of the many problems that have caused me great concern as we went through this year's hearings. This committee's prime function is to pass on the various programs presented to it by the Department of Defense and the services. To do this we must have a clear picture of what our strategy is attempting to accomplish. There is some considerable doubt in my mind that we have a strategy that is designed to win the cold war with the Communists. Rather, we appear to be looking toward long-range coexistence with the Communists, which to my mind is impossible of attainment. I would hope, Mr. Chairman, that this committee and the Members of this Congress will participate in a thoughtful and penetrating dialog designed to determine what we want to accomplish in this so-called cold war. On the basis of that consensus, I would then hope we would look at our defense programs in the light of clearly defined strategy objectives.

Mr. MAHON. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. ANDREWS].

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

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

Mr. BARRY. I would not like this moment to pass without commending the gentleman from Wisconsin for the remarkable and thought-provoking statement he made.

I thank the gentleman for yielding.

Mr. ANDREWS. Mr. Chairman, there are many things that could be discussed during the consideration of this bill, because it is the biggest appropriation bill that comes before the House. In fact, it is a bill that directly affects the lives of all Americans and it covers many, many subjects. There is no department of the Government anywhere like the size of the Defense Department.

I want to talk to you about our Polaris fleet ballistic missile weapon system, which in my opinion is the greatest deterrent weapon that we have in our arsenal.

Mr. Chairman, the Polaris fleet ballistic missile weapon system is now completing 3 full years of deployed operational capability. This system continues to be an increasingly powerful instrument of national policy in maintaining peace and stability in our world today. The realization of how vital this deterrent system is to our national defense posture was dramatically reemphasized during the international Cuban crisis last fall. The Polaris program has from its conception been of great interest to our committee and will continue to receive the fullest support of the committee in meeting the greater production challenges of the future. Starting this month, June 1963, the fleet ballistic missile program is to deliver the newest class of submarines at an unprecedented rate of one per month. By 1967, the total number will have grown to 41, the currently planned total Polaris force. Thirty-five of these submarines were funded through fiscal year 1963 and funds were provided also in fiscal year 1963 for procurement of long leadtime items for six additional submarines, which are being requested in this budget. Nine submarines with 144 Polaris missiles are now deployed overseas and 3 more will join them before the year is out.

The Special Projects Office of the Navy Department richly deserves special praise for delivering a fully operational Polaris system years ahead of schedule. Both directors of the Special Projects Office have done a superb job in devoting their untiring efforts to this duty. The first director was Vice Adm. W. F. Raborn; the current director is Rear Adm. I. J. "Pete" Galantin. Assisting the Director is an imposing team of Navy missile experts, major industrial firms, and scientific leaders. Admiral Galantin has also been designated as the U.S. project officer for the United States-United Kingdom Polaris sales agreement.

Significant achievements have marked the continuing success of the Polaris program during the past year. The U.S.S. *Ethan Allen* operating in the Pacific successfully fired a tactical Polaris missile with a nuclear warhead in the first full system test of any modern missile weapon system. A successful nuclear detonation was achieved, thus completely simulating actual conditions. The U.S.S. *Lafayette*—SSBN 616—was launched and christened by Mrs. John F. Kennedy. This lead ship of the third generation class of Polaris submarines is the largest ever built and includes improvements based on the invaluable patrol experience of her predecessors. The *Lafayette* submarine length of 425 feet and displacement of 7,000 tons make this class of ship virtually equivalent in size to a World War II light cruiser. The 16 Polaris missiles which are car-

ried aboard have a TNT equivalent greater than all the bombs dropped in World War II. The first flight test of the 2,880-statute-mile Polaris A–3 took place at Cape Canaveral in August 1962. A new all-inertial guidance system, only one-third the size and weight used in A–1 and A–2 missiles, gives added range and increased accuracy for the longer flight of the Polaris A–3 missile. The test schedule is proceeding on a plan to make the A–3 missile fully operational in 1964.

Three Polaris submarines with 48 missiles are taking up station in the Mediterranean Sea replacing the 15 Jupiter missiles in Turkey, and 30 in Italy. The Kremlin has shown its acute concern and awareness of this new deterrent force in the Mediterranean. Since the Nassau Pact, the U.S. Navy has begun work with the Royal Navy in preparing for the United Kingdom Polaris force to consist of four British-built nuclear submarines armed with Polaris A–3 missile systems purchased in the United States.

Support force capability continues to keep pace with the increasingly larger Polaris operational force. Missiles are assembled, checked out, and loaded at the Naval Weapons Annex, Charleston, S.C. A similar assembly facility is being constructed at Bangor, Wash., to support Polaris submarines in the Pacific. Pearl Harbor is the home port for Polaris Pacific submarines; construction for a team trainer facility similar to Charleston and New London is underway. Naval shipyards at Portsmouth, N.H., and Bremerton, Wash., are being equipped to handle Polaris submarine overhauls. APRA Harbor, Guam, will be the anchorage for the fleet ballistic missile submarine tender supporting Pacific operations just as Holy Loch, Scotland, is for Atlantic Polaris operations. A force of six tenders has been programed to insure that at least five of the six will be available throughout the overhaul cycle to support the five squadrons into which the Polaris force will be organized. Four tenders and three supply ships were funded through fiscal year 1963. The fiscal year 1964 bill provides funds for the fifth tender and for the conversion of a resupply ship and a floating drydock. Communications facilities for the Polaris system maintain continuous contact with patroling Polaris submarines while they are completely submerged.

The most important element in the entire Polaris system is carefully selected and thoroughly trained manpower. Without it, all the sophisticated, technically advanced hardware equipment is just so much deadweight. The nuclear missile submarine is the first machine which we have built that has considerably more endurance than the men who man and operate her. For this reason and also to achieve maximum "on station" deterrent effectiveness each fleet ballistic missile submarine has two fully-trained crews, one called the blue crew and the other gold, of about 130 men and officers each. The crews alternate on the long 60-day submerged deterrent patrols. While one crew is at sea the other crew is engaged in extensive refresher training and enjoying some well-earned recreation and vacation leave.

A Polaris crewman may spend as much as 2 years at Navy schools before he ever sees his submarine. He may be in a 38-week electronics technician course at Great Lakes, Ill.; a 24-week missile technician course at Dam Neck, Va. He then must spend 8 weeks at submarine school, New London, Conn., and up to 39 weeks at Fleet Ballistic Missile School at Dam Neck, Va. Only then will he go to his submarine. The chances are good that the keel of his ship was laid about the time he started training. This man is trained as no mere technician qualified on one piece of hardware. The interrelations between subsystems is such that he must be a systems man, able to think in terms of all the associated parts of the system. His training is designed to equip him for just that.

The investment in a trained man is high. His reenlistment is important to retain that investment in training plus the experience one tour of duty has given him. The Navy is doing all it can to encourage these exceptional young men to reenlist, to continue in the service of their country. I think it behooves the Congress to pay special attention to the problems all military services have today in retaining skilled, expensively trained young men in the service. Polaris submariners are well aware of the important strength their submarine adds to our Nation's defense as they are of the challenges posed by their unusual life under the sea. Above all, they know beyond doubt that they are personally contributing in a large measure to the peace of the world and the safety of their own wives and children. They are performing the same service for all of us.

A major consideration in all new hardware design for the advanced A–3 missile and the *Lafayette* class submarine has been the obvious, but frequently overlooked, fact that submarine sailors, not white coated Ph. D.'s, must be able to operate and maintain the system in a perpetual environment of alert. "Downtime" means targets are not being covered for that period. It must be kept to an absolute minimum in a submarine on patrol. The operational record has been excellent. An average from patrol experience shows that the submarines have been ready to fire 15 missiles 99 percent of the time; 16 missiles 95 percent of the time. The desired goal: even higher percentages.

While I am not at liberty to disclose in detail the accuracies achieved by the Polaris submarines firing in near operational mode, I can state that they have done extremely well and the entire system is highly reliable. There is every reason to believe that continued improvement both as to quality and performance will be achieved as the Navy continues to bring more of these powerful ships into being on an accelerated schedule. To me, the Polaris system is an indication that as we go more and more into the time area of these tremendous weapons. satellites, space travel, and like, it seems that the seas, the open oceans of the world, become increasingly attractive as a place in which to base these tremendous weapons of war. If the United States seeks to exert its power for peace on a global basis, it must increasingly exploit that 72 percent of the globe which is water. There great submarines moving beneath the water cannot be detected by satellites circling around this globe and their ability to move from one part of the world to another via the open oceans, make it a most powerful weapon indeed. The significance of this weapon in our arsenal can hardly be over estimated. Cruising silently and quietly in the great depths of the oceans with thousands of square miles available to them the Polaris submarines can be considered relatively invulnerable to surprise attack. The long 20-year life of the Polaris submarine is a welcome contrast to the high obsolescence rate of most weapons. Thus, this highly survivable weapon system should do much to stabilize the large expenditures which this country necessarily must make to provide an appropriate major war defense capability.

Mr. Chairman, my prayerful hope is that it will never be necessary to fire a single one of our Polaris missiles in anger. It is sobering to know that right now 2,400 men are spending half of each year below the sea so that we may all continue to live in peace in a free Nation. We are all indebted to them. Through the years ahead the increasing number of missiles will further strengthen this first completely proven, concealed, mobile, virtually invulnerable deterrent system. It means that when these Polaris missile submarines are deployed and when they are complemented by other U.S. forces we have a situation in which America's assured power of retaliation will even further deter and reduce an enemy's incentive to attack.

Mr. Chairman, an American cannot mention the words "atomic-powered submarine" without thinking of Admiral Rickover, one of the great scientific geniuses of this age. I was happy to note recently that the Navy announced that he would remain in the service. No man in America has done more for the defense of our country than Admiral Rickover.

Admiral Rickover has done me the courtesy of sending a letter from each new submarine as soon as she had been launched. On May 6, 1963, I received a letter dispatched at sea from the North Pacific. I would like to read that letter:

U.S.S. "ANDREW JACKSON" (SSBN–619),
VALLEJO, CALIF.,
At sea, North Pacific, May 6, 1963.

The Honorable GEORGE W. ANDREWS,
U.S. House of Representatives
Washington, D.C.

DEAR MR. ANDREWS: We have just successfully completed the first sea trials of the U.S.S. *Andrew Jackson*. The *Andrew Jackson* is our 13th Polaris type nuclear submarine; with this submarine we will have the capability of launching 208 missiles from hidden, mobile platforms. We also have in operation 17 attack type nuclear submarines, making a total of 30. When all nuclear submarines in approved programs are completed, we will have 41 Polaris and 47 attack submarines.

The trials of the *Andrew Jackson* are the first since the sad loss of the *Thresher*. There went down with her many fine young men; fine husbands, fathers, sons—a cross

section of the flower of American youth. I knew many of them personally; I helped select them for the Navy's nuclear program; they had been trained at our nuclear schools and land prototypes. As a reminder of man's dependence on God I present to each submarine captain as he completes his training in nuclear power a bronze plaque. On it is inscribed the prayer which has been used by Breton fishermen for hundreds of years:

"Oh God, Thy sea is so great
And my boat is so small."

I pray that those of us responsible for submarines will learn to design, build and operate them in a manner worthy of the men who gave their lives in the *Thresher*.

Respectfully,

H. G. RICKOVER.

Mr. FORD. Mr. Chairman, I yield to the gentleman from Ohio such time as he may desire.

Mr. OLIVER P. BOLTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. OLIVER P. BOLTON. Mr. Chairman, last Saturday, the Washington Evening Star ran an editorial entitled "Speaking of Blackmail." The editorial said:

Defense Secretary McNamara is saying that if Congress won't give him his fallout shelter program he won't approve an anti-ICBM program—even though such a defensive weapon might be technically feasible.

The editorial concluded—

Perhaps Mr. McNamara is trying a bit of political blackmail of his own, hoping to frighten Congress, which favors anti-missile missiles, into approving a shelter program, which it does not favor. If this is the case we do not think he should be permitted to get away with it.

At this point in the record, I insert the editorial of June 22, 1963, from the Evening Star.

SPEAKING OF BLACKMAIL

Defense Secretary McNamara is saying that if Congress won't give him his fallout shelter program he won't approve an anti-ICBM program—even though such a defensive weapon might be technically feasible.

To us, this makes no sense. Mr. McNamara's view, as we understand it, is that even if a reasonably effective anti-missile missile were developed and placed around our cities, the Russians could aim their nuclear weapons at undefended areas, thereby kicking up a lot of fallout which, without shelters, would still kill a large number of people. Consequently, if he doesn't get the shelters he won't approve the defensive missiles.

This sounds something like the case of the boy who owned the ball and who wouldn't play unless he could pitch. If it makes sense to ban a defense against ICBM's in the absence of a shelter program, why not scrap our whole defensive program—planes, warning systems and what not? Perhaps Mr. McNamara would favor this. But where will the United States, stripped of its defenses be, on the day, which will surely come, when the Russians have developed an effective anti-missile missile of their own?

We will be at their mercy—a pushover for blackmail. Perhaps Mr. McNamara is trying a bit of political blackmail of his own, hoping to frighten Congress, which favors anti-missile missiles, into approving a shelter program, which it does not favor. If this is the case, we do not think he should be permitted to get away with it. The Defense Secretary's responsibility is to do what he can to provide this country with maximum protection. He is not supposed to chuck it just because he doesn't get everything he would like to have.

Frankly, Mr. Chairman, I think this editorial pinpointed one of the most significant problems to emerge from this year's hearings before the Subcommittee on Department of Defense Appropriations. What this editorial left unanswered, however, was why Secretary McNamara chose to leave himself open for such criticism.

On page 56 of the committee report accompanying H.R. 7179 is the recommended appropriation of $554,301,000 to the Army for research and development of missiles and related equipment. Of this amount, more than half is earmarked for the anti-intercontinental ballistic missile effort.

This program is newly reoriented. The Nike-Zeus development program is being phased down and is being replaced to a large extent by the Nike-X program.

The Nike-X program involves the use of a new, shorter range missile called the Sprint as the primary battery and the use of the older Nike-Zeus missile for longer range intercepts. As I understand it, the Nike-X will increase the rate of fire and increase the speed of the missile, thereby allowing the point of intercept in the atmosphere to be lower, thus decreasing the degree to which an enemy decoy system could be used effectively.

Secretary McNamara testified that $1½ billion already had been spent on the development of Nike-Zeus, but that in its present configuration Zeus could not properly defend against either a saturation or a decoy type of attack on our cities. According to the Secretary, these are the types of attacks we must anticipate in the future. For this reason, the Department of Defense apparently has decided to proceed on an "urgent" basis with the development of Nike-X incorporating the Sprint missile and advanced radars, and deferring for the time being the decision to actually deploy the system. The Chairman of the Joint Chiefs of Staff, Gen. Maxwell D. Taylor, on this point, disagreed with Secretary McNamara during the hearings, in that he feels Nike-Zeus should be deployed as rapidly as possible at a cost penalty of $2.8 billion vis-a-vis waiting until Nike-X is developed and then deploying.

The nub of the developing controversy over the question of interrelationship of the anti-ICBM program with civil defense can be found on page 439 of the hearings when, in an exchange with the gentleman from Michigan [Mr. FORD] Secretary McNamara said: "I personally will never recommend an anti-ICBM program unless a fallout program does accompany it." This, together with the Secretary's statement on pages 438 and 439—also in an exchange with Mr. FORD—that our own anti-ICBM's would create a fallout problem of their own, precipitated a long series of talks between the Secretary's Office and myself, culminating on June 3 with a letter to me from Secretary McNamara.

MAY 13, 1963.

HON. ROBERT S. MCNAMARA,
Secretary of Defense,
U.S. Department of Defense,
Washington, D.C.

DEAR MR. SECRETARY: During the course of the fiscal 1964 Defense Department hearings conducted by the Subcommittee on Department of Defense Appropriations, you were quoted on page 438 as saying: "I would say the quickest way to provide for a saving in lives under these circumstances is to advance the civil defense program at an expenditure which is just a small fraction of this. As a matter of fact, any one of these programs demands a complementary civil defense program, because there will be such a huge amount of fallout generated by our own anti-ICBM system and the incoming warheads of the strike that it would be foolhardy to spend funds of this magnitude without accompanying it with a civil defense program."

Under further questioning on this point by Congressman FORD, the hearings have you quoted as saying: "* * * I think I am right in saying that our own program will create a fallout problem."

Shortly thereafter, on page 439, you made what I consider to be one of the strongest statements ever made by a Secretary of Defense in support of the current, relatively modest fallout shelter program when you said: "I personally will never recommend an anti-ICBM program unless a fallout program does accompany it. * * * On this point, may I add one further thought: If we had a Nike-Zeus or X system in being, the Soviets almost certainly would target some of their missiles outside the range of those systems. They would know where the defense systems were located and they would target their missiles outside the range of those systems with ground bursts to insure that we had a substantial degree of fallout even though the defense system might have been successful in intercepting some or even a majority of the warheads targeted against the urban areas themselves."

You went on to conclude on page 440, as follows: " * * * I am not so certain we have gotten this point across before as thoroughly as we should have, but it is a point we have mentioned before, and I wanted to mention it again now."

As one who is in general sympathy with your concern over the interrelationship between our anti-ICBM and fallout programs, as evidenced by the attached news release, I fully concur with your feeling that "I am not so certain we have gotten this point across before as thoroughly as we should have." Moreover, if the point is unclear with members of the appropriate congressional committees, I believe this vital matter has been completely lost on the part of the public.

In this regard, with your interest in the strategic importance of an adequate fallout program, would not better understanding of the existing and proposed shelter programs result from a frank acknowledgment of the interrelationship of our anti-ICBM and fallout programs?

With this in mind, Mr. Secretary, would you kindly comment in greater detail on the above statements, especially with regard to your assertion that "I personally will never recommend an anti-ICBM program unless a fallout program does accompany it."

With every best wish,
Ever sincerely,

OLIVER P. BOLTON.

THE SECRETARY OF DEFENSE,
Washington, June 3, 1963.

Hon. OLIVER P. BOLTON,
House of Representatives.

DEAR MR. BOLTON: Your strong and consistent support of the civil defense program

is most appreciated and I welcome the opportunity your letter affords me to discuss in greater detail the relationship between civil defense and the antiballistic missile program.

In your letter you quote my remarks before the House Subcommittee on Department of Defense Appropriations to the effect that any antiballistic missile defense program "demands a complementary civil defense program, because there will be such a huge amount of fallout generated by our own anti-ICBM system and the incoming warheads of the strike that it would be foolhardy to spend funds of this magnitude without accompanying it with a civil defense program."

You underscore, however, only the first source of fallout I mentioned. Actually the fallout generated by our own anti-ICBM would be of minor significance compared with that generated by the incoming warheads. I elaborated on this aspect of the problem on the very next page of the hearing from which you quoted. I pointed out the danger that the Soviets in an all-out nuclear attack upon the United States might deliberately ground burst some of their missiles outside the range of our antiballistic missile system and that this type of burst would result in a great amount of fallout even though the defense systems might have been successful in intercepting some or even a majority of the warheads targeted against the defended urban areas themselves. This last is the most important point to keep in mind and it is in that context that I said "I personally will never recommend an anti-ICBM program unless a fallout program does accompany it."

Thus, the statement in your April 26 press release, "According to information provided me by top Pentagon officials, even a high degree of success in aerial intercept of incoming enemy missiles by Nike-Zeus or X systems deployed around such industrial targets as Cleveland, Columbus or Akron could be easily overcome by the Soviet's ground bursting weapons downwind (or upwind) and outside the range of our anti-ICBM system, thereby achieving by fallout the destruction and loss of lives that could not be attained by bursting within these target areas," is entirely correct. It is principally for this reason that an effective fallout shelter program is a necessary complement to an anti-ICBM system.

And, a I pointed out in my prepared statement to the House Defense Appropriations Subcommittee, " * * * the effectiveness of an active ballistic missile defense system in saving lives depends in large part upon the existence of an adequate civil defense system. Indeed, in the absence of adequate fallout shelters an active defense might not significantly increase the proportion of the population surviving an all-out nuclear attack. For this reason the very austere civil defense program recommended by the President * * * should be given priority over any major additions to the active defenses." For example, if we were to consider the cost of our current shelter marking and stocking program as equivalent to one, the relative cost per additional survivor of other possible programs would be as shown in the table below:

Program	*Approximate relative cost*
Complete shelter marking and stocking program	1
Provide fallout shelters for entire population	15
Provide blast shelters for urban population	30–50
Improve air defense and provide ballistic missile defense for large cities	30–50

As shown above, the cost of providing a ballistic missile defense system for large cities would be anywhere from 30 to 50 times more than the cost per additional survivor of the currently approved shelter, marking and stocking program. In fact, such an active defense system for our major metropolitan areas would cost two to three times more than fallout shelters for the entire population of the United States, including the cost of building new shelters. That is why we have so strongly recommended to the Congress that the completion of the current shelter survey, stocking and marking program be given first priority. The second essential step is to initiate a shelter development program to provide the shelter spaces needed to care for the rest of our population. Only then should we consider other major programs to limit the effects of a possible attack.

I hope these comments will assist you in your efforts to create a wider public understanding of the civil defense problem.

Sincerely,

ROBERT S. MCNAMARA.

Mr. Chairman, because the Nike–X system contemplates a lower altitude intercept of incoming enemy missiles, the Defense Secretary's February testimony might erroneously lead one to believe that any resulting self-created fallout problem would be still more acute than it would have been with deployment of the older, higher altitude intercept Nike-Zeus program. In answer to Mr. FORD's assertion on page 439 of the hearings that he was the first witness ever to testify that our own anti-ICBM program would create a fallout problem, Secretary McNamara said:

I cannot speak with accuracy about the past [testimony], but I think I am right in saying that our own program will create a fallout problem. We are using nuclear warheads, of course, and there are literally hundreds of them that would be detonated under these circumstances.

Both my talks with competent Pentagon officials, as well as the Defense Secretary's letter to me of June 3 point to the fact that Secretary McNamara during this year's hearings inadvertently overstated the danger of fallout that would be created by our own anti-ICBM systems. In his letter, Mr. McNamara himself conceded that:

Actually the fallout generated by our own anti-ICBM would be of minor significance compared with that generated by the incoming warheads.

On this point, at least, Mr. Chairman, I personally do not believe there exists a significant degree of interrelationship between our civil defense fallout shelter program and any future decision on the part of the Defense Department as to whether or not to recommend funds for full deployment of either Nike-Zeus or Nike–X.

On the other hand, Mr. Chairman, the underlying logic for Secretary McNamara's warning to the Appropriations Committee that he would never recommend all-out deployment of an anti-ICBM system unless accompanied by a good civil defense fallout protection program appears to me to be based on some very compelling statistics. During last February's hearings, the Defense Secretary was requested to furnish to the committee a set of figures, based upon varying assumptions as to the size and type of an enemy nuclear missile attack, which would indicate the relative cost for a civil defense program and anti-ICBM program as far as lives saved are concerned. The Pentagon complied with this request, but unfortunately these figures had to be classified and deleted from the printed text of your hearings.

Secretary McNamara did, however, include a relative cost "per additional survivor" table in his letter to me of June 3. This table, declassified for purposes of my letter, indicates that the cost of providing a ballistic missile defense system for large cities would be anywhere from 30 to 50 times more than the cost per additional survivor of the currently approved shelter, marking, and stocking program. Similarly, the cost per additional survivor for an anti-ICBM system around large cities would cost two to three times more than would fallout protection for our entire population, which program has not as yet received congressional approval. Yesterday, Pentagon officials assured me that the relative cost tables provided in Secretary McNamara's letter of June 3 were based on a recently concluded major Defense Department study, the results of which were not available at the time the preliminary relative cost figures were supplied to the Appropriations Committee.

More important, perhaps, was the Defense Secretary's statement in his letter to me that:

The Soviets in an all-out nuclear attack upon the United States might deliberately ground burst some of their missiles outside the range of our antiballistic missile system and that this type of burst would result in a great amount of fallout even though the defense systems might have been successful in intercepting some or even a majority of the warheads targeted against the defended urban areas themselves. This last is the most important point to keep in mind and it is in this context that I said (before the Subcommittee on Department of Defense Appropriations) "I personally will never recommend an anti-ICBM program unless a fallout program does accompany it."

Both from the letter of June 3, as well as from informal conversations with Pentagon officials, I have determined that not only Nike-Zeus and Nike–X are, in the eyes of the Defense Secretary, dependent for their usefulness upon adequate fallout protection, but also involved are advanced continental defense interceptors as well as future deployment of Nike–Hercules and Hawk surface-to-air missiles.

[From the Washington (D.C.) Evening Star, June 19, 1963]

NEW INTERCEPTOR PLANE KEYED TO SHELTER PLAN

(By Richard Fryklund)

The Air Force proposal for a hot new interceptor plane will never get beyond the talking stage unless the fallout shelter program is a success, according to defense officials.

It would be futile for the Air Force to have the plane if the public does not have the shelters, the reasoning goes.

This is the second major defensive weapon proposal to be made contingent on the success of Defense Secretary McNamara's shelter program. The other is the Nike–X rocket system being developed to intercept enemy intercontinental missiles.

Mr. McNamara has said flatly that he will not order a go-ahead on the Nike–X—even if it proves technically feasible—unless the shelters are built.

He has not yet taken a personal stand on the new interceptor, but Defense Department sources say it is clear the same principle applies.

MUST PROVE ITS VALUE

Even if the shelters are built, the interceptor still will have to prove it is a better lifesaver per dollar invested than other pending projects.

Here is the problem, in brief:

Officers at the North American Air Defense Headquarters at Colorado Springs say the day is coming when we will no longer have interceptor planes capable of catching, inspecting and, if necessary, destroying high, fast intruder aircraft.

In a few years, for instance, the monitors at the Air Defense Headquarters could get word that radar has detected a plane flying over American-Canadian defenses in the far north at, say, 60,000 feet and 1,500 miles an hour. It might be a spy plane or a new supersonic airliner off its course and altitude.

Headquarters would order interceptor planes to check it out, but the pilots would be unable to do it because of the planes' superior speed and altitude.

The commanders then would have to decide whether to order the unidentified plane shot down blind by missiles and risk the possibility of its being an airliner or let it go and risk the possibility of its being a Soviet "U-2" that has photographed our defenses.

TWO INCIDENTS CITED

American interceptors have been embarrassed twice in public by such incidents.

Last fall, just before the Cuban crisis, American U-2 planes on highly secret missions were chased by fighter planes guarding the east coast. The fighters could not catch up, and the pilots started the rumors that Communist spy planes were flying with impunity over this country.

Early this year unknown planes were spotted by radar flying over the Aleutian Islands. Again interceptors could not catch them, and, presumably, Red spy planes got away unseen.

Now the French and British Governments are joining to build a commercial airliner that will cruise at twice the speed of sound. There is no interceptor plane on the drawing boards which will be able to do that.

Even the projected TFX fighter will be able to make only a short dash at that speed. Even it will not be able to inspect an off-course airliner unless it just happens to be at a favorable spot along the plane's course.

ASK FAST, NEW INTERCEPTOR

To patrol the skies and defend against supersonic bombers the Russians may be building, and fast air-borne missiles they now have, Air Force officers are asking Mr. McNamara for permission to build an Improved Manned Interceptor (or IMI in Pentagonese).

It would cruise at three and one-half times the speed of sound (about 2,300 miles an hour) at 100,000 feet, have an operational radius of about 1,000 miles and carry all the electronic gadgetry necessary to make it independent of any ground station.

If there is no fallout shelter program, civilian defense officials say, military defenses on the American continent will be pretty much beside the point. Some enemy missiles and planes will always get through, and even if the enemy tries to spare civilian lives the fallout dusted on unprotected people could well break the country's back.

It would be futile to spend several billion dollars to produce an IMI if the civilians get no protection. The same goes for the billions it would cost for a Nike-X antimissile missile.

But if the civilians are protected from fallout, then, under most of the possible kinds of thermonuclear wars now foreseen, the country could expect to survive.

If survival is possible, then it would be worthwhile to study the value of an IMI, defense officials believe.

If the shelters are approved by Congress, the civilians will then compare the IMI with other proposals on the basis of lives saved per dollar spent.

Defense dollars are limited, so the improvements that promised the most lives saved per dollar would get first approval by the civilian bosses.

Mr. Chairman, I have provided this additional information today in hopes that any national debate concerning the interrelationship of our active defenses—anti-ICBM's, and so forth—and our passive defense—civil defense and fallout protection—might avoid such emotional charges as "blackmailer" against either advocates or detractors of our anti-ICBM program. At the same time, I hope a meaningful debate takes place, both here in the Congress and throughout the rest of our Nation.

In conclusion, perhaps Secretary McNamara is threatening to delay or veto future deployment of an anti-ICBM program unless adequate national fallout protection is approved and implemented. Because civil defense is so relatively unpopular except in time of panic, some have suggested that the Secretary is merely using this as a convenient excuse for disposing of the anti-ICBM program. Personally, I think his February testimony as well as the recommended urgency for developing Nike-X belies this line of reasoning.

But, if adequate protection for our population against future nuclear missile attack is dependent upon, as Secretary McNamara has said, a combination of active as well as passive continental defenses, then why have the American people not been so advised before this? Why has the Defense Secretary laid himself open to charges of "blackmailing Congress" without hardly a murmur of support from the administration which he represents.

Mr. Chairman, this complex subject deserves some straight answers. It might very well involve the lives of millions of Americans in addition to their hard-pressed dollars.

Mr. FORD. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. MINSHALL].

Mr. MINSHALL. Mr. Chairman, I should be a welcome sight here in the well; my appearance here means we are nearing the end of a long train of speakers. Almost everything that can be said about the bill has already been brought to the attention of the House. However, there are one or two points I would like to make. In the past there were many key defense issues to be discussed: the so-called headlines; issues on which opinions were strongly divided pro and con; the B-52, the RS-70, Bomarc, aircraft carriers, on down the line. The committee discussions about them took days of hearings—floor discussions hours. Yes, there were many specific issues we debated in previous years.

Fiscal 1964 presents a different picture. This year there is only one key issue—how much the defense budget has been cut. As you know, the administration requested an alltime high peacetime budget for military spending, $49.014 billion. Our committee, after long and careful deliberation, decided that this request was excessive. They cut the amount by almost $2 billion—to $47.092 billion.

The question at once arises, have we by any cuts endangered America's security. I believe, most sincerely, that we have not in the slightest.

The subcommittee considered this aspect most carefully. I may say that we "bent over backward" to assure America of the best in the military. We let items stand if there was any question that their omission would hurt our defenses. Yet still we were able to make the huge cut we did. I am convinced that America's defense has been helped, not harmed, by our judgment. It is my personal opinion that the defense budget could have been cut to an even greater extent than it was and still preserve our national security. Deeper cuts could have been made and we would still have remained the world's strongest military nation. Yes, I believe that the present budget of $47.092 billion could have been cut further. Like most of you, I am economy minded. I am most definitely against excessive spending of the taxpayers' money. But I am also not going to jeopardize in any way our defense posture.

The committee, during its 5 months of intensive hearings, listened to testimony from the top experts in all fields of our Defense Department. At the conclusion of the hearings, when we marked up the bill several weeks ago, there were naturally differences of opinion among the committee. Some wanted bigger cuts, some less. Compromises were reached in the interests of bipartisanship and committee harmony.

It is for this reason that I hope the House in its wisdom will adopt the recommendations we have made for the coming year's massive defense budget.

Mr. MAHON. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, frequently you hear my colleagues come down to this spot in the well and say how happy they are to be here. In most cases they are telling the truth. You have no idea how happy I am to be here. One year ago when we finished this bill I walked off the floor and went to Georgetown University Hospital for a most serious operation. There the greatest surgeons in the world opened me up, and I think they just helped themselves, and there was grave doubt as to what the outcome would be. But thanks to your good wishes and all of your prayers and to those surgeons and Almighty God I am back to belabor you about this appropriation bill again.

I am delighted to see the distinguished gentleman from New York [Mr. KEOGH] in the chair. For the benefit of the new people here, he has been presiding over this bill I believe since shortly after the War Between the States. It is always great to see him in that position of responsibility.

As President Kennedy said properly, "there is no discount for defense." I

embrace that. There is not. And the speakers on both sides of the aisle have made that abundantly clear. What was not clear, and knowing this bill, if you forgive me, as I know it, I could not for the life of me understand what in the world the Secretary of Defense meant when he said we were seriously striking at the purchase of tactical air for support of our ground forces. I do not think, and I never thought until then, that anybody would live long enough to be able to say that Mr. McNamara did not know what he was talking about. But I assure you he did not know what he was talking about and by this time even he will not be surprised. He was completely in error. We did not do anything about damaging tactical air for ground forces. I will say to the older Members that they know that I would be yelling bloody murder if anybody dared touch tactical air support for ground troops. One of those flat-heeled, long-haired jokers down there that he surrounds himself with gave him this information. I am sure Mr. McNamara is surrounded with them, and he is so absolutely busy how in the world he gets to the bathroom I do not know. But on this detail it was unfortunate, because the press played it up and there were a dozen Members even today who asked me about it. But it is not true.

We did cut some of this $325 million; and in the coalfields where I come from, I never saw numbers like that in my life, except on the boxcars going by on the railroad trains—$325 million. Why, on my subcommittee if you are not talking about at least $100 million, we leave it to the clerks to pick up in a $50 billion budget. We cut this $325 million on air procurement $25 million. Why? Simply because the state of the art has so developed, or has not developed, that the electronic hardware cannot fill the gap. And it dealt not with tactical air, but with reconnaissance, which, as far as Mr. McNamara's statement was concerned, had nothing to do with the case—as "the flowers that bloom in the spring tra la."

Now, how wrong can you get? I do not like to pin his ears back on that, but I have to act as a friend. I am his friend. I think he is the greatest thing that has happened in the United States since canned beer or sliced bread, but he made a mistake on that press release.

He also made a second mirabile dictu. Imagine McNamara making two mistakes in one press release, but he did. He said the action of the subcommittee would necessitate the reduction of uniformed personnel by 60,000. That is not true, period. I have heard of exercises in semantics being engaged in at the administrative level, but this was a very low level exercised in first-grade arithmetic, not even the IBM machines they push buttons with down there, strictly 2 and 2 are 4. I was always very bad in fractions. That is why I am on the Appropriations Committee, I suppose.

We cut, yes; $102 million was involved. Let me show you how they had to torture this big press release. These were the two big things you heard. Sixty thousand people had to be cut from the Armed Forces, and tactical air endangered.

We in a round figure say, for want of something better to say, sometimes, that it costs us about $4,000 a head to put a soldier in uniform in the field in the Active Forces. That is pretty generally about right, $4,000. You take $4,000 and put it into $120 million and you come out with 30,000—how is that?—in a round figure. This is where they begin on the end-strength picture. You must extend that to the end-strength picture of the forces with which you begin. Right off the left field wall you pick 60,000. Now, that is quite a trick. That is like walking across Niagara Falls on a rope. It is a good trick whether you do it or not. That is the 60,000 cut. There just "ain't no such animal." So throw that press release away. It just was not so.

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

Mr. FLOOD. I yield to my friend from Wisconsin, yes, indeed.

Mr. LAIRD. Does not the gentleman from Pennsylvania feel that that press release, however, is a rather typical kind of press release to come from the Department after the Appropriations Committee reports out the appropriation bill?

Mr. FLOOD. Yes, I do, and I was waiting all this week to see a big press release and on television and radio saying, "Unidentified aircraft over Alaska." They have been dusting that one off every year before this bill gets on the floor, "Unidentified aircraft over Alaska." They just change the date. Ever since the Wright brothers took off, I guess, they have been doing that.

Then about 48 hours later, not to be outdone south of the Mason-Dixon line, "Unidentified submarine off the Florida coast"—same business, same source. You are right both ways, but I miss my two old friends from Alaska and Florida.

Now there is nothing more obnoxious—unless it is me—than a Monday morning quarterback or a Tuesday afternoon—late—quarterback. I have been coming down to this well for 15 years at least abusing this subcommittee—criticizing the House—saying to everybody—except Mrs. Flood and my cocker spaniel dog—"Why don't you do something about the Army or you will not have any; modernize the Army; beef it up; what about guerrilla warfare—you are behind the times. There is not going to be any missile warfare. There is going to be a war, the Good Book says there will be a war and rumors of war until the end of time. There will be. You are getting ready for the wrong war."

Well, now, after all these years I come happily before you—I do not have to introduce any amendments for you gleefully to knock my head off. I have been trying to raise the Army to 20 divisions for 20 years. We have it at 16 divisions with 16,000 men in the special force for the 17th division. And it is just a question of time, thank goodness, that we will have 20 divisions for the Army. I said to you 6 years ago, please give us eight Strac divisions for the Army—and you trooped up the aisle and I think I got my vote and the vote of two elevator operators. Well, this year I have eight Strac divisions. I would come to you with amendments here—they used to be thumb-printing because the chairman would have them and he would take them up to New York with him and bring them back every year. But they are not there this year. I would say, when are you going to set up the Army air arm? When are you going to get chopper fighters? When are you going to have helicopters? When are you going to take away the Key West agreement of 5,000 tons limitation for the fixed-wing aircraft for the Army? You must give the Army its own tactical fighter support in guerrilla war. When are you going to do this? Same vote—Flood against the Government. I think the last vote on a teller vote was something like 210 to 4. This year—no problem—thanks to the wisdom of whoever finally listened to me. You are going to have a great Army, air arm—thousands of aircraft. This year we will train more pilots for the Army than we will for the Air Force. Choppers, chopper-fighters—we will have chopper-fighters in South Vietnam—and prepared in the years ahead carrying up to 20 rockets—50-caliber machineguns—any one of them carrying more firepower than any fighter aircraft in World War II. It should be—this is the way it is going to be.

