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

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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

Revenue Act of 1947 relating to the annual payment to the District of Columbia by the United States; to the Committee on 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; to the Committee on Post Office and Civil Service.

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; to the Committee on Public Works.

LIMITATION OF STATEMENTS DURING MORNING HOUR

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

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Air and Water Pollution Subcommittee of the Public Works Committee; the Permanent Subcommittee on Investigations, of the Committee on Government Operations; and the Subcommittee on Constitutional Amendments, of the Committee on the Judiciary, were authorized to meet during the session of the Senate today.

On request of Mr. HUMPHREY, and by unanimous consent, the Subcommittee on Education of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

OBJECTION TO COMMITTEE MEETINGS DURING SENATE SESSIONS

Mr. MANSFIELD. Mr. President, I should like to clear up, if possible, a misconception, which has appeared in the press, relative to a letter addressed to me on yesterday by the distinguished Senator from South Carolina [Mr. THURMOND]. In the letter the Senator from South Carolina indicated that he would be opposed to giving consent for the Commerce Committee to meet during the sessions of the Senate, but, as I understand, only during the time when the public-accommodations civil-rights measure is being considered by that committee.

It is my further understanding that a meeting of the Commerce Committee on that subject will not be held until next Monday. If that is correct, it means that the Senator from South Carolina has indicated to me that he would not enter objection, at least for this week, to the giving of consent for the committee to meet during the sessions of the Senate—provided, of course, such meetings meet with the approval of the minority leader and any other Senators on the floor.

Mr. DIRKSEN. In other words, while the Senate is in session?

Mr. MANSFIELD. Yes.

Mr. DIRKSEN. Mr. President, I believe I would have to reserve the right to object, in order to have opportunity for a little further study. I presume I should talk about this matter with my associates, before I could agree not to enter an objection, if the Senate were in session and if there were a matter which at the time demanded the attention of the Members of the Senate.

So I shall be glad to advise the distinguished majority leader later in the afternoon.

Mr. MANSFIELD. Mr. President, I merely wish to set the record straight as regards the interpretations placed in the press of the country on the letter written by the Senator from South Carolina [Mr. THURMOND] to me. I endeavored to indicate, I say to my distinguished friend, the minority leader, that he—or any other Senator, for that matter—could object to a request for permission for the committee to meet at any time during a session of the Senate. I merely wish the record to show clearly that there is no such request at the moment. Of course, any such request would have to be cleared first with the distinguished minority leader, before it was submitted on the floor.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON RESEARCH AND DEVELOPMENT ON NATURAL RESOURCES

A communication from the President of the United States, transmitting, pursuant to law, a report of the Federal Council for Science and Technology, on research and development on natural resources, dated May 1963 (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT ON MODIFICATION AT ATLANTIC MISSILE RANGE

A letter from the Deputy Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the modification of Launch Complex No. 36 at the Atlantic Missile Range; to the Committee on Aeronautical and Space Sciences.

AMENDMENT OF FEDERAL POWER ACT WITH RESPECT TO FOREIGN COMMERCE IN ELECTRIC ENERGY

A letter from the Chairman, Federal Power Commission, Washington, D.C., transmitting a draft of proposed legislation to amend the Federal Power Act with respect to foreign commerce in electric energy (with an accompanying paper); to the Committee on Commerce.

REPORT OF THE AMERICAN LEGION

A letter from the director, the American Legion, Washington, D.C., transmitting, pursuant to law, a report of that organization, as of December 31, 1962 (with an accompanying report); to the Committee on Finance.

REPORT OF NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report of the National Advisory Council on International Monetary and Financial Problems, for the 6-month period ended June 30, 1962 (with an accompanying report); to the Committee on Foreign Relations.

REPORT ON ACTIVITIES UNDER FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

A letter from the Secretary of State, transmitting, pursuant to law, a report on activities under the Federal Property and Administrative Services Act of 1949, for the calendar year 1962 (with an accompanying report); to the Committee on Government operations.

REPORT ON UNNECESSARY COSTS INCURRED BY DEPARTMENT OF THE NAVY IN PROCUREMENT OF RPM COMPARATORS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the unnecessary costs incurred by the Department of the Navy in the procurement of RPM comparators, dated June 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON GOVERNMENT'S LOSS OF CAPABILITY TO COMPETITIVELY PROCURE REPLACEMENT SPARE PARTS FOR CERTAIN MILITARY GAS TURBINE ENGINES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, 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., dated June, 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON ANTHRACITE MINE WATER CONTROL AND MINE SEALING AND FILLING PROGRAM

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on anthracite mine water control and mine sealing and filling program, for the period 1955–62 (with an accompanying report); to the Committee on Interior and Insular Affairs.

DUAL COMPENSATION ACT OF 1963

A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation 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 (with accompanying papers); to the Committee on Post Office and Civil Service.

REPORT OF FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

A letter from the Chairman, Franklin Delano Roosevelt Memorial Commission, Washington, D.C., transmitting pursuant to law, the seventh interim report of that Commission (with an accompanying report); to the Committee on Rules and Administration.

AMENDMENT OF ATOMIC ENERGY ACT OF 1954

A letter from the Chairman, U.S. Atomic Energy Commission, Washington, D.C., transmitting a draft of proposed legislation 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 (with accompanying papers); to the Joint Committee on Atomic Energy.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Illinois; to the Committee on Finance:

"HOUSE JOINT RESOLUTION 46

"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.

"CHARLES F. CARPENTIER,
"Secretary of State.

"Adopted by the house, May 28, 1963.

"JOHN W. LEWIS, Jr.,
"Speaker, House of Representatives.

"Concurred in by the senate, June 11, 1963.

"SAMUEL H. SHAPIRO,
"President of the Senate."

A resolution of the Legislature of the State of Florida; to the Committee on Finance:

"SENATE MEMORIAL 274

"Memorial to the Congress of the United States to amend the social security law so as to provide an offset for social security disability benefits with respect to claimants who are at the same time eligible for workmen's compensation disability benefits

"Whereas since the amendment by the Congress of the Federal Social Security Act authorizing the payment of social security benefits for disability a substantial number of workers have been found to be eligible for and are receiving such benefits while also receiving State workmen's compensation disability benefits; and

"Whereas the total of the benefits from both sources is in many cases more than total wages for full employment, thereby resulting in a deleterious effect upon the rehabilitation of such workers; and

"Whereas it is believed that it was not the intention to provide payments to individuals under any such circumstances in excess of wages for full employment; and

"Whereas the best way to correct this undesirable situation is proper amendment to the Federal Social Security Act in order that all Americans might be treated fairly: Now, therefore, be it

"Resolved by the Legislature of the State of Florida, That the Congress of the United States be and it is hereby requested to speedily enact appropriate legislation amending the Federal Social Security Act in order to offset or decrease disability benefits payable thereunder during such time as the persons eligible for the same are receiving State workmen's compensation benefits for disability; be it further

"Resolved, That in order to preserve necessary and desirable incentive for the purpose of encouraging rehabilitation that such decrease be in an amount sufficient to insure that claimants will not be paid benefits in excess of their wages for full-time employment; and be it further

"Resolved, That copies of this memorial be dispatched to the President of the United States; to the President of the U.S. Senate, and to the Speaker of the U.S. House of Representatives."

RESOLUTIONS OF FLORIDA LEGISLATURE

Mr. HOLLAND. Mr. President, I present for appropriate reference, and insertion in the RECORD, three memorials adopted by the Legislature of the State of Florida.