Finally—listen—there go my amendments and that is the end of beating my breast for the Army unless—and I am their best friend—I have a right to be the severest critic they ever had—and I say to the Army now, with money coming out of their ears and with airplanes coming out of my mustache, finally, I hope and pray that they do not fall into the evil and into the trap that the Navy and the Air Force did ever since they started to fly and buy spare parts so that, as the Air Force now has, a $2 billion stockpile of spare parts and most of them will never be used—and the Navy is just as bad, if not worse. If the Army does that, and I expect you people with me to watch them—I see all the signs—oh, the Army, after being low man on the totem pole around here for 20 years, are feeling their weight and they are flexing their muscles and they are eating high on the hog before you even give them the dough—I know the signs, believe me, they are going to go wild. You watch them. You watch them. Let us make sure they do not do it. But I am so afraid they will try.

Let us not have them do that now. Let me tell you one more thing: This has to do with the Navy. This is not going to make you feel very good. This is not security. I have just checked with the clerk of the committee. This is not classified. Much of it is, but what I am going to say is not, or I would not say it. Do you know that oceanography, to all intents and purposes, until the last very few years was neglected by the U.S. Navy to an extent and degree that was criminal? Down through the years, instead of increasing their retirement pay and in other areas of defense forces as well, they ought to bring back some of these admirals with stars in their eyes as well as on their necks and court martial them.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MAHON. Mr. Chairman, I yield 5 additional minutes to the gentleman from Pennsylvania.

Mr. FLOOD. You will be surprised. I am going to use them. I thank the gentleman.

Now, Mr. Chairman, the reason we cannot develop oceanography—and oceanography, my friend, is absolutely a condition precedent to the successful targeting and operation of this entire Polaris missile fleet—and you are going to have 41 of them, and thank God you had the wisdom, thank God you had the vision, thank God you had the intestinal fortitude, faced with pressure from back home on the tax on the economy during these last few years, and if you die tomorrow, remember that you are the men and women who voted the money to build 41 Polaris submarines—you were taking a chance when you started this program. You were brave. But you were so right.

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

Mr. FLOOD. Oh, yes; to the gentleman from Oklahoma. That is where we get most of the oil with which to run these submarines.

Mr. EDMONDSON. I certainly agree wholeheartedly with what the gentleman is saying about the importance of the Polaris submarines and oceanography. However, would the gentleman agree with me that if we were going to start having courts-martial on lack of oceanographic progress, that a lot of us here in the Congress would probably have to be lined up for court martial as well as the people in the Navy?

Mr. FLOOD. Only the Reserve officers, only the Reserve officers. In that case, yes. Now, this, if I can use a localism, this situation just "ain't good," because the Russians have every outboard motorboat, every fishing trawler, everything that will float on all the seas of the world, multiplied, multiplied almost by asexual reproduction and are doing oceanography from anything that will float, almost up to the back door, off Canaveral, off Vandenberg, off all your coasts. Our people tell me that the reason that we cannot do better than we are doing—and I believe this—is because the state of the technical art has bottlenecked the hardware. This is too bad. But it shows that down through the past years lack of interest, lack of pressure, lack of drive has been wanting. Whenever the genius of this Nation hit a bottleneck we have been able to break it in any area. In defense we broke it. Witness the solid fuel propellant for the Polaris submarine overnight, without which there would have been no Polaris. But we did not break the bottleneck on the hardware for oceanography, and we are stuck. We have improved a great deal.

Mr. Chairman, we now have two special ships doing oceanography. There is another one in this budget. However, half the job is not done. This is too bad. Why are you going to bring back these people to court-martial them for dereliction? This is parentheses to what I am talking about.

However, when you have problems in procurement, and you all know what they are, it is like picking up a handful of quicksilver from a desk or a marble top to try to reach this barrel of worms that is procurement in defense. That is a mixed metaphor, if I ever heard one. Withdraw which one part you do not like.

Whoever heads up these procurement divisions and bureaus, one, two, and three stars, or whatever is par for the course that year for the Bureau, the error is committed, the evil is done, by design, indifference, negligence, incompetence or a combination of them all, that officer's tour of duty is finished and he moves to some other job. He gets promoted. In the next year we find out that it cost us a billion dollars in the way of a loss to the taxpayers. Nobody is responsible, nobody is recalled, no letters of censure are issued, nobody criticizes. Somebody may say "Oops, sorry for your trouble," and we go on with the hearings.

I do not know whether this will take law or what it will take, but it is the Achilles' heel in your procurement program. In some way you people who can do it find out how to stop this and legislate, if necessary, and you will plug the biggest and most fatal gap in the whole procurement program. Do not let these characters get away. Bring them back from Germany, bring them back from England, bring them back from Formosa, or wherever they are, and make them account for these derelictions and these disgraceful performances in procurement and in other areas of command. Try that and watch some of these bubbles burst.

Mr. Chairman, believe me, this is a good bill. Nobody in good conscience could vote against this bill tomorrow. No matter how mad you might be about something, you take a look at this bill from its four corners and if this vote is not unanimous tomorrow I will be astounded.

We had our differences in committee. I fought the gentleman from Wisconsin on something. He fought me. It is hard for me to fight with the gentleman from Michigan [Mr. FORD] and I know it is hard for him to fight with me. But we rolled all over the floor and there was a lot of blood there for 2 or 3 days. This is none of your business, but we admire and respect each other tremendously. You put a finger on FORD and you put a finger on me, and that goes on down the line from Mr. MAHON on, and applies to both sides. This is no game for boys.

So we came out with a unanimous report, because we want the nations of the world to understand and realize, Mr. Chairman, the United States of America is the leading nation in the world today, whether anybody likes it or not. I could not care less. Washington, D.C., is not only the Capital of the United States, Washington, D.C., today and from now on in is the capital of the world, whether anybody likes it or not, and I could not possibly care less.

So, I would like us to go before the world tomorrow with this bill, unanimous, our hands joined in approval. This is the appropriation bill for the Department of Defense, of the United States of America, and the world—if they want to stay around in one piece.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FORD. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. WILSON].

Mr. WILSON of Indiana. Mr. Chairman, I apologize for taking the time of the House at this late hour, and I do so because I feel very deeply about the subject which I am going to discuss.

Mr. Chairman, every Member of this body is interested in economy. Our debt has reached astronomical proportions. Our tax load is almost unbearable. To find a place to save money you must look where money is being spent. That takes me to the defense—defense procurement, if you please. There is $15 billion-plus for that purpose in this bill. Now that whole field of defense procurement is too large for me. Therefore, I have confined myself to electronics. I take this time because I have worked hard and worked long hours with an extremely competent staff of volunteer help to explore some of these cases in defense procurement and procurement of electronics. Many cases I have documented and placed in the record of this House. I have many names, numbers, dates, and so forth.

I must at this point make it clear that I am not in any way casting any reflection upon the members of this subcommittee. They have done a fine job, but to properly safeguard an expenditure of some $55 billion is a job that is too big for all of us put together to accurately do the job that ought to be done. The committee has done fine work. It has been extremely helpful to me. It has cooperated with me and assisted me in getting bid sets so that I might stand there and scrutinize very carefully some of the items which the military procures.

All that I want and all that I ask, and I am sure you all agree, is one dollar's worth of defense for one dollar's worth of expense. Our taxpayers will go for that. It is one hundred percent impossible to enforce prudence as we would have it under the present circumstances. It is too big and too unwieldy. There are too many loopholes. Our local cities, town, countries, and municipalities rely on specifications and plans and, of course, always on competitive bidding. Were it not true we could not operate them either. We have too little of that competition in defense spending now. In many instances it is a mockery or it is completely nonexistent.

The Secretary of Defense, Mr. McNamara, himself said last year that $3 billion could be saved by more competitive bidding in defense procurement. Let me recite a few cases. I hope you will agree that the amount requested for electronics could be and should be cut materially without in any way crippling our defense. I will go back and review a few cases that are old cases. I will review the history of them, and then I have some new ones which are somewhat classified and, therefore, I cannot give you the name and number.

Case No. 1—and I am going to be extremely brief, and these are all docu-

mented in the record, and some of them have 10 or 12 pages in the CONGRESSIONAL RECORD, but this is a brief, sketchy review.

Case No. 1 is PP-2100, power supply: In the study requested by me the General Accounting Office proved that the Navy overpaid the manufacturer—and I have the manufacturer's name—more than $100,000 for a power supply unit. The General Accounting Office recommended sending the case to the Justice Department. This was done. The Justice Department stated it could not act. They suggested the Navy make a request for the overcharge. They referred it back to the Navy. The overcharge still has not been collected.

Case No. 2—AN/DRW-29 drone radio: Complete manufacturing drawings exist. Competition could have been secured, but Assistant Secretary of the Navy Kenneth M. BeLieu rammed through a sole source deal. In consummating the purchase he violated Public Law 87-653 by issuing a bid document before signing the required determination and findings which determined that only one company could supply the radio. I asked for an opinion of the Comptroller General and was told June 11 by Mr. Joseph Campbell that BeLieu violated a law enacted by this Congress.

Case No. 3—USM-61 multimeter: Navy listed it as a "Qualified products list" item, which means you must build one to the satisfaction of the Navy before you can bid on it. On bid document, however, was stipulation that only successful bidder would get set of drawings. It was impossible to get plans to build model for Navy's approval unless you won contract and you could not bid on contract until you built model. You could not get from here to there—unless you were the favored company already building the equipment. I contacted the Navy and forced these drawings out in the open for industry.

Case No. 4—USM-117 multimeter: Same type of case as the USM-61 multimeter. The Navy said prospective bidders must build an acceptable model, but plans could not be secured unless a bidder won the contract. I contacted the Navy Department and after much redtape and discussions the drawings were made available. Industry was given a change to bid on the manufacture of these units.

Case No. 5—VRC-12 radio: The Army spent $35 million on the first sole-source—no competition—purchase of this radio with the understanding the second purchase would be competitive. Assistant Secretary of the Army Courtney Johnson said this. Shortly after Johnson left Government for last time his successor, Paul Ignatius, changed plans to obtain VRC-12's by competitive bidding and awarded a second $65 million sole source contract. A third, competitive purchase, proved that at least 27.6 percent of the $65 million—$17 million—was wasted on the second sole-source purchase. Courtney Johnson is now employed by the sole-source supplier.

Case No. 6—MRN/12 mobile radio control tower: I have not completed my findings on that, but the Department of Defense literally threw away more than $650,000. In a first contract, the Defense Department supplied many of the materials that went into this special piece of equipment. When the company started supplying, building costs and prices jumped astronomically.

Case No. 7—AN/UPM-98, tape recorder: Bought for a maximum price of $4,800 each. Navy wanted it miniaturized and transistorized and the sole-source price was to be $77,000 for production of the miniaturized model. This procurement was forced into competition and the price per unit fell to $1,833.13 each. There is a drop from $77,000 to $1,000. Webcor in Chicago got that contract on competitive bids.

Case No. 8—AN/APS-88; radar: Purchased at prices of from $28,000 to $30,000 for two companies bidding and alternating in winning contracts. Two months after last negotiated purchase it was forced into competition and the price fell to $11,319. The winning bidder was the same company that bid $28,000—2 months earlier.

Mr. Chairman, I know I am not going to have time to go into all these cases, but I would like to go into some recent cases at this time.

Case No. 1—Radio transceiver: The present builder, which won the contract in a competitive bidding situation, was denied a new contract because its bid did not contain a formality called a technical dissertation. Its bid was lower by 20 percent than other bidders. That is one of the gimmicks, one of the ways they wipe out competition. I asked the General Accounting Office for an opinion, and it decided this firm should get this contract despite the fact that it did not live up to every comma and period in the Government redtape. Consequently, the award was given to this company, and it saved the taxpayers more than 20 percent of the total purchase price.

Case No. 2—Repair of World War II-type aircraft: The gentleman from Texas, Congressman KILGORE, and I, worked on that and we brought it out to competitive bidding. That is not going to be let on noncompetitive bidding and I know money will be saved there.

Case No. 3—Variable resistor for the AN/ASA-13 computer system: This was to be bought competitively but with no drawings or description of equipment. After I talked with Capt. John Scott, I was called by Capt. H. E. Beckmeyer, who said procurement was being halted until plans could be made available, at which time everyone would get to see the drawings. Competition here will force this price down, in my opinion, by 25 percent-plus.

Case No. 4—AM/ASM-61; test set for gyro compass: The Army planned a sole-source procurement because, it said, it did not have drawings. After I inquired into this and found drawings had been ordered and paid for back in 1960 I contacted Gen. Allen Stanwix-Hay at the Army Electronics Materiel Agency, Philadelphia. He canceled the procurement and promised to make it competitive when it was reissued, and ordered a full-scale investigation of the case by the Army's Inspector General. Competitive bidding when this purchase is solicited will save the taxpayers many dollars.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. FORD. Mr. Chairman, I yield 5 additional minutes to the gentleman from Indiana.

Mr. WILSON of Indiana. Case No. 5: On June 3—this one makes me sick. I will not have time to go into some of the new procurement. Most of it is classified information, anyway, but this one case in regard to the ID-999/ASN attitude indicator, type J-8, we found out that these were to be bought sole source in the amount of 421 units. I immediately inquired as to why it should be bought sole source, and where they had got it before. I discovered 12,000 of these obsolete sets were stored in warehouses; 9,000 of those were 100-percent operational. On June 7 General Stanwix-Hay told me they had called the order off. They are going to have 11,500 of them to junk, because the new one is coming out very soon and they will not have use for more than 421 of the 12,000 they have on hand. The Army planned to spend $388,000 on this one procurement, so you can see where it was possible for one Congressman, on his toes, to save $338,000 in one typical case.

In addition, I have spot checked 10 items that the committee has in its files, items which the military says it plans to buy in the next fiscal year. I am not at liberty to identify the equipment by nomenclature due to security reasons and I will not do so.

I will only say that of the 10 items I checked yesterday at a late hour, I was able to learn that the military misrepresented the probable cost on 4. Three of the items appear to have been properly budgeted. I could develop no information on two other items due to the limitations of time; and the 10th item, according to my information, is not going to be purchased at all.

Therefore, four out of the seven items I could check were not as reliable as the military would like you to think and I feel that it is a significant percentage. I might say I tried for some months to get this so-called shopping list in order to compare the prices the military says it will pay with the prices it is actually paying. I want to be kind to the top paperpushers at the Pentagon by saying simply that I was given the runaround. Now that I know a small portion of what is in that shopping list I wonder what I would really find if I could, like Alice in Wonderland, slip through the Defense Department looking glass and see what is really going on at McNamara's tea party.

One item I checked was a radio. The Army wants 10,000 of a certain type next year and says it plans to spend $2,200 per radio. This is a false certification since, just 2 weeks ago, in a competitive bidding situation, $843 was the unit price bid for this same radio. Mr. Chairman, here is waste of over $10 million on one radio that has not happened and, if I am able to stop it, will not happen.

On another item—a radiac set that measures radiation—the Navy says it will pay $915 each for the equipment. It

is paying $365 right now. The Navy says it plans to spend $300,000 for this equipment next year—and my figures prove it has overstated its requirements by over $150,000. That is how the military values the dollar and how reliable is some of the information it gives this Congress. There are other examples, but I regret I do not have the time to go into them. Suffice to say that I would like to have a crack at that shopping list for just 1 day. What I would uncover would curl the hair on your neck.

I think that is sufficient indication from my little study—my small study—that much money can be saved. We can very carefully guard this procurement. I hope the committee will see fit to materially cut this appropriation for electronics equipment. I would like to inquire what the committee is offering in the way of reducing the amount of this appropriation for electronics equipment.

Mr. FORD. The committee in the report and in the action taken on the dollar shows that we have reduced electronics funds available in the magnitude of about $50 million. We have made cuts of approximately 5 percent in this specific area. The committee, as the gentleman knows, heard testimony by him on the 10 or 11 contracts in which he was particularly interested. We, also at his suggestion, had testimony by the Comptroller General and some of his staff. It is my opinion that the reductions the committee has recommended for the cutbacks in electronics procurement are sound, and stem from the examples he gave of single-source procurement.

Mr. WILSON of Indiana. Has the committee taken into consideration these various other overcharges that have been paid to these various companies and especially cases where excuses were made to the effect, "Well, we have an unusual situation here, we have to have it quick," and so on?

Mr. FORD. If you have the opportunity to read the extensive hearings that were conducted in this area on procurement practices, I am sure you will be convinced that the committee went into these problems in great depth and we condemned the Army, Navy, and the Air Force procurement people where they had not opened the bidding to competition to an adequate degree and where there had been, as we thought, unwise utilization of single-source procurement.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. MAHON. Mr. Chairman, I have no further requests for time.

Mr. FORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, on January 21, 1963, I introduced H.R. 2423 to declare as the policy of the United States that foreign vessels which trade with Cuba or certain other Communist countries may not participate in the carrying of U.S. Government-generated cargoes. Under the provisions of this bill no vessel which engaged in this trade with Communist-controlled areas, and all other vessels under the same ownership or control as the one which engaged in such trade, would come under the ban. My proposal was to discourage foreign-flag ships from disregarding the U.S. shipping boycott of Cuba and Red China, and so forth.

A few days after this legislation was introduced the White House released a statement to the effect that by administration order steps had been taken to assure that U.S. Government-financed cargoes were not shipped in foreign vessels engaged in trade with Cuba.

This Executive action to limit Cuban trade with the free world covered only the specific ship rather than all vessels of the same company. It applied only to cargoes shipped from the United States and established January 1, 1963, as the date since when a ship would have visited a Cuban port rather than February 1, 1962, as provided in my bill.

Mr. Chairman, on February 7, 1963—after the Government's shipping order was released—the American Maritime Association immediately termed it weak and inadequate. Maritime Association president Max Harrison said the regulations were "fraught with loopholes" and described them as State Department "bureaucratic whitewash." He pointed out that the regulation would permit any foreign steamship company owning more than one vessel to continue to trade with Cuba and enjoy the privilege of carrying U.S. Government financed cargo so long as different ships were used.

The House Committee on Merchant Marine and Fisheries, on February 14, 1963, asked for reports on my bill from various Government agencies and departments including Departments of State, Commerce, Agriculture, the Agency for International Development, and General Services Administration.

On May 15, 1963, the Agency for International Development reported to the committee it did not dissent from the policy of the bill but in view of the executive branch action already taken it questioned the necessity of enacting it. This Agency report pointed out that my bill goes beyond the executive branch action and believed such extension could be accomplished without recourse to legislation.

Meanwhile, the other departmental reports have not been received, and of course, it is obvious the administration does not want the legislation.

Last week 21 more free world and Polish ships which made calls in Cuban ports were listed by the Maritime Administration, bringing the total number of vessels which have engaged in Cuban trade since January 1, 1963, to 118. Through June 14, 1963, these 118 vessels included 37 British, 30 Greek, 19 Lebanese, 7 Italian, 7 Polish, 5 Yugoslav, 6 Norwegian, 2 Spanish, 2 Swedish, 1 West German, 1 Japanese, and 1 Moroccan.

President Kennedy, over 1 year ago, called on our friends and allies to join in a voluntary economic boycott of Cuba. In response we have had some cooperation but mostly lipservice while foreign shipowners have continued to move cargo to Cuba. But as always our Department of State takes a weak position which allows loopholes so as to avoid any international head-on dispute.

The Department of Defense has complied with the President's order with respect to ocean shipments of military assistance materials from the United States and their approval must be obtained by a recipient country for use of any foreign-flag vessel.

To me it is highly desirable to broaden the limitation so that the ban extends not only to individual foreign ships listed by the Maritime Administration as having transported cargoes to Castro and Communist Cuba, but also to extend the ban so as to prevent U.S. cargoes being transported in other vessels controlled by the same operators of such individual ships.

I wish I could offer an amendment so as to place a limitation on Defense Department funds and prohibit their use in a way to discourage continued unwillingness of other nations to cooperate with us in the U.S. economic boycott of Cuba. Especially I would wish to stop use of these foreign ships from carrying offshore military procurement not now covered by the President's order.

Mr. Chairman, it is time to firm up our Cuban policy. In this connection, closing loopholes in our economic boycott is essential. Unfortunately, such a proposed amendment would be subject to a point of order, but on some later bill where legislation is in order I will seek to accomplish my objective.

Mr. FORD. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1964, for military functions administered by the Department of Defense, and for other purposes, namely:

TITLE I

Military personnel

Military Personnel, Army

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except those undergoing reserve training); $3,785,000,000, and, in addition $125,000,000 which shall be derived by transfer from the Army stock fund and the Defense stock fund, and $65,000,000 which shall be derived by transfer from the Army industrial fund.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 7179) making appropriations for the Department of Defense for the fiscal year ending June 30, 1964, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks in the RECORD in connection with the general debate on the Defense appropriation bill, and also that Members speaking on the bill may have permission to insert tables, pertinent tabulations, and appropriate extraneous matter in connection with their remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

UNANIMOUS-CONSENT REQUEST

Mr. AVERY. Mr. Speaker, I have requested to be excused from the session on Wednesday, June 26. I have submitted this request because I am returning to Kansas to attend a funeral service for a close personal friend. My being so absent will preclude me from voting on the Department of Defense appropriation bill. Had I been here, I would have voted "aye."

CONTINUING FOR 2 YEARS EXEMPTION FROM DUTY BY RETURNING RESIDENTS

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6791) to continue for 2 years the existing reduction of the exemption from duty enjoyed by returning residents, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and request a conference with the Senate on the disagreeing votes of the two Houses.

The Clerk read the title of the bill.

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

There was no objection.

The SPEAKER. The Chair appoints the following conferees: Messrs. MILLS, KING of California, O'BRIEN of Illinois, BYRNES of Wisconsin, and BAKER.

FIFTH ANNIVERSARY OF THE ESTABLISHMENT OF THE SMALL BUSINESS INVESTMENT COMPANY PROGRAM

Mr. HALPERN. 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 New York?

There was no objection.

Mr. HALPERN. Mr. Speaker, we are approaching the fifth anniversary of the establishment of the small business investment company—SBIC—program. Within this short period, the SBIC concept has proved to be a sound and significant addition to this Nation's financial resources, serving as it does the critical needs of America's small businesses.

This program is a unique experiment in business-Government partnership where the Federal Government provides certain incentives for private individuals to organize and operate private SBIC's to invest in small business.

As one who hailed the passage of the Small Business Investment Act of 1958, I have followed its progress with satisfaction. As one whose district embraces thousands of independent business firms, however, I believe that the SBIC program has only begun to meet its full potential. Today, the 650 SBIC's licensed throughout the United States possess total resources of less than $1 billion and have committed less than $400 million of that amount to the growth of worthy small businesses.

Since the Federal Reserve Board study submitted to Congress in 1958 estimated the total long-term credit and equity capital needs of small business of at least three times the present assets of all SBIC's now in operation, I believe that we who support needed small business legislation should not be content to rest upon the present record.

It is for that reason that I am today introducing a bill which would go far toward equating the resources of the program with the calls made upon it. I believe that the proposal would serve to channel millions of private investment dollars into the SBIC program.

An extremely brief summary of the provisions of my bill follows:

First. Increases matching section 302(a) funds from $400,000 maximum to $1 million. SBIC's would be given 5 years to draw down 302(a) subordinated debenture funds, rather than present 3 years.

Second. Retains limit on direct SBA loans to SBIC's under section 303(b) to 50 percent of capital and surplus with top limit of $4 million. On the other hand, where bank lends to an SBIC under standby program, SBIC may borrow up to 100 percent of capital and surplus with maximum of $8 million.

Third. Removes limitation of $500,000 on loan or investment by an SBIC in any one small business.

This bill, Mr. Speaker, is a companion measure to H.R. 799 which was introduced earlier this year by the distinguished chairman of the House Banking and Currency Committee, the gentleman from Texas [Mr. PATMAN].

As a member of the House Banking and Currency Committee, I shall work with my chairman in pressing for early approval of the provisions contained in this bill. I am pleased that the measure has the support of all members of the House Small Business Committee, as stated in the final report of that committee for the 87th Congress.

I sincerely believe that this bill, if enacted, will hasten the maturity and growth of the SBIC industry and multiply its ability to fill the pressing needs of qualified small businesses.

Everyone who believes that the free enterprise economy of the United States is the essential feature of our strength and wealth should support the furtherance of this young industry which holds such promise for contributing to the continued vitality of our economy. I hope that there will be prompt and favorable action by the Banking and Currency Committee and by the House on this proposal.

WHO SPEAKS FOR AMERICA?

Mrs. FRANCES P. BOLTON. 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 gentlewoman from Ohio?

There was no objection.

Mrs. FRANCES P. BOLTON. Mr. Speaker, recently a Member of the other body speaking on a nationwide television program commented that in his opinion some of the governments of Africa and at least one Western Hemisphere republic were incapable of self-government.

His remarks gave deep offense to many of our good friends in those countries and in the newly independent countries of Africa and resulted in the adoption of a resolution by the African ambassadors in Washington deploring statements by public figures claiming racial superiority based on ethnic differences.

Lest there be any misunderstanding here and abroad as to whether this one individual was speaking for the Congress, let me categorically state, Mr. Speaker, that the Senator did not speak for me. I am sure that he did not speak for any group or committee of the Congress. Nor did he speak for the Government of the United States.

His was a solitary voice proclaiming an obsolete canard which has been disproved by both science and history.

The late, great anthropologist of the Smithsonian Institution, Ales Hrdlicka, spent the better part of a lifetime in a comparative study of various ethnic groups. His conclusion was that on the basis of all the scientific evidence available no claim could be substantiated for the ethnic superiority of any single group. I will stand by the findings of Dr. Hrdlicka and his distinguished associates. And I still subscribe to the principles of the Declaration of Independence.

Africa is the new world of the 20th century and as such has vast importance. The final political orientation of the emerging nations of Africa and their ability to establish stable, economically viable, free, self-governing societies may well be the final determining factor in the struggle of the free world against international communism. These fledgling nations need and deserve our support and encouragement. They deserve better than public insults and invidious comparisons.

The world—free, Communist, and unalined—watches with deep interest our internal struggle with our racial problems. The manner in which we solve them will have a profound effect on our foreign relations in the future. Intemperate and inaccurate statements by persons in public life cannot help toward a solution and serve only to complicate our problems at home and around the world.

I am sure, Mr. Speaker, that with good will, with forbearance and restraint on the part of all concerned we can proceed

to a solution of these problems in a manner consistent with law and the principles of freedom and justice.

TO PROVIDE FOR REIMBURSEMENT OF TRANSPORTATION EXPENSES FOR MEMBERS OF THE HOUSE OF REPRESENTATIVES

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I ask unanimous consent for the immediate consideration of the bill (H.R. 4946) to amend the Legislative Branch Appropriation Act, 1959, to provide for reimbursement of transportation expenses for Members of the House of Representatives.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last paragraph under subheading "Administrative Provisions" under the heading "SENATE" in the Legislative Branch Appropriation Act, 1959 (2 U.S.C., sec. 43(b)), is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and the contingent fund of the House of Representatives is hereafter made available for reimbursement of transportation expenses incurred by Members (including the Resident Commissioner from Puerto Rico) in traveling, on official business, by the nearest usual route, between Washington, District of Columbia, and any point in the district which he represents, for not to exceed two round trips in each fiscal year."

Mr. FRIEDEL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRIEDEL: On page 2, line 4, after the word "each" strike out the word "fiscal".

The amendment was agreed to.

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

AFRICA

Mr. O'HARA of Illinois. 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. O'HARA of Illinois. Mr. Speaker, I am not informed what were the conditions of life in what is now the State of Louisiana in the years 193 to 211 nor am I informed as to the social and political structures, if any, that graced at that far away period, what is now the great State of Illinois. I am very sure, however, that we did not have any skyscrapers on the spot that is now the metropolis of Chicago or on the site of the present city of New Orleans. It was a long, long time ago. I do not know what my ancestors at that time were doing nor the ancestors of any of my colleagues from Louisiana and the other great States of our Union.

But I have read, as I am sure all of my colleagues have read, that Rome was then the first nation of the world, and when we visit Rome we have proof of what Rome was when our United States of America was an untracked wilderness. We drive over the old Appian Way, we look at the ruins still standing, and we are filled with wonderment.

Mr. Speaker, I must take issue with a colleague of mine in the 88th Congress in the statement attributed to him that the Africans had never shown any ability to build and to govern. I would suggest to him that when his ancestors and my ancestors may have been wandering around in the darkness, reaching out for a better life, that an African was Emperor of Rome and according to John Gunther was of Negro blood.

The Emperor Severus ruled the world from A.D. 193 to A.D. 211. He was the first man in the world in power. He was the first man in the world in social standing. By the standards of the times we are told that he was a good emperor. He was an African, I repeat, Mr. Speaker. And, John Gunther, who is widely regarded as a careful and accurate writer, says that he was of Negro blood.

Mr. Speaker, in our great United States of America we have the precious right to speak our minds. The only limitation is in the law of libel and the law of sedition. We in the United States understand that when a Member of Congress is speaking his mind on any subject, as an individual, he is merely exercising his constitutional right of free speech. Unfortunately, this is not as well understood in other countries, especially in the countries that recently have come into independence. What a Member of the Congress says as an individual they are apt to accept in some measure as an expression of the Congress and of the American people.

I cannot speak for the Congress, but I can speak for myself, and as the chairman of the Subcommittee on Africa I can speak with some knowledge of the subject. I know many of the leaders in Africa. I have visited them in their native countries and I have visited with them on the occasions of their visits to Washington. I also know many of the men and women in many of the countries in Africa who belong to what we would call in this country the rank and file.

Mr. Speaker, I have never known a more dedicated people. I have found in African leaders with whom I have talked and visited, here in my office in Washington, in the African embassies here in Washington, and in their native lands—I have found in them a political maturity, an intellectual grasp, a statesmanship of the highest quality. I am certain that the deep sense of appreciation of Africans that I hold is shared in very large measure by all my colleagues and all the American people.

The new African nations are working with us to build a free world in which all men can live in contentment and in dignity and in peace. They are making progress perhaps more rapidly than has ever been accomplished in all recorded history. In the few years of their freedom they have made giant strides against the odds that would have stopped the less timid and less dedicated in their tireless drive against poverty, disease, and illiteracy. I have said time and time again that as Africa goes, so will go the world.

I hope that the friendship between the peoples of the new lands recently freed from colonialism and our own people who in the 180 years since our freedom from colonialism have built the mightiest nation in the world, I hope and I pray, Mr. Speaker, that this friendship will grow stronger and warmer with every passing year as together we march forward as brothers on a basis of human equality to a better world than ever we have known.

I was deeply moved by the words of the distinguished and highly respected Ambassador from Liberia when he spoke on television to the American people on Sunday last. I can assure him and the peoples of the new African nations that when he had finished, in millions of American homes, in the cities, in the hamlets, and on the farms, from American lips came the word "Amen."

ANIMAL DRUG AMENDMENTS ACT OF 1963

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

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

There was no objection.

Mr. NELSEN. Mr. Speaker, I have introduced legislation today for a proposed Animal Drug Amendments Act of 1963. It is the purpose of my proposal to amend the Federal Food, Drug, and Cosmetic Act to consolidate in a separate section the provisions concerning the safety and effectiveness of new animal drugs, and I ask that an analysis of my proposal be printed in the RECORD at this point in my remarks.

PURPOSES OF LEGISLATION

It is the principal purpose of the legislation to better protect the public health and to promote the public welfare by consolidating the diverse, contradictory and overlapping sections of the Federal Food, Drug, and Cosmetic Act dealing with the preclearance of new animal drugs into one section of that act specifically planned for animal drugs. Incidental changes from current administrative procedure consistent with the above mentioned purpose are also proposed as well as appropriate effective date and transitional provisions.

TRIPLICATION OF CONTROLS

The continued use of pharmaceuticals is absolutely imperative to the continuation of modern methods of livestock and poultry production. In fact, much of the improvement in the nutritive level of the American diet in recent years is attributable to the efficiencies which have resulted from the tremendous strides made in the use of pharmaceuticals in the

animal industry. However, the enactment of recent legislation affecting but not directly pertaining to animal drugs may limit further improvements in livestock and poultry production.

A major problem shared by drug manufacturers, the veterinary medical profession, feed manufacturers, livestock and poultry producers, and, ultimately, the consumer, is the triplication of controls under the Federal Food, Drug, and Cosmetic Act as presently interpreted and administered. Such triplication threatens to destroy the incentive to conduct research and to develop new animal drugs, and unnecessarily increases the cost of such drugs to the farmer and of food products to the consumer. It has created a topheavy superstructure of administrative regulations. It is not necessary in order to adequately protect the public health, and is completely unjustifiable from the point of view of public welfare or sound legislation. This frustrating situation does not exist for human drugs and food, and cannot be justified for animal drugs and animal feeds containing them.

New animal drugs are subject, first of all, to the clearance provisions of the new drug section, section 505, of the act. As applied to animal drugs, this section requires manufacturers to demonstrate the safety and effectiveness of new animal drugs under the conditions of use proposed for such drugs, which includes establishing their safety when mixed in animal feeds and fed to animals.

Second, the same new animal drugs, when used in combination with certifiable antibiotics, must also be cleared under the regulations promulgated pursuant to the antibiotic section, section 507 of the act. This section requires the batch certification of certain specified antibiotic drugs. It does not purport to create duplication in regulations, but it has led to this result, even though the statute authorized FDA to exempt any drug or class of drugs from the requirements of section 507. We believe this statute has been distorted because the FDA regulations on the one hand do exempt animal drugs from batch certification but on the other hand subject many of them to detailed clearance procedures, even when such drugs have already been cleared under section 505.

As the law is construed and applied by FDA, every feed formulation must be cleared under regulations promulgated under section 507, if it contains, among other drugs, a certifiable antibiotic drug. The feed formulation thereupon becomes exempt from batch certification and only then may it be marketed.

Third, new animal drugs are subject to the clearance procedures contained in the food additives section, section 409, of the act. This section was intended to apply mainly to chemicals added to human food, which are not otherwise subject to any clearance procedures. Like the antibiotic section, the food additives section was not designed to produce duplication in regulations. Thus, the statute exempts from food additives regulation, articles which have been granted prior "sanction or approval" under the act. However, this exemption is so strictly construed that drugs having such a "sanction or approval" by virtue of prior clearance under sections 505 or 507 nevertheless must be cleared under section 409 when used in animal feeds in combination with new drugs not having such an exemption. And the exemption does not apply to any drug whatsoever developed after 1958.

Accordingly, animal drugs are subject to three separate statutory procedures for the same uses involving three separate regulatory divisions of the FDA. These three sections of the law have differing provisions, are subject to differing interpretations, and the actions taken under one are not always consistent with the actions taken under the others.

Not one of the three preclearance sections of the act was designed primarily to cover the use of animal drugs. However, their combined operation in this field has produced unreasonable delays, overlapping jurisdiction, and extreme confusion within the drug and animal feed manufacturing industries. Because of the excessive cost and time involved to obtain the multiple-type clearances presently required by FDA, animal health products of a demonstrable utility will sometimes die at their inception.

Section 101 of the proposed bill would consolidate and appropriately integrate in a new section 511 of the Federal Food, Drug, and Cosmetic Act premarketing clearance requirements as applied to animal drugs and medicated feeds. The new section 511 deals solely with new animal drugs without regard to the method or route of their administration. It would alleviate present difficulties and at the same time continue full protection of the health of consumers of animal products and of the animals themselves.

The new section 511 governing the preclearance of animal drugs is patterned after the new drug law, section 505 of the act, as amended by the drug amendments of 1962 so that the firm intending to market a new animal drug would be required to present evidence of safety and effectiveness for the proposed use or uses of the drug and obtain approval of a new animal drug application prior to marketing the drug. Other provisions necessary to fully protect the public health have been incorporated in this section.

Because of the new section's provisions, the act would be further amended by virtue of the proposed bill to exclude animal drugs from the provisions relating to new drugs—section 505—food additives—section 409—and antibiotics—section 507. The needed safeguards of these sections as applied to animal drugs are rewritten in the new section, No. 511. The bill also contains the necessary conforming amendments.

By enacting this proposal, Congress can establish a proper basis for the accomplishment of both of the following purposes: First, to protect the health of consumers by requiring manufacturers of new animal drugs to pretest the safety of any drug for use in animals other than man; second, to advance agricultural technology by permitting the use of animal drugs at levels demonstrated to be safe. At the present time, the second of these purposes is being unreasonably thwarted. This second purpose should be specifically recognized by Congress, in substantially the same manner that Congress adopted a similar purpose in connection with the Food Additives Amendment of 1958. See House Report No. 2284, 85th Congress, second session, July 28, 1958. Under present circumstances, it is imperative for Congress to take positive steps to reestablish its intention to provide for advancement of agricultural technology.

MULTIPLE FILING OF ANIMAL DRUG APPLICATIONS

The Food and Drug Administration construes existing law to require feed manufacturers, as well as drug manufacturers, to file new drug applications. In effect, this enables FDA to license the use of individual feed formulations of individual feed manufacturers even though the drugs used in those formulations have previously been cleared as safe for such use. Thus, the regulations go beyond the establishment of safety of drugs in animal feeds and actually undertake the licensing of the feed manufacturing industry.

The drug amendments of 1962 provide for the registration of all establishments in which drugs are manufactured. They also provide that a drug is deemed to be adulterated if the methods used in, or the facilities or controls used for, its manufacture do not conform to current good manufacturing practice. These provisions clearly apply to manufacturers of medicated feeds. It is no longer necessary, therefore, to require the filing of new animal drug applications for individual feed formulations by individual feed manufacturers once the safety of the drug and combinations of drugs has been established, and the feed manufacturer has demonstrated that each of his establishments conforms to and is operated or administered in conformity with current good manufacturing practice. The proviso to section 511(a), set forth in section 101(b) of the proposed bill established this principle.

RESTRICTIONS ON SCIENTIFIC JUDGMENT

Under the existing administrative procedures, the exercise of scientific judgment in the consideration of applications and petitions for new animal drugs is subordinated to other considerations. Those scientists within the FDA most informed as to animal drugs located in the Division of Veterinary Medicine do not have ultimate responsibility for making scientific decisions affecting new animal drugs. This responsibility is shared with other personnel within FDA not primarily concerned with animal drugs.

It would be expected that under the proposed legislation the Division of Veterinary Medicine of the FDA would be elevated to status equivalent to the Bureau of Medicine with respect to animal drugs. Primary responsibility for the administration of the new section 511 dealing with the clearance of new animal drugs would in all likelihood be vested with the veterinary medical staff within FDA. In this way the veterinary scientists would be given fuller opportunity to use their scientific knowledge and judgment in making decisions involving new animal drugs.

In addition, the proposed legislation would eliminate an intolerable situation which now operates to limit the professional judgment of the veterinary medical profession. Veterinarians may not in all cases prescribe or use drugs which have been shown to be safe for administration through animal feeds. Under the proposed legislation, however, such drugs may be prescribed and used freely by veterinarians once safety and effectiveness have been proven and the basic drug cleared for distribution.

SECTION-BY-SECTION ANALYSIS

The first section of the bill would provide that the act may be cited as the "Animal Drug Amendments of 1963."

Section 101(a) of the bill would amend section 501(a) of the Federal Food, Drug, and Cosmetic Act—hereinafter referred to as the "basic act"—to deem any new animal drug to be adulterated if it is unsafe within the meaning of section 511 (a) of the basic act as added thereto by section 101(b) of the bill. Thus, the provisions of chapter III of the basic act, entitled "Prohibited Acts and Penalties," would apply to a new animal drug in interstate commerce to the same extent as any other adulterated article unless an approval of an application filed pursuant to proposed new section 511(b) is effective with respect to that drug.

Section 101(b) of the bill would add a new section to the basic act—section 511—entitled "New Animal Drugs." This new section 511 provides for the approval or refusal and withdrawal of approval of new animal drug applications by the Secretary and requires the sponsor of a new animal drug to demonstrate the safety and effectiveness of the proposed use or uses of that drug. It is patterned after the new drug section of the basic act—section 505—as amended by the Drug Amendments of 1962, and it consolidates the preclearance provisions applicable to new animal drugs presently contained in the food additive section—section 409—and the antibiotic section—section 507—as well as section 505. Thus, uniform administration of preclearance requirements for animal drugs is reasonably assured.

Accordingly, proposed section 511(a) of the basic act would deem a new animal drug to be unsafe unless an approval of an application filed pursuant to subsection (b) is effective with respect to such drug. There is a proviso, however, exempting from this subsection (a) animal feeds containing new animal drugs for those users for which approvals of applications filed pursuant to subsection (b) are effective. This exemption, however, would only be available to those feed manufacturers who had previously demonstrated that their establishments conform to and are operated or administered in conformity with current good manufacturing practice. Without this proviso individual feed formulations containing new animal drugs would be subject to clearance separately under section 511 even though such medicated feeds had already been cleared for the same uses. Manufacturers of medicated feeds, in addition, are now subject to registration and inspection under sections 508 and 704 of the basic act as amended by the drug amendments of 1962 and are required to observe current good manufacturing practice under section 501(a)(2)(B) as added by the drug amendments of 1962. No proper purpose is served by additionally requiring them to file new drug applications for individual feed formulations.

Proposed section 511(b) of the basic act, like section 505(b) thereof, specifies the information to be included in a new animal drug application. Clauses (1) through (6) require the same information as is required in section 505(b). Additionally, clause (7) is derived from section 409(b)(2)(D) of the basic act and clause (8) is derived from section 408(d)(1)(F) of the basic act. The latter two clauses are desirable in the event residues of the drug remain in the tissues of animals used for food production and a tolerance or withdrawal period is proposed.

Proposed section 511(c) of the basic act is substantially identical with section 505(c) thereof in setting forth the procedure for action by the Secretary upon a new animal drug application.

Proposed section 511(d) of the basic act, like section 505(d) thereof, sets forth the grounds upon which the Secretary may refuse to approve a new animal drug application. Clauses (1) through (6) are substantially identical to clauses (1) through (6) of section 505(d), including the definition of the term "substantial evidence" which appears in clause (5) thereof. Clause (7) of section 511(d) is derived from section 409(c)(3)(A) of the basic act and would operate to require the Secretary to refuse approval of an application for an animal drug which induces cancer when ingested by man or animal or after tests which are appropriate for the evaluation of the safety of such drug. Clause (7) is substantially identical with the proviso in section 409(c)(3)(A) as amended by the drug amendments of 1962 except for a procedural amendment permitting review of certain determinations by the Secretary. The next to the last sentence in proposed section 511(d), specifying certain factors to be considered by the Secretary in determining whether an animal drug is safe, is derived from section 409(c)(4)(A) and section 409(c)(5). The purpose of this sentence is to give the Secretary added authority in determining the safety of animal drugs to consider safety questions resulting from residues of animal drugs remaining in the tissues of animals used for food production.

Proposed section 511(e) of the basic act is based upon section 505(e) thereof. The Secretary is authorized to withdraw approval of a new animal drug application on grounds relating to safety and effectiveness or if the application contains any untrue statement of a material fact. As in the case of section 505(e), the proposed section 511(e) would give the Secretary summary powers to act if he finds that there is an imminent hazard to public health. However, several additional grounds for withdrawal of approval of an application added to section 505(e) by the drug amendments of 1962, unrelated to safety or efficacy, were not included in proposed section 511(e) because they are not necessary to assure the safe and effective use of animal drugs.

Proposed section 511(f) of the basic act is substantially identical to section 505(f) thereof.

Proposed section 511(g) of the basic act is substantially identical to section 505(g) thereof.

Proposed section 511(h) of the basic act adopts the appeal procedures set forth in section 505(h) thereof.

Proposed section 511(i) of the basic act requires the Secretary to publish the conditions of use and the name of the applicant for every new animal drug application which is approved. This is a new subsection, inasmuch as there is no provision for such publication in section 505 of the basic act. However, in view of the practice of mixing two or more drugs, which may be purchased from different sources, in animal feeds, this provision has been included so as to enable feed manufacturers to ascertain those combinations of drugs which have been approved for use in animal feeds. This is necessary because the labeling for a particular drug may not indicate such combinations.

Proposed section 511(j) of the basic act provides for the promulgation by the Secretary of regulations for exempting from section 511 new animal drugs including medicated animal feeds intended solely for investigational use by qualified experts. This subsection is based upon sections 409(i) and 505(i) insofar as these sections are pertinent to the investigation of new animal drugs. Of particular importance, the last sentence authorizes the Secretary to set forth the conditions upon which animals treated with such drugs may be marketed. The amendments made to section 505(i) of the basic act by the drug amendments of 1962 relate to the clinical testing of new drugs and are not pertinent to the investigation of new animal drugs. Therefore, they have not been included in proposed section 511(j).

Proposed section 511(k) of the basic act is based upon the last sentence of section 409(a) thereof. The purpose of this subsection is to provide for an appropriate exemption from this section 402(a)(1) of the basic act for approved uses for new animal drugs.

Section 102 (a) and (b) of the bill would amend section 201(p) of the basic act so as to exempt new animal drugs from regulations as new drugs under section 505 of the basic act. Henceforth the regulation of new animal drugs would be covered by section 511 of the basic act.

Section 102(c) of the bill would amend section 201(s) of the basic act so as to exempt new animal drugs from regulation as food additives under section 409 of the basic act. The reason for this provision is that section 511 is intended to provide for the exclusive regulation of new animal drugs.

Section 102(d) of the bill would add a new paragraph (v) to section 201 of the basic act defining the term new animal drug. The definition is patterned

after that contained in section 201(p) of the basic act for the term "new drug." Henceforth, these terms would be mutually exclusive.

Section 103 of the bill would amend section 301(j) and 301(l) of the basic act. The effect of these amendments is to provide for the confidentiality of certain information contained in new animal drug applications and to limit the making of representations or suggestions in labeling or advertising based upon the approval of a new animal drug application.

Section 104(a) of the bill would amend section 402(a)(2) of the basic act to provide for appropriate exemptions for approved uses of new animal drugs.

Section 104(b) of the bill would amend section 409(c)(3)(A) of the basic act by deleting therefrom the amendments to the cancer clause added by the drug amendments of 1962. These amendments would be obsolete because they deal solely with medicated animal feeds and because proposed section 511 would deal exclusively with this subject matter. As indicated above, proposed section 511(d) contains the cancer clause substantially as set forth in section 409(c)(3)(A) of the basic act.

Section 105 of the bill would amend sections 502(1) and 507(a) of the basic act by exempting therefrom animal drugs. The effect of these amendments is to limit the certification of all antibiotics to drugs for human use. The drug amendments of 1962 operated to extend the certification of antibiotics from the five antibiotic drugs originally listed in the basic act to all antibiotics. However, the extension of certification to newly discovered antibiotics is limited to those intended for use by man. The certification of the five named antibiotics should now be limited to those intended for use by man. Section 105 of the bill accomplishes this purpose, so that proposed section 511 would provide for the exclusive regulation of animal drugs.

Section 106 of the bill contains effective date and transitional provisions. Under this section, the bill would take effect immediately. This section also contains provisions under which regulations in effect under sections 409 and 507 of the basic act at the enactment date, and effective or approved new drug applications as of the enactment date, are deemed to be approved applications under section 511. Furthermore this section provides that applications or petitions pending on the enactment date shall be deemed to be applications pending under section 511, and the filing date shall be deemed to be the date on which the petition or application was actually filed. Proof of effectiveness would not be required for any animal drug covered by an effective application so far as the uses and conditions stated in the approved labeling are concerned. Animal drugs in commercial use prior to the enactment date and which had never been the subject of a new drug application are not subject to proof of effectiveness so long as there is no change in their formula or in the recommendations for their use.

PERSONAL EXPLANATION

Mr. SCHADEBERG. 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. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. CURTIS. Mr. Speaker, in a recent issue of Broadcasting magazine and in a followup story carried by the Associated Press, my name is listed as trustee of radio station WCDR. I should like to make my relationship to this station clear for the RECORD.

I am a trustee of Dartmouth College and WDRC is the student radio station at this college. Because of FCC regulations it is not possible to vest title to this station in the students who operate and control it. For this reason the trustees of Dartmouth College are listed as trustees of the radio station. I have no financial interest in this station and I have no control over its routine operations.

AMENDMENT TO IMMIGRATION AND NATIONALITY ACT

Mr. SCHADEBERG. 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. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. CURTIS. Mr. Speaker, I have today introduced two bills, one of general application and the other a private bill dealing with our immigration laws. Both of these proposals act in the field of the waiver of the 2-year foreign residence requirement for those who are in this country as exchange visitors.

I agree with the basic philosophy of our exchange program; namely, that visitors who come to this country as exchange students are here to learn a skill which they can take back to their home country for the use of that country and its people. I believe it would undermine this important program if we were to be too liberal in allowing those who have come to this country to remain here and thus to deprive their native countries of their talents. Nevertheless, this should not be an inflexible rule and, indeed, some exceptions to it have been developed. There are exceptions in two specific areas, one where the 2-year foreign residence would create an extreme hardship on a citizen of this country or an alien here on a permanent resident visa and the second is in the case in which some governmental agency will sponsor the specific individual because of their need of him in the agency's work.

What I am suggesting today in my general law is that a further area of exception be recognized. Basically it would permit those who have come to this country as exchange visitors to remain here without having to reside in a foreign country for 2 years when, due to a change in their home country, it would be dangerous or impossible for them to return. Perhaps the best example of this would be in the case of an exchange student in this country from Cuba at the time of the rise of Castro to power in that country. To order one outspokenly anti-Communist to return home in such a circumstance might mean his death. As the law presently reads it does not require that the exchange visitor return to his native country for this 2 years of foreign residence. It permits him to go to any other cooperating country in the program. The theory of the exchange program is to permit the native country to benefit by the training given one of its citizens. I do not believe that it would be harmful to our program of exchange education if we were to say that when the person cannot return to his native country he will not be forced to go to some third country where he has no roots simply because we feel that our exchange program is better served by helping his native land. When these visitors cannot return to the country of which they are citizens and their skills can be used in this country, I see no reason why we could not retain them in the United States to benefit by the training which they have had.

The second bill which I mentioned is one which fits into the general principle which I have outlined above. It is for the relief of Dr. Leo Hsueh. Dr. Hsueh is a native of China, who fled from the Chinese mainland at the time of the Communist takeover of that country. Since that time Dr. Hsueh has been traveling throughout the world. He came to this country on an exchange program from West Germany. He has no roots in West Germany. He has no roots in any land to which he could now return. This is one example in which I believe the general policy which I mentioned above could well be applicable. There are others and I have sponsored private legislation for a number of these individuals. However, I believe that it would be wiser to make a general exception in this area and leave determination in the individual cases to the proper administering authorities.

URBAN RENEWAL

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

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

There was no objection.

Mr. ALGER. Mr. Speaker, I have spoken about urban renewal several times on this floor. I have tried to be very accurate about my facts and have never knowingly made any misstatement. In my opinion the evidence which I have been able to gather has constituted a very substantial indictment of the federally subsidized urban renewal program.

Now a question has been raised about the accuracy of a reference to Richmond, Calif., made in a speech delivered before

the annual meeting of the Chamber of Commerce of the United States on April 30, 1963. Substantially the same reference was made by me on the floor of this House on October 5, 1962, and in an article published by Human Events magazine in its recent supplement on urban renewal.

The information on which I based the reference to Richmond was contained in a story about that city published by the Urban Renewal Administration of the Housing and Home Finance Agency in the July–August issue of Urban Renewal Notes. The following excerpt from that story was used in my statement:

In 1954, when Harbor Gate project was conceived, the assessed valuation of land and improvements in the area was $260,000, bringing in annual tax revenues of $24,000. The area has been redeveloped for industrial use, and part of the land is already occupied by new structures housing food distribution facilities. Although only a portion of the contemplated redevelopment is completed, the current assessed value is $2.5 million, yielding tax revenues 10 times those of 1954. When the additional facilities are completed it is expected that the assessed value will rise to $6.5 million, with revenues 25 times that received in 1954.

Richmond will be the first city in California to liquidate the cost of an urban renewal project financed under the terms of a 1952 amendment to the California constitution. The amendment is based on the assumption that an area will bring in more taxes after it has been renewed or redeveloped than it has yielded in its rundown state. Any increased revenues are earmarked to pay off the local cost of the project.

This involved the setting up of a revolving fund to pay for the local share of the city's urban renewal activities. The revolving fund advances the money which, after it is repaid to the fund, can be used for the financing of other projects or activities, thus providing a constant source of funds for defraying local costs. As increased taxes from a renewed area are collected, they are paid into the revolving fund until the amount advanced to the particular area has been repaid. Once the advance has been liquidated, the earmarking of the increased revenues ceases; they no longer need be paid into the fund and can be used by the city or other local governmental unit for any purpose it wishes.

In most cases, the money to finance the local share of urban renewal activities is raised through the sale of bonds. These bonds are variously called tax increment or tax anticipation bonds. Under this type of financing, the amount of real estate taxes collected at the time the renewal is undertaken is established as the base, and any excess revenue from real estate taxes above this amount; that is, the tax increment, is allocated and used for the repayment of the bonds. During the period of repayment the city continues to collect the amount it collected prior to the renewal. In addition, it receives all revenues from other nonproperty taxes, such as taxes on sales and business licenses.

Normally, these bonds are issued on the assumption that they will be repaid over a period of 30 to 40 years. Richmond's ability to pay off its $600,000 debt in the short space of 4 years underscores the potentialities of the increased tax income which redevelopment makes possible. Furthermore, Richmond was particularly fortunate that its fiscal position made it possible to avoid levying an additional tax rate to support the financing of urban renewal. Unlike most other California cities, the costs were advanced from general government sources.

Mr. Speaker, you will note in my previous remarks my entire reference to Richmond was based on this statement in the report of the Urban Renewal Administration of the Housing and Home Finance Agency. As this report deals with the accomplishments of the Federal Agency, I was naturally misled into the belief that there was Federal participation, else why include the project in a Federal report? I was further misled by the two references to the "local share" in this official Federal report. To me the reference to a "local share" implies that there was a nonlocal or Federal share, a well understood and frequently used expression. Accordingly, I assumed that the governing body of Richmond, Calif., had made a certification of need and had received Federal assistance on the Harbor Gate project. I stated publicly that any such certification was fraudulent.

Actually, the information which has since been made to me indicates that no such certification was ever made. The false impression was not created by me, however, but by the Housing and Home Finance Agency report which assumed credit for the agency, at least by implication, which it did not deserve. So the officials of Richmond should quarrel with the HHFA, not me, for the error in publicizing the wrong impression of the financing of the Harbor Gate project.

I want to take this occasion to congratulate Richmond on its initiative in accomplishing this project on a local basis and to express my regret for having been misled by the HHFA. I am asking HHFA officials to account for their use of the Harbor Gate project in a report supposed to be detailing their own activities.

The officials of Richmond, Calif., and the people have shown that urban renewal can be accomplished without Federal aid and that progress can be made through local vision, local initiative, local financing, and I hope the Harbor Gate project could be a pilot for additional local activity which would end Federal urban renewal and return this responsibility to the States and local communities where it rightfully belongs.

Now that Richmond has been brought into the discussion and the matter of the Harbor Gate project put into its proper perspective, I think it is justified to add, at this point, additional information I have been able to gather about Richmond.

Richmond, Calif., is percentagewise one of the largest recipients of Federal funds for urban renewal. The Federal Government has allocated more than $12 million in grants and has already paid Richmond nearly $3 million. The Federal Government has approved $784,416 for the planning of these projects and has actually paid Richmond more than $500,000 in planning money.

From information supplied by the redevelopment agency of the city of Richmond, certain other interesting facts appear. The land, on which the Harbor Gate project is located, was used as a temporary housing site during World War II. The Federal Government sold the land to the redevelopment agency. Moreover, the pattern of planning cost for the Harbor Gate project is completely different than that used on the federally subsidized project. The total cost of planning the Harbor Gate project was less than $75,000. Of that cost the redevelopment agency paid $773. The city government paid the rest.

To conclude while Richmond's heavy reliance on Federal aid might indicate their belief in its effectiveness, their recent efforts in Harbor Gate not only reflects this conclusion but also points out comparatively the good sense of local effort, planning, and financing.

In spite of these surprising contracts, no certification of need for Federal funds was made by the governing body of the city of Richmond and therefore no basis exists for the charges of fraud which I made against that body.

Mr. Speaker, I offer my apologies to the city of Richmond, Calif., and congratulate the city and the redevelopment agency on an outstanding example of locally financed redevelopment. In this Harbor Gate project the city has set an example which it might well copy in some of its other project areas and which might be applied to projects all over the United States.

Richmond carried out this one self-liquidating project under a special provision of California law which allows communities to pledge future increases in tax revenues as security for revenue bonds with which to finance the improvement. A similar law enacted and vigorously applied in all States could eliminate a large majority of the urban renewal projects from the Federal subsidy program.

The extent to which such action is feasible is suggested by two different statements which have been called to my attention.

In New York a report prepared by a special committee on tax policy organized by the Citizens Housing and Planning Council of New York, Inc., with respect to the first 10 urban renewal projects—involving a $56 million Federal subsidy—contained the following:

These data show that under the present real property tax system, after making full allowance for some $75 million in except properties, these projects will produce a net tax gain of $5 million a year, sufficient to repay the city's costs in 6 years and all public costs in 18 years. If the net taxes could be dedicated to a special land-acquisition fund, the title I program could be made self-liquidating.

In the September–October 1960 issue of Urban Renewal Notes published by the Urban Renewal Administration, the following statement appears:

A URA study, covering projects in the United States and Puerto Rico, indicates that assessments will be three times and revenues will be more than four times as much after redevelopment as they were before in these particular areas.

Mr. Speaker, while I am happy to make this correction in the record and to give Richmond due recognition for its local initiative and action, I have to be concerned lest someone interpret this correction as an admission of weakness

in the indictment made against federally subsidized urban renewal. Supporters of the Federal subsidies may say that my argument against the need for such subsidies has been destroyed.

Nothing could be farther from the truth. Evidence of improper and even fraudulent certifications of need is being uncovered every day. More—much more—will be revealed if and when a full-scale investigation of renewal on a national basis can be instituted.

One striking example of improper certification of need has been revealed by the subcommittee of the District of Columbia Committee of this House. That committee, headed by a fellow Texan to whom I wish to pay tribute, is doing a tremendous job. In spite of great pressures being brought on members of the subcommittee, its members have persisted in their investigation of malpractice in the District urban renewal and are revealing administrative practices in both the local and Federal Governments which should be of gravest concern to all Members of this legislative body.

The example to which I have just referred involves the Columbia Plaza urban renewal project in the District of Columbia, located a few blocks west of the White House.

Before Columbia Plaza was made an official urban renewal area, a private corporation had acquired approximately 75 percent of all the property and was in process of redeveloping it in accordance with the same legal building and zoning requirements which applied to the entire city. This firm stated in writing its intention to acquire the entire area and redevelop it without any subsidy. As structures were acquired they were demolished and the land was devoted to an interim use of parking.

The Redevelopment Land Agency of the District of Columbia was dissatisfied with this pattern of redevelopment. The RLA asked to have the area declared an urban renewal area. Such designation would enable the Agency to acquire all the land in the area, raze the structures, establish its own urban renewal plan for the area, and resell the land for redevelopment in accordance with its plan.

Several questions were involved. One was whether or not the area was sufficiently blighted or deteriorating to justify a local certification of need for Federal help. To support its claim for eligibility the governing body of the District of Columbia had to ignore the fact that the area was already under redevelopment according to citywide standards and to accept the arbitrary ruling from the local planning commission that the land already cleared and devoted to parking could be defined as blighted or deteriorating. Neither of these actions had any specific legal justification. They could be defended only as a permitted exercise of planning discretion.

A second question was whether or not the HHFA Administrator would accept the District of Columbia certification of need and approve Columbia Plaza as appropriate for an urban renewal project. The Administrator's approval was necessary before Federal funds could be made available to carry out the project and underwrite the major portion of a project loss estimated to be well in excess of $1 million. Clearly he would have been within his statutory rights had he determined either that no need existed or that this particular project was ineligible. In his discretion he chose to approve the project. In this action the Administrator seems to have been following a pattern, well established by his predecessors in office, or accepting local certifications of need without question.

There may be some excuse for the Administrator. There is no specific requirement in the law that he make a determination of the absolute need of a city for Federal funds before he approves a project. The law states simply that the governing body of a locality, among other things must make a finding that Federal aid is necessary to enable the project to be undertaken.

Other provisions of the law, however, do place upon the Administrator a heavy responsibility to exercise his discretion in the public interest. Take for example section 110(a) of the Housing Act of 1949, as amended. It defines an urban renewal area as a slum area or a blighted, deteriorated, or deteriorating area in the locality involved which the Administrator approves as appropriate for an urban renewal project. Does the Administrator believe that it is in the public interest to commit the Federal Government to participation in a project which was being readied successfully for redevelopment by private enterprise and where the only excuse for Federal intervention is to substitute the judgment of certain planners for the orderly controls on area development provided by zoning and building laws? That is the denial of government by law. It is placing the discretion of one class of citizens, the planners, above the law. It is government by men, not of law.

Mr. Speaker, the case against Federal urban renewal grows stronger every day. The work of the subcommittee of the District of Columbia is contributing mightily to the building of that case. So are those in high places in the administration of the Federal program who are guilty of misuse of their discretion.

The indictment which I made initially when a Republican administration was in power is doubly applicable today. Errors such as the misstatement about Richmond, Calif., do not defeat our attack. They simply serve to make us redouble our effort. We will persist until this evil is corrected.

EXCISE TAXES

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

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

There was no objection.

Mr. DERWINSKI. Mr. Speaker, this week the other body passed a 1-year extension of the Korean war excise taxes and the related corporate taxes. Evidence was presented on the floor during the debate that these so-called temporary taxes were rapidly assuming the nature of permanent segments of the Federal tax structure.

I direct the attention of the Members to a most appropriate House joint resolution passed by the Illinois State House of Representatives which I include at this point as part of my remarks:

HOUSE JOINT RESOLUTION 46

(Offered by Mrs. Saperstein, Messrs. Rink, Vitek, Marks, Peskin, Svalina, Elward, Napolitano, Pierce, Wiktorski, McDevitt, Lenard, Kaplan, Shaw, Lyman, Saal, and Miss Piotrowski)

Whereas the 10 percent Federal Retail Excise Tax on ladies' handbags, toiletries, cosmetics, fur trimmed cloth coats and men's wallets is both unfair and discriminatory; and

Whereas the tax on ladies' handbags, toiletries, cosmetics, fur trimmed cloth coats, and men's wallets is economically and socially unjustifiable; and

Whereas the elimination of this tax will increase the net income of the average taxpayer: Therefore, be it

Resolved by the House of Representatives of the 73d General Assembly of the State of Illinois (the Senate concurring herein) That this general assembly respectfully urge the Congress of the United States to repeal the Federal Retail Excise Tax on ladies' handbags, toiletries, cosmetics, fur trimmed cloth coats, and men's wallets; and be it further

Resolved, That a duly attested copy of this resolution be immediately transmitted by the secretary of state of Illinois to each Member of Congress from this State, the Speaker of the House of Representatives of the U.S. Congress, the President of the Senate of the U.S. Congress, and to the Secretary of the Treasury of the United States.

Mr. Speaker, it is especially appropriate for me to point out that the sponsors of this resolution are all members of the Democratic Party serving in the Illinois House, and I would certainly hold out the hope that they use their natural influence within party circles to help the administration here in Washington accept the practical and long overdue step of eliminating the wartime-imposed excise taxes in preference to a controversial tax bill.

Mr. Speaker, I have long urged that a removal of the excise taxes would be the most practical, appreciated, and fair form of tax reduction. I would hope that in the next year we can achieve enough economies in the operations of the Federal Government to give the American taxpayer this type of tax relief.

NEED FOR REDEDICATION ON THE PART OF EACH INDIVIDUAL TO THE VIRTUE OF SELF-RELIANT TRUSTWORTHINESS

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

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

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, our times make many demands on us as citizens of the United States of America, but none of these is more pressing than the demand for a rededication on the part of

each individual to the virtue of self-reliant trustworthiness.

In an address to the American Iron and Steel Institute in New York City, May 23, 1963, former President Dwight D. Eisenhower commemorated a man who exemplified this quality. General Eisenhower's remarks serve as guidelines for us all as we try to live up to this high standard.

The full text of the address follows:

TEXT OF ADDRESS BY GEN. DWIGHT D. EISENHOWER AT BANQUET OF AMERICAN IRON AND STEEL INSTITUTE IN NEW YORK CITY, MAY 23, 1963

It is with a sense of high personal distinction that I receive the award, established by this Institute in memory of the life, services and accomplishments of the late Benjamin Franklin Fairless.

Because I share with the members of this distinguished institution a deep admiration, respect and affection for Ben Fairless—sentiments which led the Institute to perpetuate his name in this fashion—I am signally complimented by my selection to be the first recipient of the honor.

Manifestly the governing officials of this organization were not moved to create this memorial to Ben Fairless merely because he was a highly successful businessman; or because he rose from unpromising beginnings to head the business enterprise that for many years has been the world's largest producer of steel; or even because he became the acknowledged leader and spokesman of the steel industry and often of the entire business community in public forums and in the counsels of government.

These things he did, and in so doing, he earned the gratitude and acclaim of his associates.

Nevertheless, if these told the full story of his remarkable career, I cannot believe that the Iron and Steel Institute would have felt impelled thus to memorialize his name.

Rather, I conclude, it was because of all the positions he filled.

In all the responsibilities he carried, in all the authorities he exercised, he proved himself a man of exemplary character, rock-like integrity, indestructible courage and down-to-earth wisdom.

It was his moral stature rather than his material accomplishments that we revere today.

Though, considering his meteoric rise to eminence, he could readily have been forgiven instances of arrogance, he was forever humble; though a lesser man could have fallen prey to self-centered ambition, Ben Fairless never failed to think first of others—not merely of his company—of which he was so proud—but always of the Nation.

What was right was the question he sought always to answer.

What was merely expedient or temporarily gainful he ignored in his search for the surer guide to the public good.

Once, visiting me in the White House, he brought up the subject of a tax that I had decided—against some considerable political opposition—to keep temporarily on the books.

He said, "The decision you have made and published is disappointing to many, for example, it will cost my own company many millions of dollars.

"My purpose in coming here is to tell you that I believe you have done right, and I will support your decision to the limit of my ability."

This was one of my earliest meetings with him, and, heartwarming as his words were to me and as appreciative as I was of his thoughtfulness in coming with such a message, my instant and dominant reaction was that I had met an unusual and admirable individual.

Though the occasion seemed mainly to call for an expression of my gratification, there flashed instead, across my mind the thought, "What you have just said evidences your caliber as a business statesman and your patriotism as an American citizen."

In this audience are individuals who could recite many more instances of such self-revealing statements than I possibly could, but this one alone was proof to me that I was dealing with a man of character—from that moment onward I never once hesitated to call upon him for any service or word of counsel that I thought might be useful: never did he let me down.

And in every contract my recognition of his integrity, abilities, and selflessness became all the keener.

As a leader it was not in him to indulge in the flamboyant, the pseudodramatic and the egotistical.

Instead of desk-pounding or similar theatrics, he used the soft voice patiently to assure among his assistants their full understanding of the instructions he had to give.

By his own testimony he trusted far more in thorough study and serious conference with his advisors, subordinates, and associates rather than in preconception or flash impulse as he arrived at important decisions.

It was, then, through character and moral strength that he impressed himself unforgettably upon others; therein was a greatness that far transcended his ability, drive, endurance, and experience, exceptional as these were.

Today if we should attempt to express our admiration and affection for Ben Fairless merely in eulogy, then I think we would show ourselves to be scarcely aware of the true lessons that his life holds for us.

But for us who knew him, almost inescapably there comes to our minds the wish that we might be able to bring to the solution of our problems, each day, the same qualities of spirit that he so clearly displayed in his own.

Moreover, as we made such an attempt I suspect we would reach the conclusion that the problem most concerning us at this moment—and should concern the Nation—is the seemingly widespread deterioration in our moral strength.

We seem to be losing our capacity to bear our own responsibilities unflinchingly: that is to stand solidly for what we know in our hearts to be right, decent and fair, and important to the Nation's future.

Of course, there are many other and possibly more specific issues to face.

We are for example critical of high taxes; but we don't like to see taxes revised in such fashion as to relieve others 1 cent more than it does us of part of the tax burden.

The vast majority believes that governmental expenditures are too high: but we insist upon excluding from any program of reduction all those that seem to profit us individually.

We deplore deficit spending in time of prosperity as a policy of government, believing that it is not unnecessary but eventually ruinous.

In addition, deficits incurred in these conditions can scarcely conform to our concept of morals in that it deliberately presents to coming generations the bills for things we get for ourselves today.

What does this do to our self-respect?

We criticize costly governmental farm programs; we oppose unfair regulations applying to expense accounts; we urge the application of logic and reason to projected international contests into outer space.

We question the wisdom of certain details in medicare programs and we grow irritated when some world-touring Congressman spends our tax money in music halls and night clubs, immune from any disciplinary action by the Government.

We are horror-stricken by mounting crime waves—especially the sometimes almost inexplicable delinquencies of our youth—not only in the gangs of our city streets, but too often in some of our institutions of higher learning.

All these are serious matters, and they call urgently for practical solutions.

But they do not define the root of our true problem.

They are indeed symptomatic, but they are primarily the effects rather than the causes of our basic difficulty.

That difficulty is the weakening of our sense of duty—or moral obligations—to ourselves, to our children, to what is right.

We seem to be losing too much of our readiness to move against the tide, too much of the sturdy independence that should reject any unfair governmental advantage for ourselves as quickly and emphatically as we reject another for our contemporaries.

Through love of ease, or sheer lethargy, we shut our eyes to the weaknesses within us—sins of omission and commission.

We lose our capacity to be righteously indignant:

We fail to do what we know to be our duty—not deliberately, but rather through a subconscious desire to avoid extra effort or sacrifice or to escape criticism and ridicule for supporting unpopular ideas.

Worse, by word and example we impart these habits to our children, apparently and blindly hoping that a new generation will display a courage that we do not ourselves possess in facing forthrightly the problems that baffle us, both those of a weakened spirit and those that are outgrowths of our neglect.

Possibly then the true potential of this evening's meeting will be measured by the degree in which we, in renewed inspiration achieved through reflection on the lives of such leaders as Ben Fairless, experience real rejuvenation of our readiness to face head on, both the basic, and the symptomatic diseases of our time.

Opportunities to do so are numberless.

In the home, in the schools, in the business conference, on public platforms, at luncheon clubs, and in association, including those of political parties, we can make our influence felt. And that influence will rise like a flood if we refuse to allow embarrassment to still our tongues or the hope of immediate gain deter us from efforts designed to improve the long term good of family and Nation.

The process of self-examination is difficult, sometimes secretly embarrassing.

But permit me to hint at some of the questions that frequently bother me as I ponder these matters.

Although the personal examples we set for our children within our own homes may have little to do with juvenile delinquency—in our eyes they are always paragons of virtue—how much time and effort are we ready to spend to eradicate it?

How much should our city taxes be raised to produce a police force adequate to make our streets safe for the peaceful pedestrian?

How much more are we ready to pay to increase the efficiency of educational systems—both juvenile and adult—aimed at elimination of causes of this scourge?

How are we to set about the enlightenment of a population when we see so many special groups eagerly embracing the cloying effects of governmental subsidy at the expense of others and the loss of their own self-reliance?

Unfortunately, such groups are many.

Indeed, few of us can show a clean record in this matter.

In problems of many kinds from tariffs to taxes; from slum clearance to farm surpluses and subsidies; we far too often seek special Federal help rather than refusing it except only as it applies across the board—to 180 million Americans.

Correction for this and similar ills calls not just for money—they will succumb only

to determined efforts reaching the intensity of a crusade.

Possibly the most important question each of us can ask himself is, "How can I help to keep alive, healthy and effective, the concept and practice of self-government, given to us by the framers of our Constitution in 1787?"

To answer this one we must first ask ourselves some preliminary questions.

First, do I actually participate in self-government?

Most of us vote, some give money to political campaigns—but do I, as a citizen, do all I can to further the measures in which I believe, in opposing proposals to which I violently object?

If not, am I effectively participating in self-government? Do I still thrill to the words of Patrick Henry, "Give me liberty or give me death"?

Or Nathan Hale saying, "I only regret that I have but one life to lose for my country."

Or Ben Fairless who once said: "The most important thing is to do what is right for the Nation as we understand it."

But if we are ready to admit the worth and timeless inspiration to be found in contemplation of these examples—rather than to dismiss them as rubbish to be discarded by the overly sophisticated—then there is much that each can do.

An obvious one is to participate actively as a member of the political party of our choice.

Delve deeply into our fund of commonsense, our knowledge of our own history, and the development of the American economy; study the words and deeds of Washington, Franklin, Lincoln, and Jefferson and out of all this develop an individual and simple political philosophy.

Why not refuse to listen to the political aspirant that promises a special favor to me, but, instead, join and support the party whose platforms, programs, and actions for national progress seem best to coincide with my own beliefs. And work, every day, for that party?

Why not participate in private associations and organizations whose missions and efforts are calculated to promote better understanding of America and better fulfillment of the obligations of self-government?

Indeed, should not our hearts, our hands, and our pocketbooks be dedicated to promoting what is right for America?

Tonight as we salute the memory of a distinguished American I trust we shall recall and deeply contemplate the principles by which he lived.

So long as we do, and particularly if we work as hard as Ben Fairless did to further his concepts of good of country, individual liberty and moral integrity—then indeed we need not fear the threats we see about us, but shall, instead, assure for America a bright and glorious future.