They are Senate Memorial 196: A memorial to the Congress of the United States urging the relinquishment to each State a portion of income taxes collected for State's use in education.

Senate Memorial 637: A memorial to the U.S. Bureau of Commercial Fisheries and the U.S. Public Health Service, urging cooperation to the fullest extent with State agencies in the control of the red tide in Florida's gulf waters.

House Memorial 1936: A memorial to the Congress of the United States to authorize the U.S. Corps of Engineers to make a survey for a shallow water channel from deep water to Spring Creek, Wakulla County, Fla.

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

To the Committee on Finance:

"SENATE MEMORIAL 196

"Memorial to the Congress of the United States urging the relinquishment to each State a portion of income taxes collected for State's use in education

"Whereas the problem of financing education at the elementary, secondary and higher levels is a problem which faces each of the Nation's 50 States; and

"Whereas the problem of Federal aid to education has been debated for a number of years without noticeable progress toward resolution of the divisions which prevent its adoption; and

"Whereas the future growth and progress of this country is dependent upon our youth receiving the education which they rightfully deserve; and

"Whereas education being our paramount consideration assistance could and should be made available in spite of any objection that might exist: Now, therefore, be it

"Resolved by the Legislature of the State of Florida, That the President of the United States and the Members of the House and Senate of the U.S. Congress take appropriate steps to relinquish to each State, in addition to present grants, an amount equivalent to 5 percent of the individual income tax collected within the State, for the purpose of education and other programs which are subjects of Federal educational contributions; and be it further

"Resolved, That copies of this memorial be dispatched to the President of the United States; to the President of the U.S. Senate; to the Speaker of the U.S. House of Representatives; to the ablest congressional delegation in the U.S. Congress, the Florida delegation; and to the Governor of the great State of Florida.

"Approved by the Governor June 13, 1963.

"Filed in office, Secretary of state June 13, 1963."

The PRESIDENT pro tempore laid before the Senate a resolution of the Legislature of the State of Florida, identical with the foregoing, which was referred to the Committee on Finance.

To the Committee on Commerce:

"SENATE MEMORIAL 637

"Memorial to the United States Bureau of Commercial Fisheries, and the United States Public Health Service urging cooperation to the fullest extent with State agencies in the control of the red tide in Florida's Gulf waters

"Whereas the proliferation of certain noxious microorganisms in the waters of the Gulf of Mexico, popularly known as the red tide, is occurring on Florida's west coast with ever increasing frequency and severity; and

"Whereas this pernicious organism annually destroys a staggering and ever increasing quantity of marine life, thus depleting a valuable natural resource of the State and Nation; and

"Whereas the red tide each year renders increasing areas of Florida's waters and beaches unwholesome and unsightly, creating thereby a serious economic problem due to the decline of tourism; and

"Whereas the presence of large quantities of putrifing organic matter upon Florida beaches is a hazard to the health of the people of the State and Nation: Now, therefore, be it

"Resolved by the Legislature of the State of Florida: That the U.S. Bureau of Commercial Fisheries and the U.S. Public Health Service are urged to cooperate to the fullest extent possible with the Florida Board of Conservation and the Florida Board of Health in finding a method of controlling the red tide: Be it further

"Resolved, That copies of this memorial be dispatched to the U.S. Bureau of Commercial Fisheries, the U.S. Public Health Service, to each of the Members of the Florida delegation, to the U.S. Congress and to the Governor of the State of Florida.

"Filed in office, secretary of state, June 17, 1963."

To the Committee on Public Works:

"HOUSE MEMORIAL 1936

"Memorial to the Congress of the United States to authorize the U.S. Corps of Engineers to make a survey for a shallow water channel from deep water to Spring Creek, Wakulla County, Fla.

"Be it resolved by the Legislature of the State of Florida: That the Congress of the United States be and it is hereby requested to authorize the U.S. Corps of Engineers to make a survey for a shallow water channel from deep water to Spring Creek, Wakulla County, Fla.: Be it further

"Resolved, That copies of this memorial be dispatched to the President of the United States; to the President of the U.S. Senate; to the Speaker of the House of Representatives of the United States and to the Members of the Florida delegation to the Congress of the United States.

"Filed in office, secretary of state, June 18, 1963."

The PRESIDENT pro tempore laid before the Senate a resolution of the Legislature of the State of Florida, identical with the foregoing, which was referred to the Committee on Public Works.

JOINT RESOLUTION OF OREGON LEGISLATURE

Mr. MORSE. Mr. President, the Honorable Howell Appling, Jr., secretary of state of the State of Oregon, has pro-

vided me with a copy of enrolled House Joint Memorial 4 adopted by the House and Senate of the Legislative Assembly of Oregon.

This memorial proposes that the Congress of the United States study the possibility of providing Federal matching funds in Federal highway projects to be used in securing rights-of-way for mass transportation purchased in conjunction with rights-of-way for Federal highways.

I ask unanimous consent, on behalf of my colleague, Senator NEUBERGER, and myself, that this memorial be set forth at this point in the RECORD and that it be referred to the appropriate Senate committee for consideration.

There being no objection, the joint resolution was referred to the Committee on Public Works, as follows:

ENROLLED HOUSE JOINT MEMORIAL 4

To His Excellency, the Honorable John F. Kennedy, President of the United States, and to the Honorable Senate and House of Representatives of the United States of America, in Congress Assembled:

We, your memorialists, the 52d Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the mass transportation of people is essential in alleviating the smog and vehicular traffic problems of urban areas of the United States; and

Whereas modern mass transportation systems would cut down the traffic in urban areas; and

Whereas the mass transportation of people is as important as vehicular traffic in urban areas; and

Whereas the right-of-way for mass transportation can be more economically obtained at the same time as right of way for highway construction: Now, therefore, be it

Resolved by the Legislative Assembly of the State of Oregon:

1. The Congress of the United States is memorialized to study the possibility of providing Federal matching funds in Federal highway projects to be used in securing right-of-way for mass transportation purchased in conjunction with right-of-way for Federal highways.

2. The secretary of state shall send a copy of this memorial to the President of the United States, and to each member of the Oregon congressional delegation.

Adopted by house March 15, 1963.
Readopted by house May 20, 1963.

CECIL L. EDWARDS,
Chief Clerk of House.
CLARENCE BURTON,
Speaker of House.

Adopted by senate May 17, 1963.

BEN MUSA,
President of Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MONRONEY, from the Committee on Appropriations, with amendments:

H.R. 6868. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1964, and for other purposes (Rept. No. 313).

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

H.R. 2651. An act to extend for 1 year the period during which responsibility for the placement and foster care of dependent children, under the program of aid to families with dependent children, under title IV of the Social Security Act, may be exercised by a public agency other than the agency administering such aid under the State plan (Rept. No. 307):

H.R. 2827. An act to extend until June 30, 1966, the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory (Rept. No. 308); and

H.R. 4174. An act to continue until the close of June 30, 1964, the suspension of duties for metal scrap, and for other purposes (Rept. No. 309).

Mr. MANSFIELD subsequently said: Mr. President, I send to the desk 3 bills, which were reported unanimously by the Finance Committee. I do so with the approval of the chairman of the Committee on Finance, the Senator from Virginia [Mr. BYRD], the ranking minority member, the Senator from Delaware [Mr. WILLIAMS], and the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], and I ask for their immediate consideration.