Mr. Speaker, there appeared in the Herald Tribune of June 5, 1963, an excellent letter by WILLIAM E. MILLER, chairman of the Republican National Committee, entitled "Why Dodge the Cuban Question?"

I commend this letter to the attention of my colleagues and of all those interested in seeing what the minority party is up against when it attempts to constructively criticize or even elicit information from the majority on a subject of crucial importance to the American people.

The full text of the letter follows:

WHY DODGE THE CUBAN QUESTION?

To the Herald Tribune:

You are to be commended for your forthright editorial supporting the right of conscientious persons to raise questions on our Cuba policy.

The lesson of Cuba seems to be that until hindsight takes over, the administration tags as "mischievous nonsense" all constructive suggestions on vital national problems.

It is unbecoming of administration officials to downgrade conscientious attempts to obtain information. The questions I posed for President Kennedy were honest queries, designed to elicit facts on problems which are deeply troubling to many individuals. My queries were legitimate points raised by revelations of the Stennis subcommittee report and reliable newspaper accounts. Nevertheless Senator HUMPHREY tagged my queries "mischievous nonsense."

Throughout the Cuban military buildup last fall the same phrases were used by highly placed administration officials, including Senator HUMPHREY, in an attempt to quash legitimate questions concerning establishment of a Communist base in the Western Hemisphere. Republicans were tagged "warmonger," "jingoists," "mischief makers." Criticisms never were accepted as constructive—only as "politically motivated."

Like a broken record, Senator HUMPHREY used this tired phrase on the Senate floor on September 11, 1962. "It is misleading and mischievous," he stated, "to say that Cuba represents a military threat."

On October 19, 5 days after the administration had photographs of Cuban medium-range missile installations, HUMPHREY told a Minneapolis audience: "All this chitchat about Cuba is nothing less than the lowest, cheapest form of politics * * *. We know more about what's going on in Cuba than we do about Minneapolis."

In the September 11 Senate speech, HUMPHREY had admitted the existence of missiles in Cuba. He said, "I do not underestimate the fact that there are missiles, intermediate and short range." While the Senator was "fessing up" on the misciles, the White House was vehemently denying their existence.

Yet on October 22 President Kennedy responded to repeated Republican urgings for firm action and to repeated evidences that the American people felt action was long overdue. He clamped down with the quarantine, telling the Nation that Cuba is "* * * an important strategic base * * *" and "* * * an explicit threat to the peace security of all the Americas * * *" that the Soviet buildup "* * * had been planned some months ago."

All this is most interesting when set beside Senator HUMPHREY's September 11 comment that "communism is sinking pretty rapidly in the quicksand of their own mismanagement." By Senator HUMPHREY's definition the recent report of the Stennis Preparedness Subcommittee also falls into the category of "mischievous nonsense."

WILLIAM E. MILLER,
Chairman,
Republican National Committee.
WASHINGTON, D.C.

Mr. Speaker, I wish to call the attention of my colleagues to the activities of a group of enlightened citizens who are doing an excellent job of extending the range of constructive thinking on political issues and principles, the Republican Citizens Committee of the United States. Below, follow excerpts from the remarks by C. Wrede Petersmeyer, chairman of the Republican Citizens Workshop, at the plenary session, Thursday, June 13, in Hershey, Pa. This workshop was sponsored and conducted by the Republican Citizens Committee:

This workshop will not include a discussion of candidates and no one here, to my knowledge, has personal political ambitions. We are concerned solely with exploring as citizens what we might do to strengthen the two-party system by furthering Republican beliefs, principles, and candidates. I hope you will find the meeting as exciting and useful as those of us who have worked on it believe it will be.

The target of the Republican Citizens Committee effort is the voter * * * in particular, winning support for the party, its ability to solve the critical problems that concern the voter and for Republican candidates. Our aim is to supplement the work being done by the party. Incidentally, I personally have visited with 24 leaders of the party on the Hill, and at the national committee in connection with this citizens workshop. In no quarter did I find comment that this was not a constructive effort, and in many quarters it met with great enthusiasm.

The citizens committee is proceeding on two fronts: One is in the area of organization of manpower and effort, both in major cities and behind candidates once they are nominated. The other front is in the area of ideas * * * a creative effort that will win support for Republican principles and Republican solutions to problems. This effort is fundamental and will build a base under any Republican candidate nominated.

This workshop will be led by General Eisenhower. The need for this workshop (Critical Issues, led by General Eisenhower) stems from a conviction that there is inadequate discussion today among voters of critical problems from a Republican point of view. The objective of this workshop is to discuss the major issues from a partisan standpoint and determine what might be done to further public discussion of them.

Mr. Speaker, on Sunday, May 26, 1963, former President Dwight D. Eisenhower gave the commencement address at Defiance College, Defiance, Ohio. His inspiring words were addressed to the graduating class, but in these difficult times of national progress and international unrest their message speaks to all of us.

The full text of General Eisenhower's address follows below:

NOTES FOR COMMENCEMENT ADDRESS, THE DEFIANCE COLLEGE, DEFIANCE, OHIO, BY DWIGHT D. EISENHOWER, 34TH PRESIDENT OF THE UNITED STATES, SUNDAY, MAY 26, 1963

The significance of a college or university commencement is the annual renewal it provides the country—and the wide world—in fresh energy, new knowledge, keen insight, spirited idealism.

This season, by the hundreds of thousands, young Americans—women and men—are departing their campuses with dreams of productive, constructive, creative lives throughout the land.

To the long future of the Republic, theirs is a mightier and vaster contribution than wealth in gold or power in machines or material strength on the world scene.

Out of their works, all these things shall be added to America; and, of vastly greater significance, if they fulfill our hopes, they will add to our way new greatness in soul and in heart.

The pace of America's growth, since the first graduation at Harvard College more than 300 years ago, has been measured by the steady increase in number of those who entered into the Nation's life, armed and fortified in the disciplines of higher learning.

Through all the years, of course, innumerable individuals—out of their own genius and commitment and without the benefit of higher education—have achieved for their fellows great breakthroughs in all the realms of human life; in politics; in sicence; in commerce.

Instantly, we call to mind George Washington and Benjamin Franklin and Abraham

Lincoln, Fulton of the steamboat, Edison of the light, Ford of the automobile.

To recall their names and deeds should be for us, who have been given so much advantage, a spur and a goad to our spirit to be a little like them who—on their own—overcame so much disadvantage.

For the irresistible march of America has been primarily powered by the thousands who, to their natural talents, added the knowledge and the skills and the visions of thorough academic education.

Today a Nation, approaching 190 million in population, committed to a leadership role in a world of 3 billion, cannot depend on the chance genius. Each of its young people must be given the opportunity to demonstrate genius.

Your commencement and a thousand like it this month and next constitute the Nation's recognition of this fact. The consequent tidal flood of talent, each year pouring into all the areas of national life is a guarantor, of a new acceleration of a progress beyond accurate prediction. In our past—in the past of all humankind—we have no parallel to this flood, in its immensity in numbers, its competence in every educational discipline, its breadth and depth in understanding.

And there is this uniqueness about it: This tidal wave is not the product of political design or the byproduct of political statecraft. Rather, in its origins and its swelling sweep, it is the expression of the American purpose that to each individual shall be given freedom and opportunity to learn and to inquire and to search. It is the manifestation of the American belief that to each individual, under God, belongs the responsibility and the reward of so using his talents and his time and his energy that he may live—to the limit of his capacity—the fullest and best life.

Unique too, is this swelling flood in that—not destined to serve the ends of dictated government policy—each individual within it is free to shirk entirely the challenges before him or to travel the easy road of mediocrity. But he is privileged also, to strive greatly, daringly, exhaustingly that his imprint for good may become an enduring evidence that he has used freedom well and profitably.

You, at this moment of your lives and your fellows in all like commencements, are the heirs to scores of centuries of human enterprise and sacrifice; of exploration on earth and in space of adventure in ideas and in deeds; of history's recorded thinking and accomplishments.

If you are to add nobly to this record there will be on you an insistent responsibility to cast out of your heritage prejudice, hate, ignorance; an equally insistent responsibility to conserve and expand all that is good and useful. What you think and speak and how you act will stand, finally, as the measure of your value to your Nation and humankind far more than will the amount of the world's goods you may accumulate.

You will be the leaders of people; you will mold, shape and build the Nation's 21st century. No burden could be heavier; no opportunity more bright. As a conscientious citizen of this great Nation, there is one truth that must ever stand as a guidepost for all your dreams. It is this: In self-governing America, power belongs to and is generated by the people, not by any clique, individual or government agency. That power will grow and be ever used for good only as the people grow in knowledge, understanding, and in dedication to the concept of human liberty, rights and dignity.

Two hundred years ago, in 1763, to those prepared for leadership, the call was to Revolution: That old ties and old ways be abandoned, however dear they might be; that a new system of government be constituted; that a new goal in human purpose be enunciated.

One century ago, in the year 1863, to those of like preparation for leadership the call was to preservation: That a divided nation, torn by war, be reunited in peace; that the revolutionary principles of the earlier century be fully realized; that the government be truly of and by and for all the people.

In this year of 1963, the call to you is twofold—restoration and reformation.

Insofar as we may have lost any of the fervor that moved the Founding Fathers as they established for us freedom and self-government and opportunity, this fervor of dedication must be restored. Likewise required is constant renewal of devotion to the conviction that a basic duty of government is to protect the individual in his God-given right to work, to earn, and to husband his resources for the benefit of himself, his family, and his community. If, through the cloying effect of governmental subsidy we have lost any measure of self-reliance, independence of spirit, and love of liberty, then restoration of all these is part of your task.

The need for reformation rises out of the new and complex problems that confront us daily requiring new and even revolutionary solutions; many of them rising out of a mushrooming citizenry, concentrating as never before in densely peopled areas, living in a fiercely divided world. In reaching appropriate answers to these problems the words of the true leader must be so clearly spoken, so courageously supported that all citizens will still continue to live as fully free individuals, their voices and wishes must be accurately represented in the government, and their equality of opportunity assured.

Reformation means abandonment of what has grown obsolete, ineffective, and wasteful. It means changes in attitudes and practices and mechanisms to meet changes in the economy, in the social fabric and in political relations within the country and within the world.

Beyond this, in a world where the force of nationalism and the conflicts of ideologies and the passion for power will not soon diminish, the United States must be neither slow nor hesitant nor weak in advancing and supporting measures that will inspire all men that they can, without hurt to the aspirations, pride, and rights of any other nation, achieve a stable peace with justice and freedom. Progress toward this goal will, among other things, be furthered by expansion of our alliances with other free nations for mutual security and mutual profit. It will be accelerated by liberation of the United Nations from subservience to pressures of arrogant dictators and by its elevation to a genuinely world-representative body, able to do—as well as to talk and dispute.

These responsibilities, falling upon national leaders, must by the very nature of successful self-government be shared by every citizen. Those who wrote our Constitution designed a government that would be a servant, responsive to the people, managed by the people. Their foresight was equal to their faith in the people. And through decades of growth and change their work—after the Bill of Rights—required few amendments.

But the Founding Fathers could not foresee that, in the space of three lifetimes, the Republic would extend from the Atlantic 3,000 miles out into the Pacific, or overleaping an independent neighbor would reach into the Arctic; or that an economy of small farms and large plantations, whose cities existed mainly as ports of entry and exit, would be transformed into massive concentrations of people forming communities without regard to county or State lines. They could not know that in less than two centuries the immensity of domestic and international affairs would tend to create in us a feeling of individual helplessness and even lead us into an unthinking abandonment of personal and local responsibility to a few men in government, giving to them a frightening power for good or evil and almost certain to invite error or abuse.

Through all these developments government more and more escapes the control of the people. Though in townships and villages, school districts and towns, citizens still make decisions for themselves, the room for decision daily shrinks because each must be made in the context of responsibility and power lost to a distant bureaucracy.

Framers of the Constitution could not foresee the exact causes that might bring about such a trend but they knew that the potential danger existed. And, against the possibility that ordinary and customary processes of self-government might weaken or be found ineffective, or later laws and interpretations of original constitutional intent might conflict with the mass convictions of Americans, they provided a final and decisive means of reformation and restoration by the people themselves. Through their State legislatures and without regard to the Federal Government, the people can demand and participate in constitutional conventions in which they can, through their own action, adopt such amendments as can and will reverse any trends they see as fatal to true representative government. I do not here refer to any amendment presently proposed, or under consideration by the several States.

Moreover, constitutional amendment is not to be lightly undertaken. But if you and your generation fortified by a superb education, with access to the knowledge and wisdom of the ages, and imbued with the spirit of our founders, decide that reformation of a radical kind becomes due—then I say, let nothing stop you. Study, examine, survey, think, consider, decide and then—by all means—act. No discovery in science or in space for which you may be responsible, no art that you may create, no fortune that you may amass can ever faintly approach in importance what you do to America's political heritage. Remembering this, may you be a generation that a half century hence can proudly say:

We maintained and furthered the American experiment born in 1776 and confirmed in 1789; we made certain that in our time freedom's flag would be more firmly nailed to the masthead of self-government—in short, we helped the Nation to march on—in faithful dedication to her own ideals—to fulfillment of her destiny.

God speed you—except for the inescapable obstacle imposed by 50 years' difference in our ages, I would be proud to follow where you will lead.

Mr. Speaker, on May 27 an editorial appeared in the Washington Star entitled "Devil's Advocate in Space." The editorial's suggestion is a good one, but what the space program needs even more than it needs a Devil's advocate is more technically competent staff, particularly minority staff on the Science and Astronautics Committee. This committee at present has only 10 professional staff members, yet NASA, whose budget it is the committee's task to review, has the fourth largest budget of any executive agency.

With the smallest technical staff on Capitol Hill, the Science and Astronautics Committee has a tremendous responsibility to see that billions of dollars of the taxpayers' money is wisely spent.

I commend to my colleagues this thoughtful and thought-provoking editorial:

DEVIL'S ADVOCATE IN SPACE

At this juncture, one of the things most sorely needed in the American space program may be a Devil's advocate. This would be a member of the Government, well qualified in science and engineering and well advised on the doing of lawyers and publicists. He would be provided with a small staff (and an admonition in his charter to keep it small) and funds adequate to the workload.

Thus supplied, this official would be charged with building the strongest possible case against every space proposal—before it becomes sanctified as a line item in the Federal budget. He would have clearance for topmost secrets and be given a need to know. It would be reasonable to expect that this unblinded by secrecy and unimpressed by propaganda, he would be in a position to give the sort of negative advice the space program, by its very nature, now lacks.

This functionary would almost certainly be damned as a brake on the wheel of progress. But given a thick enough hide plus a genuine desire to watch out for the public's interest (as opposed to something called the public interest) in space, he might well save the country a good deal of money and enhance the progress of the space program at the same time.

We do not share the view, expressed recently by some scientists, that the space program is a sort of boondoggle endlessly soaking up funds which should go instead for science projects closer to home. Space is the real new frontier. We have got to go there—and as things are presently constituted back here on earth it behooves us to get their first.

But one essential ingredient in any undertaking of this size and complexity is a healthy measure of practical skepticism.

If the Devil's advocate for space could make some of this skepticism stick—just enough to cut out one unnecessary or marginal program, he could reimburse the Government for his expenses for a good many years.

Mr. Speaker, in an article which appeared in the summer issue of Advance magazine entitled "Whatever Happened to the Grand Design," Dr. John S. Saloma, assistant professor of political science at MIT, presents a thoughtful analysis of the conduct of foreign affairs to date under the Kennedy administration. He concludes:

We have had the illusion rather than the substance of a foreign policy.

And he blueprints the role and method for responsible partisan criticism with this statement:

Sympathy is not a sufficient basis for a responsible opposition role.

Dr. Saloma views the fulfillment of Republican requests for increased minority committee staffs as essential to the development of "a mature opposition response" to problems in the foreign policy field.

The full text of this article is worthy of the attention of everyone seriously concerned with the conduct of our foreign policy, and I commend it to their attention:

WHATEVER HAPPENED TO THE GRAND DESIGN?

(By John S. Saloma III)

Cuba has recently sketched in bold relief the dilemmas of the opposition role in foreign policy. Yet Cuba is only a facet, albeit an important one, in the overall picture of U.S. diplomacy. We run a serious risk of distorting the issues involved by narrowing our focus and discussion. Our diplomacy should be viewed as a composite, as a strategic design with a purpose and style, and it should be evaluated and criticized as such.

Our current situation underlines the need for a broad critique. The winter of Kennedy's discontents has stretched well into the spring. The confidence and exuberance of November is no longer in evidence as Washington prepares to face the heat and humidity of another summer. The new era in relations between East and West, which the President anticipated after Cuba, has yet to emerge from the all too familiar pattern of extended negotiation, frustration, and more extended negotiation. The victory in the Cuban confrontation seems strangely hollow in retrospect. Even the building of the Atlantic Alliance, the cornerstone of long-term American strategy, has been postponed indefinitely in the face of Western disarray which we have helped to precipitate. With the sharp vacillations in our policy, the North Atlantic allies have wondered whether the leader of the alliance has a strategy at all.

The cleavage in the East and the opportunities it affords the West have been all but eclipsed. The publication of the Clay report has called into question the American approach to the developing nations. One wonders whatever happened to the grand design.

In the face of such setbacks in our foreign policy it may seem unsporting or even dangerously disloyal to level serious partisan criticism at the administration. It is perhaps only natural that most of the national commentators and the attentive public in the area of foreign policy have sympathized with the President as he faces seemingly intractable problems with a limited range of maneuver. But sympathy is not a sufficient basis for a responsible opposition role. The opposition cannot be content to accept fatalistically the ebbs and tides of history and to rally behind the President in the name of national interest. What then is the proper place of partisanship in foreign policy?

RESPONSIBLE PARTISANSHIP

Without answering this question the opposition runs the risk of missing the mark in much of its discussion and criticism and of becoming ineffectual if not irresponsible in its role. Perhaps most important to a definition of "responsible partisanship" is the requirement that the opposition role be based on a broad foreign policy consensus regarding both goals and means. The opposition challenge cannot be shaped as an extreme ideological alternative to administration policy with radical objectives and radical strategies for achieving them.

The Republican Party can no more adopt a strategy of total victory with its logical concommitants of limited nuclear war and rollback by nuclear blackmail (see "Victory in the Cold War: How?" Advance, June 1962) than the Democratic Party can adopt a strategy of unilateral initiative and disarmament. This does not mean that there are not elements of value in either of these extreme positions. But in the context of American politics, these ideological statements of foreign policy are unlikely to become dominant.

Free debate, discussion, and compromise are the basis of policymaking in a democratic society. In maximizing public support for its foreign policies, an administration will of necessity have to dilute partisan ideological overtones to its policy. Ultrapartisan foreign policies would be divisive. They would polarize opinion in the public at large as well as within each of the parties. With the possibility of divided control of the executive and the branches of the legislature, they would invite paralysis. In addition there is the overriding danger of disjunctive shifts in foreign policy that would accompany changes in administrations. Extreme ideological stances in foreign policy might in theory offer greater clarity, coherence, and efficiency, even a bolder, more imaginative foreign policy, but it is hard to see how they could achieve these results without a fundamental restructuring of our political parties and constitutional system.

THE NATIONAL INTEREST

Even if we ignore the internal political problems posed by ultrapartisanship, a kind of working consensus is imposed by the necessities of our external situation. "National interest," defined as the preservation of core values of the society, will dictate that our foreign policy possess both continuity and flexibility, that it can be capable of acting and responding on a number of dimensions with reference to a basic long-term strategy. Competing ideological policies are unfit for this task. It is also unlikely that the range of maneuver open to us or the constraints of previous commitments and limited resources will permit radical departures from the stream of our past policies.

It follows that responsible partisan criticism will be more nearly a disagreement on the emphasis to be attributed to and the appropriate means for achieving policy goals on which there is essential agreement than a call for a radical new approach to our foreign policy. While there are ideological extremes in either party that would impose their view of reality on the world scene with possibly catastrophic results, the debate on foreign policy should focus essentially on approach and technique. Both parties should aim for a foreign policy most appropriate to the realization of American national objectives in a changing international context. The party in power attempts to shape and implement that policy—the opposition party reviews this performance and offers constructive criticisms where the party in power has failed.

Admittedly this is a simplistic ideal. The extremes of left and right will inevitably add coloration to the party roles. More important, it is unlikely that any administration could shape such an ideal policy. In reality, the national policymaker can never foresee all the contingencies. Policy will still be made in large part off the cables. Even in the absence of crisis the policymaker will not face unambiguous situations. He cannot read the intentions of his adversaries with any degree of certainty. The opposition is even more disadvantaged, having to read policy after the fact and not having the benefit of the intelligence apparatus, essential to a dependable evaluation of policy.

ASSISTANCE THROUGH CRITICISM

If one excludes intense ideological debate from the practice of responsible partisanship, there still remains an important role for the opposition. Within the context of the current consensus there is ample room for Republicans to emphasize their greater concern for the soundness of the American economy as it bears on our foreign policy; the problems of negotiation with the Soviet Union; the intractability of cold war issues; the importance of power in diplomacy; and the possibilities for encouraging free enterprise abroad through our foreign aid program.

Moreover, given the continuing and perhaps inevitable problems of the administration in the attempt at an ideal foreign policy, it should be the function of the opposition to assist the administration through independent criticism of its efforts. As President Kennedy himself observed while his

party was in opposition, "The Nation's interest must come first in foreign policy; and as a part of that, it seems to me, it's up to the minority party to present realistic and constructive alternatives when they believe it in the national interest." Thus contrary to the Cassandras who deny any partisan criticism as divisive, responsible partisanship is essential to the national interest.

Responsible partisanship should direct itself toward a range of questions: Has the administration clearly articulated U.S. goals and a strategic design for realizing them? How effectively has the administration sensed and interpreted the longterm historical trends that will bear on our policy? How well has it evaluated the ever-shifting nature of the Communist challenge? Has the administration given full consideration to all relevant factors in determining its objectives and designing its strategies? Has it defined and can it defend the assumptions underlying its policies? Is the President organizing and mobilizing his policy staff resources effectively to achieve these objectives? Is he recruiting the best talents available and is he matching them to the needs of policy formulation and implementation? Do we have a scale of priorities in our policy or means for assessing the achievement of our policy goals?

This entire range of questions is a legitimate area for the attention and concern of the loyal opposition. A serious examination of our current situation affords little ground for complacency.

WHATEVER HAPPENED TO THE GRAND DESIGN?

A broad critique of the Kennedy record in foreign policy—from the position of responsible partisanship—reveals some basic flaws that may escape a partial critique or that may be ignored by an ultrapartisan critique. First, the Kennedy administration, while relatively successful in articulating the outlines of a grand design, has in the process confused image with reality with disastrous consequences. We have had the illusion rather than the substance of a foreign policy as our setback in Europe vividly illustrates. Not unrelated to the illusion of policy is the cyclical exaggeration of mood to which this administration seems prone in its assessment of our policy and international position. The second flaw in the Kennedy record is its style of operation or more precisely the excesses of that style with the resultant effects on the policymaking machinery of the State Department. After examining each of these flaws, we shall consider the implications for a responsible opposition strategy.

The illusion of policy: The grand design

The role of articulating long-term strategy for the New Frontier has been delegated to W. W. Rostow, as confirmed in his assignment as Chairman of the Policy Planning Council of the State Department. Rostow has argued that the administration has a clear and constructive strategy that goes beyond the merely defensive reaction to crises that are forced upon us. American strategy by his definition has five dimensions: (1) Strengthening the bonds of association among the more industrialized nations in the northern portion of the free world, and mobilizing their resources for worldwide tasks; (2) helping to maintain the integrity and the independence of the vast modernization process going forward in Latin America, Africa, Asia, and the Middle East; (3) fashioning new links, a new north-south tie between the more developed and the less developed areas; (4) in the military sphere, closing off areas of vulnerability to minimize the number and effectiveness of Communist probes; and (5) drawing the nations now under Communist regimes toward the free world community both by interdicting Communist expansion and by exploiting special areas of overlapping interest.

These dimensions of strategy have found expression in the proclamation of bold policies, the Alliance for Progress, the decade of development, counterinsurgency, the Atlantic Alliance, etc. But what have they meant in substance? How are we proceeding to implement our strategy?

Take for example the Atlantic Alliance, the basic dimension of our strategy. The single major policy speech on the alliance prior to the crisis of British exclusion from the Common Market was the President's observation that: "It would be premature at this time to do more than to indicate the higher regard with which we view the formation of this partnership. The first order of business is for our European friends to go forward in forming the more perfect union which will some day make this partnership possible." Our policy proceeded on the assumption of European integration. The Trade Expansion Act for instance contained a special EEC negotiating authority that would be fully operable only if Britain joined the market. At the crucial juncture in British negotiations with the market, we precipitated a major political crisis for the Conservative Government (which was pledged to British entry, unlike the Labor opposition) by unilaterally canceling the Skybolt missile—a decision that circumvented the normal State Department channels. The subsequent Nassau agreement with the British (at which the Secretary of Defense and not the Secretary of State was the chief policy adviser to the President) ignored the political sensitivity of the French and was the immediate cause of the rejection of the British membership bid. (See George Gilder, "Why the United States Is Failing in Europe," Advance Notice, January 29, 1963.)

With economic unification thwarted for the time being, we continued apace with our "design" for a NATO military strategy. Again there was no evidence that the administration had thought through the substance of its proposals to the allies. First we suggested a multinational nuclear force, with separate national contingents, to Britain and France. Then we added a separate multilateral nuclear force for NATO. The NATO force was to consist of a polaris submarine fleet. Then we shifted to surface ships. We were willing to discuss majority control. Now we insisted on the veto power. To fill out our defenses to the North we brought diplomatic pressure to bear on Canada (again out of State Department channels) bringing down the Government of one of our allies in the process. And to add insult to injury the Secretary of Defense later publicly declared that the Bomarc missiles which had been the focus of the Canadian controversy were obsolete but would serve to draw fire from the Russians. The record reads like a comedy of errors. But it is a tragic commentary on the illusion of our policy. The record could be reviewed in other areas—the Allianza, or southeast Asia—with equally distressing conclusions.

Administration failures should not be used, however, as an excuse to reject the responsibilities implied in the grand design. The opposition should reaffirm the objectives of our policy but it should also ask why we have met with the temporary setbacks.

Part of the reason for our failures can be traced to the optimistic assumptions underlying our strategy. In the words of Assistant Secretary of State Harlan Cleveland, U.S. foreign policy can be "confident in its course because the record of the cold war, the current behavior of the Soviet Union, an assessment of its own strength, and a reasoned view of the 'third world' of the future all contribute to a picture of a world in which many elements—including time—are working on the side of freedom." In a similar vein is Walt Rostow's view that the underlying forces of history are working in our direction.

The illusion of a foreign policy lends itself to bold pronouncement and optimistic forecasts. A policy of substance will be more cautious in the objectives it sets and the claims it makes. It will not be as likely to fire the imagination of the people nor will it be as likely to disappoint them. It will not be as subject to fluctuations of mood. It will not indulge in orgies of self-congratulation after success nor brood darkly in frustration and despair at its failures. One would have hoped that the experience of more than 2 years in office would have educated the administration to the fact that policy is defined both in conception and in implementation.

The style of operation: Kennedy and his advisers

Perhaps a more basic reason for the failure of the grand design is the President's mode of operation. Each President brings to his office a distinctive style of administration and operation. The organizational pattern of the White House staff, executive office, and line departments will reflect this style. In the area of foreign policy; Presidential style will bear especially on the use of the Secretary of State, National Security Council, and State Department policy machinery. An understanding of Presidential style is essential for an intelligent analysis of foreign policy performance.

John F. Kennedy assumed the Office of President with a distrust bordering on contempt for the institutionalized Presidency of the Eisenhower era. The emphasis of the New Frontier was action; the slogan, "Let's Get the Country Moving Again." The Kennedy style as it developed involved two elements: (1) an increased centralization of decision making power in the person of the President; and (2) the infusion of Presidential energy into the administrative system through his personal initiative, supplemented by a personalized White House staff.

The Kennedy style found theoretical justification in the writings of Richard E. Neustadt and Arthur Schlesinger, Jr. The centralization of decision making power under the President was to be effected through what Neustadt termed "action-forcing processes"; i.e., "recurrent circumstances or procedures that assure a flow of concrete issues to the President for definite decision by a certain date." Closely related to Neustadt's theory was what Arthur Schlesinger, Jr., defined as the competitive theory of administration of the Roosevelt administration. Schlesinger and apparently the new President as well were impressed by the Roosevelt model. Schlesinger writes that Roosevelt "deliberately organized—or disorganized—his system of command to insure that important decisions were passed to the top. The favorite technique was to keep grants of authority incomplete, jurisdictions uncertain, charters overlapping. The result of this competitive theory of administration was often confusion and exasperation on the operating level; but no other method could reliably insure that in a large bureaucracy filled with ambitious men eager for power, the decisions, and the power to make them, would remain with the President."

A second aspect of the Kennedy style, a corollary to the process of forcing decision up through the administration hierarchy to a focus at the presidential level, was the free use of the President's personal initiative and a small, unspecialized staff of Presidential assistants. The White House aids were to perform the troubleshooting and intelligence functions necessary to keep the system operating smoothly. The President could employ them to short circuit administrative bottlenecks at lower levels, to break the logjams in the upward flow of policy decisions. As Schlesinger has noted, the competitive theory of administration retains room for administrative maneuver on the part of the

President. In Roosevelt's case it made flexibility easy.

In the early days of his administration the President proceeded to implement these theories. The various staffs that Eisenhower had added to the National Security Council machinery were eliminated or transferred to the State Department. The President surrounded himself with a highly intelligent and articulate group of advisers, including McGeorge Bundy, W. W. Rostow, and Arthur Schlesinger, Jr. Special Assistants were added in response to crises: Maxwell Taylor (after the Bay of Pigs) and Lucius Clay (after the wall). The President relied closely on other advisers—Ted Sorensen and his brother Bobby—in important problem areas related to the State Department and CIA. Implicit in his staffing and in the infrequent use he made of the National Security Council or Cabinet was a lack of confidence in the formal machinery of Government.

The Bay of Pigs marked the first major crise de confiance within the administration and it prompted a reassessment of the Kennedy style. The major focus of attention was the top level of the State Department.

THE PRESIDENTIAL ASSISTANTS

When the President appointed Dean Rusk, it was suspected by most observers that John F. Kennedy intended to be his own Secretary of State. The organization of the White House staff and the selection of a large part of the State Department before Rusk's appointment appeared to confirm this. Cuba illustrated the extent to which the White House and not the Secretary of State or State Depatrment had become involved in policymaking. Three Presidential assistants, Richard Goodwin, Adolf A. Berle, Jr., and Schlesinger had responsibility for Cuba and Latin American affairs during the early months of the new administration. The position of Assistant Secretary of State for Inter-American Affairs was not filled until June, after more than 20 candidates had been considered. One of the major reasons for the difficulty in filling this key post was reportedly the fear that White House intervention would undercut the authority of the Office.

Secretary Rusk took a passive attitude toward the CIA operation as it developed. Tad Szule and Karl Meyer in their lucid account, "The Cuban Invasion: The Chronicle of a Disaster," note that Rusk's conception of his job was that of an implementer and not an originator of policy; Rusk actively discouraged subordinates from getting involved. Thus the State Department's intelligence unit and policy planning staff did not participate in the formative policy stage.

Dean Acheson has warned that "unless the Secretary has the President's most intimate and abiding confidence and respect, he is only a diplomatic bureaucrat." The Kennedy style implied such a role from the outset.

On November 26, 1961, the President announced a major shift of personnel, including the transfer of three important White House staff members to State. The Kennedy style was apparently swinging back to a more traditional mode of operation. Greater reliance was to be placed on the State Department with its professional and diplomatic resources. Walter Lippmann referred to the move as "heartening evidence of the President's uncommon ability to learn from experience." The assignment of Rostow as chairman of the policy planning staff, of Fred Dutton as Assistant Secretary for Congressional Relations, and of Goodwin as Deputy Assistant Secretary for Inter-American Affairs all suggested a significant change in emphasis in the President's thinking. Under Secretary of State, Chester Bowles, who had been given a rather nebulous jurisdiction in rethinking American policies was replaced by George W. Ball with the assumption that Ball would play the stronger role of alter ego to the Secretary that Douglas Dillon had ably filled under Secretary Herter. It appeared at last that the President was concerned about the problems of administering the huge State Department bureaucracy.

The third and most recent phase of the President's approach to foreign policy has been marked by a decline in the position of State, a greater reliance on the advice of Secretary of Defense Robert Strange McNamara, and the renewed importance of the White House staff under McGeorge Bundy. A New York Times feature article last December, in speculating on who was the real Secretary of State in the Kennedy administration, mentioned Bundy, Robert Kennedy, and the President (Dean Rusk was conspicious in his absence). It is an open secret that the Bundy staff prefers the efficient executive operation of Defense under McNamara to the Rusk administration of State.

The new Bundy-McNamara axis has recreated the problems of the pre-Bay of Pigs period. The swift movement of decisions through action-forcing processes may force premature policy decisions without sufficient staff work. The Skybolt and Bomarc affairs point out the costs of ignoring the political implications of military questions of a supposedly technical nature. There still remains the risk of usurpation of power from the line agencies by Presidential assistants, not confirmed by the Senate, operating in anonymity, responsible to no one but the President. Who drafted and approved the message to Canada that forced the resignation of the Diefenbaker Government? There can be little question that extensive policy involvement by White House staff in agency affairs weakens the position of the responsible Cabinet officer and causes confusion and demoralization within the Department.

Thus after 2 years of experimenting with the administration of foreign affairs the President has not resolved the dilemmas posed by his own style of leadership. The State Department remains an enigma to the New Frontier yet it is hard to see how the President can translate the ideals of the grand design into a coherent, thoughtout, strategic plan without fully mobilizing the foreign policy staff resources of the Department. In the absence of such a mobilization we shall continue to generate the illusion but not the substance of policies. It may well be that this flaw in our policy is the inevitable result of a style of administration that places a premium on action for action's sake.

One final reservation should be raised about the Kennedy style. Its greatest limitation is the burden it places on the Chief Executive. Schlesinger warned that "only a man of limitless energy and resource could hold such a system together. Even Roosevelt at times was hard put to keep it from flying apart." The burdens of the Presidency in the foreign policy area are infinitely greater in 1963 than they were in 1933. The expectations of Kennedy and his advisers in the personalized Presidency have been far too optimistic. There are unfortunately no indications that the expectations are being scaled down.

A review of the record of the past 2 years should leave little room for doubt that there are serious deficiencies in the administration of our foreign affairs. Kennedy supporters argue however that the gain in creativity and new ideas since the Eisenhower era more than compensates for the mistakes made. Arthur Schlesinger, Jr., goes even further in assigning a positive value to administrative disorder. Order stifles creativity. The creative process is almost always disorderly, he notes. However it is one thing to argue for creativity and quite another to excuse chaos—any degree of chaos—as essential to it. The test of policy is in its results.

The lessons: A responsible opposition strategy

What should the Republican response be to the demonstrated weaknesses in our diplomacy? Admittedly some of the problems are endemic to the Kennedy administration itself. But beyond that there are steps that the opposition can urge in the Nation's interest.

First in long-term importance is the strengthening of the State Department and the career foreign services. The Herter Committee report, "Personnel for the New Diplomacy," sets forth a number of proposed reforms: an Executive Under Secretary, Foreign Development and Foreign Information Services to parallel the Foreign Service, transfer of civil service personnel to Foreign Service status, and a National College of Foreign Affairs. The opposition should evaluate these proposals on their merits and urge the President to implement the most promising. In light of the disinterest that the President and Secretary Rusk have shown toward the actual administration of the Department, Republicans may be able to make a substantial contribution in this area. Further studies should be made into the organizational structure of the Department. Critical observers such as George Kennan and Stewart Alsop have commented on the problem of laying and overstaffing.

There will not be much political capital in State Department reform. The demonology of the McCarthy era (I have the names of 57 card-carrying Communists in the State Department) may have produced short-term electoral gains for some irresponsible politicians but its major effect was to demoralize and weaken the career foreign service. The U.S. Information Agency was virtually destroyed in the process of exorcising the demon. The Republican Party must not yield to the radical discontent of its rightwing. Rather, it should apply itself quietly and maturely to the questions of how better to administer the affairs of state.

Second, a responsible opposition criticism should go beyond the immediate crises or errors in our diplomacy to discover and illuminate basic weaknesses in our policy machinery. For instance, the Bay of Pigs illustrated the lack of executive control over the intelligence establishment. The opposition should have pressed for a full congressional investigation of the CIA role in the Cuban operation, if necessary in executive session. The proposed joint committee of Congress to oversee the CIA and intelligence community should have been discussed in this context. Other errors, such as the Canadian note, should be investigated to determine where the malfunctioning occurred. The opposition may have to pursue such investigations by themselves but they will have the minimum salutary effect of keeping the President aware of the opposition's concern for higher standards of performance. The British system affords the opposition the vehicle of question time in the House of Commons. A mature opposition response in our system will probably have to rely on some variant of the technique of congressional investigation. The current campaign for minority staff in the Congress should equip the opposition with better staff resources for such a role.

Finally, a responsible opposition strategy should offer alternative approaches where the administration has failed or is frustrated. These alternatives should be thought out carefully in terms of our overall strategy. They should be internally consistent and their implications thoroughly understood. They should serve as a point of reference for intelligent policy debate. These strict requirements may mean that the opposition will have no responsible alternative in some instances. It may serve the national interest better on such occasions to be silent. An example, however, where mature thought and

criticism is needed is our alliance policy. Governor Rockefeller has in this regard suggested a three-point program to avoid a paralysis in our Atlantic policy: (1) a comprehensive trade agreement with Britain and the Commonwealth to increase free world trade; (2) amendment of the Trade Expansion Act now that the assumption of British membership in the Market has not been realized; and (3) the creation of a political body to set common goals and to develop common policies for the Atlantic alliance. A responsible opposition should attack these and other problems—the deteriorating situation in southeast Asia, the Alliance for Progress, Cuba—in a constructive fashion. This approach will win the greatest respect among the electorate. But the final test of its success will not be partisan gain but a strengthening of America's position of international leadership and the processes of government necessary and appropriate to such a role.

STRONG-ARM TACTICS USED BY KENNEDY TO INFLUENCE NEWS MEDIA ON RECENT WHEAT REFERENDUM

Mr. SCHADEBERG. 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. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FINDLEY. Mr. Speaker, the Kennedy administration has clearly used Federal licensing power to blackjack radio and TV stations into publicizing the administration viewpoint on the wheat referendum.

Ray Fitzgerald, Deputy Administrator of the Agricultural Stabilization and Conservation Service, wrote a letter—given below—urging local agriculture officials to make use of free radio-TV time since stations have to have their licenses renewed by the Federal Government.

This grab for public service radio-TV time is a flagrant example of Government brainwashing, and reflects a contempt for traditional independence of the news media. Either that, or it reflects an incredibly self-righteous notion that the public interest and Kennedy interest are one and the same.

The arrogant effort to club licensed news media into accepting the party line or suffering the consequences is even more frightening than the acreage shackles the referendum proposed for wheat farmers.

Mr. Fitzgerald's thinly veiled demand for free time or else states:

U.S. DEPARTMENT OF AGRICULTURE,
OFFICE OF THE ADMINISTRATOR,
Washington, D.C., April 12, 1936.

To: State executive directors.
State committeemen.

From: Deputy Administrator, State and county operations.

Subject: Public service time on radio and television for wheat program information.

The purpose of this memorandum is to encourage you to make full use of radio and television public service time in getting to farmers the facts they need to have before voting in the national wheat referendum on May 21. Radio and television have special advantages in communicating to farmers because of their timeliness and their broad availability to rural people wherever they live.

An additional advantage is that broadcasting stations have a special obligation to the public which does not exist in the case of publications.

Stations have an obligation to provide free time for the presentation of public service information—especially in the field of agriculture. This is spelled out in the laws governing the licensing of stations by the Federal Communications Commission. These stations must renew their operating licenses every 3 years, and they want to make a good record in public service programing because this is a factor in renewal.

Radio and television stations, in applying for licensing and renewal, make this promise (of public service programing) in return for two special favors granted by the Government: (1) The exclusive use (in an area or in the Nation) of a frequency within a broadcast band which is the property of the Government and the American people, and (2) the policy of the Government not to establish federally-operated stations in competition with stations being operated commercially. (Federal stations are the rule in many other countries.)

This does not, of course, make the stations subject to dictation.

A given station does not have to devote any specific share of its broadcast time to public service programing. Nor is it required to give attention to any particular government program or any particular government agency.

Nevertheless, a station does have the general obligation to provide its listeners wtih information on public programs of importance to them. This has been particularly emphasized in the case of farm listeners, which have been a special concern of the Congress. (Service to agriculture is a special function of the clear-channel broadcasting stations, under their establishing legislation. Also, power to serve areas outside a city implies an obligation to meet the needs of rural areas.)

Information on the 1964 wheat program, including the issues involved in the national wheat referendum, is clearly public affairs material which a station can legitimately be asked to broadcast on a free basis at hours convenient to rural listeners and viewers.

The program was developed, and the referendum provided, by an act of Congress. This is the same Congress under whose laws commercial radio and TV stations are permitted to operate. Moreover, this is not a political campaign, which stations have historically and legitimately regarded as a market for the sale of commercial time. It is rather a public matter of concern to all the people and of paramount economic interest to an important part of the Nation's radio and television audience.

State and county offices and farmer committees should therefore feel no hesitation in asking for adequate free time for the presentation of information relating to the national wheat referendum.

It should be pointed out that most stations are eager to carry out their public service obligation, as well as to program material of wide interest (which the referendum is). Many stations are already using tape recordings and other material on the referendum, issued from the Department. In the case of most other stations, the lack of participation is the result—not of their unwillingness—but rather of our failure to enlist their help and to provide them with good material and speakers. We should, of course, make every effort to fit into the station's programing pattern.

As I indicated, we are in no position to insist on a station's cooperation, and should, of course, use extreme care to avoid giving the impression of coercion, threats, or the like. However, it is not out of order to suggest that information on the referendum might be within the public service policy of the station—and to explain that the legislation which provided for the referendum is the law of the land and fully deserving of the station's attention. In this respect, it is on a par with information about the Federal income tax, Government bonds, and Federal research results. It might also be explained that many of the station's listeners have an economic stake in the question and are entitled to consideration. Also, it is important for stations to realize that the statutory obligation to disseminate this information rests with the Department of Agriculture. The referendum is merely a legally prescribed part of the program through which farmers are given veto power on marketing quotas after quotas are proclaimed under the law but before they are applied to farms.

We should not be expected to buy commercial time and cannot legally do so. Nor should we be limited to using purchased time made available by some other organization or firm. This would be contrary to the American system of broadcasting. Although we may participate in commercially sponsored programs under appropriate conditions, we must not be limited to such programs.

As you know, interests representing one point of view in the referendum are blanketing radio and television stations with material in heavy quantities. It is not expected that we can match the flood of material from this group, which is also in a position to buy time. But it is essential that we act aggressively to make use of public service time on radio and television stations at times of day when farm people are listening.

May I emphasize in closing that you will find that the overwhelming majority of commercial broadcast people are cooperative to the Department of Agriculture, and we should always approach them with this in mind.

RAY FITZGERALD.

Does this power play represent the status between Government and freedom of the news in contemporary America? Control of the news is unquestionably a Kennedy objective.

THE FIGHT AGAINST THE GLOBAL MENACE OF COMMUNISM

Mr. SCHADEBERG. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BARRY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BARRY. Mr. Speaker, we are justly proud of the efforts of our servicemen in cold war situations occurring in such places as Vietnam. Yet, through an oversight in our current laws, a grateful nation cannot award its highest decorations to these men for their acts of heroism and gallantry in the fight against the global menace of communism.

Under existing laws, the Medal of Honor, the Distinguished Service Cross, the Navy Cross, the Air Force Cross, and the Silver Star may be conferred only for acts which occur during periods of wartime when the United States is actually engaged in armed conflict with an enemy of this country. No provision is made for recognizing those who distinguish

themselves under conditions short of an actual conflict in which the United States is formally engaged.

Therefore, Mr. Speaker, I am today introducing legislation which extends the authority to award these honors to those men who bring glory upon their country and upon themselves while engaged in cold war actions against hostile foreign forces.

Acts of military bravery are not limited to situations in which war has actually been declared. While the cold war continues we must realize the sacrifices our boys continually make to preserve peace and democracy in the world.

WATER RESOURCES RESEARCH NEEDED

The SPEAKER. Under previous order of the House, the gentleman from Oklahoma [Mr. EDMONDSON] is recognized for 30 minutes.

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I have today introduced H.R. 7234, a bill to establish water resources research centers at land-grant colleges and State universities and to promote a more adequate national program of water research. This bill, identical in its provisions to S. 2 as passed by the other body, is designed to carry into effect one of the major recommendations of the Senate Select Committee on Water Resources.

Mr. Speaker, every student of water problems and water legislation is familiar with the work of that great committee, which was led with outstanding ability by one of the greatest congressional authorities in this field, the late Senator Robert S. Kerr, of Oklahoma.

Mr. Speaker, the Senate Committee on Water Resources, which was organized in 1959 and considered the entire field of water needs over the period of approximately 2 years, made a report in January 1961 which indicated some of the fields of research in which work really needs very badly to be accelerated.

Quoting from that report, I find the following language:

(a) The committee believes that substantial research efforts are justified looking toward acceleration of all possibilities for increasing usable water supplies, for making more efficient use of present supplies by such means as reducing evaporation from the surface of reservoirs.

Mr. Speaker, this is one point on which there is very serious concern about the need in the State of Oklahoma.

Further quoting from the report:

(b) Elimination of water-loving vegetation along the edges of water courses and reservoirs.

(c) Changing or modifying a forest and vegetative cover on watersheds to reduce evapotranspiration.

(d) Reducing seepage losses in irrigation canals and other water distribution systems and other wasteful practices.

(e) Reduction of dilution requirements for pollution abatement by development of improved methods for treatment or control of waste materials that are disposed of in water.

Mr. Speaker, this is another one that vitally concerns us in Oklahoma and I am sure in every area where there is a pollution problem.

(f) Waste water salvage.

(g) Reuse, recycling, and elimination of wasteful use by industry.

(h) Desalting of saline or brackish water.

(i) Weather modification.

(j) More accurate quantitive forecasting of meteorologic events.

(k) Application of nuclear products in research.

(l) Improved use and control of ground water.

Mr. Speaker, there is no question about the fact when you look at what is being spent today on water facilities and compare it with what is being spent in the field of research, that research is a very neglected area.

The Secretary of the Interior, Mr. Udall, testified today before the House Committee on Interior and Insular Affairs:

Let me remind you that expenditures on water facilities in the United States are now more than $10 billion per year but we know that this will have to be multiplied very substantially to meet rising water requirements. In the multibillion-dollar water expenditures, research is only three-fourths of 1 percent of the total.

No progressive industry can remain healthy with such inadequate attention to research. Let me cite a few figures from industry for comparison.

The oil and gas industry annually spends on research and development the equivalent of about 3 percent of its sales revenue, and in the chemical industry the figure is about 6 percent. In 1959, the latest year for which I have data, research and development expenditures by industry amounted to $9½ billion. For example, the electrical and communications industries spent $2¼ billion on research and development. The automotive industry research and development expenditures of $866 million equaled over 12½ percent of the investment in production plant, property, and equipment.

By way of comparison, the value of water resources plant, property, and equipment may be estimated to be somewhere between $10 and $30 billion, or more. If only 3 percent of that plant value were available for water resources research, it would be at least $300 million a year. For fiscal year 1964, the Federal water resource research program amounts to about $76 million, including $9½ million for research and training facilities.

The Federal Government, the States, and local governments need vigorous research programs to maintain the efficiency of their operations in the water resources field. Doubling or tripling of water research is certainly necessary.

This was the testimony today of the Secretary of the Interior on this subject.

The bill I have introduced, which is identical to Senator ANDERSON's bill, and very similar to a bill introduced by our colleague from New Mexico [Mr. MORRIS], and others, is a bill which approaches this problem at a more modest level, yet does contain some salutary provisions to improve the research effort which is being made at State and local levels as well as at the Federal level. Title I of the bill authorizes payment of a sum, starting at $75,000 and increasing to $100,000, annually, to a land-grant college, State university or other institution of higher education in each State to establish a water resources research institute or center, to do competent research, investigations, or experiments in the broad field of water and related resources, and so forth.

Section 100(b) authorizes an additional $1 million appropriation increasing $1 million annually to $5 million in fiscal year 1968, and thereafter, to match, on a dollar-for-dollar basis, funds made available to the State institutes or centers for water research projects.

Title II of the bill establishes a second grant, matching, and contract fund through which financial assistance may be provided to any educational institutions, private foundations, private firms or individuals, or with local, State, and Federal agencies to undertake research in water resources problems on which work is deemed desirable and which are not otherwise being studied.

Section 200 authorizes appropriation of $5 million to the Secretary of the Interior in 1964, increasing $1 million a year for 5 years and continuing at $10 million annually thereafter, for the purpose of making the grants, contracts, matching, or other arrangement for water resources research.

Now, Mr. Speaker, I do not think there is any question about the need, when you look at the overall problem, for an expanded effort in this field. The Department of Commerce has estimated that the necessary investment which we must have in the United States in the way of water facilities from 1959 to 1975, a 16-year period, is a total of $171 billion. The Council for Science and Technology estimated that by A.D. 2000 we will require water to meet the needs of our society here in the United States equal to 75 percent of the total runoff in this country. That compares with today's use and requirement for 25 percent of the total runoff in the United States. I do not know of any better way to close these remarks pointing to the need for this program than to quote from the report of the Council for Science and Technology outlining the very serious need for this program. The language of the report is as follows:

Technological and economic developments leading to marked reductions in future requirements for water withdrawal, to lowering of the unit cost of water structures, and to greater utilization of underground storage are clearly desirable. Otherwise, both the economic and social costs of meeting future water needs will be painfully high.

Research offers increasing opportunities to reduce the funds which are going to be necessary to meet our water needs in this country and to effect genuine savings in this field.

I earnestly hope we will soon see a favorable report on this legislation by the House Committee on Interior and Insular Affairs, and its overwhelming adoption by this body.

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

Mr. EDMONDSON. I will be glad to yield to the gentleman.

Mr. McCLORY. I want to commend the gentleman for calling attention of the Members of the House to the cause of research in conserving our water resources. Also I want to call the attention of the gentleman and the Members to the work which is now being carried on by the Subcommittee on Natural Resources and Power of the Committee on Government Operations headed by the gentleman from Alabama [Mr. JONES], on which I serve as a member. We have been conducting an extensive series of hearings on the subject of water pollution and water resources. There has come to my attention as a member of that subcommittee, in the hearings, the importance of coordinating research activities in this area and to prevent the overlapping of effort on the part of the numerous Federal agencies primarily. I have sensed an existing lack of coordination which is going to take the effort of all the Members of this Congress to see we get the maximum result from it when we appropriate for this purpose.

Also, I want to commend the gentleman for the aspect of his bill which as I understand it would delegate to the States and to the State universities an important part of this research activity, because I do feel research with regard to the subject of water resources and water pollution is going to have to be conducted in local areas where we find the problems affecting our water resources and water pollution that occurs in these different areas.

I would hope that the effort which is being exerted by the gentleman may be coordinated with other efforts being exerted to the end that we can secure the maximum result, and in a manner which is going to be the most efficient and most consistent with our system.

Mr. EDMONDSON. I thank the gentleman very much for his contribution. I have the highest regard for the gentleman from Alabama, the chairman of the Subcommittee on Natural Resources and Power of the Committee on Government Operations, and I am quite sure that that subcommittee is making a splendid contribution in this field.

I neglected to mention title III of this bill directs under section 300 the Secretary of the Interior to arrange for the regular advice and cooperation of all agencies of the Federal Government concerned with water problems and of State and local governments and private institutions, to the end that work conducted under the act does not duplicate established water research programs. I am aware of the recognition in this proposal of the need which the gentleman pointed out.

H.R. 3297

Mr. ALBERT. Mr. Speaker, I should like to advise the House that the gentleman from Arkansas [Mr. MILLS] has advised that in addition to the bills previously announced he will call up on Thursday next, under unanimous consent, H.R. 3297, to amend the Internal Revenue Code to exempt from income taxation certain nonprofit corporations and associations organized to provide reserve funds, and for other purposes.

CAMPAIGN AGAINST PUBLIC EMPLOYMENT SERVICE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. O'HARA] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. O'HARA of Michigan. Mr. Speaker, the misinformation which Members of this Congress have been subjected to in the current campaign being waged by a public relations firm for the private, fee-charging agencies against the public employment service and the State agencies affiliated with it heaps discredit, rather than credit, on the private agencies.

I am astounded at the implication that we, in the Congress, would not see through their inaccurate accusations, and further, that we are so ill informed of the operation of Government programs that we would cooperate in efforts to scuttle the public employment system.

To illustrate the reasons for my astonishment, I want to repeat two of the charges being made in this campaign. I repeat them not to honor them, but to discredit them for what they are, misrepresentation of the facts.

The fee-charging agencies, inaccurately advised, contend that the public employment offices were established to serve only the unemployed, and that their services should be limited only to the unemployed.

Those who envisioned and created the public employment service did not intend to impose such narrow and discriminatory limitations. The Wagner-Peyser Act of 1933 says, and I quote:

> It shall be the province and duty of the Bureau to promote and develop a national system of employment offices for men, women, and juniors who are legally qualified to engage in gainful occupations.

This does not say some men, women, and juniors. The public employment offices have always made their services available to all who request them.

But suppose the wishes of the fee-charging agencies were carried out.

What would happen to the man who, studying in his spare time, has improved his skills, and qualified himself for a better job, while working full time at a job demanding lesser skills? If he comes to the public employment service for job assistance, is he to be told to stay where he is, that nothing can be done for him because he is already employed? Ridiculous.

I am not deluded into believing that this sudden concern on the part of the fee-charging agencies is for the welfare of the unemployed worker. But I am deeply concerned that the agencies should be encouraged to realize fully that employed workers who are unhappy at their work or who are underemployed and not working at their highest skills can create an unhealthy economic-social condition in our country. These people often feel imprisoned in a land of freedom.

Another charge made by the private agencies is that the employment service is trying to put them out of business. The public employment service has no mandate, and it better have no intention or desire to put these agencies out of business. There is a great need for continuing to expand employment channels. There is more than enough room for both public and private employment agencies in meeting the need for solving our unemployment problems. And the people through the Congress, not the Federal or State agencies, will decide if or when the private agencies shall be restricted in interstate commerce.

But the most serious distortion of fact being repeated over and over in this unscrupulous campaign is the charge that 60 percent of the people placed in jobs last year by the public employment service were people already employed. This is patently and unequivocally not true. The charge is a deliberate distortion of a statement made by the Administrator of the Bureau of Employment Security. In his statement, the Administrator referred to a 1959 household survey performed by the Bureau of the Census. This study showed that of every five workers newly hired by employers all over the Nation from all hiring sources and through any and all hiring channels three of them were employed, one was unemployed and one was a new entrant into the labor force.

But these figures have been twisted. The charge says 60 percent of all public employment service placements last year were of workers already employed. The figures quoted had absolutely no relationship to public employment service placements; not last year, not any other year.

The twisting of fact by any person petitioning the Congress does that person a great dishonor. It is most unfortunate when that petition is written in innocence and on reliance of the petitioner's own agent. I am sure the great majority of owners of private fee-charging agencies would not with malicious intent misinform any Member of the Congress.

Mr. Speaker, I urge the Congress to support an appropriation to continue the valuable service of assisting all persons to find jobs which will utilize their skills to the greatest capacity.

LET GOOD WILL HAVE A CHANCE

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

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

There was no objection.

Mr. DOWDY. Mr. Speaker, I have just had the privilege of reading a sound and well-reasoned editorial from the Palestine (Tex.) Herald-Press of June 14, 1963, relating to the mob-incited violence in our country today.

I feel all the Members should be interested in this comment. The editorial was written prior to the brutal slaying of the young white soldier here in Washington, and the barbarous ambush slaying of the young white lawyer as he was riding in an automobile near Washington on the Baltimore Freeway.

As the editorial points out, tensions and violence are aggravated by and will continue to increase so long as Federal officialdom encourages and abets the mob demonstration in violating the laws of the land which forbid trespassing, breach of the peace, and violence.

Our law enforcement officers need support in upholding law and order.

I include the mentioned editorial as a part of my remarks:

LET GOOD WILL HAVE A CHANCE

President Kennedy says he is appalled by the "barbarity" of the ambush slaying of an NAACP official in Jackson, Miss.

So is every other decent American, Negro or white. But as they are appalled along with the President, many of them also can reflect on the fact that they, if not the President, could see what was coming.

This is not the last death that will take place in the silly period this country is in, when the President of the United States in effect endorses the law of the jungle, then is "appalled" at the result. If the President, without playing political favor, had simply upheld the law, and encouraged local authorities to uphold the law, the dangers over which he now wrings his hands would never have presented themselves.

There are people of low character in both Negro and white races who will quickly resort to violence when they are thwarted, confused or frustrated. It is those people who fight it out on the streets when local law and order fall down as the result of intimidation from the Department of Justice and the Federal courts.

The record of recent racial violence, North and South, in this country shows that the blame for bloodshed is about equally divided between the races, with the thugs of one race not one bit better or worse than the thugs of the other.

But there is a measure of responsibility, shared by the President, his brother Robert, and a variety of agitators in both Negro and white organizations, for stirring up the thugs by refusing to uphold law and order.

Until the President becomes as colorblind as he says justice ought to be, and until the President carries out his oath of office to uphold the laws, instead of playing politics with a highly explosive emotional issue, bloodshed is going to be an increasingly shameful phenomenon in this country.

It is high time for people of good will, of both races, to point out to the President that racial harmony and trust are being destroyed, not enhanced, by a Presidentially endorsed flaunting of the law. It is time to cut out agitations, riots and demonstrations and get down to the business of being decent Americans. In that atmosphere good will might have a chance.

If the President intends to be President of all the people, as he claims, then let him get at the job in truth and not merely in voice. Impartial law enforcement is the answer to today's tensions, and there is no other. The increasing wave of violence across the country is ample proof of the fact.

SAN FRANCISCO FARMERS' MARKET OBSERVES 20TH ANNIVERSARY

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

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

There was no objection.

Mr. SHELLEY. Mr. Speaker, a unique experiment in urban-rural relations that was begun 20 years ago in San Francisco in the form of a farmers' market has succeeded beyond all expectations. There are farmers' markets in many parts of the Nation, but only in San Francisco is the farmers' market a city-owned fruit and vegetable market where the farmers who grow the produce sell it at reduced prices direct to the housewife who prepares it for eating. Other farmers' markets operate in conjunction with wholesale produce outlets, or are privately owned institutions.

This year the San Francisco Farmers' Market is observing its 20th anniversary. In these two decades it has paid off capital costs of $260,000 from earnings and now makes an annual profit for its owner—the city. Proceeds come from fees charged farmers for use of sales stalls.

The market's first location was Duboce Avenue at Market Street, where it began by selling surplus pears and apples. Four years later it moved to its permanent quarters at Alemany Boulevard and Bayshore Freeway. The market has prospered, always under the guiding hand of its founder, John G. Brucato. Total sales since its beginning have now passed the $49 million mark.

The market operates Tuesdays through Saturdays. A grower may sell only the products that he has grown himself. The leading commodities offered for sale are—depending on the season—potatoes, tomatoes, lettuce, carrots, corn, cauliflower, squash, onions, apples, apricots, pears, plums, melons, grapes, oranges, grapefruit, and all varieties of berries.

Mr. Speaker, during the peak production season, the number of farmers using the market varies from 30 to 50 on Tuesdays to a high of about 120 on Saturdays. They come from 40 California counties ranging from Siskiyou to San Diego.

Peddlers are not permitted to sell at the market. No resales of any kind are permitted. Only fresh fruits and vegetables, nuts, honey and dried fruits—the latter brought to the market and sold in unbroken packages—may be sold at the market.

The Farmers' Market has helped improve urban-rural relations. It has led to a closer and better understanding between the city consumer and the farmer.

The San Francisco Farmers' Market continues to operate as a service to all who may wish to avail themselves of this unique effort in bringing urban consumers into direct contact with rural fruit and vegetable producers.

ACTION IS NEEDED NOW

The SPEAKER pro tempore (Mr. LIBONATI). Under previous order of the House, the gentleman from South Carolina [Mr. HEMPHILL] is recognized for 60 minutes.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. HEMPHILL. Mr. Speaker, I rise again today to speak on a subject on which I have found it necessary to discuss on many occasions. It is a sad reflection that I do have to come here so often and address the House, in the hope of bringing to the attention of the Nation a problem which has not been solved and which needs solving. If there is any title I would have for my remarks, it would be "Action Is Needed Now."

Mr. Speaker, H.R. 6196 has been reported out of the Agriculture Committee, and Report No. 366 reflects a lot of hard work, some controversy and a salutary effort on behalf of the Department of Agriculture and the Committee on Agriculture to correct the inequities of the two-price cotton system. Very frankly, I would not prefer the approach of H.R. 6196, but I am going to support the legislation because it appears to me that this is the only possible solution in this Congress and action is needed now. Rather than plagiarize, I include an editorial from the Camden Chronicle, Camden, S.C., of June 12, 1963:

ACTION IS NEEDED

Legislation before Congress is aimed at relief for the hard-pressed cotton industry, the industry which supports numerous jobs in Kershaw County and South Carolina.

Since 1960, cotton has lost almost a million and a half bales in its domestic market. Exports have fallen from a 5-year average of 6 million bales annually to around 4.5 million bales.

With markets dropping off, surpluses are mounting and the threat of a drastic acreage cut looms. This cutback would affect not only the grower whose sound operation depends on sufficient acres for efficient use of his resources but also millions of other people in the cotton industry and in businesses supplying goods and services to the industry.

Cotton's big problem is that it's being priced out of its markets. It needs emergency assistance to enable it to become competitive.

The cotton industry, however, can't expect Government subsidies permanently nor is it asking this. It's asking for alleviation of the price situation, coupled with a massive research effort so farmers can lower costs quickly and thereby meet price competition on their own.

Cotton consumption in the free world is at a level of more than 33 million bales annually and is rising. If U.S. cotton can become competitive, its share of the increase can average more than 500,000 bales annually.

The cotton industry is a vital one and deserves a fair chance to become competitive.

I note, but not for the purpose of criticism at this time, that all the Republicans on the Senate Agriculture Committee voted against this legislation. I do hope they will change their minds because one of the most prominent Republicans of the United States and a distinguished and patriotic citizen who was formerly a Cabinet Officer, made a significant statement before the Senate Committee on Commerce on the 23d of May 1963, and while he did not back H.R. 6196, he pointed to the need for some provision, and he talked about many problems of the textile industry. I would hope that he would back the legislation because his backing of it would help the textile industry, and we are in need of some legislation now in order to maintain our status quo. If H.R. 6196 is not the correct approach, we have to have some vehicle in which to travel in the right direction until we find such an alternative as may be proposed. I enclose the statement at this point:

STATEMENT OF ROBERT T. STEVENS, PRESIDENT, J. P. STEVENS & CO., INC., BEFORE U.S. SENATE COMMITTEE ON COMMERCE, TEXTILE SUBCOMMITTEE, WASHINGTON, D.C., MAY 23, 1963

Mr. Chairman and members of the subcommittee, my name is Robert T. Stevens. I am president of J. P. Stevens & Co., Inc., producers of textile products from cotton, wool, and manmade fibers. We have 55 manufacturing plants in nine States from Maine to Alabama. I am currently serving as first vice president of the American Textile Manufacturers Institute, Inc. In the normal course of events I will become president for a term of 1 year beginning in October. The ATMI does not embrace the woolen and worsted industry; therefore I appear today as an individual businessman.

Stevens' 35,000 employees are keenly interested in the deliberations of this subcommittee and, on their behalf, I take this opportunity to thank each member of the subcommittee, especially the chairman, for the sustained interest which you have shown in the problems of the American textile industry and the fine workers who look to it for their livelihood and that of their families.

Textile industry problems have been the subject of three studies by this sucommittee. The present hearing is the fourth. As the record indicates, this is my third appearance before this distinguished subcommittee. I have made every effort to cooperate with you. Your official reports in 1959, 1961, and 1962 were models of objectivity and they focused much needed light on our problems.

As a result of your efforts, as well as the outstanding efforts by others—particularly the President's milestone, seven-point textile program of May 2, 1961—some progress has been realized. This progress is well known to this subcommittee and to others familiar with the textile industry. I need not discuss it at this time unless, of course, it be the desire of the subcommittee that I do so. Instead, I would like to focus primary attention on the very serious and steadily deteriorating situation with regard to the woolen and worsted segment of the overall textile industry.

In my opinion we are in serious trouble. American wool manufacturing is in a precarious state. Congress, in passing the Wool Act of 1954, did so as a "measure of national security" and declared that wool is an "essential and strategic commodity." Congress acted wisely but let us bear in mind that before raw wool actually acquires strategic value it must be fabricated into wool products for military and essential civilian demand. Without adequate wool manufacturing facilities in the United States and the necessary skills available in time of overriding national need, of what value is raw wool?

Woolen equipment, processing and skills are greatly different from the machinery, processes and skills prevailing in other segments of the textile industry. The average cotton manufacturing plant, for example, cannot possibly produce the wool goods needed by the military. Since Congress really passed judgment on the combined wool situation in the Wool Act of 1954, it seems ironic that 9 years later and scores of mill liquidations later there still has not been one single action to control the devastating growth and impact of imported wool products from cheap-labor foreign countries.

In 1947, the wool industry had 36,972 broadlooms in place. By 1962, this figure dropped to 15,136. In 1947, the industry had 3,331,000 spindles in place and by 1961 (latest figure available) spindles dropped to 1,170,000. In 1947, the United States could count on 2,656 combs, an absolute key machine in the worsted manufacturing process. By 1961, this figure dropped to 1,564.

Meanwhile, during 1947, imports of woven fabric in chief value of wool were just 4,635,000 square yards and, by 1962, they increased to 65 million square yards. In addition to this increased yardage, imports of wool products in every other major category have also mounted astronomically. It is estimated that total wool product imports during 1962 amounted to 20 percent of domestic consumption.

Statistics available thus far in 1963 indicate imports for the year will be still higher. These are the dismal facts which confront the American woolen and worsted industry. These are the facts which have led to the great deterioration of this industry. And, with these facts in mind, it is not difficult to understand why so many wool mills have gone by the boards during the past several years, although effective controls over wool textile imports could have prevented the major portion of these losses.

In 1961, at least nine woolen and worsted mills were liquidated. The largest of these, the Peerless Woolen Mills of Rossville, Ga., was a lamentable loss to the country's mobilization base. It had been a prime source of woolen cloth for America's armed services in World War II and in the Korean war. In 1962, eight additional mills were forced to liquidate. And, thus far in 1963, 10 have announced their closing, showing an accelerated rate of liquidation.

One of these is owned by J. P. Stevens & Co., Inc. It is the Marland plant located in Andover, Mass. The decision to close the plant was not arrived at lightly. The company has owned the Marland plant since 1879. During World War II and the Korean war, this mill produced desperately needed uniform cloth and blankets for the military. In recent years, the Stevens Co. made large capital expenditures in the Marland plant both in modernization of the building and on the latest type of equipment in order to remain competitive. The machinery is modern. But, imported fabrics, particularly those from Japan, similar to the fabrics manufactured at the Marland plant were offered in the American market in the case of one very important line at about 40 cents a yard below our actual cost. This is not competition—it is legalized economic piracy.

In the Stevens Co. we are struggling very diligently to keep our remaining six New England woolen mills and eight southern woolen mills in operation. If this distressing wool import situation is not reversed, it is extremely difficult to give assurance to this subcommittee that these thousands of jobs and million dollar payrolls can be continued unimpaired. Without effective action by our Government to control wool textile imports, it is crystal clear that additional mills in this industry will be liquidated.

The members of this subcommittee are, of course, keenly aware of the disastrous effects foreign textile imports have had upon the entire American textile industry. The President, on May 2, 1961, indicated in point six of his seven-point program that he was directing the State Department to arrange an international conference to seek an understanding between the principal textile exporting and importing countries to "provide a basis for trade that will avoid undue disruption of established industries."

On June 30, 1961, the President in a letter to Congressman VINSON, dean of the House and chairman of the Armed Services Committee, said:

"It should be borne in mind that the contemplated (cotton textile) negotiations are designed as one of a series of efforts to assist the textile industry. Our objective is to assist the industry to overcome all of the handicaps which it faces. The State Department is being instructed to get the best possible relief, not only for cotton, but for other fibers."

In a letter from the special assistant to the President to the chairman of this subcommittee in January 1962 it was stated:

"After the conclusion of the permanent (cotton) textile agreement the problem of the wool and manmade fiber industries will certainly be attacked."

Sixteen months have passed and as yet no action has been taken. In testimony before this subcommittee last year, on January 16, the Assistant Secretary of State for Economic Affairs testified regarding a possible international arrangement to control wool textile imports and apparel. On page 86 he said:

"I think it is a matter of implementation of the President's seven points that was put in the hands of the interdepartmental textile committee at the cabinet level. The appropriate answer is that they have not taken the decision to proceed in the wool field."

One paragraph beyond, the Assistant Secretary added:

"What we have learned here will be of great help to us if and when we decide to tackle the problem of wool."

Unlike the President's letter to Mr. VINSON and the special assistant to the President's letter to the chairman of this subcommittee, the Assistant Secretary of State left considerable doubt as to what, if any, action would be taken with respect to wool.

The international cotton textile arrangements, both short and long term, have been implemented. I repeat, the situation with regard to wool is deteriorating rapidly—action is needed. It is needed now. Commitments with regard to this problem have been made and, respectfully, I submit that these commitments of the President of the United States were made in good faith and I am convinced that he intends to carry them out.

Having had some experience in the service of our country, an order by the President of the United States, to my way of thinking, should be sufficient to move mountains. It seems strange to me, therefore, that somewhere, somehow, and for some reason within our Government, there is a reluctance—and an unwillingness—to implement the President's seven-point textile program. Why? I do not know.

According to stories appearing in the trade press, the State Department feels that it would be difficult to obtain an international arrangement on wool textile and apparel imports similar to the international cotton arrangement. Apparently, no reasons for this have been made public. I personally do not understand why such an agreement could not be obtained, particularly so if

there were a concerted effort and a deeply felt conviction that such an arrangement is both desirable and necessary.

Almost 1 year ago, on July 3, 1962, the National Governors' Conference took a strong position regarding textile imports. I shall read only one paragraph from the resolution but the entire text is a part of my statement:

"RESOLUTION ADOPTED BY THE NATIONAL GOVERNORS' CONFERENCE, HERSHEY, PA., JULY 3, 1962.

"World trade

"Whereas encouragement of world trade and commerce is essential to friendly relations with the people of other nations and to the economy of our own country, and this should be continued with due regard to the ultimate effect on our domestic economy and national security; and

"Whereas employment security and job opportunities of millions of American citizens in major segments of our economy have already been seriously affected by excessive imports: Now, therefore, be it

"Resolved, That the Governors urge further development and complete implementation of international arrangements on trade in cotton, wool, synthetic and silk fiber textile products with due regard for the impact on American industry and agriculture; and be it further

"Resolved, That this 54th annual meeting of the Governors' conference hereby urges and requests the executive and legislative branches of the Federal Government to give full effect not only to the provisions of our trade acts which are designed to promote increased trade with other nations, but also those provisions which are designed to prevent excessive imports of any goods or commodities which would endanger the national security or the domestic economy of the United States."

Members of the subcommittee, I am the great-grandson of the founder of the Stevens Co. Throughout its 150-year history, many Stevenses and literally hundreds of dedicated men have gradually built the company to its present size and diversification within the textile industry and within the American economy.

We in Stevens are builders. We always have been. Our policy is to build, not destroy. We are interested in progress, not stagnation. We feel that our 35,000 employees are our most valuable asset and our greatest responsibility. We want to provide more employment opportunities, not take them away. Parenthetically, I would like respectfully to commend Senator COTTON of this subcommittee for a statement he made in the Senate 1 week ago yesterday. He said:

"Personally, I am a little tired hearing the constant reference to industries and manufacturers. I think the time has come when we should begin to refer to them as jobmakers, because they are the ones who produce the jobs in this country."

Yet, what can we do? How can we plan for future expansion when cheap imports reduce the potential so drastically. Imports have forced us to close an important Massachusetts woolen mill such as Marland. Are woolen jobs more important for Japanese workers than for American workers?

On January 16 last year, in testifying before this subcommittee, I mentioned the liquidation of A. D. Ellis Mills, Inc., of Monson, Mass. In announcing the liquidation of this fine 99-year-old company, Mr. Ellis laid the blame squarely and solely on unrestrained wool textile imports. He said that these imports, produced under conditions prohibited by law in the United States, rendered continuance of his business enterprise "economically infeasible." Thus, another important producer of wool frabic for the military fell by the wayside, but, if the demise of the Ellis mill pained our Government as it should have, the sympathy outside of this committee was barely audible.

Since then, many additional wool mills, as I mentioned earlier, have been lost to the American economy and the mobilization base. One such mill, the Cyril Johnson Woolen Co. of Stafford Springs, Conn., announced its closing on April 26 to take effect in the next few months. The president of the company, Mr. Ronald A. Mitchell, said that in spite of the efforts by its 250 employees to continue in business, "the tremendous and uncontrolled increase in imports from low-wage countries has disrupted the markets for the high-quality fabrics produced by Cyril Johnson."

During World War II, this woolen company produced 3 million yards of woolen goods primarily for the Navy. This was enough fabric to manufacture about 1 million garments. During the Korean war, Cyril Johnson produced 650,000 yards of woolen goods—again for the Navy.

During these two national emergencies, practically every woolen plant was manufacturing essential fabrics for the military. Should a similar international crisis arise, to which woolen manufacturer will the military turn? Will these goods have to come from Japan or from Europe?