The PRESIDING OFFICER (Mr. McINTYRE in the chair). The bills will be stated by title.

EXTENSION OF PERIOD RELATING TO PLACEMENT AND FOSTER CARE OF DEPENDENT CHILDREN

The LEGISLATIVE CLERK. A bill (H.R. 2651) to extend for 1 year the period during which responsibility for the placement and foster care of dependent children, under the program of aid to families with dependent children under title IV of the Social Security Act, may be exercised by a public agency other than the agency administering such aid under the State plan.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

CONTINUED SUSPENSION AND REDUCTION OF DUTY ON CHICORY

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

The LEGISLATIVE CLERK. A bill (H.R. 2827) to extend until June 30, 1966, the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

CONTINUED SUSPENSION OF DUTIES ON METAL SCRAP

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

The LEGISLATIVE CLERK. A bill (H.R. 4174) to continue until the close of June 30, 1964, the suspension of duties for metal scrap, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

UNIFORM SYSTEM OF TIME STANDARDS AND MEASUREMENT—REPORT OF A COMMITTEE—ADDITIONAL COSPONSORS OF BILL

Mr. MAGNUSON. Mr. President, from the Committee on Commerce, I report favorably, with amendments, the bill S. 1033, to establish a uniform system of time standards and measurement for the United States and to require the observance of such time standards for all purposes, and I submit a report (No. 312) thereon.

I ask unanimous consent that the names of the following Senators be added as cosponsors to the bill, S. 1033: Mr. COTTON, Mr. McGEE, Mr. PASTORE, Mr. THURMOND, Mr. ENGLE, Mr. HART, Mr. BEALL, and Mr. BARTLETT.

The PRESIDING OFFICER. The report will be received and printed, and the bill will be placed on the calendar; and, without objection, the names of the additional cosponsors will be added, as requested by the Senator from Washington.

REPORT ENTITLED "AMERICAN GUILD OF VARIETY ARTISTS"—REPORT OF A COMMITTEE (S. REPT. NO. 310)

Mr. McCLELLAN. Mr. President, on behalf of the Committee on Government Operations I submit a report, made to it by the Permanent Subcommittee on Investigations, entitled "American Guild of Variety Artists."

The conclusions of the report are based upon testimony at hearings held by the subcommittee during June of 1962, when it was demonstrated that the American Guild of Variety Artists has failed in its basic and primary function of seeking to improve the wages and working conditions of its membership, who are principally entertainers of various types. The report declares also that the guild has not only neglected the rights of its members, but in many cases has operated against their interests.

Mr. President, the subcommittee within the past week sent a letter to the Secretary of Labor urgently requesting that he take swift action to force the American Guild of Variety Artists to comply with the provisions of the Labor-Management Reporting and Disclosure Act of 1959. Both the letter to the Secretary of Labor and the report of the subcommittee declare that the act is still not being enforced with respect to this union. The report and the letter state that the union's adherence to the act has been in form rather than in substance, and that democracy and local autonomy have been denied to the membership through the seizure of power and authority by a small, self-perpetuating group of members and paid employees.

The letter was sent to the Secretary of Labor because the subcommittee is convinced that the guild officials will not undertake corrective measures of their own volition, and that it is therefore incumbent upon the Department of Labor strictly to enforce the act and to require the guild to comply with its provisions.

The report further concludes that officials of the guild are guilty of collusive actions with hoodlums who operate establishments employing so-called exotic dancers. The union makes "sweetheart" arrangements with these underworld figures, a policy which leads to the failure to enforce the provisions of the guild's own bargaining contract. Certain key violations of this contract, called the minimum basic agreement, tend to destroy its effectiveness as a protection for the membership.

The contract provides that welfare fund contributions must be paid by the employer. It provides that a cash bond be deposited by the employer to insure payment of his financial obligations to the employees; it directs that local, State, and Federal laws will be observed in the establishments; it states that performers are employees and not independent contractors, thus requiring the employer to deduct Federal employment taxes, including income tax and social security tax. As a result, a large proportion of the membership are not covered for social security benefits. These clauses have been widely disregarded by the union and the club operators, except for occasional token compliance.

The subcommittee report concludes that the guild's failure to enforce its own bargaining contract deprives the Federal Government of revenue and denies to the union members those benefits that are guaranteed to them by law. By its "sweetheart" operations, the American Guild of Variety Artists continues to collect dues and other payments, while permitting the hoodlum employers to act illegally behind the false front of legitimate union participation.

The conclusion is inescapable that the union officials' prime objective from the very beginning has been to obtain money through dues and initiation fees. So far as the nightclubs and the members who work in them are concerned, this union is nothing more than a dues-collecting agency.

The subcommittee report also concludes that the American Guild of Variety Artists has even encouraged violations of the law. A union representative appeared before the city council of Miami, Fla., to plead that clubs which were operating outside the law be permitted to remain open so that the union members might be able to retain employment. The illegal activities were not even contested.

The report also shows that the guild officials were aware of convictions for immoral and illegal acts among its members who work in the joints owned and operated by hoodlums. The union has taken little action to expel them. On the contrary, its policy is to recruit these so-called B-girls into its ranks in order to enlarge its treasury.

The subcommittee's report shows that if the union lost its revenue from membership of this kind, it would have to close all but a few of its branch offices, cut its staff, and decrease the salaries of its administrators.

To gain the revenue contributed from these sources, the American Guild of Variety Artists has paid a price no labor organization can afford, or should even contemplate.

The report further states that the effect of union policy is beneficial to the underworld operators who run the clubs and who exploit the union members. The policy is also harmful to legitimate and authentic performers who cannot get bookings into the clubs of this type without consenting to degrade themselves.

The subcommittee report also calls attention to the failure of Internal Revenue Service to collect taxes from both the operators and the employees of the clubs. The report recommends that the Service undertake strict and realistic enforcement of the tax laws and the rules and regulations of the Treasury Department as they apply to these underworld club owners and the people who work for them.

Finally, the subcommittee states its intention, after a reasonable length of time, to examine again the conditions existing within the American Guild of Variety Artists to determine whether the union has taken steps to eliminate the abuses and improper activities that this report describes.

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

Mr. McCLELLAN. I yield.

Mr. JAVITS. Mr. President, I shall be very brief. I have filed a statement of views with respect to the "American Guild of Variety Artists" report, to which I invite the attention of the Senate. I did not sit on the Permanent Investigations Subcommittee when this inquiry was made. I was not a member of it. But I did have an opportunity to review the report, and I stated I could not join in the findings except as to certain improvements of government, internal revenue, and labor, which I thought were clearly shown to be required.

I emphasized, and I wish to emphasize again to the Senate, the urgent need for the preservation of this union. The very points made by my distinguished colleague, the Senator from Arkansas [Mr. McCLELLAN], and his Investigating Subcommittee show how these poor folk in the entertainment field, in country-wide strata, are being imposed upon, and demonstrates better than anything else how much they need the protection of a union.

I therefore hope very much that the thrust of the governmental activities in this field at all levels—and the Senator from Arkansas has said that his committee will have another look at it—will be directed toward preserving the union, and toward bringing about more democracy within the union and better relations with respect to the members of the union, but that in no way will any action be taken which will jeopardize the existence of an organ, to wit, the union, which will provide the protection which these people so urgently need.

Mr. McCLELLAN. It is not the purpose of the investigation to try to destroy the union. The facts have brought out that it is a new union that needs to do away with some practices in which it has engaged, and which have brought about this imposition on its members. The union could correct these practices immediately, if it wished to do so.