The announced liquidation of the Cyril Johnson Woolen Co. came as a surprise to many persons in and out of the industry. However, Mr. Mitchell, who made the announcement, appeared before this distinguished subcommittee on September 22, 1958, during hearings in Hartford, Conn.

He cited nearly 5 years ago the difficulties his company was having in meeting competition from the Japanese based upon Japan's cheap wages. The question was asked, "In which * * * categories do you find the keenest competition from Japan." Mr. Mitchell's answer was straightforward. He said, "There is no competition, they have just taken the business away." His answer is one which we in Stevens recognize as an absolutely true statement because similarly the Japs took away most of our fine quality flannel business. The warnings and danger signals to the wool industry have been posted a long time but thus far to no avail.

By any calculation, by any stretch of the imagination, by any lopsided logic—no reason—no good reason exists for denying the American wool industry fair treatment against unrestrained wool imports. Fair treatment would be in keeping with the spirit and intent of the President's seven-point program. Is it unreasonable to ask that the American wool industry and the American workers be given some consideration as the deluge of imports increases?

There is a challenging article in the June issue of the Reader's Digest which reached the news stands yesterday. It deals primarily with the raw cotton and cotton textile industries under the title "Costly Chaos in Cotton—Time To End It."

The final paragraph of this article seems just as pertinent to the woolen industry as it does to the cotton. It reads as follows:

"The people of the United States, in the hope of promoting prosperity and peace, have assumed enormous burdens, both economic and military, around the globe. Our commitments have been based on confidence in the Nation's unprecedented economic strength. To allow that strength to be undermined by carelessness or lack of foresight—as it has been in dealing with the cotton problem—is to invite disaster. We cannot improve the world's economy by weakening our own."

Words used to describe the present state of the American wool industry import problem have been strong, forceful, and frank. The problem is not new. It has been the bane of this essential defense industry for several years. Two important questions confronting the industry and its employees need prompt answers. When will the facts of this situation be recognized? When will the remedial action be taken?

Surely, responsible officials realize that should an all-out international emergency occur, the total production of the industry as presently constituted would not be sufficient to satisfy military and essential civilian requirements. This being the case, the elementary conclusion to be reached is that hindsight won't solve the problem and surely it is no substitute for the wool fabrics which will be needed.

Mr Chairman, in a letter to you dated January 30, 1959, from the OCDM (now Office of Emergency Planning) the Assistant Director submitted a lengthy statement regarding the American textile industry and its relationship to national security. It said, in part:

"The subcommittee indicated particular interest in receiving an expression as to the OCDM's position on the essentiality of the domestic textile industry. On this point there need be no equivocation. The OCDM regards the textile industry as an essential industry and considers it an essential part of the Nation's mobilization base."

The statement just quoted has remained in the record of this subcommittee during the past 4 years and 4 months. It has not been rescinded by the OEP or its Director. For more than 2 years, the Office of Emergency Planning under the Executive Office of the President has been studying the question of the textile and apparel industries' essentiality to national security. In my opinion, the facts warranted a favorable finding long ago. With a favorable finding, the industry—more particularly the wool manufacturing segment of it—would have looked forward to a halt in the erosion process which has taken place in the last few years. The continued loss of these jobs would have ceased. Our mobilization base in wool manufactures would have been strengthened. America's military posture would have been enhanced.

The petition with supplemental information seeks the recommendation of the OEP Director and approval by the President to establish quotas on textile imports under the national security provisions of our foreign trade law. In view of the clear-cut finding by the OCDM, predecessor agency of the OEP, that textiles constitute an essential industry, and in view of the crisis confronting the American textile industry, particularly the wool segment thereof, I do not think it inappropriate for me to urge this subcommittee to request a status report from the Director of the OEP regarding the investigation being conducted. Two years seems to me to be a very long time to determine the outcome of an investigation of conditions in an essential industry.

If there is any doubt—even now—as to the outcome, surely it is far wiser to err on the side of import controls rather than on the side of no restrictions. Considerations of America's national security should be controlling at all times.

I think the American people expect our national security to be protected in simple things like food and clothing just as much as in the complicated field of modern weapons systems.

I thank you.

On May 28, 1963, the Southern States Industrial Council which calls itself "the voice of the conservative South," made a significant statement on the cotton subsidies, and I include that statement at this time in the RECORD:

STATEMENT ON COTTON SUBSIDY

The Southern States Industrial Council at its annual meeting held at Hot Springs, Va., on May 21–22, 1963, unanimously approved

the following statement on the plight of the cotton textile industry:

"This industry is deeply ailing. Beset by the large and growing competition of foreign imports and synthetic fibers, both employment and profits continue to decline. New investment and modernization are inhibited due to artificial conditions created by Government and which the present administration has solemnly promised to remove.

"The most serious of these is the 8½ cents per pound ($42.50 per bale) differential in the price of raw cotton. This differential operates against domestic manufacturers and in favor of their foreign competitors. This has been recognized by the administration and the Department of Agriculture as an indefensible inequity which should be speedily corrected.

"On the grounds that this 8½ cents per pound ($42.50 per bale) subsidy on export cotton is highly discriminatory against the textile industry in our Nation, we urge its speedy removal.

"We believe that such action will benefit the cotton farmers by increasing consumption, stimulating employment, and profit not only the cotton textile manufacturers but their customers as well through more attractive prices for a very important part of the family budget."

I am mindful of the fact that certain people of the textile industry have made statements that Senator TALMADGE's bill with *some features* of the Cooley bill would solve the cotton problems. Perhaps, then, this offers an avenue to solution. Perhaps if the Cooley bill were passed, and I again urge and beg my Republican friends for their support if they are sincerely interested in helping, that when it gets to the Senate to be amended there would be amendments from Senator TALMADGE's bill and then everybody could vote for the legislation when it came out of conference, and others would note that we have really been the congressional architect of a legislative monument heralding and assuring the future of cotton textiles. To give the benefit of some of the thinking, I insert in the RECORD at this point an editorial on "Cotton Comments," of Robert Moore and Co. I may not agree with all of it but I think the Congress is entitled to have the benefit of all the thinking we can collect.

SENATOR TALMADGE'S BILL, WITH SOME FEATURES OF REPRESENTATIVE COOLEY'S BILL, WILL SOLVE THE COTTON PROBLEM

On May 23, Senator TALMADGE addressed the Senate as follows:

"Mr. President, the existing Federal cotton program—when studied in the cold light of present-day economics and commonsense—is so utterly foolish and financially disastrous as to defy the imagination. Any reasonable appraisal of the program can lead to only one conclusion: The program is an abject failure. Its injustice to the cottongrower is incredible. Its effect on the textile manufacturing industry is devastating. Its cost to the American people is such that—if the facts were fully known and understood—it would cause a great public outcry. I submit, Mr. President, that unless this ill-conceived program is abandoned, we will see the end of cotton in the United States.

"Although cottongrowers and the textile industry, with its hundreds of thousands of employees, already are staggering under this ruinous program, there is still time to save cotton. If the facts are faced and if bold and positive action is taken by the Congress, this vitally important segment of the national economy can be revitalized and put back on the road to recovery. Mr. President, the American public is entitled to know the truth about the miserable plight of cotton. The people should know the facts about a cotton program which costs them approximately $1 billion a year—including some $600 million in price-support payments, over and above the world price. And this is not including almost $2 billion in tax funds tied up in the more than 10 million bales of cotton in Government storage. What we have, Mr. President, is a costly and unsound cotton program which benefits only a few, at the expense of a great many. It is a program which doles out pittances to the needy and makes gifts of millions of dollars to those who do not need Government aid. It is a program which is driving the small and the medium-sized cottongrower off his farm. It is a program which is closing hundreds of textile mills and is throwing hundreds of thousands of workers into the ranks of the unemployed. It is a program which is causing cotton acreage in the United States to shrink while encouraging foreign production. The purpose of any farm program is to help the farmer, to guarantee him a profitable position in the competitive, free enterprise economy of this country.

"Let us see, Mr. President, what the Federal cotton program accomplishes to achieve this desired aim. Let us see how it helps the farmer. According to the latest figures available, in 1961 more than $600 million in public subsidies were distributed among cottongrowers. How was this public money distributed? Three hundred and twenty-two growers averaged $113,000 in support payments, while 650,000 small farmers received $63 on the average. To break the figures down even further: Approximately 280,000 small farmers received an average subsidy of $142, while 13 large growers received an average of $649,753 for their cotton. This can be expressed another way: Only 3 percent of our cotton farmers produce 56 percent of the national crop and receive 56 percent of the support payments. Thus, hundreds of thousands of small farmers, struggling for a bare existence, are given little, if any, incentive to grow cotton. Conversely, a few hundred growers, receiving handsome subsidies, whether they need it or not, find cotton farming profitable indeed.

"The existing cotton program is highly popular with large growers. In 1961, 99 percent with 200 or more acre allotments, planted their acreage. On the other hand, more than 50 percent of the farmers with allotments under 10 acres planted no cotton. Mr. President, if the aim of the Government is to help small farmers, the cotton program is failing miserably. It is likewise a failure if the cotton program is meant to aid the textile industry. It is ironic that the Government would spend $450 million for public works to stimulate the economy, and at the same time force the country to pay out $600 million in a cotton subsidy program which is wrecking cotton production and the textile industry, the Nation's second largest employer.

"The cotton situation has become so critical that it demands a fresh and sensible approach. My proposal for cotton legislation, the Cotton Domestic Allotment Act, in which the distinguished majority whip joined in sponsoring, is the least expensive, the most workable, and the simplest solution of this complex problem. My bill is designed to meet the needs of the small and medium cottongrowers, to insure them their fair share of the national income and to put cotton back on a free enterprise basis. It would eliminate the inequitable two-price cotton system and allow our mills to once again buy cotton at the same prices foreign mills pay. The Federal Government would be taken out of the business of buying, storing, transporting, selling, and giving away cotton which is done at great cost to the taxpayers. Farmers would be free to farm as they please. Small growers would be insured a decent income while the large farmers could produce as much cotton as they wished for the world market without Government restrictions. Under my compensatory direct-payment plan, the largest supports would go to the small farmers, who need it the most, with lower price supports paid large growers.

"Mr. President, the present situation must be corrected without further delay. The existing cotton program is in such a shambles that it cannot be built upon, added to, or even slightly modified. It must be relegated to the scrap heap. Any approach to cotton legislation which fails to fill the needs of the farmer and textile employees and manufacturers will serve only to perpetuate what we all know to be a mess and will result in a dismal end for cotton."

The large producers and cooperative associations oppose the Talmadge bill because of fear of a lower loan, liquidation of surplus stocks—which could cause lower world prices during the adjustment period—and possible problems in financing cotton production for the world market. While the United States produces one-third of the world supply, the producers acknowledge that under present laws the United States is a residual seller. In other words, our producers "eat at the second table."

Stable world prices, so lauded by the growers, have been promoted by CCC's holdings of large stocks of cotton financed by U.S. taxpayers. This has caused our producers to lose cotton markets to foreign growers and to manufacturers of synthetics.

The Cooley bill, H.R. 6196 (S. 1151), will be workable only if the payment goes to either the producers or when cotton enters trade channels. The producers keep on insisting that the payments should go to the last seller or the mills. If they are successful in this attempt, the law will not solve, but will add, to the cotton problem. All cotton not in immediate demand will go into the loan, where the cream of it will be siphoned off, leaving the CCC to carry the culls. Merchant trade cannot carry cotton in competition with the CCC. The futures market cannot function if the last seller provision is enacted. Thus, the private enterprise system and free market approach will be stifled and the unsuspecting taxpayers will again be taken to the cleaners. They have only anted up over $21.5 billion for unworkable farm programs, or about one-fifteenth of our towering national debt. Cotton losses comprised 20 percent of the $21.5 billion.

At this point I enclose an article from the State newspaper, Columbia, S.C., of Tuesday, May 21, 1963, entitled "USDA Official Backs Talmadge Cotton Bill."

USDA OFFICIAL BACKS TALMADGE COTTON BILL—WOULD END RESTRICTIONS ON PLANTING

WASHINGTON.—An Agriculture Department spokesman expressed preference Monday for a cotton bill which would provide direct, graduated payments to cotton farmers.

Charles S. Murphy, Under Secretary of Agriculture, testifying before the Senate Agriculture Committee, said he believed that of all the bills before the group, the one by Senator HERMAN TALMADGE, Democrat of of Georgia, would make the greatest contribution.

TALMADGE'S proposals would end all Government restrictions on planting and growing of cotton.

It would, however, provide price support payments to farmers on their share of the domestic market.

In his prepared statement to the committee, presided over by Chairman ALLEN J. ELLENDER, Democrat of Louisiana, Murphy

said the Talmadge proposal would permit cotton to move freely through private trade channels at world prices, would be the lowest cost way of achieving a one-price system for cotton and would be simpler to administer than the present program.

Murphy estimated the Talmadge approach would cost $667 million the first year, compared with an estimate of $461.5 million for the present program. But he said the cost should decline to $486 million in 2 or 3 years.

TALMADGE challenged the Department's estimates of the cost of his bill as being too high.

ELLENDER told Murphy he did not see how the committee could present the Senate with a cotton proposal which would be more costly than present law and at the same time ask for decreases in costs of other farm programs.

TALMADGE'S bill would permit a farmer to grow all the cotton he chose for sale on the world market at world prices, which are substantially below domestic prices.

Each farmer would be given a share of the domestic market—in bales rather than in acres—on which he would receive a payment in the form of a loan or in cash.

This payment, TALMADGE said, would be 32 to 36 cents a pound on the first 15 bales of production, 30 to 34 cents on the next 15 bales and 28 to 32 cents a pound on all over 30 bales.

He figured the cost of the bill would be a maximum of $650 million yearly and might be as low as $300 million. And, he added, a return to a one-price system for cotton should save consumers from $400 million to $600 million yearly.

The Joanna Cotton Mills Co. of Joanna, S.C., is not in my district, but I have the highest regard for the officials and the people who work there, and I have been the grateful recipient from time to time of their magazine entitled, "The Joanna Way." In the June 1963 issue of that publication is an excellent article on the two-price cotton system and I insert that article in the RECORD at this point:

TWO-PRICE COTTON IS YOUR PROBLEM DIRECTLY OR INDIRECTLY WHOEVER YOU ARE—DO YOU OWN OR OPERATE A BUSINESS? DO YOU USE TEXTILE GOODS? DO YOU PAY TAXES?

If so, the sad plight of the textile industry as a result of the two-price system of cotton costs is important to you.

Of course it is to us at Joanna Cotton Mills—every one of us—because it affects our jobs, our benefits, our profits.

We are concerned enough about the need for prompt removal of this "unique burden," as President Kennedy calls it, that we postponed for a month all copy prepared for the June Joanna Way. This issue of the magazine is devoted solely to a thorough presentation of the cotton and textile situation with the hope that every person who sees it will realize that he or she is affected by the problem.

In addition to our regular mailing list, thousands of our customers and friends throughout the Nation will receive this June issue. The problem is vital to every one of them. It can be solved only by their active aid and support.

The support needed is for the Cooley bill, H.R. 6196, expected to be introduced in the Congress this month.

This bill, sponsored by Representative HAROLD D. COOLEY, Democrat, of North Carolina, chairman of the House Agriculture Committee, was evolved on the basis of conferences with various elements of the cotton industry—producers, the trade, and the mills. It is designed to fill a need described by Mr. COOLEY thus:

"Cotton is losing its markets. This is hurting everyone concerned with cotton, and the general economy as well. The situation is serious. It commands the serious consideration and cooperation of cotton producers, cotton millers, and the cotton trade."

If, as Mr. COOLEY said, the situation is hurting the general economy, it is hurting every resident of the United States.

When a segment of the agricultural economy and a segment of the industrial economy lose, the Nation suffers. And the textile industry is second highest in the United States in employment. The effect of less income affects otherwise unrelated businesses, whether goods or services. The loss of corporate taxes and personal income taxes reduces Uncle Sam's tax take proportionately.

All this affects you, whoever you are. Please read the facts and then put on the pressure for passage of the bill. And please encourage relatives, business associates, neighbors, and other friends to do the same.

THE UNIQUE BURDEN

"The inequity of the two-price system of cotton costs remains as a unique burden upon the American textile industry, for which a solution must be found in the near future" (President John F. Kennedy).

THE PROBLEM

1. U.S. mills must pay about one-third more for U.S. cotton than do foreign mills.

2. U.S. mills use U.S. cotton almost exclusively, and only a trickle of foreign cotton is allowed to enter this market.

3. Cotton constitutes more than 50 percent of the cost of manufacturing a typical cotton textile fabric, and an even higher percentage of yarn costs.

THE RESULTS

1. Spectacular increases in imports of foreign textiles into the United States.

2. Substantial losses of domestic cotton textile markets to paper, plastics, man-made fibers, jute, and other materials.

3. A shrinking market for the output of U.S. cotton farms.

THE REMEDY

1. Each citizen informs himself on the problem.

2. Each citizen, thus becoming concerned about the problem, informs his Senators and his Representatives that the Cooley bill is the best solution presently feasible.

Also in that issue of the Joanna Way, was an article entitled "Cotton—To Go at Two Prices," and I enclose that article:

COTTON—TO GO AT TWO PRICES

COTTON: A NATIONAL PROBLEM

Cotton is in a crisis situation. And the situation poses a major problem not only for the cotton industry, but also for the Nation.

The trouble results from Government actions and policies. Only Government action can remove it. And the key to successful Government action lies in widespread public understanding.

Necessarily U.S. textile manufactures have a vital interest in any changes in the Government's cotton programs.

This is because they are dependent upon, and the principal consumers of, American cotton.

Most interested groups, including producers, acknowledge that U.S. cotton has been and is now priced too high—not in terms of farm income, but in terms of meeting competition.

U.S. cotton moves abroad only under the stimulus of an export subsidy. Even so, exports are lagging.

U.S. consumption of cotton is pursuing a sharp downward trend. Markets once held by cotton are being taken over by man-made fibers, paper, plastics, jute, and a variety of other competing materials. Price is responsible chiefly.

American textile manufacturers find themselves bearing an unfair burden. It is imposed by the Government's two-price cotton-marketing system.

Upland-type cotton accounts for 98 percent of all cotton used in the United States. Barred by law from using more than about 30,000 bales of such foreign-grown cotton a year, American mills must rely on American cotton. And they are required to pay about one-third more than foreign mills pay for any cotton, including American-grown cotton.

Naturally, the U.S. textile industry seeks an end to the two-price cotton-marketing system. It seeks an elimination of the inequity. It seeks only the privilege of buying American cotton at the same price at which it is made available for sale to foreign mills.

HOW THE TWO-PRICE SYSTEM WORKS

Recently, a cotton merchant in one of the Nation's major marketing centers found buyers for two bales of cotton. The bales, for all practical purposes, were identical. Both went to textile mills, one in the United States and the other in a foreign country.

The American mill paid $162.50 for its bale reflecting a Government-supported price of 32.5 cents per pound. The foreign mill paid only $120 for its bale of cotton, but the seller got the same price for it as he did for the bale sold to the American company.

The difference—$42.50—was paid by the U.S. Government as a subsidy to bridge the difference between cotton prices in the Government-supported American market and the so-called free market in the rest of the world. The $42.50 subsidy is paid on every bale of American-grown cotton sold for export.

This means, of course, that American cotton textile manufacturers must pay about one-third more for American cotton than do foreign mills.

By any judgment, the system is unfair and inequitable.

ORIGIN OF TWO-PRICE COTTON

Two-price cotton—one price for American mills, and a lower price for foreign mills—as a practical reality has existed since the middle 1950's, but the system's roots are laid deeply in the agricultural commodity price support programs adopted in the 1930's.

Through the years, because of support prices, American cotton has been pegged at artificially high price levels at home and abroad. This has resulted not only in recurring surpluses of American cotton, but also in stimulated production and consumption of foreign-grown cotton. Under the U.S. price support "umbrella," the production of cotton in the foreign free world has risen from 16.3 million bales in 1955–56 to approximately 21.1 million bales in 1962. The U.S. share of total world production during this period has fallen.

This foreign-grown cotton, although available to mills in other nations, is kept out of this country by a very strict import quota, established in 1939, which limits imports of upland-type cotton to less than one day's supply.

As a result of the Government's cotton-price policy, the United States all but lost its export market when, in 1955, exports fell to the lowest peacetime level since 1871.

Thus, to counter the twin problems of American surpluses and increased foreign movement into traditional American export markets, the United States, in 1956, set up a special export subsidy program. The subsidy represents the difference between the price of U.S. cotton and the so-called world price for cotton. It may vary from year to year, but since August 1, 1961, it has remained at 8½ cents a pound, or $42.50 for a 500-pound bale. And beginning August

1, 1963, in compliance with a recent official announcement, American cotton will be offered for sale for export on a bid basis and move at a possibly lower price.

(The variation in bale prices—$172.50 against $130, $182.50 against $140, $162.50 against $120—is not inaccuracy in facts. Price depends on the quality, staple length, and the current market. In all examples the differential in the cost paid by American mills and by foreign mills is $42.50.)

At inception it was recognized that such an export subsidy would create two disastrous impacts on the domestic textile-producing industry, both of which would require immediate corrective action: (1) it would kill off the textile export market, and (2) it would invite unfair-priced textile imports.

To prevent the first of these, provision was made for the payment of an equalization fee on cotton textile exports on the same per pound basis as the raw cotton subsidy. However, efforts made at the time, and repeated since, have failed to provide an offset for the far more important element of the problem—imports.

IMPACT ON IMPORTS

U.S. cotton textile imports made from lower priced cotton have increased spectacularly since 1956 while the export subsidy has lowered the price of American cotton to foreign textile mills.

In 1955, immediately prior to the inception of the cotton-export subsidy, imports of cotton products amounted to a 363,487,000-square-yard equivalent. The current level is even higher. In the succeeding year the volume rose to a 451,350,000-square-yard equivalent. By 1960 this figure had risen to 1,033,610,000 and in 1962 such imports amounted to a 1,165,878,000-square yard equivalent, more than triple the imports of 1955.

Most of these increases in cotton textile imports have been in categories of products in which the raw cotton cost is the predominant one in manufacturing costs, such as in yarns and gray goods. For example, imports of carded and combed yarn, produced with a minimum of labor, have increased from 142,000 pounds in 1955 to 28,453,000 pounds in 1962.

Cotton textile imports have taken over markets that otherwise would have been supplied by American-grown cotton processed by the American industry.

COTTON'S COMPETITIVENESS

The U.S. textile industry's success or failure hinges upon its ability to obtain raw materials at a reasonable price, manufacture goods at the lowest possible production cost, and offer finished products to potential consumers at competitive prices.

This ability shapes the textile industry's role as a customer for the American cotton farmer and manmade fiber products.

Over the past 2 or 3 years cotton prices by Government action have been trending upward. Prices for manmade fibers and other competing materials have been dropping.

In December 1961, the price of a key grade of cotton was 31.60 cents a pound. By mid-August the price had moved to 34.90 cents, an increase of 3.3 cents a pound.

Following an increase in the cotton price-support level in 1961, the price advantage rayon held over cotton at the initial processing level increased from approximately 6½ cents a pound to about 14 cents.

Other manmade fibers, which also can be handled on cotton textile manufacturing equipment, have scored price reductions in recent years, too. And a range of nonfiber products, such as paper and plastics, have taken over markets once held exclusively by cotton—chiefly because of price.

Cotton now accounts for less than two-thirds of all fibers consumed, having experienced during 1961–62 a competitive loss of 1,150,000 bales.

Clearly, one conclusion is inescapable. The competitive character of cotton is coloring the future of the vast American cotton industry—from the growers through the manufacturers.

MEANINGFUL MEASUREMENTS

U.S. cotton consumption for the current crop year is expected to total 8.3 million bales, as compared with 9 million in 1961–62, and trending downward sharply.

Cotton exports are expected to amount to less than 4 million bales, as compared with 4.9 million last year.

U.S. cotton allotments have been reduced by the Government from 18.5 million acres in 1962 to 16.3 million acres in 1963.

Production from the 16.3 million acres is expected to exceed the current level of U.S. consumption and exports, unless a new price policy emerges.

Foreign free world cotton production is expected to total 21.1 million bales as compared with an estimated 19.3 million in the 1961–62 crop year and 19 million in 1960–61.

Foreign free world cotton consumption is expected to fall to 22.8 million bales from an estimated 23.5 million bales in 1961–62 and 23.4 million in 1960–61.

U.S. cotton stocks are expected to amount to 10.6 million bales as compared with 7.2 million bales last August 1.

As of March 15, 1963, the Commodity Credit Corporation owned or held as collateral against price-support loans a total of 10.2 million bales as compared with 5.4 million bales a year before, and it is anticipated will own 8½ million bales on August 1 as compared to 1½ million bales on the same date 2 years ago.

Of the 10.2 million bales, CCC held 5.5 million as collateral against loans as compared with 3.9 million a year ago.

CCC investment in cotton has risen from $300 million to $1,750 million.

A revision of the Government's cotton program appears to be in the broad public interest.

The program is of vital importance to the economic future of millions of men and women whose livelihoods are linked to the production, handling, and manufacturing of cotton.

It is of considerable concern to the economies of countless communities and cities from Maine to California.

It has a direct bearing on the fiscal situation of the U.S. Government—tax receipt, Federal expenditures, international payments.

And it merits the attention of other agricultural interests for the simple reason that acreage no longer used for cotton can be planted to other crops. Present policies have reduced planted cotton acreage from 16.3 million acres in 1962 to an indicated 14.8 million for 1963. Further reductions are in prospect. Cotton cannot be produced in other areas of the Nation but wheat, corn, soybeans, cattle, etc., can be produced in the Cotton Belt. Cotton-acreage reductions pose a threat to the already burdensome surpluses experienced by other important agricultural commodities.

A need for a solution to the problem has been voiced by President Kennedy, Cabinet officers, Members of Congress, spokesmen for cotton-producing organizations and other segments of the cotton industry, and editors of trade and general newspapers and magazines.

A DESIGN FOR A SOLUTION

An end to the unfair results of the two-price cotton system conceivably could be achieved in several ways:

1. The Government could impose an import fee on the cotton content of textile-product imports to equalize or offset the difference in cotton costs between foreign and U.S. mills. Such action would remove the inequity imposed regarding cotton textile imports, though it would leave untouched the domestic market impact.

The U.S. Tariff Commission, however, has twice rejected requests for such a remedy in recent years. This route has been shut off.

2. The support price for cotton could be eliminated so American cotton would sell at the free-world price.

No segment of the cotton industry, including textile makers, has advocated such a move, which would bring disaster to cotton farmers and severe economic repercussions to the national economy.

But this question is academic because the Government already has announced a continuation of the present support price of 32.5 cents a pound for the new cotton crop, August 1, 1963–64.

3. The Government could adopt a program under which some kind of payment could be made into the marketing structure of the cotton industry so cotton for domestic consumption could sell at the same price as cotton for export.

The textile industry historically has opposed any sort of payments program; reluctantly it has agreed to support such a program now only because there seems to be no other way to achieve a one-price system in the foreseeable future, and, at the same time, maintain a price to domestic growers in excess of the world price.

However, the decision to support a payments program is made easier by the fact that a payment-in-kind approach can be used—that is, payments in Government-held cotton rather than in cash from the Federal Treasury.

THE PAYMENTS-IN-KIND APPROACH

As of today CCC owns 4.689 million bales of upland cotton; it has loans outstanding on 5.511 million bales, making a total of 10.2 million bales.

Because there is not enough free cotton in the normal channels of trade to satisfy domestic and export requirements, a portion of the loan cotton will be redeemed prior to the beginning of the new crop year, August 1, 1963. It is estimated that on August 1, after CCC takes title to the remaining portion of these loan stocks, it will own outright 8½ million or more bales of cotton, representing an investment of approximately $1.4 billion.

By law, none of this cotton is available for domestic consumption except at 115 percent of the support price, plus carrying charges. Under the export program, however, it may be sold at 8½ cents a pound below the domestic market price. Thus the disparity to the domestic industry will be substantially greater than the 8½ cents differential.

Except in the event of a national emergency or highly unusual crop circumstances, virtually none of this cotton is likely to be withdrawn for domestic consumption. The price, under the 115-percent withdrawal feature of the law, is completely prohibitive.

Thus, CCC will never realize more than the world price for practically all these burdensome stocks. This being true, the question immediately arises as to how the stocks, on which CCC will take heavy losses anyway, can be utilized to achieve the objective of a one-price system for American cotton, and, at the same time, create maximum dollar returns to CCC's treasury.

A very broad cross section of the entire American cotton economy strongly recommends the immediate utilization of these CCC stocks for a payment-in-kind program to make cotton available to domestic mills at the same price it is sold for export.

A NEED: CONFIDENCE

Because of the terrible uncertainty and lack of confidence that has prevailed throughout the raw cotton and textile industries, normal pipeline inventories have been drained to the absolute minimum—among merchants, handlers, and consuming establishments. In addition, domestic consumption is down approximately 3,000 bales daily below the level of the same period last year.

However, in the event of a one-price system, the uncertainty would be removed and a completely new range of confidence established throughout the whole structure. Merchants would substantially increase their inventories, textile mills would increase their working stocks to normal levels, and domestic consumption and exports would be sharply stimulated. The combination of these factors would result in very substantial withdrawals from Government-held stocks.

The net of these transactions would increase Treasury receipts somewhere in the range of $350 to $400 million in addition to about $200 million which would be realized from the sale of cotton between now and August 1, in the absence of a program.

The payment required to bring the domestic price down to the export price could be made with cotton that has already been acquired by the Government, and cotton that is not likely to be disposed of at more than the world price anyway.

With a competitive one-price system and restored confidence, domestic consumption and exports for the year beginning August 1, 1963, almost certainly would exceed substantially the prospective 1963 crop.

The quantity of CCC cotton used as payments to equalize the domestic price would be needed by merchants and mills to satisfy requirements for the increased domestic consumption and exports.

Accordingly, the domestic program could be financed during the 1963–64 season with CCC's assets—cotton—rather than cash from the Treasury.

This reduction in CCC's cotton inventory would reduce substantially storage and interest costs.

Adoption of a cotton program ending the two-price marketing system could reasonably be expected to produce these results:

1. Restore confidence of all segments of the American cotton economy, which will lead to increased cotton consumption, increased investment and employment in cotton production, textile manufacturing, and apparel manufacturing.

2. Encourage normal trade channels to retain cotton that otherwise would go into Government stocks thereby increasing CCC funds immediately by several hundred million dollars.

3. Reduce drastically CCC expenditures for storage and interest on Government-held cotton.

4. Assist in the U.S. administration of the International Cotton Textile Trade Arrangement.

5. Initiate a movement toward reducing the cost of the Government's overall cotton farm program.

In short, a revitalization of the whole American cotton industry would occur with the elimination of the two-price system.

It would restore confidence in cotton and open the way for increased textile manufacturing and apparel manufacturing.

It would enable the cotton industry to get out of the doldrums and make an important contribution to the Nation's economy.

I. PROFILE OF THE AMERICAN COTTON ECONOMY

Textile employment

The textile industry is one of the largest manufacturing industries in the Nation. It, with the apparel industry, provides jobs for more than 2 million men and women. Since 1955 and despite a population increase of about 20 million, there has been a loss of nearly 200,000 jobs in these combined industries.

Cotton farms

The U.S. cotton farm population is about 3.3 million. In 1961 there were about 762,000 farms with effective cotton allotments covering 16 million acres which produced 14 million bales of cotton valued at about $2.5 billion. Cotton farm land, itself, is valued at more than $10 billion.

Cotton handlers

An estimated 90,000 to 100,000 persons are employed by cotton gins, cottonseed oil mills, warehouses, and cotton merchants in the United States.

Plant investment

The investment in textile-manufacturing establishments amounts to about $8 billion, and an additional $5 billion is currently invested in apparel-manufacturing plants.

Textile sales

Mill sales of textile products made from all fibers total about $13 billion annually. Cotton accounts for about 60 percent of U.S. fiber consumption.

These facts indicate the significance of the textile-apparel industry, not only to the agricultural sector of the economy, but also to the manufacturing industries and in turn to the strength of the U.S. industrial economy as a whole.

Textile profits

The textile industry in recent years has not kept pace with other manufacturing industries in the United States. While increases in productivity have occurred in the textile industry since 1947, the squeeze on textile prices and textile profits has forced profits far below the all-industry average. Textile industry profits on sales averaged only 2.5 percent in 1962 while the all-manufacturing average was 4.8 percent.

Textile prices

The wholesale price index of cotton products shows a substantial downtrend since 1947 when it stood at 103 percent of the 1947–49 index base. At the year-end 1962, the index had declined to 92—a decline from 1947 of 11 percent. On the other hand, the wholesale price index for all industrial commodities increased from 96 in 1947 to 120 in 1962 or about 24 percent.

Cotton costs and cloth prices

An examination of the relationship of raw cotton costs to unfinished cotton cloth prices over the last 37 years reveals an extraordinarily close correlation. Invariably as cotton costs rise and fall, cotton cloth prices rise and fall. The explanation lies in the fact that raw cotton costs account for about 55 percent of the manufacturing cost of unfinished cotton cloth. A return to a one-price cotton system that would reduce cotton costs would bring a reduction in cloth prices and be reflected at the consumer level. A Department of Commerce official recently estimated that a one-price cotton system would result in savings to American consumers of more than $700 million.

Spindle activity

Raw cotton is spun into yarn on cotton-system spindles in U.S. textile mills. A measure of fiber use in the amount of time such spindles are used for cotton alone or other fibers or blends.

In 1958 about 92 percent of the spindle-hours were for the production of all-cotton yarn. By early 1962 this percentage had fallen to 86. In other words, more and more spindle-hours were spent in producing yarn from blends of cotton and man-made fibers or man-made fibers alone.

And by March 1963 there were 16 million cotton-system spindles assigned to cotton alone and 2.5 million used for other fibers. Comparative figures for 1958 were 17.6 million and 1.6 million.

II. GOVERNMENT POLICIES

There are three Government policies which, in combination, are responsible for the American cotton textile industry's finding itself in difficulties which can be removed only by Government action.

1. Since the 1930's the Government has supported the price of American cotton generally at an artificial level.

2. Since 1939 U.S. mills have been required to limit their purchases of foreign-grown upland-type cotton to less than 30,000 bales annually—a volume which would not equal 1 day's mill consumption.

3. Since 1956 the United States has exported cotton under a subsidy to bridge the gap between the U.S. price of cotton and the world price. This has amounted to 8½ cents a pound or $42.50 a bale since August 1, 1961. This means that U.S. mills are required to pay about one-third more for cotton than foreign mills pay for any cotton, including U.S. growths.

III. CONSEQUENCES

Costs: Cotton up, competing materials down

In 1961 the Government raised the support price on Middling 1-inch cotton for the 1962 crop to 32.47 a cents a pound. As a result, the market price rose about 3½ cents a pound from January to October. For the 1963 crop the same support level and higher market price remained in effect.

Prices of man-made fibers and other competing materials have been dropping. For example, the price of rayon staple—a synthetic fiber that can be handled on cotton manufacturing equipment—fell to 26 cents a pound from 34 cents in 1955.

U.S. consumption of cotton declining sharply

U.S. textile mills currently are consuming cotton at a rate of 8 million bales a year—an 11 percent decline from 9 million bales consumed in 1961–62. At the beginning of the current cotton year, the Government estimated domestic mill consumption would total 8.8 million bales for the year. Since then, the Government has revised the estimate; in April the Government estimated mill consumption would reach 8.3 million this year.

Cotton surplus rising

The Government-owned Commodity Credit Corporation on March 15, 1963, owned or held, as collateral against price support loans, 10.2 million bales of cotton. This amount was 5.4 million above a year earlier.

The Government expects cotton stocks to amount to 10.6 million bales on August 1, 1963, reflecting an increase of 2.8 million over the 1962 date.

Cotton exports shrinking

Despite the $42.50 a bale export subsidy, U.S. cotton exports during the present crop year are expected to amount to less than 4 million bales, a reduction of 900,000 bales from last year. Foreign cotton production and synthetic fiber output expanded in 1961 and again in 1962.

Cotton textile imports continue upward

During 1955, the year before the advent of the two-price system, cotton textile imports into the United States were equal to 363 million square yards of fabric. In 1962, they exceeded 1 billion yards, and were more than three times as large as the 1955 total.

Cotton textile exports continue downward

In 1955, the United States sent into foreign markets cotton textile goods equal to 1,095 million square yards. In 1962, such exports amounted to an equivalent 921,800,000 square yards.

Always in the shadows are the threats posed by imports—the threat to jobs, the threat to the textile industry, the threat to the cotton producers, and the economic threat which hangs over the head of every business and professional man either living in textile communities or dependent upon textiles directly or indirectly for the production of a consumer market in the particular area. To emphasize this I insert in the RECORD at this point an excellent editorial from the Gaffney, S.C., Ledger of June 20, 1963:

THE PRICE OF A SHIRT

A recent newspaper advertisement for a large department store told of a coming sale of "special purchase" merchandise, including a group of men's white dress shirts.

The shirts were priced at $1.99 each. They were, as advertised, strictly first quality.

The labels pointed out that they had been made in the British Crown Colony of Hong Kong.