Mr. JAVITS. I thank my colleague from Arkansas very much.

The PRESIDING OFFICER. The report will be received and printed.

CONTINUATION OF REDUCTION OF EXEMPTION FROM DUTY FOR RETURNING RESIDENTS—REPORT OF A COMMITTEE

Mr. BYRD of Virginia. Mr. President, from the Committee on Finance, I report, with an amendment, 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, and I submit a report (No. 305) thereon. I ask unanimous consent for the immediate consideration of the bill, inasmuch as an emergency is involved, in that the existing legislation which reduces the exemption from duty expires on Sunday night.

The PRESIDING OFFICER. Is there objection to the request for immediate consideration of the bill?

There being no objection, the Senate proceeded to consider 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, which had been reported from the Committee on Finance with an amendment to strike out all after the enacting clause and insert:

That paragraph 1798(c)(2) of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1201, par. 1798(c)(2)), is amended by striking out "July 1, 1963" each place it appears in subdivisions (A) and (B) and inserting in lieu thereof "July 1, 1965".

SEC. 2. (a) Paragraph (c)(2)(A) of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1201, par. 1798 (c)(2)(A)), is amended by striking out "(or $200 in the case of persons arriving directly or indirectly from the Virgin Islands of the United States, not more than $100 of which shall have been acquired elsewhere than in the Virgin Islands of the United States)".

(b) The amendment made by subsection (a) shall apply with respect to persons arriving in the United States after June 30, 1963.

Mr. BYRD of Virginia. Mr. President, the legislation which will expire on Saturday night has made a temporary reduction from $500 to $100 in the amount of goods purchased abroad which a returning resident of the United States may bring duty free into this country.

The House adopted an amendment which would allow $200 worth of goods purchased aboard to be brought duty free into this country by returning residents, in the case of those returning from the Virgin Islands of the United States, American Samoa, Wake Island, Midway Islands, Kingman Reef, Johnston Island, and the Island of Guam. There is already a $200 exemption in the case of the Virgin Islands.

The Senate Finance Committee, by what was almost a unanimous vote, struck out the House amendment, and provided a $100 limit in the case of the Virgin Islands and our other insular possessions, in line with the limitation applied to all the other countries.

Mr. President, it is necessary that the bill be considered at this time, because if the Senate committee amendment is agreed, there will have to be a conference with the House; and if the conference is not concluded immediately, then at midnight on Sunday, June 30, the prior $500 limitation will go into effect, instead of the $100 limitation provided by this measure. In short, a considerable loss of revenue to the Treasury would be involved and considerable customs confusion will result.

The committee adopted the amendment with only two dissenting votes, and reported the bill unanimously.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 6791) was read the third time, and passed.

The title was amended, so as to read: "An Act to provide two-year extension on a uniform basis of the temporary reduction of the exemption from duty enjoyed by returning residents."

Mr. WILLIAMS of Delaware. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. BYRD of Virginia. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that a general statement on the bill and the reasons for the committee amendment be printed in the RECORD at this point.

There being no objection, the general statement and reasons for the amendment were ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

Under the existing provisions of paragraph 1798(c)(2) of the Tariff Act of 1930, as amended, a U.S. resident who returned to this country before July 1, 1963, is allowed the following personal exemptions from duty on articles he has purchased abroad:

1. If the returning resident remains outside the territorial limits of the United States for at least 48 hours, he may claim an exemption from duty for $100 worth of articles acquired abroad. (If he returns through a port of entry on the Mexican border, he need not have been absent from the United States for any specific length of time before claiming the exemption.)

2. In the case of persons arriving directly or indirectly from the Virgin Islands of the United States, a duty exemption of $200 is allowed, not more than $100 of which shall apply to articles acquired elsewhere than in the Virgin Islands. No absence from the United States for any specific time is required before the duty exemption may be claimed with respect to articles acquired in the Virgin Islands. With respect to articles acquired elsewhere than in the Virgin Islands by such persons, an absence from the United States of 48 hours is required before an exemption may be claimed.

These exemptions from duty may be claimed once every 30 days.

PROVISIONS OF AND REASONS FOR THE BILL

The present law is temporary in nature and expires on June 30, 1963. It was approved August 10, 1961, and became effective with respect to persons arriving in the United States on and after September 9, 1961. Prior thereto, returning residents could generally bring back from abroad $500 worth of purchases duty free. Unless the temporary reductions are extended, residents returning to the United States after June 30, 1963, will again be able to claim up to $500 in personal duty exemptions.

Under the permanent provisions of section 1798, if the return resident remains outside the territorial limits of the United States at least 48 hours, he could claim an exemption from duty for $200 worth of articles acquired abroad. If, however, he returned through a port of entry on the Mexican border, he need only have been absent from the United States for such time (not to exceed 24 hours) as the Secretary of the Treasury has by regulation provided with respect to such port. The exemption from duty described in this paragraph could be claimed once every 30 days.

If the returning resident remains outside the territorial limits of the United States for 12 or more days, he could formerly claim an additional exemption from duty for $300 worth of articles acquired abroad. This exemption, which could be claimed together with the basic exemption described above, could be utilized only once in every 6-month period.

The existing temporary legislation was enacted on the recommendation of the President who had originally requested a statute of 4 years duration, to expire in 1965. In his letter dated February 24, 1961, to the Speaker of the House of Representatives, the President pointed out that the then existing personal exemptions had been increased after World War II from their previous $100 level as a measure to aid foreign countries faced with a dollar shortage. He stated:

"In the light of the existing balance-of-payments problem, this more liberal customs exemption, designed to encourage American expenditures abroad, is not presently warranted."

Congress enacted the bill, but in doing so reduced the terminal date to June 30, 1963, rather than in 1965 as had been asked for by the President. It was felt that an earlier review may be warranted if the balance-of-payments situation should improve.

The Secretary of the Treasury has now recommended continuation of the reduced exemption for another 2 years. In so recommending, he has indicated that the effect of reducing the exemption was to reduce U.S. expenditures abroad by $123 million during 1962. The Bureau of Customs estimates that during 1962, foreign purchases by returning U.S. residents amounted to $297 million as compared to $420 million during the year 1960, the last full year before the reduction of the exemption.

The Secretary of the Treasury also stated that American travelers did not, as some had feared, balance off their reduced purchases by increased expenditures on night clubs, restaurants, tours, or other forms of spending. Department of Commerce statistics indicate that average expenditures abroad per tourist, which previously had been steadily increasing, rising from $531 in 1957 to $612 in 1960, dropped to $604 in 1961 and to $585 in 1962. The Secretary of the Treasury is of the view that but for the reduction in the duty exemption the steady rise in per capita tourist expenditures abroad would have continued and such expenditures would have risen much above the $612 figure of 1960. He pointed out also that the savings calculated by customs are not fully reflected in the Department of Commerce figures, inasmuch as those figures do not include expenditures in Canada and Mexico.

The temporary duty exemption reduction has proved to be a useful tool in the program of actions taken to reduce the balance-of-payments deficit and that its continuation for another 2 years as a component part of that program is warranted. Our balance-of-payments position is a matter of continuing concern inasmuch as the committe was advised that our overall international payments deficit rose to $3.5 billion in 1958, followed by deficits of $3.7 billion in 1959, and $3.9 billion in 1960. These payments deficits were accompanied by substantial drains on our gold stock, amounting to $4.7 billion for the 3-year period, 1958–60.

The deficit was reduced to $2.4 billion in 1961 and in 1962 amounted to $2.2 billion. Gold losses were $857 million in 1961 and $890 million in 1962. We are informed that while there are signs that our balance-of-payments position can be expected to improve over the long run, it appears that 1963 will be another year of deficit with further gold losses.

The reduced amount of tourist exemption, which is now granted and which this bill continues for 2 additional years, leaves the United States in the position of extending to its returning tourists more favorable duty-free treatment of items purchased abroad than do most other countries of the world.

REASONS FOR THE AMENDMENT

The Finance Committee struck from the bill the provision that would give special treatment to our insular possessions. Whereas the bill, as it passed the House would have permitted returning tourists to bring back free of duty $200 worth of goods from these areas, as against the $100 allowed from all other countries, the committee amendment provided for a limit of $100 from all areas.

The committee calls attention to the fact that returning residents who have visited foreign countries or our insular possessions may bring back into the United States any amount of goods they may desire. The amendment of the committee does not, therefore, preclude returning tourists from purchasing or bringing into the United States any amount of goods they may wish. On all amounts above $100 they must pay the regular duties, whatever those duties may be on the kind of goods purchased. It is also pointed out that many types of commodities may be brought into the United States free of duty, for the tariff law assesses no duties on many articles.

The taxes collected by our possessions remain in those areas. They receive other benefits from the United States. Other areas adjacent to those possessions which may be under the jurisdiction of other countries would be placed at a disadvantage if special treatment were accorded to only those belonging to the United States. The committee amendment would therefore tend to make more friendly our relations with other of our neighboring countries.

The following statement is taken from the report of the Tariff Commission:

"It is believed that the majority of U.S. travelers do not purchase and import foreign articles in excess of the $100 allowance. There have been relatively few complaints arising from the initial reductions in the duty exemptions."

This would indicate that relatively few citizens returning from trips to our insular possessions would be affected by the committee amendment. The Tariff Commission also points out that it is the practice of the Bureau of Customs to deduct a 40-percent allowance from the retail purchase price of articles when determining the value (foreign wholesale value) of such articles for purposes of extending the $100 exemption.

The committee urges the adoption of the amendment.

SUSPENSION OF RESTRICTIONS ON WITHDRAWAL OF POSTAL APPROPRIATIONS—REPORT OF A COMMITTEE (S. REPT. NO. 311)

Mr. JOHNSTON. Mr. President, from the Committee on Post Office and Civil Service, I report favorably House bill 5795, to provide a 3-year suspension of certain restrictions in the Supplemental Appropriation Act of 1951 on the withdrawal from the Treasury of the postal appropriations; and I submit thereon the committee's report.

Mr. President, at this time I request the immediate consideration of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 5795) to provide a 3-year suspension of certain restrictions in the Supplemental Appropriation Act, 1951, on the withdrawal from the Treasury of postal appropriations.

Mr. JOHNSTON. First, Mr. President, I should like to say that this bill has been cleared on both sides of the aisle, because the passage of the bill at this time is absolutely necessary, in order that the bill can be signed by the President before the 1st of July.

Mr. President, the Post Office Department is operating under a statutory obligation which restricts the cost-revenue relationship of the parcel post system. Under existing law the Postmaster General is required to certify that costs of fourth-class parcel post do not exceed revenues by more than 4 percent, and, if this relationship does not exist, that he has petitioned the Interstate Commerce Commission to approve a rate adjustment which will bring costs and revenues within this 4 percent tolerance.

Under existing law, if he does not make this certification to the Department of the Treasury, he may not make withdrawals from the Treasury of funds appropriated for the operation of the Post Office Department.

The Postmaster General has stated that he cannot in good conscience petition for a rate increase on parcel post because Department studies show that rate increases for parcel post would be self-defeating. Rate increases, according to Department calculations, would reduce volume and thus increase the gap between costs and revenues. Accordingly, the Department urgently requires relief from the strictures of existing statutes by July 1, 1963, if disruption of postal service is to be avoided.

Mr. President, the Committee on Post Office and Civil Service has unanimously reported favorably H.R. 5795, a bill to provide a 3-year suspension of restrictions on withdrawals from the Treasury of postal appropriations.

This measure will provide the Postmaster General with authority to continue operation of the Department as in the past, with the exception that no certification concerning the parcel post cost-revenue relationship will be required. It will provide a reasonable period of time during which the Congress can study the parcel post system with a view of finding an equitable solution to the problems of that class of mail.

It is my hope that H.R. 5795 will be favorably considered by the Senate, so that the Nation's postal service will not be disrupted on July 1, 1963.

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

The bill (H.R. 5795) was ordered to a third reading, read the third time, and passed.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service:

Sidney W. Bishop, of California, to be Deputy Postmaster General.

BILLS INTRODUCED

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

By Mr. HUMPHREY:

S. 1766. A bill for the relief of Dorinda Barrosa; to the Committee on the Judiciary.

By Mr. WILLIAMS of Delaware (for himself and Mr. BOGGS):

S. 1767. A bill to authorize the Secretary of the Army to convey a certain parcel of land to the State of Delaware, and for other purposes; to the Committee on Armed Services.

By Mr. BENNETT:

S. 1768. A bill to amend section 613(b)(2)(B) of the Internal Revenue Code; to the Committee on Finance.

By Mr. JAVITS:

S. 1769. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits under such title; to the Committee on Finance.

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

By Mr. JAVITS (for himself and Mr. KEATING):

S. 1770. A bill to increase, in the case of children who are attending school, from 18 to 21 years, the age until which child's insurance benefits may be received under title II of the Social Security Act; and

S. 1771. A bill amending title II of the Social Security Act to permit certain children to receive benefits thereunder on the basis of the wages and self-employment income of an individual who has supported them; to the Committee on Finance.

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

By Mr. KEATING:

S. 1772. A bill to extend preferential third-class postage rates to volunteer fire departments; to the Committee on Post Office and Civil Service.

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

By Mr. BARTLETT:

S. 1773. A bill to amend the Merchant Marine Act, 1936, as amended, to encourage investment in the American merchant marine by providing a program of assistance in the construction of vessels, to correct inequities, to stimulate the domestic commerce of the United States, and for other purposes; and

S. 1774. A bill to amend title V of the Merchant Marine Act, 1936, in order to authorize construction differential subsidy for certain qualified operators in the coastwise, intercoastal and noncontiguous domestic commerce of the United States, and for other purposes; to the Committee on Commerce.

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

By Mr. BEALL:

S. 1775. A bill to amend the Life Insurance Act for the District of Columbia relating to annual statements, and for other purposes; to the Committee on the District of Columbia.

S. 1776. A bill for the relief of Chick Tung Kung Chin; to the Committee on the Judiciary.

By Mr. McGEE:

S. 1777. A bill for the relief of Lia Novelli; to the Committee on the Judiciary.

By Mr. SCOTT (for himself and Mr. DODD):

S. 1778. A bill to amend the Wool Products Labeling Act of 1939 to authorize the Federal Trade Commission to exclude from the provisions of that act wool products with respect to which the disclosure of wool fiber content is not necessary for the protection of the consumer; to the Committee on Commerce.

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

By Mr. SIMPSON:

S. 1779. A bill for the relief of certain veteran entrymen, their heirs and other owners of farm units on the Third Division Irrigation District, Riverton Reclamation Project, Wyoming; to the Committee on the Judiciary.