Less than 20 feet away from them in the store's men's department was a line of first-quality American-made shirts. They were priced at $5.95 each.

The real difference in the two lines of shirts—measured by almost $4 in the retail price—could be traced to two factors: the price of the raw material in them and the cost of the labor which produced them.

Hong Kong textile manufacturers, like all foreign textile producers, can buy raw material, including American-grown cotton, for $42.50 per bale less than American manufacturers. Since the cost of raw material accounts for more than half the total cost of a textile product, the $42.50 per bale difference is a major competitive factor.

In terms of wage costs, however, there is an even more striking difference between Hong Kong and the United States. In November 1961 (the latest month for which official reports are available), Hong Kong manufacturers paid their male spinners and weavers an average of 15 cents an hour. During 1961, American spinners and weavers were paid approximately 11 times this amount.

This amazing difference in wage costs was pointed out recently in testimony offered to a committee of the U.S. Senate, as part of a presentation showing how foreign-made textiles can undersell American goods in American stores.

The testimony also showed that in May 1962, when U.S. textile production personnel were receiving an average of $1.69 per hour, Japanese plants employing more than 30 production workers were paying an average of 19 cents per hour.

Belgium, an important producer of textile products, including carpets, paid its textile people an average of only 54 cents per hour in October 1961. This is less than a third of the average American rate at that time. France, in April 1962, paid only 57 cents on the average, while Italy's average in April 1962 was 40 cents. West Germany, which has had a miraculous economic recovery since the end of World War II, had an average textile wage of 68 cents per hour in May of last year, while the United Kingdom (Great Britain) paid its woolen and worsted workers 69 cents an hour in October 1962.

All of the foreign wage rates were converted from local currencies at the official exchange rates. Information for the report to the Senate committee came from the U.S. Department of Labor.

Everybody has recognized that something must be done and I am beginning to get a lot of letters urging me to support H.R. 6196. Frankly, I would prefer the complete abolition of the two-price cotton system, but lacking that, however, I intend to support H.R. 6196.

But the point is, let us do something now.

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

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

Mr. WHITENER. I commend my neighbor and colleague, the gentleman from South Carolina [Mr. HEMPHILL], on his very splendid statement on this technical problem, and say to him that I know that his diligence in this matter is bearing fruit. I hope that the message he has brought will fall on receptive ears on the Congress.

Mr. HEMPHILL. I thank the gentleman for his inspiring support of my efforts. I will try to cooperate with him in his efforts. Our districts are predominantly textile and our economies are predominantly textile. Our hope for a progressive and healthy economy in the future lies in our success in solving some of these problems, including the two-price cotton system.

Again I thank the gentleman.

THE MICA-PRODUCING INDUSTRY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Carolina [Mr. WHITENER] is recognized for 60 minutes.

Mr. WHITENER. Mr. Speaker, the Government program of purchasing mica for the national defense stockpile terminated in July of 1962. The value of the production of mica in 1962 was $1,200,000. Following the termination of the stockpiling program, production became negligible throughout the mica-producing areas in the Nation.

Of the mica-producing areas in the country North Carolina supplied 65 percent of the mineral. The remaining 35 percent of mica came from New Hampshire and seven other States. At the time thousands of North Carolinians were engaged in the production of this critical mineral.

Two counties in my congressional district were particularly hard hit by the termination of the mica stockpiling program. The Counties of Avery and Mitchell, N.C., located in the heart of the North Carolina producing area, suffered a great loss of job opportunities. The counties have been classified as a depressed labor area, and efforts are being made by the Federal Government through various programs to rehabilitate their economies.

In order to relieve the critical economic situation existing in the mica industry of North Carolina and in other mica-producing areas in the Nation, I introduced legislation in the 87th Congress to set up a Government mica purchase and auction program. No action was taken on my bill in the 87th Congress. I reintroduced the measure in the 88th Congress.

The Interior and Insular Affairs Committee, to which the bill was referred for action, requested reports on the measure from the Department of the Interior and the General Services Administration. On June 4, 1963, the Department of the Interior rendered an adverse report on my bill, and on June 6, 1963, the General Services Administration also made an adverse report.

I regret very much the action that these two agencies have taken on my bill. The reasons advanced by both agencies for rendering adverse reports on the legislation were practically the same. It was contended that there is no longer a need to purchase mica for defense or mobilization purposes and that our inventories of mica presently exceed the current maximum stockpile.

The General Services Administration was fearful that additional purchases of mica which could not be sold would add to the excesses of the mineral. The Department of the Interior advised the Interior and Insular Affairs Committee that my bill would place the Government in the position of a mineral broker and in competition with private industry.

In view of the position taken by the Department of the Interior and the General Services Administration on my bill to provide some relief for our domestic mica industry I was astounded, Mr. Speaker, to learn recently that the U.S. Department of Agriculture, under the barter and stockpiling provisions of the CCC Charter Act and Public Law 480 of the 83d Congress, intended to furnish Brazil with about 200,000 tons of CCC-owned wheat in exchange for Brazilian metallurgical grade manganese ore, ferro manganese produced in the United States from manganese ore from Brazil, and muscovite block mica and beryl ore also from Brazil.

Mr. Speaker, I find it difficult to understand how we can barter for approximately 240,000 pounds of muscovite block mica from Brazil at a time when the Department of the Interior and the General Services Administration state that we have no further need for mica and during a period when our domestic mica mines are fighting a battle for survival.

The Minerals and Metals Commodity Data Summaries, publication of the Bureau of Mines for February 1963 advises that we now have 124.5 percent of our maximum muscovite block mica stockpiling objective.

During 1962 the total value of U.S. production of mica was only $1,200,000. The average import price of mica has ranged from $1.50 to $25 per pound. At a price of $5 per pound, and its value could conceivably be more, the 240,000 pounds of mica which will be brought into the United States under the barter agreement will have a value of $1,200,000.

It will be seen, therefore, that the barter arrangement will bring into this country from Brazil mica with a value equivalent to the value of the total mica produced in the United States during 1962.

Mr. Speaker, I find it impossible to understand how we can import a supply of mica from Brazil equal to a year's domestic production of the mineral at a time when two Federal agencies state that there is no further need for mica in the national stockpile. I believe that this case is a graphic example of what happens when Federal agencies go off in different directions on an identical problem. The Department of the Interior and the General Services Admini-

stration say that there is no need to pass legislation to provide additional mica for American industry and our stockpile program. On the other hand, the Department of Agriculture is announcing a program to bring in 240,000 pounds of the material from Brazil.

It is little wonder that our domestic mica miner is confused and disheartened over the action of his Government. He has seen his job disappear through a termination of the national mica stockpiling program. In the barter arrangement for the purchase of 240,000 pounds of Brazilian mica he sees no hope of any relief in the immediate future.

Mr. Speaker, the Department of Agriculture, the Department of the Interior, the General Services Administration, and other agencies of our Government concerned with the preservation of American industry and the jobs of our people should make a thorough investigation and reexamination of the decision announced by the Department of Agriculture on May 29, 1963, to enter into the barter arrangement with Brazil for the acquisition of additional mica. Until such time as our mica miners are given employment I suggest that our Government curtail its barter activities for Brazilian mica.

THE SUGAR SITUATION

The SPEAKER pro tempore (Mr. LIBONATI). Under previous order of the House, the gentleman from Iowa [Mr. HOEVEN] is recognized for 15 minutes.

Mr. HOEVEN. Mr. Speaker, one of the basic purposes of the Sugar Act of 1948 is to protect the interest of U.S. consumers of sugar and sugar-containing products. Unfortunately, this very basic purpose of the act has not been met in 1963.

Why?

That is a question that many housewives are asking when they buy a 10 pound bag of sugar at the grocery store for $1.69 after recalling that a year ago the same 10 pound bag of sugar cost only $1.10.

It is a question that soft drink manufacturers, candy makers, and other industrial users are asking when they find they must pay 13.9 cents a pound for refined sugar (New York) after recalling that a year ago the same sugar cost only 9.4 cents a pound.

It is a question that U.S. sugar growers are asking when they realize that they are not receiving benefits from this sharp increase in price.

It is a question that the entire sugar industry is asking.

And finally, it is a question which Congress through three separate committee investigations, is trying to answer. Furthermore, whereas the administration alleges we have a plentiful supply of sugar, I would like to know where it is—making such statements is not enough.

As a member of the Committee on Agriculture which holds the sole constitutional and legislative authority to initiate sugar legislation, I feel that our Committee should delve into this question thoroughly to find not only the answer to why this rapid price advance occurred, but also to make an attempt to correct it.

Anyone who has experienced even the slightest acquaintance with the sugar program cannot help from being immensely impressed with the complexity and depth of this vast program. To those of us from nonsugar areas who serve on the Committee on Agriculture, the program must be judged by its general effect on the Nation, our consumers, and our overall domestic agriculture policy.

It is therefore in this context that I would like to discuss the events that have occurred in 1963 leading up to the present situation in the sugar market.

As a basic fact, we must realize that increased prices in 1963 have already cost U.S. consumers some $100 million in price increases since the 1962 amendments took effect last fall and that it will cost these same consumers about $570 million more this year than they were paying last January, if sugar maintains its current price level.

What then are the factors that have caused this situation to come about, and what can be done to correct it?

As I have stated, in any program as complex and broad as that governing sugar, there are bound to be a multitude of factors which cause any set of circumstances to be in existence. The current sugar price, for example, has been influenced in varying degrees by such factors as: The 1962 change in the sugar law, crop failures in Europe, market speculation, hoarding, the failure of Communist agriculture in Cuba, actions of foreign nations in delivering sugar to the United States in a timely fashion, failure to support expanded domestic production of sugar since the advent of Fidel Castro in Cuba, and the playing of "sugar politics" in the U.S. Department of Agriculture.

Whatever weight each of these factors may deserve, I would like to address the balance of my remarks to the 1962 amendments.

Prior to the 1962 amendments, foreign sugar was obtained on a country quota basis. That is, each nation which held a quota was allowed to sell its allocated amount of sugar in the United States at the U.S. price, regardless of the world price of sugar—which ordinarily is much lower.

These foreign quotas were determined in this manner:

After the Secretary determined overall requirements, each domestic and foreign producing area supplying the United States with sugar was assigned a quota representing its share of the market as specified by the act.

Under amendments enacted in July 1960 and March 1961, President Eisenhower and Kennedy cut off the quota for Cuba in the national interest. The quantities thus provided for under the proclamations of the President were called allocations and authorizations of nonquota purchase sugar to distinguish them from the quotas established under the longstanding provisions of the act.

Under the quota provisions, the domestic sugar-producing areas were assigned a base of 4,444,000 short tons, raw value, plus 55 percent of requirements in excess of 8,350,000 tons. Specific quantities of the domestic share of the increment between 8,350,000 tons and 8,691,818 tons were allocated to individual domestic areas. The domestic share of requirements in excess of 8,691,818 tons was prorated among domestic areas on the basis of their quotas at that level.

The quota for the Republic of the Philippines was fixed at 952,000 tons of sugar—980,000 tons, raw value. Quotas for Cuba and "other foreign countries"—the latter are sometimes called full-duty countries to distinguish them from Cuba and the Philippines—varied each year, the exact amount depending on the tonnage set by the Secretary's sugar requirements determination.

Most of the quotas for the domestic offshore and foreign supply areas could be filled only with raw sugar, which is defined as sugar which is to be further refined or improved in quality on the mainland. Other sugar is called direct-consumption sugar, and included primarily white refined and other types of sugar familiar in home consumption.

Last summer the House of Representatives passed an extension and revision of the Sugar Act continuing this system of country quotas. The Senate, however, passed a different version, which was advocated by the Kennedy administration, calling for the abolition of country quotas and the substitution of a global purchase system.

Under the global purchase concept the U.S. sugar industry would rely entirely on the world price of sugar for its supply. The theory last summer was that since the U.S. price was higher than the world price, the U.S. Government would benefit from a recapture of the quota premium—that is, the difference between the U.S. and world prices—rather than the producers of sugar in nations holding sugar quotas.

In the House-Senate conference on the sugar bill, the administration's view prevailed and commencing in 1963 we began to depend on the world price for a significant portion of our sugar supply. Even before the ink was dry on this bill, the Congress in the "honeybee rider" bill had to change the law to meet pressing diplomatic problems.

As the Communist system continued to paralyze Cuban agriculture, that nation's sugar crop fell to nearly one-half of its pre-Castro production. That in turn had a substantial effect on the world price for sugar—which is fundamentally a residual price.

Since U.S. consumers are now dependent on the world price, the price of sugar in the United States began to advance until it reached 40-year highs in 1963.

At this point, I think it is worthwhile to recall that one of the chief advantages of the "country quota" system of obtaining foreign sugar was that the Sugar Act required these foreign nations to meet their U.S. commitments regardless of the world price. If they failed to do so, they would lose their quota. In other words, they had to stay with us in "thin" as well as in "thick" times. That advantage is lost under the "global purchase" system. The United States must

bid in the limited world market for every pound of global purchase sugar.

Mr. Speaker, it is my hope that the administration will see the error of its ways in embracing the "global purchase" concept and recommend a return to the system which has operated in the past.

Under the country quota system U.S. consumers were fully protected and sugar for many years enjoyed stable and modest prices. This was true even during times of national emergency such as World War II, the Korean war, and the Suez crisis when the world price for sugar was in excess of the U.S. price. Today we again face a situation where world prices are in excess of U.S. prices, but consumers no longer enjoy the price stability of the "country quota" system.

The claimed advantages of the "global purchase" system have failed to materialize and U.S. consumers are now paying a half billion dollars for that policy mistake.

Finally, let me say that in my opinion, many Members of Congress supported the 1962 changes in the sugar law as the result of a series of public incidents involving the action of various sugar lobbyists. In this regard, I would point out that the global purchase system has merely transferred the situs of their activity from the public halls of Congress to the private corridors of the executive branch of the Government.

As we approach the next legislative action on the sugar program, it seems to me to be appropriate to add an amendment to the Sugar Act prohibiting sugar lobbyists from receiving contingent fees for their services. This type of an amendment would in no way prevent the payment of full and adequate wages for actual work performed, but it would remove the temptation for trying to use undue influence in an attempt to shape the size of various country quotas. At the same time it would place the committees of Congress charged with the responsibility for this important legislation in a stronger position to legislate fairly, impartially, and intelligently on sugar.

LET FREEDOM RING

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 5 minutes.

Mr. HALPERN. Mr. Speaker, I rise to commend the House Judiciary Committee for favorably reporting Senate Concurrent Resolution 25 calling for the observance of the anniversary of the signing of the Declaration of Independence each year by ringing of bells throughout the United States. I wish also at this time to commend the junior Senator from Connecticut [Mr. RIBICOFF] for initiating this idea into congressional action.

As one of the sponsors of this resolution in the House, my bill being House Concurrent Resolution 185, I am delighted the committee acted in time for House action so that it is still possible for the resolution's implementation by July 4. I trust that the House will take prompt action and vote its overwhelming approval so that we can hear the bells next Thursday.

Under the provisions of Senate Concurrent Resolution 25, Mr. Speaker, bells in Government buildings, church bells, and carrillon bells in colleges and universities and other bells in buildings throughout the Nation would ring on Independence Day at 2 p.m. e.d.t. for 4 minutes to memorialize the exact time of the momentous event of freedom's victory 187 years ago. Radio stations would broadcast the sounding bells followed by the reading from the Declaration of Independence.

"Let Freedom Ring" should be emphasized as the theme of this bellringing and should effectively serve as a reminder that the Liberty Bell first boomed out the news of America's birth. By adopting the resolution both Houses of this Congress are helping to revive the oldtime spirit of America. Unfortunately, Independence Day has lost some of its significance as a fitting and solemn reminder that freedom was fought for and won by the brave men and women who were determined not to live under tyranny.

Mr. Speaker, I believe this ceremony of commemorative bellringing nationwide would be an audible reminder to Americans everywhere that today we face a fight to preserve freedom just as the courageous revolutionists faced a battle to win it.

Today, we hear much of freedoms and rights. Perhaps the tumultuous ringing of the Nation's bells, on the anniversary of our emergence as a force for freedom, will remind all of us that we must preserve, protect, and extend these rights to all our citizens.

NATIONAL EDUCATION ASSOCIATION VERSUS THE SCHOOL BOARDS

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

Mr. ASHBROOK. Mr. Speaker, for over a year now the National Education Association—NEA—that powerfully persuasive teachers' lobby for Federal aid—has been quietly preparing an all-out war against the Nation's school boards, last bulwarks of traditional American local self-government. The NEA is proposing that, by State statute and/or school board rule, the local boards share their decisionmaking authority on all matters including curriculum, with the NEA's local affiliates—or else.

This is not to be a war of words only, Mr. Speaker. The NEA is planning the use of labor union tactics, including adaptations of collective bargaining, the strike and political action to reach its goals.

I have here on my desk the documentary evidence to prove these allegations and I feel the Members of Congress should have the opportunity to study this evidence before considering additional Federal aid to the public schools.

First of all, Mr. Speaker, I should point out that the National Education Association spokesmen do not admit that they are advocating the use of labor union tactics. On the contrary, they say they want—

First. Recognition of their professional autonomy and professional status. They want no part of the craft status of the AFL-CIO, nor of the private employer-employee relationship, nor do they want even to be school board employees. They want teacher-association representatives to be recognized as coequals with school board members in running the public schools.

Second. They want the right of what they call professional negotiation—in effect professional collective bargaining.

Third. They want the right of what they call professional sanctions—in effect, in ultimate form, a teachers' strike.

Fourth. They want to drastically change and formalize the relationship of teachers associations, school administrators, and school boards, by State statute if possible, otherwise by school board ruling. They want professional negotiations written into law and/or administrative regulations.

Fifth. However, they want teachers to remain outside the restrictions of Federal or State labor law.

PROFESSIONAL NEGOTIATIONS AND PROFESSIONAL SANCTIONS

Now, Mr. Speaker, neither professional negotiations nor professional sanctions are altogether new. A number of local school boards have negotiated informally with representatives of their local teachers associations for years. Also, the NEA, in 1947, invoked sanctions in Ohio by declaring that the school system under sanction by its affiliate the Ohio Education Association "to be one where no professional person would want to seek employment." Subsequently, State education associations imposed one form or another of sanctions in Kelso, Wash.; Paulson, Mont.; West Haven, Conn.; Little Lake, Calif.; and now in the State of Utah.

More significant than any of these sporadic incidents is the present NEA policy, implemented by a vast educational drive, to obtain nationwide acceptance of professional negotiations and the right to apply sanctions.

At its 100th annual convention in Denver, Colo., July 1962, the NEA overwhelmingly approved resolutions on professional negotiations and professional sanctions, making them official NEA policy. The resolutions which may be found on page 64 in the NEA Handbook, 1962–63, follow:

RESOLUTION 18—PROFESSIONAL NEGOTIATION

The teaching profession has the ultimate aim of providing the best possible education for all the people. It is a professional calling and a public trust. Boards of education have the same aim and share this trust.

The National Education Association calls upon boards of education in all school districts to recognize their identity of interest with the teaching profession.

The National Education Association insists on the right of professional associations, through democratically selected representatives using professional channels, to participate with boards of education in the determination of policies of common concern, including salary and other conditions of professional service.

Recognizing both the legal authority of boards of education and the educational competencies of the teaching profession, the two groups should view the consideration of matters of mutual concern as a joint responsibility.

The seeking of consensus and mutual agreement on a professional basis should preclude the arbitrary exercise of unilateral authority by boards of education and the use of the strike by teachers.

The association believes that procedures should be established which provide an orderly method for professional education associations and boards of education to reach mutually satisfactory agreements. These procedures should include provisions for appeal through designated educational channels when agreement cannot be reached.

Under no circumstances should the resolution of differences between professional associations and boards of education be sought through channels set up for handling industrial disputes. The teacher's situation is completely unlike that of an industrial employee. A board of education is not a private employer, and a teacher is not a private employee. Both are public servants. Both are committed to serve the common, indivisible interest of all persons and groups in the community in the best possible education for their children. Teachers and boards of education can perform their indispensible functions only if they act in terms of their identity of purpose in carrying out this commitment. Industrial disputes conciliation machinery, which assumes a conflict of interest and a diversity of purpose between persons and groups, is not appropriate to professional negotiations in public education.

The National Education Association calls upon its members and upon boards of education to seek State legislation and local board action which clearly and firmly establishes these rights for the teaching profession.

RESOLUTION 19—PROFESSIONAL SANCTIONS

The National Education Association believes that, as a means for preventing unethical or arbitrary policies or practices that have a deleterious effect on the welfare of the schools, professional sanctions should be invoked. These sanctions would provide for appropriate disciplinary action by the organized profession.

The National Education Association calls upon its affiliated State associations to cooperate in developing guidelines which would define, organize, and definitely specify procedural steps for invoking sanctions by the teaching profession.

SEMANTICS OF NEA STRATEGY

Since these resolutions are a little vague, and lest there be any misunderstanding on the score of NEA goals—what they are driving at through professional negotiations and professional sanctions—let me read from the NEA pamphlet, "Classroom Teachers Speak on Professional Negotiations," report of the Classroom Teachers National Study Conference on Professional Negotiations, November 23–24, 1962:

Professional education associations have the right to participate with boards of education in decision making.

Procedures to effect this right must be through educational channels and not labor channels (p. 5).

Professional negotiation rights cannot unilaterally be resolved into being. As leaders in the profession of teaching, we have to establish these rights.

Machinery for professional negotiations is necessary because unilateral decision falls short of the stimulative power of involvement (p. 5).

Professional negotiation * * * would include negotiations regarding personnel policies, working conditions, fringe or nonwage benefits, salaries, employment standards, inservice education of personnel, class size, teacher turnover, communications within the school system, curriculum planning, and teaching methods (p. 6).

Please note that the NEA frankly states they want teacher associations to be in on curriculum planning and teaching methods; and this is control of education by whatever name.

NEA spokesmen make a big hoop-dee-doo about the alleged difference between professional negotiations and collective bargaining. I submit, Mr. Speaker, that the principal difference between the two, is indeed more than one of semantics. Professional negotiations would go beyond collective bargaining and infringe the school board's prerogative of the administration and direction of education. Professional negotiations would even go beyond teacher association sharing of this control—because if the teacher associations should not get the curriculum they, in their opinion, believe the children should have, the NEA proposes sanctions, including the withholding of services.

Under the heading "Reflections" in the NEA pamphlet on professional negotiations we find this remarkable observation:

Those who make peaceful resolutions impossible, make violent revolutions inevitable (p. 10).

Now to shed more light on what the NEA really means by sanctions, let me read from a paper presented by the NEA assistant executive secretary for professional development and welfare at the Classroom Teachers National Study Conference on Professional Negotiations at NEA headquarters, November 23–24, 1962:

Although this conference is not intended to deal in detail with professional sanctions and their use, it is necessary to consider these to get proper perspective regarding professional negotiations.

The commonly applied sanctions against a school district are public censure and the withholding of service of members of the profession, where conditions are such as to defeat the possibility of high-quality service to children.

In either case, such sanctions would only be invoked after a careful, fair investigation reveals intolerable conditions. Previous experiences indicate that censure, based upon exposure of the offending conditions in a district, generally result in public reaction demanding remedial action. As an ultimate resort, there is the withholding of services. There are several steps or degrees in the invoking of such a sanction.

The first is the relatively simple one of withdrawal of placement services, that of the appropriate State education associations and such other agencies as can be persuaded to cooperate. A second step is to advise members of the State association, or NEA, or both, who are employed elsewhere or who are beginning teachers, not to apply for or accept employment in the offending school district until and unless the ban is lifted. The third step is to request both members employed in the offending district and elsewhere not to accept employment there in the ensuing year.

The fourth and final phase, the ultimate one, is for the association to declare it a violation of professional ethics for any of its members to remain in the employment of or to accept the proffer of employment in the school district, until the ban is lifted.

What about the charge that this weapon is as bad or worse than the strike? If the charge were worded to mean "as effective or more effective," I think I would not quibble over that.

I submit that the principal difference between sanctions in ultimate form and a strike is one of semantics. The effect on the children is the same.

GUIDELINES FOR ACTION

Further, I have here two so-called developmental documents, approved as working papers by the NEA board of directors and slated to be revised and finally approved at the NEA convention in Detroit, June 30–July 6, 1963, "Guidelines for Professional Negotiation," dated March 1963, and "Guidelines for Professional Sanctions," dated June 1963. The latter, according to a statement printed on its cover "is intended only for the consideration of officials of the NEA and affiliated organizations, and is not for general release or publication since it is subject to alteration, additions, or deletions before it is finally approved."

GUIDELINES ON PROFESSIONAL NEGOTIATIONS

PROFESSIONAL NEGOTIATION

A set of procedures to provide an orderly method for teachers associations and school boards through professional channels to negotiate on matters of common concern, to reach mutually satisfactory agreement on these matters, and to establish educational channels for mediation and appeal in the event of impasse.

Professional negotiation procedures should have six basic provisions:

1. That the board of education recognize teaching as a profession and the local professional organization as the representatives of its members.

2. That education association representatives use professional channels to discuss matters of common concern.

3. That education association representatives and the board of education meet and exchange views.

4. That each, in good faith, listen to the views of the other and take the other's views into consideration in coming to a decision, and that both negotiate problems on which they do not at first agree.

5. That a procedure be set up to deal with an impasse.

6. That before adoption of policy, final decisions be jointly determined by the association representatives and the school board, with, when necessary, the assistance of other educational agencies.

SUBJECTS OF PROFESSIONAL NEGOTIATION

The matters of joint concern to a local professional organization and a local school board are included in the broad aim to achieve better schools and a better education for every child. This includes, but is not limited to, setting standards in employing professional personnel, community support for the school system, inservice training of personnel, class size, teacher turnover, personnel policies, salary, working conditions, and communication within the school system. All or any one of these may be the subject of professional negotiation.

DIFFERENCES BETWEEN PROFESSIONAL NEGOTIATION AND COLLECTIVE BARGAINING

Is there a difference between professional negotiation and collective bargaining?

The answer is "yes." There are several differences between professional negotiation procedures devised specifically for public education and private collective bargaining

procedures adapted to public education. Here are five basic ones:

1. Removal from labor laws and precedent: Procedures for professional negotiation will remove teachers and school boards from the operation of labor laws; the adaptation of collective bargaining procedures from private industry will not.

Hundreds of State and Federal labor laws, court decisions, and labor-board rulings have grown up around collective bargaining. Whether these labor laws and precedents are good or bad is not debated here. The issue is that since these precedents were designed to apply to private employment, it is unwise for teachers and school boards to become embroiled in all of the past decisions and labor laws which were established without reference to the public schools and their problems. The purpose of any law is important; public-school employment was not a part of the purpose of labor laws designed for private employment.

2. Inclusion of all members of the profession: Professional negotiation includes all members of the professional staff. Under collective bargaining "supervisors" are excluded from the protection of the laws. Because some members of the profession, such as supervising teachers and administrators, are "supervisors," they could, if the teaching profession were placed under labor laws, be unprotected and might be excluded from the bargaining group.

On the other hand, under professional negotiation procedures, all professionals employed by the board could decide who is to be included in the group. This decision might vary from community to community depending upon past experience. In communities in which all-inclusive professional associations have for years been working successfully with school boards, the primary change necessary would be to formalize the procedures they have used. In other communities, experience may have shown that negotiations are more successful if carried on by an association of classroom teachers. If the professional personnel decide to continue in this manner, they could do so under professional negotiation—but voluntarily. Later, if the professional employees thought their aims might be accomplished better by an all-inclusive group, under professional negotiation procedures they could make the appropriate change. Also, professional negotiation procedures would permit the formation of joint committees, for example, of a classroom teachers association and a principals association for negotiation purposes.

3. Using professional channels: Professional negotiation includes the use of the regular administrative channels at appropriate stages in the negotiation process. Collective bargaining bypasses these channels.

Under professional negotiation, for example, association representatives and administrative staff may meet to discuss proposals and come to preliminary agreement, where possible, before meetings with the board of education. This procedure could also include meetings with school-board committees, as well as administrative staff, to do some of the time-consuming work involved in the details of complicated proposals. Collective bargaining procedures either bypass these channels completely, or relegate the school administrator to the single role of an "agent of management" and the man to "bargain" with.

4. Preventing fragmentation of the profession: Procedures for professional negotiation will prevent fragmentation of the profession. Under professional negotiation machinery, it is recommended that the classroom teachers employed by the board never be divided according to grade level or subject taught. This is extremely important. A troublesome problem in private employment is a dispute over the composition of the bargaining unit. If collective bargaining is adapted to the teaching profession, it is reasonable to believe that this will continue to be a problem.

Here are recent examples:

A State labor conciliator took jurisdiction of a dispute over what was a proper bargaining unit for teachers. The teachers union contended that the proper unit was limited to high school classroom teachers.

A teachers' union contended in one community that the bargaining unit consists of vocational high school classroom teachers only.

Thus, not only has the attempt been made to split the teaching profession between classroom teachers and school administrators, but also to divide the classroom teachers themselves. Conceivably, should this line of reasoning be followed, the kindergarten teachers could establish themselves as a separate bargaining unit, and so could the junior high school teachers, the senior high school teachers, and perhaps even the English teachers.

5. Using educational channels of mediation and appeal: Procedures for professional negotiation will establish educational channels for mediation and appeal from an impasse. Such procedures are an extremely important part of professional negotiation. Mediation and appeals procedures under professional negotiation would be established through educational channels. Under collective bargaining procedures, appeals would be taken through existing labor channels, with extensive legal precedent from industrial employment which would be imposed upon the teaching profession.

If teachers wish to establish formal mediation and appeals procedures, the wiser course would allow the profession to decide on the procedures, involve the profession and boards of education in the precedents which will affect the future of public education, and assure the public, along with the profession and the school boards, that the procedures and precedents affecting the schools will be oriented to education and not to labor. These recommendations do not evaluate labor channels for labor problems, but they do mean that precedents for private disputes between labor and management do not logically apply to public education (pp. 7, 8, and 9).

* * * * *

TEN PRINCIPLES OF NEGOTIATION

1. Proceed carefully at all times. First attempt to agree on principle; then discuss specific proposals for change and their implications.

If the issue is salary, the committee first discusses the broad general purposes of education and education associations and the common concern of the board and the professional staff to provide for quality education for all children. The committee then discusses salary theory as related to the educational objectives of the school system. Following this, discussion centers on the specific money proposals.

2. Show that all parties have a mutuality of interest—not necessarily an identity of interest.

Local associations, school administrators, and boards of education are interested in maintaining good schools and improving them when possible. However, they may have different pressures put on them.

3. Demonstrate sincerity of purpose. This is as important as skill and knowledge. Attitudes speak louder than actions.

It should be evident that the association's proposals are presented in the best interests of the school system and community even though it may at first appear to some that the proposals are founded on self-interest only.

4. Know and admit the impact of your requests.

The association's representatives should be aware of the costs of proposals, and the effect of them on the educational system. Reports of the research committee supply them with background.

5. Always remember that it is easier to persuade a man to make up his own mind than it is to change it for him.

Approach the negotiations in the spirit of seeking agreement through persuasion rather than in a hostile spirit.

6. Remember that you are trying to win an agreement, not an argument. Satisfactory accommodation of the proposals of the local association in consideration of the interests of the community and good schools is the desirable end and principal criterion of negotiations. Assuming a position of expected hostility and argumentation wastes time and diverts positive energies.

7. Remember that agreement pressures agreement—if you can agree on one item, it will have a salutary effect on the settlement of other issues. Do not insist on positive answers to all points in your presentations at one time. It is better to proceed from point to point, hoping for agreement on each one to accelerate agreement on ensuing requests.

8. Never confuse opposition with hostility. Teachers must be ready to prove themselves as negotiators, as they must be ready to prove themselves to their own students. For example, opposition to salary requests is often based on considerations over which board members feel they have little or no control, rather than hostility to increases under any conditions.

9. Negotiate in good faith—your intellect will tell you when you're negotiating and your conscience will tell you when you are showing good faith. An association must present its case with an assumption there is good faith on the part of the board.

10. Remember that the ability to separate fact from opinion is the mark of a clear mind and reflects intellectual honesty. It may be the opinion of the teachers association that the current local teacher turnover rate of 10 percent is too high, but it may be a fact that the teacher turnover rate of 10 percent in that community is no more than the average for the Nation and may even be lower than the community's average has been in recent years.

TEN RULES FOR NEGOTIATIONS

1. Don't lose your temper—you'll lose your point.

2. Never maneuver anyone into a position from which he cannot retire with grace.

3. Don't imply superior knowledge or power.

4. Stay with your point—pursue your objective, and don't deviate.

5. When there is clear and unimpeded agreement on an item, accept it. Your action will demonstrate good faith, honesty, and sincerity.

6. Don't quibble—say what you mean and mean what you say.

7. Admit it when you're wrong—even on a minor matter.

8. Acknowledge with grace the significance of the other's comment or statement of fact.

9. Don't dwell on the legality or the propriety of your approach—dwell on the logic of your approach to the appropriate authority.

10. Avoid setting up impediments to further negotiations tomorrow (pp. 15–17).

Mr. Speaker, more illuminating is the 14-page "Guidelines for Professional Sanctions" which is "intended only for the consideration of officials of the NEA and affiliated organizations," just as if we do not count as mere taxpayers and parents. On page 3 a very interesting quote indicates the doubletalk which is involved here. Under the heading

"Guidelines for Professional Sanctions" we see the following:

I. DEFINITION OF SANCTIONS

Sanctions are a means to impel an object toward moral action. In education it is moral that a community should support its schools; that school boards will discharge their functions with integrity and impartiality; that administrators will use the procedures essential for the democratic administration of good schools; that teachers will make every reasonable effort to provide the best possible learning experiences for students. Against those who are immoral by this standard, teacher organizations may impose sanctions.

Let me repeat that last sentence, Mr. Speaker. After setting up the framework of what is right and wrong and implying that they are to judge what meets and what does not meet these tests, it is arbitrarily alleged:

Against those who are immoral by this standard, teacher organizations may impose sanctions.

Now a little more about this sanctions business. This report gives some fine insight into this matter. Note the following direct quotes:

IV. SANCTIONS APPLIED BY LOCAL EDUCATION ASSOCIATIONS

A. Sanctions may (could) be applied against individual members guilty of unethical or unprofessional conduct through private or public censure, or through suspension or expulsion from membership in the local association.

B. Censure may be applied against (of) public agencies responsible for permitting development or continuation of conditions detrimental to education (could be taken by). Public notification of censure may be made through (such actions as) distribution of printed statements, use of radio and television, purchase of newspaper advertising space, and public meetings.

C. Contracts may (might) be withheld during negotiation of salaries and other conditions of employment. "Intent to return" notices should be used, particularly where a tenure status is involved.

D. Whenever any form of sanctions is invoked by a local association, notice of such action and the reasons therefor should be sent to the State association and to the National Education Association. Under usual procedures the related State association should be consulted before sanctions are applied, and its cooperation and advice sought.

V. SANCTIONS INVOKED BY STATE ASSOCIATIONS

A. Against a member—private or public censure; suspension or expulsion from membership; recommendation for removal of certificate or license to teach; notification to placement agencies and to school districts of action taken and reasons therefor. This action would usually be taken in cooperation with the local association.

B. Against an affiliated association—private or public censure; suspension or disaffiliation.

C. Against a school district school board or other public agency responsible for the welfare of the schools—

1. Censure through articles in State association magazines, special study reports, newspapers or other mass media of communication announcements or advertising;

2. Notification to the State department of education, and other State agencies, public or private, responsible for or dedicated to the welfare of education;

3. Notification to State and National accrediting agencies of professionally unsatisfactory conditions in a school district;

4. Withholding of placement services, when the State association maintains a placement office; notice to public and private placement agencies of unsatisfactory conditions in a school district and request to observe professional disapproval.

5. Notification to members of association of unacceptable conditions for employment in such district and the (and) professional significance of accepting or refusing employment in a school district against which sanctions have been invoked;

6. Notification to the National Education Association, and other national organizations concerned, of the invoking of sanctions and the reasons therefor;

7. Seeking State department of education or legal action to compel improvement of conditions threatening the welfare of the schools or members of the education profession (pp. 5 and 6).

* * * * *

VII. APPLICATION OF SANCTIONS BY THE NEA AGAINST A SCHOOL DISTRICT OR OTHER NONPROFESSIONAL AGENCY

A. Following a formal request from a State or local affiliated association or from a member of the NEA, an investigation or field study will be made by an appropriate NEA agency, usually the commission on professional rights and responsibilities, before sanctions are applied.

B. When in the course of an investigation an official investigating committee finds conditions to be so clearly unsatisfactory (reports) that application of sanctions by the NEA appears likely, notice of such likelihood may be sent by the NEA executive secretary or his deputy to the principal parties affected by the application of sanctions. The usual procedure would not include any notice to the press or other publicity from the national office.

C. Types of sanctions applied against a school district or a community and their official bodies may (would) include:

1. Censure through public notice including release of investigation report; articles in National and State journals; reports through various mass media of communication.

2. Notification to State departments of education of findings concerning unsatisfactory conditions.

3. Notification to certification and placement services of unsatisfactory conditions of employment for educators.

4. Warning to members that acceptance of employment as a new teacher in the school district would be considered as unethical conduct and could lead to discharge from and future refusal of membership in the national professional association.