By Mr. CASE:

S. 1780. A bill to provide Government transportation on a space-available basis to certain members of the Glassboro State College International Relations Group; to the Committee on Armed Services.

S. 1781. A bill for the relief of Antonio Credenza; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 1782. A bill for the relief of Loo King Ling; and

S. 1783. A bill for the relief of Tou Sha Yin (also known as Yun Shu Yin); to the Committee on the Judiciary.

By Mr. FONG:

S. 1784. A bill for the relief of Kaati Fonua; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

EXPRESSION OF SENSE OF THE CONGRESS RELATING TO EXPORT MARKET FOR OUR AGRICULTURAL PRODUCTS

Mr. HUMPHREY (for himself and Mr. DIRKSEN) submitted a concurrent resolution (S. Con. Res. 51) to express the sense of Congress that negotiators to the European Economic Community obtain assurances as to export market for our agricultural products; which was referred to the Committee on Finance.

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

RESOLUTION

TO PRINT AS A SENATE DOCUMENT THE REPORT ENTITLED "THE ARTS AND THE NATIONAL GOVERNMENT"

Mr. PELL submitted the following resolution (S. Res. 167); which was re-

ferred to the Committee on Rules and Administration:

Resolved, That there be printed as a Senate document the report entitled "The Arts and the National Government," submitted to the President on May 28, 1963, by August Heckscher, Special Consultant on the Arts; and that there be printed five thousand additional copies of such document for the use of the Committee on Labor and Public Welfare.

AMENDMENT OF SOCIAL SECURITY ACT RELATING TO OUTSIDE INCOME

Mr. JAVITS. Mr. President, I send to the desk a bill to remove from the Social Security Act the requirements with respect to a certain level of earnings as penalizing social security recipients for the amount that they receive under the social insurance plan.

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

The bill (S. 1769) to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits under such title, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF THE SOCIAL SECURITY ACT

Mr. JAVITS. Mr. President, on behalf of myself and my colleague from New York [Mr. KEATING] I send to the desk for appropriate reference two bills which would affect the Social Security Act. The first is a bill to amend the act so as to raise from 18 to 21 years the maximum age of children receiving survivors' benefits who are attending schools; the second is a bill to amend the definition of "child" under the Social Security Act so as to permit the payment of survivors' benefits to foster children who have not been legally adopted, but who have been cared for by a person who assumed full parental responsibility.

The proper education of our youth is as vital to our Nation's welfare as defense in the national interest, and the 16 to 21 age group faces some of the most acute problems in education. The mounting school dropout rate in this age group is causing us much concern; this is also the age group which shows the highest rate of unemployment. The intimate relationship between education and employment is well established. Therefore, it is essential that we give our youth every opportunity to receive a maximum amount of education.

Under our present social security laws, benefits may be received if a child is in school and if one or both of his parents are deceased or disabled, provided that the child has not passed his 18th birthday. This now has the effect of cutting off assistance when the need for it is greatest and tends to discourage the youth from completing his education. It is necessary to extend this age limit to 21 because in our society education has become a prerequisite for vocational success in most colleges. Furthermore, a child is entitled to complete the education which he has started, and which has been paid for by the deceased parent. By making it possible for our youth to attend educational institutions, we shall be fulfilling our obligations and at the same time we shall be helping to cut down the rapidly expanding unemployment among those who are not yet 21.

A parallel measure in the civil service field, which I introduced as S. 1337 in the 87th Congress, was enacted into law as a part of Public Law 87-793 and is a valuable precedent for recognition of the public policy involved here.

Reforms in our social security laws are essential if we are to make them more humane in their application. This bill will give us an opportunity to profit from the experience we have had in the administration of the law. For these reasons I believe it to be essential that we take action on this legislation at the earliest possible opportunity.

The second bill would amend the definition of "child" under the Social Security Act so as to permit the payment of survivor's benefits to foster children who have not been legally adopted but have been cared for by a person who assumed full parental responsibility. This bill would fill a gap in the encouragement of the foster care program at very little cost but with considerable benefit.

Situations in which children find themselves dependent upon workers other than their parents include those where a child of divorced parents lives with close relatives or a family friend; where a child has been deserted or is illegitimate; and where for a variety of reasons parents cannot assume responsibility for their child. In these situations the child is cut off from benefits when the person who has been supporting him dies or becomes disabled. This bill would correct this unfortunate situation at what the Department of Health, Education, and Welfare has reported to be very low cost.

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

The bills, introduced by Mr. JAVITS (for himself and Mr. KEATING), were received, read twice by their titles, and referred to the Committee on Finance, as follows:

S. 1770. A bill to increase, in the case of children who are attending school, from 18 to 21 years, the age until which child's insurance benefits may be received under title II of the Social Security Act; and

S. 1771. A bill amending title II of the Social Security Act to permit certain children to receive benefits thereunder on the basis of the wages and self-employment income of an individual who has supported them.

Mr. KEATING. Mr. President, I am happy to join with my distinguished colleague, the senior Senator from New York, in offering, once again, two bills to amend the Social Security Act to provide certain benefits to dependent children. We have offered these bills before, and the Senate has passed them, but they have not been considered by the House. One measure, the bill relating to children over 18 who are continuing their education becomes more urgent each year as the large number of postwar babies reach college age. I hope therefore, that we will not waste any time in enacting the bills into law.

At the present time, 18 is the maximum age for receiving dependent child benefits under title II of the act. This means, of course, that just as a child reaches college age, his benefits are discontinued, often making it financially impossible for him to continue his education. In many instances, in fact, children reaching 18 are forced to drop out of high school and go to work to support themselves. The Office of Education estimates that about half the students in the 12th grade are 18 or older. Because today's job market is limited for those without a high school diploma, it is obvious that national policy should be to encourage, in every way possible, the continued education of these potential dropouts. We simply cannot afford, as a nation, to waste academic talent, and fail to educate each child to the maximum extent possible. Passage of this bill—which provides that benefits be made available until age 21 to children who are full-time students, would encourage higher education, and would make it financially possible for dependent children to have an equal opportunity to attend college.

The second bill would permit certain children to receive survivors' insurance under title II of the act, on the basis of the wages and self-employment income of an individual who has stood in loco parentis with respect to them for a period of at least 1 year preceding his death. At the present time these benefits are payable only to natural children and stepchildren. Other relatives, and unrelated persons who care for children, do not have the security of knowing that, should anything happen to them, the dependent child would receive social security benefits which they have earned.

The Department of Health, Education, and Welfare has, in the past, expressed its support of both these bills. Certainly, Mr. President, both are aimed at carrying out the broad intent of Congress in enacting the Social Security Act; that is, to provide a floor of protection for the older citizen, the disabled worker, and the dependent child. I urge prompt action by the committee and the Congress.

BULK MAILING PRIVILEGES FOR VOLUNTEER FIRE DEPARTMENTS

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a bill to extend bulk mailing privileges to volunteer fire departments.

Mr. President, those of us who were brought up in smaller communities appreciate the fact that there are few men so important to the public safety as volunteer firemen, men who selflessly, efficiently, and without recompense protect our smaller communities from the disaster of fire. These men embody the finest traditions of our Founding Fathers; they exemplify that selfless community spirit which has persisted in this country since its colonial days. While professional fire companies perform a dangerous, courageous, and highly commendable function, many of the smaller communities, both in my own

State of New York and across the country, feel that they cannot afford a full-time organization of firefighters. For these areas the only answer lies with the volunteer firemen, who, out of a desire to protect their communities, fulfill this dangerous but essential function.