5. Advice to members presently employed that, if their private arrangements permit, they should seek employment elsewhere.

D. When the application of sanctions has been approved by the NEA executive committee, the following steps will be taken:

1. A statement will be authorized to include (1) the name or names of the districts, schools, agencies, and persons against whom the action is taken, (2) the cause or causes of the action, and (3) conditions or actions that would be conducive to action lifting the sanctions by the executive committee of the National Education Association.

2. The authorized statement, with a covering note, will be sent by the NEA executive secretary or his deputy to the members of the school board, the superintendent of schools, the president of the local teachers association, the mayor or city manager of the community, the chief State school officer, the president and executive secretary of the State education association, the newspapers of the community, the national wire services, the public and private placement services for educators and such other individuals and agencies as may appear to be appropriate in the particular case.

3. Sanctions will be lifted on recommendation of the investigating committee that originally recommended their application by the Commission on Professional Rights and Responsibilities * * * and action will occur only when there is clear evidence that conditions have materially improved and there is assurance of a continuance of conditions that promote an effective program of education. In some instances the evidence of improvement may be so clear that it will not be necessary to have the recommendation of the investigating committee. When professional sanctions are removed, notice will be sent to the same persons and agenices as were addressed when sanctions were applied.

E. Every reasonable effort should be made to secure a representative public meeting in the community at which the application of sanctions will be announced, the reasons for their application, their significance and the actions or conditions necessary for the removal of the sanctions (pp. 10–12).

Mr. Speaker, it is perhaps of more than passing interest that the NEA Commission on Professional Rights and Responsibilities which prepared the "Guidelines for Professional Sanctions" was called before June 1961 the national commission for the defense of democracy through education. Of this commission, the council for basic education wrote in its October 1960 bulletin, under the caption "Big Brother Is Watching You":

The NEA Defense Commission has some strange ways of "defending and advancing democracy through education," which is its declared purpose. In the NEA Handbook for 1960–61, the commission makes this announcement:

"A major step forward during 1959–60 was the initiation of a 4-year project in which the commission's extensive files on the critics of education will be reorganized and reclassified. An additional staff member has been secured to prepare fact sheets on all the major critics of education."

While the defense commission is engaged in this shabby gathering of dossiers of anybody who disagrees with it, the parent body, the NEA, goes on record as welcoming "constructive criticism of education * * * and recognizes that growth and development of American schools and colleges throughout their history have come in response to honest criticism and community thinking."

Let not thy left hand, etc. (p. 4).

THE NEA CHICKEN OR THE UTAH EGG?

Mr. Speaker, there are many who believe that the NEA distribution of these guidelines was triggered in the main by two developments—the AFL-CIO American Federation of Teachers strike in New York and the Utah Education Association notice in March of this year that the schools will not open in the fall unless the NEA demands are met.

Considering the facts that the NEA passed its resolutions making professional negotiations and professional sanctions official NEA policy nearly a full year ago and considering the detail and complexity of these guidelines which must have been "in the works" for many months, the questions arise: Did NEA inspire the Utah Education Association sanctions? Which came first, the NEA chicken or the Utah egg?

It may be the purest coincidence, but John C. Evans, Jr., executive secretary of the Utah Education Association, was formerly a member of NEA board of directors as State director for Utah and is

currently a member of the NEA executive committee.

NEA VERSUS AMERICAN FEDERATION OF TEACHERS

To be fair to the NEA—and I want to be scrupulously fair—the American Federation of Teachers, an affiliate of the AFL-CIO, is breathing hot on the NEA's neck. The AFT pulled a dramatic 1-day teachers' strike in New York and won impressive gains. The AFT with its roughly 80,000 members seemed to be doing more for teachers than the NEA with its 859,000 members lobbying for and failing to get Federal aid for teachers' salaries. NEA's T. M. Stinnett, assistant executive secretary for professional development and welfare, puts it this way:

The inroads of labor legislation already in four States which, in effect, place teachers and school boards within the confines of labor techniques, in matters having to do with salaries and other welfare considerations, presumably against their will, simply force the teaching profession to seek professional approaches through law. The obvious interest to extend this labor legislation to other States, leaves no choice except to get there first with the most and best procedures, or find that it is too late.

Undoubtedly, Mr. Stinnett and other NEA officials are sincere in their determination to keep the AFT from organizing teachers into unions subject to labor law. However, in effect, to copy and refine union methods and call them by other names, does not change the nature of those methods nor the NEA purposes for which they are being employed.

In this connection, Mr. Raymond Moley, whom I am sure needs no introduction here, writing in the New York Herald Tribune, June 22, 1963, says:

IS THE NEA A UNION?

(By Raymond Moley)

Considerable note has appeared in the press across the Nation about the controversy in Utah between the public schoolteachers and Gov. George D. Clyde and the State legislature. Early this year the Utah Education Association, a unit of the National Education Association, asked for an increase of $24.7 million in State spending for the public schools. The legislature granted $11.6 million. Thereupon, the UEA threatened that at the opening of schools this fall teacher members would not return to their posts.

In this case, and in others across the Nation in earlier cases, the teachers' associations are careful not to use the word "strike" for such a refusal to work. They use "sactions," which is a United Nations word meaning pressure or coercion. There is essentially no difference between a strike and sanction. In the former, teachers quit work. In the latter, they do not begin to work when schools open.

There are probably two reasons why the word "sanction" is used. One is that the NEA does not want to come under the jurisdiction of the labor laws. The other is to maintain its status as a professional association and that of its members as professional men and women.

For a long period of its life of more than 100 years the NEA was essentially a professional organization. It published information helpful in the work of a classroom teacher. It worked for the improvement of the teaching art. Its annual conventions and meetings of State and local units offered lectures, inspirational and informative. Its efforts were to improve the quality of teachers and teaching.

But in recent years it has consolidated itself into a very powerful pressure group working in Washington and in States for legislation favorable to schools and teaching. It is now essentially as much a political organization as is the AFL-CIO. And since the war, its concentration has been on Federal aid for school construction and teachers' salaries.

This effort to get Federal money for the schools, to be distributed by the U.S. Office of Education, is the ostensible purpose of the NEA. But it has become more and more clear that its real objective is to take more and more control of education away from school boards and official school administrators. Its hope is that, by exploiting its close contact with the U.S. Office of Education, it will in fact determine matters such as working conditions, class size, curriculum planning, teaching methods and philosophy.

In short, it regards education as too important a matter to be left to the direction of lay school boards and legislatures. It is dedicated to the idea of government by an elite of professional educator-politicians.

Within the NEA's operating group and bureaucracy, plans are going ahead rapidly. Two documents which are called "developmental" and "tentative" and which show the nature of such plans have come to the attention of this writer. One is called "Guidelines for Professional Negotiations"; the other, "Guidelines for Professional Sanctions." These are carefully labeled "intended only for consideration of officials of the N.E.A. and affiliated organizations." They are "how-to-do-it" directives, as clever and detailed as the AFL-CIO's Committee on Political Education literature instructing its members how to win elections in practical politics. These are presumably scheduled for action at the July convention of the NEA.

One reason for the energetic actions of the NEA is its fear that unless it gets deeply into collective bargaining and coercive action, its membership will drift into the AFL-CIO American Federation of Teachers.

Utah will be a big test in this new conflict. For that State is politically conservative, with strong feelings about local control of its schools. The two leading institutions of higher learning, the University of Utah and Brigham Young University, are opposed to the sanctions, as are the school administrators and the State government. Nationally, this is a power struggle between local boards and professional associations. Money is only incidental to the controversy. It is a matter of management and control of the public schools.

PROPONENTS AND OPPONENTS

Mr. Speaker, in the State of Utah, although the Governor, the State legislature, the school boards, and the Brigham Young University—which represents the elders of the Mormon Church—are opposing the Utah Education Association declaration that teachers will stay away from the schools this fall unless they get what they want, the NEA has received some encouragement from local groups. For example, the University of Utah chapter of the American Association of University Professors has OK'd the NEA.

Nationally, the most concerned of the opposing organizations is, of course, the National School Boards Association which at its annual convention in May of this year adopted a resolution reaffirming NSBA's existing policies on teacher-board relations and spelled it out:

The NSBA is opposed to sanctions, boycotts, strikes, or mandated mediation against school districts and does not consider them to be proper remedies for use in problem situations. The authority of the board of education is established by law and this authority may not be delegated to others.

The American Association of School Administrators, the third most directly concerned group in the coming struggle for power, upholds the decisionmaking authority of the Nation's school boards and offers an alternative plan to avoid any arbitrary action. In a brochure entitled "Roles, Responsibilities, Relationships of the School Board, Superintendent, and Staff" the American Association of School Administrators asserts:

We believe that the right to discuss pros and cons and to participate in developing a program does not imply the right to make decisions. Although consensus should always be patiently sought and will often prevail between staff and school board, the board must retain its responsibility and legal right to make decisions (p. 13).

We believe that there is an intrinsic value in local decisionmaking which is worth preserving to the maximum extent consistent with the obligations of citizenship in the State and Nation (p. 13).

We believe that in those exceedingly rare situations where the professional staff believes that the school board or some other legal fiscal control body has denied reasonable requests for conferences, for study, and for presentation of welfare proposals, or has demonstrated flagrant unwillingness to provide reasonable salary contracts or other welfare provisions, the professional staff has the right to present all the facts to the public and to their professional associates in other school districts. On the other hand, where the staff obstinately holds to an unreasonable position which disrupts or seriously impairs the operation of the schools, the school board has comparable rights and obligations.

We believe that both the board and the professional staff—teachers, principals, and other administrators—should, at a time that is free from tension and controversy, develop together a plan to be used in case of persistent disagreement. In those few, highly unusual instances where major controversy threatens to disrupt the schools, an appeal to an unbiased body should be available to either the board or the teachers, or both. The function of this third party should be limited to fact finding and to advisory assistance. Its identity might vary from State to State, but it should always be an agency which has responsibility for some segment of public education in the State. Included among such organizations might be a State board of education, a State department of education, a State university, or a State public college. It should be made clear that such a study would be conducted without disruption of the schools. A report should be made to both the board of education and the staff. Alternatives to such an appeal procedure which have been tried include: strikes, demagogic appeals, threats, withheld services, and sanctions or threatened sanctions by teachers; withholding of contracts, blacklisting, failure of promotion, and other punitive action by school boards; and yielding to undue influence of vested interests on the part of both school boards and teachers.

We believe that such arbitrary action by either staff or school board is not likely to lead to lasting and satisfying resolution of disagreements.

IN CONCLUSION

Responsibility for the orderly and fruitful conduct of public education is shared by the local district and the State. Therefore, a fair and reasonable plan of appeal,

which is acceptable to school board and staff and is consistent with policies for the settlement of disagreements in other educational matters, should be worked out in each State and district (pp. 14 and 15).

WORLDWIDE SANCTIONS

Mr. Speaker, already the NEA is carrying out a form of sanction against the Federal Government as represented by the U.S. Department of Defense which operates the oversea dependents schools. Listen to this letter, dated February 1, 1963, marked "Urgent advisory," addressed to all State and local NEA affiliates and signed, William G. Carr, executive secretary, NEA:

NATIONAL EDUCATION ASSOCIATION,
Washington, D.C., February 1, 1963.
(Urgent advisory.)

To affiliated associations:

This letter is to inform teachers who are considering teaching positions for the 1963–64 school year in the oversea dependents schools operated by the Department of Defense about the serious problems that exist in these schools. We are taking this step in the interests of the teaching profession in general and of the oversea dependents schools in particular.

A comprehensive survey of these schools was conducted in the fall of 1962 by the Department of Defense, after repeated requests by us. While the report had some compliments for the system, in general it criticized the schools severely. The report indicated that the schools attended by the children of military families are, in relative terms, in the horse-and-buggy era, while the Military Establishment is geared to an age of space exploration. The survey found shortages of supplies and current textbooks, lack of needed specialist personnel, principals bogged down in paperwork, an excessive teacher turnover rate, little provision for handicapped or superior children, inadequate and unsafe school facilities in many locations, unsuitable housing for teachers at some posts, and unprofessional salaries for teachers.

The survey report recommended that the administration of the schools be unified, that the educational program be substantially strengthened, that school facilities be improved, and that teachers be paid professional salaries. The survey report emphasized that increased funds are a basic prerequisite to most of the improvements proposed.

Teachers in the oversea dependents schools have not had a salary schedule increase since September 1960. At that time, their starting salaries were fixed in large U.S. school systems in September 1959. This was in line with a law passed in 1959 by the Congress, Public Law 86–91, Defense Department Overseas Teachers Pay and Personnel Practices Act. The directive issued by the U.S. Department of Defense which established the September 1960 salary rates recognized this mandate in providing for an annual review and adjustment of the schedule. This directive, the "Salary Determination Procedures," has not been followed because funds have not been provided.

If the salary directive had been fully implemented, the starting salaries of oversea teachers would be at least 9.6 percent higher in 1962–63 than they are. As a group, oversea teachers have lost more than $4 million in the past 3 years by the failure of the Department of Defense to pay the salaries rightfully due them. During the period that teachers' salaries have stood still, other civilian Federal employees have had two pay raises averaging 13 percent.

The annual teacher resignation rate overseas is over three times the national average.

Yet, on January 17, 1963, the Department of Defense asked Congress for a modest increase of less than 2 percent in the funding of its oversea schools for 1963–64. This request, even if authorized by the Congress, will be insufficient to bring about the justified pay increases for teachers and the educational improvements long recommended by the Overseas Education Association, the National Education Association, and the recent survey.

At this time, after consultation with representatives of the Overseas Education Association, it has been jointly determined that because of the repeated refusal of the Department of Defense to make any serious effort for a period of 3 years to remedy the problems described, the NEA has an obligation to advise its members of these facts. Please notify all educators of these problems inasmuch as recruitment interviews for oversea positions are now well underway.

Teachers who have already signed agreements should keep their commitments.

You will be notified again when appropriate action is taken on the educational improvements recommended by the school survey.

For additional information concerning the educational and salary problems of the oversea dependents schools and their teachers, ask your Congressman for a copy of the oversea school survey.

Sincerely,

WILLIAM G. CARR,
Executive Secretary.

FEDERAL CONTROL OR PROFESSIONAL CONTROL OF EDUCATION

In conclusion, Mr. Speaker, I want to return to the reasons why every Member of Congress has an enormous stake, in the name of his or her constituents, in what the NEA does or is able to do to put across their present plan of action.

As I see it, if the NEA convention approves these guidelines on professional negotiations and sanctions, while NEA lobbyists will continue to pressure Congress for Federal aid, NEA's State and local affiliates backed by the NEA will threaten State and local officials with ultimate strike unless they give in to their demands to share decisionmaking and/or cry "Uncle"—that is, cry for aid from Uncle Sam. This amounts to a pincer movement on the part of the NEA. It means eventual professional, if not Federal, control of education and in any case the end of local, lay control of the State and local school systems.

The last Commissioner of Education, Sterling McMurrin, speaking at the annual meeting of the Council for Basic Education warned of the dangers of this very eventuality. Dr. McMurrin said:

But, while we guard against Federal control, we should not lose sight of the possibility of national control—control of education by the bureaucracies of large and powerful educational organizations. These bureaucracies are just as real, and exhibit all the vices of a government bureaucracy. Their control of the schools is not beyond possibility * * * and there is no reason for believing that such control would be any more desirable than Federal control.

I might add, Mr. Speaker, that considering the degree of Federal control we already have and the interchange of personnel between the Office of Education and the NEA, what we are more likely to get is both Federal and professional control of education with the school boards reduced to rubberstamp administrators. Long before we arrive at this point, however, we here in Congress will have to face the question: Will professional sanctions be tolerated against a federally aided local school system? We should start our deliberation on this subject and the others mentioned here without delay.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. WATSON (at the request of Mr. ASHMORE), for Tuesday, June 25, 1963, on account of official business.

Mr. BROOKS for June 26, 1963, on account of death in family.

Mr. TALCOTT (at the request of Mr. HALLECK), for June 25, on account of official committee business.

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. EDMONDSON, for 30 minutes, on Thursday, June 27.

Mr WHITENER, for 60 minutes, tomorrow, June 26.

Mr. HOEVEN (at the request of Mr. SCHADEBERG), today, for 15 minutes; and to revise and extend his remarks.

Mr. HALPERN (at the request of Mr. SCHADEBERG), today, for 5 minutes; and to revise and extend his remarks.

Mr. ASHBROOK (at the request of Mr. SCHADEBERG), today, for 30 minutes; and to revise and extend his remarks.

Mr. MARSH (at the request of Mr. ALBERT), for 60 minutes, on July 16, to revise and extend his remarks; and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. RHODES of Pennsylvania.

Mr. LAIRD and to include extraneous matter tables and charts during general debate on the defense appropriation bill and the continuing resolution on appropriations.

(The following Members (at the request of Mr. SCHADEBERG) and to include extraneous matter:)

Mr. CONTE.

Mr. FINO.

(The following Member (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. FLOOD.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 254. An act to provide for the acquisition of certain property in square 758 in the District of Columbia, as an addition to the grounds of the U.S. Supreme Court Building; to the Committee on Public Works.

S. 622. An act to improve and encourage collective bargaining between the management of the Alaskan Railroad and representatives of its employees, and to permit

to the extent practicable the adoption by the Alaskan Railroad of the personnel policies and practices of the railroad industry; to the Committee on Post Office and Civil Service.

S. 626. An act to increase the limitation on payments for construction engineering for Federal-aid primary, secondary, and urban projects; to the Committee on Public Works.

S. 1032. An act to exclude cargo which is lumber from certain tariff filing requirements under the Shipping Act, 1916; to the Committee on Merchant Marine and Fisheries.

S. 1139. An act to repeal a portion of the Second Supplemental National Defense Appropriation Act, 1943, approved October 26, 1942 (56 Stat. 990, 999), as amended, and for other purposes; to the Committee on Public Works.

S. 1416. An act to amend section 104(b)(5) of title 23, United States Code, to provide for the submission of certain cost estimates for the completion of the National System of Interstate and Defense Highways and for other purposes; to the Committee on Public Works.

S. 1523. An act to make certain changes in the functions of the Beach Erosion Board and the Board of Engineers for Rivers and Harbors, and for other purposes; to the Committee on Public Works.

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. 5860. An act to amend section 407 of the Packers and Stockyards Act of 1921, as amended; and

H.R. 6755. An act to provide a one-year extension of the existing corporate normal-tax rate and of certain excise-tax rates.

ADJOURNMENT

Mr. WHITENER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 21 minutes p.m.) the House adjourned until tomorrow, Wednesday, June 26, 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:

967. A letter from the Secretary of State, transmitting the 10th report of the Department of State on its activities under the Federal Property and Administrative Services Act of 1949 (Public Law 81-152, as amended), for the calendar year 1962, pursuant to Public Law 81-152; to the Committee on Government Operations.

968. A letter from the Chairman, Federal Power Commission, transmitting a draft of a proposed bill entitled "A bill to amend the Federal Power Act with respect to foreign commerce in electric energy"; to the Committee on Interstate and Foreign Commerce.

969. A letter from the Chairman, U.S. Atomic Energy Commission, transmitting a draft of a proposed bill entitled "A bill to amend various sections of the Atomic Energy Act of 1954, as amended, and the Euratom Cooperation Act of 1958, as amended, and for other purposes"; to the Joint Committee on Atomic Energy.

970. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of a proposed bill entitled "A bill to simplify, modernize, and consolidate the laws relating to the employment of civilians in more than one position and the laws concerning the civilian employment of retired members of the uniformed services, and for other purposes"; to the Committee on Post Office and Civil Service.

971. A letter from the Secretary of the Treasury, transmitting a report on the activities of the National Advisory Council on international monetary and financial problems during the period January 1 to June 30, 1962, pursuant to the Bretton Woods Agreements Act (H. Doc. No. 130); to the Committee on Banking and Currency and ordered to be printed.

972. A letter from the Comptroller General of the United States, transmitting a report on the Government's loss of capability to competitively procure replacement spare parts for military gas turbine engines developed under contracts with United Aircraft Corp., East Hartford, Conn.; to the Committee on Government Operations.

973. A letter from the Director, the American Legion, transmitting the financial statement of the American Legion up to and including the period ending December 31, 1962, pursuant to Public Law 47, 66th Congress; to the Committee on Veterans' Affairs.

974. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report to the Committee on Science and Astronautics of the House of Representatives pursuant to section 1(c)(ii) of the National Aeronautics and Space Administration Authorization Act for the fiscal year 1963 (76 Stat. 382); to the Committee on Science and Astronautics.

975. A letter from the Deputy Administrator, National Aeronautics and Space Administration, transmitting a report to the House of Representatives pursuant to title 10 United States Code section 2304(e), listing certain required information with respect to contracts made by the National Aeronautics and Space Administration under title 10, United States Code, section 2304(a)(11) and (16); to the Committee on Science and Astronautics.

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. CANNON: Committee on Appropriations. House Joint Resolution 508. Joint resolution making continuing appropriations for the fiscal year 1964, and for other purposes; without amendment (Rept. No. 448). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURLESON: Committee on House Administration. House Resolution 418. Resolution authorizing the transfer of funds from "Miscellaneous Items, 1961," to "Miscellaneous Items 1963," contingent fund of the House of Representatives; without amendment (Rept. No. 449). Ordered to be printed.

Mr. BARING: Committee on Interior and Insular Affairs. H.R. 6218. A bill to amend the act of June 29, 1960, to authorize additional extensions of time for final proof by certain entrymen under the desert land laws and to make such additional extensions available to the successors in interest of such entrymen; without amendment (Rept. No. 452). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARING: Committee on Interior and Insular Affairs. H.R. 6689. A bill to extend the principles of equitable adjudication to sales under the Alaska Public Sale Act; without amendment (Rept. No. 453). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOWDY: Committee on the Judiciary. H.R. 394. A bill to amend sections 1, 17a, 57j, 64a(5), 67(b), 67c, and 70c of the Bankruptcy Act and for other purposes; with amendment (Rept. No. 454). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOWDY: Committee on the Judiciary. Senate Concurrent Resolution 25. Concurrent resolution favoring observance on July 4 of each year, by the ringing of bells throughout the United States, of the anniversary of the signing of the Declaration of Independence; without amendment (Rept. No. 455). Referred to the House Calendar.

Mr. DAWSON: Committee on Government Operations. Eighth report on survey of selected activities (Rept. No. 456). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. Ninth report on survey of selected activities (Rept. No. 457). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Education and Labor. H.R. 7161. A bill to amend Public Law 87-276, so as to extend its provisions for 3 additional years, to expand the program under that act to provide for the training of teachers of all exceptional children, and for other purposes; without amendment (Rept. No. 458). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 3297. A bill to amend section 501(c)(14) of the Internal Revenue Code of 1954 to exempt from income taxation certain nonprofit corporations and associations organized to provide reserve funds for domestic building and loan associations, and for other purposes; without amendment (Rept. No. 459). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASHMORE: Committee on the Judiciary. H.R. 6910. A bill to provide for the settlement of claims against the United States by members of the uniformed services and civilian officers and employees of the United States for damage to, or loss of, personal property incident to their service, and for other purposes; with amendment (Rept. No. 460). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHRIVER: Committee on the Judiciary. H.R. 5728. A bill for the relief of the county of Cuyahoga, Ohio; with amendment (Rept. No. 470). Referred to the Committee of the Whole House on the State of the Union.

Mr. FRIEDEL: Committee on House Administration. H.R. 4946. A bill to amend the Legislative Branch Appropriation Act, 1959, to provide for reimbursement of transportation expenses for Members of the House of Representatives; without amendment (Rept. No. 471). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE 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. BARING: Committee on Interior and Insular Affairs. H.R. 2942. A bill to direct the Secretary of the Interior to adjudicate a claim to certain land in Marengo County, Ala.; without amendment (Rept. No. 540). Referred to the Committee on the Whole House.

Mr. BARING: Committee on Interior and Insular Affairs. H.R. 5076. A bill relating to the exchange of certain lands between the

town of Powell, Wyo., and the Presbyterian Retirement Facilities Corp.; with amendment (Rept. No. 450). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 1179. A bill for the relief of Basilio King, his wife, and their children; without amendment (Rept. No. 461). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 1398. A bill for the relief of Margaret Barker; without amendment (Rept. No. 462). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 1499. A bill for the relief of John (Ivica) Beg Farkas and Ann (Anka) Beg Farkas; with amendment (Rept. No. 463). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 1731. A bill for the relief of Eva Baker; with amendment (Rept. No. 464). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 2450. A bill for the relief of Lucia Carta Gallitto; with amendment (Rept. No. 465). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 5094. A bill for the relief of Geoffrey Howard Smith; without amendment (Rept. No. 466). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 6308. A bill for the relief of Gerard Puillet; without amendment (Rept. No. 467). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 5507. A bill for the relief of Michal Goleniewski; without amendment (Rept. No. 468). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 6567. A bill for the relief of Anthony Harry Giazikis; without amendment (Rept. No. 469). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EDMONDSON:

H.R. 7234. A bill to establish water resources research centers at land-grant colleges and State universities, to stimulate water research at other colleges, universities, and centers of competence, and to promote a more adequate national program of water research; to the Committee on Interior and Insular Affairs.

By Mr. CELLER:

H.R. 7235. A bill to amend sections 671 and 672 of title 28, United States Code, relating to the Clerk and the Marshal of the Supreme Court; to the Committee on the Judiciary.

By Mr. CURTIS:

H.R. 7236. A bill to amend the Immigration and Nationality Act to permit the waiver of the 2-year foreign residence requirement in the case of certain exchange visitors who cannot return to the country of their origin because of fear of persecution on account of political beliefs; to the Committee on the Judiciary.

By Mr. GILL:

H.R. 7237. A bill to assist States and their political subdivisions in desegregating their public schools; to the Committee on Education and Labor.

By Mr. HALPERN:

H.R. 7238. A bill to amend the Small Business Investment Act of 1958; to the Committee on Banking and Currency.

By Mr. JOHNSON of California:

H.R. 7239. A bill to establish water resources research centers at land-grant colleges and State universities, to stimulate water research at other colleges, universities, and centers of competence, and to promote a more adequate national program of water research; to the Committee on Interior and Insular Affairs.

By Mr. LATTA:

H.R. 7240. A bill to amend the Agricultural Adjustment Act of 1938 to exempt certain public institutions from the obligation to pay penalty marketing penalties with respect to certain wheat produced by them for their own use; to the Committee on Agriculture.

By Mr. McINTIRE:

H.R. 7241. A bill to amend the Antidumping Act, 1921; to the Committee on Ways and Means.

By Mr. MORRISON:

H.R. 7242. A bill to increase to 15 percent the night duty differential of postal field service employees; to the Committee on Post Office and Civil Service.

H.R. 7243. A bill to correct an inequity with respect to overtime compensation for postal field service employees; to the Committee on Post Office and Civil Service.

H.R. 7244. A bill to equalize compensation for overtime; to the Committee on Post Office and Civil Service.

By Mr. POWELL:

H.R. 7245. A bill to assist States and their political subdivisions in desegregating their public schools; to the Committee on Education and Labor.

By Mr. RIVERS of Alaska:

H.R. 7246. A bill to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes; to the Committee on the Judiciary.

By Mr. ROBERTS of Alabama:

H.R. 7247. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to consolidate in a separate section provisions assuring the safety and effectiveness of new animal drugs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SIKES:

H.R. 7248. A bill to change the designated use of certain real property conveyed by the Department of the Air Force to the city of Fort Walton Beach, Fla., under the terms of Public Law 86-194; to the Committee on Armed Services.

By Mr. WHITENER:

H.R. 7249. A bill to authorize the prosecution of a transit development program for the National Capital region; to the Committee on the District of Columbia.

By Mr. HULL:

H.R. 7250. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to consolidate in a separate section provisions assuring the safety and effectiveness of new animal drugs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. NELSEN:

H.R. 7251. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to consolidate in a separate section provisions assuring the safety and effectiveness of new animal drugs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ASHMORE:

H.R. 7252. A bill to provide for the inscription in the courtroom in the U.S. Supreme Court Building of the phrase "In God We Trust"; to the Committee on Public Works.

By Mr. BARRY:

H.R. 7253. A bill to amend titles 10, 14, and 38, United States Code, with respect to the award of certain medals and the Medal of Honor Roll; to the Committee on Armed Services.

By Mr. CLEVELAND:

H.R. 7254. A bill to authorize the Secretary of the Interior to establish programs for research, development, and sales to insure the increased use of mica and mica products; to the Committee on Interior and Insular Affairs.

By Mr. DANIELS:

H.R. 7255. A bill to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.R. 7256. A bill to protect postal patrons from obscene mail matter and Communist propaganda; to the Committee on Post Office and Civil Service.

By Mr. FULTON of Tennessee:

H.R. 7257. A bill to amend section 218 of the Social Security Act; to the Committee on Ways and Means.

By Mr. GRAY:

H.R. 7258. A bill to establish water resources research centers at land-grant colleges and State universities, to stimulate water research at other colleges, universities, and centers of competence, and to promote a more adequate national program of water research; to the Committee on Interior and Insular Affairs.

By Mr. GREEN of Pennsylvania:

H.R. 7259. A bill to amend the Internal Revenue Codes of 1939 and 1954 with respect to the apportionment of the depletion allowance between parties to contracts for the extraction of minerals or the severance of timber; to the Committee on Ways and Means.

H.R. 7260. A bill to amend the Antidumping Act, 1921; to the Committee on Ways and Means.

By Mr. JOHNSON of Wisconsin:

H.R. 7261. A bill to amend the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and to encourage adjustments in milk marketing, and for other purposes; to the Committee on Agriculture.

By Mr. KING of California:

H.R. 7262. A bill to provide assistance to States for experimental projects to provide constructive work experience and training related to securing and holding employment; to the Committee on Ways and Means.

By Mr. MOORE:

H.R. 7263. A bill to amend section 5 of the Federal Alcohol Administration Act to provide for a definition of the term "age" as used in the labeling and advertising of whisky, and for other purposes; to the Committee on Ways and Means.

By Mrs. REID of Illinois:

H.R. 7264. A bill to amend the National Cultural Center Act to extend for an additional 3 years the period during which construction funds must be received and to increase the number of general trustees; to the Committee on Public Works.

By Mr. ROBERTS of Alabama:

H.R. 7265. A bill to prevent the use of stopwatches, work measurement programs, or other performance standards operations as measuring devices in the postal service; to the Committee on Post Office and Civil Service.

By Mr. SHELLEY:

H.R. 7266. A bill to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in education, to establish a Community Relations Service, to extend for 4 years the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes; to the Committee on the Judiciary.

By Mr. ULLMAN:

H.R. 7267. A bill to amend the Internal Revenue Code of 1954 to authorize partial refunds of gasoline taxes directly to aerial applicators with respect to gasoline used by them in providing services to farmers in farming operations; to the Committee on Ways and Means.

By Mr. CANNON:

H.J. Res. 508. Joint resolution making continuing appropriations for the fiscal year 1964, and for other purposes; to the Committee on Appropriations.

By Mr. BAKER:

H.J. Res. 509. Joint resolution proposing an amendment to the Constitution of the United States permitting the right to read from the Holy Bible and to offer nonsectarian prayers in the public schools or other public places if participation therein is not compulsory; to the Committee on the Judiciary.

By Mr. DEVINE:

H.J. Res. 510. Joint resolution expressing the determination of the United States with respect to the situation in Cuba and the Western Hemisphere; to the Committee on Foreign Affairs.

By Mr. HARRISON:

H.J. Res. 511. Joint resolution proposing an amendment to the Constitution of the United States permitting the right to read from the Holy Bible and to offer nonsectarian prayers in the public schools or other public places if participation therein is not compulsory; to the Committee on the Judiciary.

By Mr. CHENOWETH:

H.J. Res. 512. Joint resolution proposing an amendment to the Constitution of the United States permitting the offering of prayers and the reading of the Bible in public schools in the United States; to the Committee on the Judiciary.

By Mr. PURCELL:

H.J. Res. 513. Joint resolution authorizing the President to proclaim the week beginning July 28, 1963, as Veterinary Medicine Week; to the Committee on the Judiciary.

By Mr. MOORE:

H.J. Res. 514. Joint resolution proposing an amendment to the Constitution of the United States permitting nonsectarian prayer in public schools or other public places if participation therein is not compulsory; to the Committee on the Judiciary.

By Mr. SHORT:

H.J. Res. 515. Joint resolution proposing an amendment to the Constitution of the United States with respect to certain nonsectarian religious observances; to the Committee on the Judiciary.

By Mr. CAREY:

H. Con. Res. 187. Concurrent resolution favoring observance on July 4 of each year by the ringing of bells throughout the United States of the anniversary of the signing of the Declaration of Independence; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. ALGER: Memorial of the Texas State Legislature proposing the calling of a constitutional convention for the purpose of drafting amendments to the Constitution dealing with apportionment and the electoral vote; to the Committee on the Judiciary.

By Mr. PRICE: House Joint Resolution No. 46 of the 73d General Assembly of the State of Illinois, favoring the repeal of the 10 percent Federal retail excise tax on ladies' handbags, toiletries, cosmetics, fur-trimmed cloth coats and men's wallets; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States relative to declaring that the State of Wisconsin shall participate in the inauguration of a new national bell-ringing observance of American Independence on July 4, 1963; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CAMERON:

H.R. 7268. A bill for the relief of Mrs. Ingrid Gudrun Schroder Brown; to the Committee on the Judiciary.

By Mr. CURTIS:

H.R. 7269. A bill for the relief of Leo Hsueh; to the Committee on the Judiciary.

By Mr. CLEVELAND:

H.R.7270. A bill for the relief of Charles F. Leahy; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 7271. A bill for the relief of Antonia Romano; to the Committee on the Judiciary.

By Mr. GILL:

H.R. 7272. A bill for the relief of certain individuals employed by the Department of the Air Force at Hickam Air Force Base, Hawaii; to the Committee on the Judiciary.

By Mr. GRANT:

H.R. 7273. A bill for the relief of Wu Chien Chung; to the Committee on the Judiciary.

By Mr. KIRWAN:

H.R. 7274. A bill for the relief of Sister Mary Benigna (Maria Penta); to the Committee on the Judiciary.

By Mr. SHELLEY:

H.R. 7275. A bill for the relief of Svetoslav Viducic; to the Committee on the Judiciary.

H.R. 7276. A bill for the relief of Herbert F. Kenyon; to the Committee on the Judiciary.

By Mr. TOLL:

H.R. 7277. A bill for the relief of Elaine Ganderson Michaelson; 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:

167. By Mrs. ST. GEORGE: Petition of the Delaware County Pomona Grange No. 18 opposing increase in social security tax and medical care under social security; to the Committee on Ways and Means.

168. By the SPEAKER: Petition of Ursin Perkins, chairman, Board of Supervisors of the County of San Luis Obispo, San Luis Obispo, Calif., petitioning consideration of their resolution relative to urging adoption of Senate bill 1275, relating to Federal-State conflict over water rights; to the Committee on Interior and Insular Affairs.

169. Also, petition of Floyd A. Hicks, clerk of the Board of Supervisors of the County of Tehama, Red Bluff, Calif., petitioning consideration of their resolution relative to urging adoption of Senate bill 1275, relating to the Federal-State conflict over water rights; to the Committee on Interior and Insular Affairs.

170. Also, petition of Barbara Hargraves, deputy clerk, Board of Supervisors of the County of Placer, Calif., petitioning consideration of their resolution relative to urging adoption of Senate bill 1275, relating to Federal-State conflict over water rights; to the Committee on Interior and Insular Affairs.

SENATE

TUESDAY, JUNE 25, 1963

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

Rev. Wilson Canafax, pastor, First Methodist Church, Hamilton, Tex., offered the following prayer:

Almighty God, our Father, we make no apology as we implore Thy divine guidance. We are humbled in gratitude that we have the privilege of working with Thee in the continuing process of creation. We thank Thee that we can use our best abilities, sound reason, firm conviction, and true faith for the benefit of all mankind. We are grateful for a sensitive attitude that compels us to be concerned about the plight and the needs of people everywhere.

We are sincere in our efforts to understand Thy will in order to be of the greatest benefit to those we seek to serve. We are grateful for this day and the strength given to live and to labor in it. We make our prayer humbly in Thy name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 24, 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 passed the following bills, in which it requested the concurrence of the Senate:

H.R. 4277. An act to authorize an increase in the borrowing authority for the general fund of the District of Columbia;

H.R. 5795. An act to provide a 3-year suspension of certain restrictions in the Supplemental Appropriation Act, 1951, on the withdrawal from the Treasury of postal appropriations;

H.R. 6016. An act authorizing additional appropriations for prosecution of projects in certain river basin plans for flood control, navigation, and for other purposes; and

H.R. 6177. An act to amend section 2(a) of article VI of the District of Columbia Revenue Act of 1947 relating to the annual payment to the District of Columbia by the United States.

HOUSE BILLS REFERRED

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

H.R. 4277. An act to authorize an increase in the borrowing authority for the general fund of the District of Columbia; and

H.R. 6177. An act to amend section 2(a) of article VI of the District of Columbia