Early in 1961 I introduced S. 1548, which would extend the privilege of a bulk, preferential, third-class mailing rate of 1¼ cents apiece to volunteer fire companies. The mailings of these companies are primarily concerned with fire safety rules and regulations, appeals for assistance and other matters closely related to the proper functioning of the fire departments. Certainly, in my judgment, we should encourage mailings of this sort—mailings which, if heeded, could save millions of dollars in property as well as the incalculable cost of human life. Every year in this country roughly 1 million fires claim over 11,000 lives while doing more than a billion dollars' worth of damage; any measure which might diminish this tragic cost would clearly be desirable.

Third-class mailing privileges are currently extended to numerous nonprofit groups, including agricultural, educational, fraternal, philanthropic, religious, scientific, and veterans' organizations. The Post Office has, under its interpretation of the law, repeatedly and—I feel—erroneously excluded volunteer firemen from such privileges. It is time to remedy this situation by appropriate clarification or modification of the existing law. I have inquired into the needs of the volunteer fire departments; they are unquestionably deserving of this legislation.

Mr. President, the motto of the volunteer firemen is one for all public servants to observe: "Unselfish public service, courage, duty." These dedicated men embody the richest and finest of the American spirit. I salute them and express the deepest appreciation for their unswerving and selfless dedication to the safety and well-being of their fellow citizens.

Mr. President, I ask unanimous consent that the bill may be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1772) to extend preferential third-class postage rates to volunteer fire departments, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4452(d) of title 39 of the United States Code is amended by inserting after the word "associations" in the first sentence a comma and the following: "or volunteer fire departments,".

CONSTRUCTION SUBSIDY FOR DOMESTIC WATER CARRIERS

Mr. BARTLETT. Mr. President, I introduce, for appropriate reference, two bills concerning our domestic merchant marine.

The first bill authorizes a construction subsidy for vessels operating as common carriers in the deepwater domestic trade and on the Great Lakes. In addition it would permit established operators to build in foreign shipyards in those instances where the Maritime Administrator takes no affirmative action on an application for subsidy. I introduce this bill with the belief that unless something is done now for the common carriers in the domestic American merchant marine, there wil. be no common carriers within the next few years.

This industry, which has been recently held so vital to our national defense and so many times commended for its vital role as the lifeline of supply in the beginning of World War II is now practically defunct as a result of lethargy on the part of the Federal Government.

No industry that I know of is so fraught with the dilemma that this industry faces. The domestic shipping industry must, by law, build its vessels in the United States and acquire its equipment in the United States. The competitive cost between building abroad and in the United States is too well known to repeat now. Yet, its competitors are not so restricted. Domestic airlines may buy their equipment abroad. It is well known that airplanes from England and France are now used by U.S. domestic airlines. Competing railroads may buy their equipment abroad, and it is well known that diesel engines are now coming in from Europe. The same is true for the automobile competition. Whether these competitors actually buy abroad is unimportant, since the right to buy abroad constitutes a sufficient price leverage to keep their new equipment costs fairly consistent with the rest of the national price structure. The domestic shipping company, however, has no such leverage.

The restriction on purchases of new equipment by the domestic shipping industry has been upheld for the reason that no foreign competitor can violate our coastwise trade. Parenthetically this is true of the domestic airlines who have no such restriction. It is no longer true in that foreign shipping companies may not penetrate our domestic trades. Witness foreign-owned and foreign-flag ships carrying lumber from the Pacific Northwest to Puerto Rico. This is a privilege extended to foreigners that is denied to our own domestic shipping industry.

Now is the time that both the legislative branch and the executive branch of our Government make a final determination. Do we want a domestic shipping industry? Should this industry survive? If the determination is to be "Yes," then construction subsidy must be granted if the industry is to continue.

I want to make it clear that we do not wish to have the Department of Commerce, or any other department, coming to us concerning the bill and saying that they desire, before commenting or recommending action, to do a study of the problems over the next few months. There have been over 12 studies in the last 18 years. To date, not one study has resulted in any single productive action toward the improvement of the situation. A definitive stand must be taken now. The present Maritime Administration has at long last set up an office concerned primarily with the domestic industry. This is laudatory, but is it too late? Time is running out for this industry, and words will not toll the clock.

The second bill is more broadly based and includes all segments of our domestic trade. However, no provision is made whereby an operator may, under any circumstance, build in foreign shipyards.

This bill is designed to provide incentives for modernizing and upgrading the U.S. merchant fleets serving Great Lakes and coastwise commerce. To accomplish this purpose the bill authorizes the Secretary of Commerce to make a realistic appraisal of the needs of these essential segments of the merchant marine and to enter into building agreements with vessel owners and operators for the rehabilitation of their fleets according to such needs.

Incentives to encourage construction of new vessels and the reconditioning or modernization of existing vessels would be provided through one or more aids such as vessel trade-in allowances, construction assistance and the establishment of special construction reserve funds. The procedure of utilizing building agreements as a vehicle for promoting vessel construction and reconstruction for Great Lakes and coastwise trade deviates from the present provisions of the Merchant Marine Act, 1936, as amended, but follows a precedent established in connection with the payment of operating subsidies to certain American-flag vessels in foreign trade, whereby an operator receiving such a subsidy is usually required to plan for and specify in an agreement with the Secretary his future replacement needs.

Coastwise shipping is the backbone of the American merchant marine. However, fewer vessels are engaged to day in coastwise trade than at any other time in our history. Of those vessels that remain in the coastwise trade, most are of World War II vintage and thus relatively inefficient and obsolete by present-day standards.

On the Great Lakes, where the movement of essential bulk commodities such as iron ore, limestone, coal, grain, and petroleum predominates, the problem is largely one of replacing the older, inefficient vessels. More and more foreign deposits are supplying basic iron ore requirements for the American steel industry. On the Great Lakes, foreign-flag vessels, including Canadians, now predominate in the carriage of ore imports. Canada has seen fit to provide substantial construction subsidies for its own vessels, both in domestic and foreign trade. It is of utmost national concern that there be maintained on the Great Lakes a modern efficient bulk carrier fleet under the American flag adequate to assume any emergency demand that might be made upon it should ore from oversea sources be cut off by enemy action, particularly if coastwise shipping is also in danger.

There is an essential need for a sound long-range modernization program for coastwise carriers and the Great Lakes bulk cargo fleet. Such a program is also needed to provide work for shipyards so as to preserve necessary skills and maintain adequate shipbuilding and repair capabilities, as well as better merchant ships. The second bill provides such a program.

Each building agreement entered into by the Secretary would specify the number and approximate characteristics of the vessels which the particular owner or operator would acquire, construct or reconstruct. In determining the need for such vessels, the Secretary would be required to follow one of two principles. If the purpose is to replace an obsolete vessel or vessels currently operated in coastwise trade or on the Great Lakes, then it must be determined by the Secretary that in his judgment such replacement is warranted because the obsolete vessel is inadequate for successful operation in such trade. If, however, new construction or reconstruction is contemplated which is not for the purpose of replacing obsolete tonnage, then the Secretary must determine that such construction or reconstruction is necessary to provide essential services in a trade which is not presently being adequately served by U.S. vessels. In each instance, however, the the Secretary must find that the persons with whom he contracts possess the ability, financial resources and other qualifications necessary to operate the vessels.

The bill would add a new section 512 to the Merchant Marine Act, 1936, as amended, the pertinent provisions of which would provide, in substance, as follows:

Subsection (a) sets forth various definitions, including the terms "new vessel," "reconstruction," "obsolete vessel," and "domestic waterborne commerce." With respect to new vessels constructed under a building agreement with the Secretary, it is anticipated that such vessels would be of a type, size, and speed as are suitable for use on the high seas or the Great Lakes in carrying out the purposes of the Merchant Marine Act of 1936. It would not be necessary, however, that such vessels be suitable for conversion into naval or military auxiliaries, as the present-day merchant marine requires the addition of many large bulk cargo vessels, particularly on the Great Lakes. For purposes of the legislation, the term "domestic waterborne commerce" would include the transportation of merchandise and/or passengers by water between points in Canada and the United States on the Great Lakes, since it is characteristic of Great Lakes vessels that they be utilized both in the domestic coastwise trade of the lakes and in foreign trade with Canada.

Subsection (b) would authorize the Secretary of Commerce to enter into building agreements with citizens of the United States other than contractors—shipowners—who presently hold an operating differential contract under title VI of the act. The vessels provided by the building agreement, if not for the replacement of obsolete tonnage, would be limited to operation in domestic waterborne commerce where such vessels are needed to provide essential services in a trade which is not adequately served. New construction or reconstruction to replace obsolete vessels now operated in domestic commerce or on the Great Lakes could also be authorized by the Secretary if, in his judgment, such obsolete tonnage should be replaced because inadequate for successful operation. The Secretary would be precluded, however, from entering into a building agreement unless he finds that the citizen with whom he contracts possesses the ability, financial resources, and other qualifications necessary to enable him to operate the vessels.

Subsection (c) would limit a building agreement to a period of not in excess of 25 years. It also provides that the building agreement shall specify the number and approximate characteristics of the vessels which are to be acquired, constructed, or reconstructed by the owner, together with the approximate dates of acquisition, construction, or reconstruction. Extensions of the date or modification of the numbers of vessels would be provided upon a showing to the satisfaction of the Secretary that the owner is financially unable to comply with the terms of his agreement.

Subsection (d) would authorize the Secretary to make provision in any building agreement for—

First. Acquisition by the United States of an obsolete vessel or vessels in exchange for an allowance of credit to be applied upon the purchase price of a new vessel or the reconstruction of an existing vessel. The amount of the allowance of credit would be fixed at the time the owner contracts for any new construction and would reflect the fair and reasonable market value of the obsolete vessel. An obsolete vessel acquired by the United States would be placed in a national defense reserve fleet unless, in the opinion of the Secretary, it is of insufficient value for commercial or military operations to warrant its further preservation.

Second. Payment by the United States of a subsidy on the construction of a new vessel or the reconstruction of an existing vessel. This subsidy would reflect the difference between the cost of construction in a shipyard in the United States, based upon the lowest responsible domestic bid, and the cost of such construction in a foreign shipbuilding center furnishing a representative example of the lowest construction cost of such vessels. The subsidy could not exceed 55 percent of the domestic cost except in the case of reconstruction, where a 60-percent limitation would be imposed. All construction performed under a building agreement would be subject to the terms and conditions of section 505 (a) of the Merchant Marine Act of 1936, as amended. However, the restrictions of section 506 of the act, limiting vessels constructed with the aid of a subsidy to foreign trade, would not apply to any new vessel constructed pursuant to a building agreement, whether or not constructed with the aid of a subsidy. Any restriction on the use of a vessel in specific trades would be provided by the terms of the building agreement.

Third. Creation and maintenance of a construction reserve fund in which the owner would deposit, with respect to specified vessels, annual earnings equal to depreciation and other earnings from the operation of vessels specified by the Secretary. In the fund also would be deposited the net proceeds of sales or requisitions or net indemnities for actual or constructive total losses of specified vessels. Deposits could be withdrawn only for the purpose of making downpayments or retiring purchase money indebtedness on new vessels acquired pursuant to the building agreement or the cost of reconstructing existing vessels unless the Secretary authorizes capital improvements to other vessels of the owner.

Fourth. Such further conditions as the Secretary determines are not inconsistent with the intent and purpose of the act, including such restrictions as are necessary to preclude employment of the vessel in any trade which the Secretary has determined is being adequately served by existing U.S. vessels. In this respect the term "trade" as employed in the proposed legislation does not have the restricted meaning of an "essential trade route" or an "essential service." Rather, what is meant is overall trade such as that in bulk commodities on the Great Lakes or the trade in general commodities between Alaska and the west coast of the United States, for example.

Subsection (e) deals with the financing of new construction. It provides that in the event a vessel is acquired from the United States, a first preferred mortgage to the United States must be executed to secure payment of any sums remaining due. A downpayment of not less than 25 percent of the cost to the owner would be required upon the purchase of any new vessel, but an allowance of credit for an obsolete vessel could be applied by agreement with the Secretary toward such down payment. Interest at the rate of 3½ percent per annum would be required on all unpaid balances. The Federal ship mortgage insurance provisions of title XI of the act would be available to all operators desiring to finance the purchase of vessels privately.

Subsection (f) deals with the tax consequences resulting from the purchase or acquisition of vessels with construction reserve funds. It provides that the basis of any newly constructed or reconstructed vessel would be reduced for Federal tax purposes by that portion of the cost paid out of construction reserve funds which represent gain or income not previously recognized for the taxpayer. In the event a newly constructed or reconstructed vessel is acquired on the basis of an allowance of credit for an obsolete vessel or vessels, then the basis for Federal tax purposes of the newly constructed or reconstructed vessel would be the same as the basis of the vessel or vessels exchanged for credit, increased in the amount of the actual cost to the taxpayer other than that cost represented

by any construction subsidy or expenditures from reserve funds on which gain or income has not been previously recognized.

Section 2 of the proposed legislation makes certain changes in section 605 of the Merchant Marine Act of 1936, as amended. That section presently provides that no vessel operating on the Great Lakes shall be considered, for purposes of the Act, to be operating in foreign trade. Thus Great Lakes vessels trading between the United States and Canada on the Great Lakes are presently excluded from either construction or operating subsidies. Section 2 of the proposed legislation would delete from section 605 this restriction on Great Lakes vessels engaged in foreign trade with Canada. Consequently, any Great Lakes vessel which could meet the present requirements of the Merchant Marine Act would be made eligible for construction and operating differential subsidies under present law, However, it is important to note that any Great Lakes vessel which would qualify for an operating differential subsidy under existing law, after section 605 of the act is amended, would not be eligible for the benefits of this bill. Thus, insofar as the lakes are concerned the purpose of this bill is only to aid those vessels and operators who could not otherwise qualify for construction and operating subsidies under the present act if section 605 were amended.

Mr. President, the Senate Committee on Commerce, at the instigation of the chairman (Mr. MAGNUSON), held hearings on the coastwise and intercoastal shipping industry in 1960 and on the domestic offshore shipping in 1961. A full documentation of the general problem is, therefore, available now.

In April of last year the President sent to Congress his transportation message. The President said:

> The Secretary of Commerce has undertaken a study of the current problems of the American merchant marine. This review will involve such specific issues as the state of coastal and intercoastal shipping and the costs of service to our noncontiguous territories.

I believe the State of Hawaii and State of Alaska were intended to be included within the term "noncontiguous territories." In any case, no recommendations have been presented to the Committee on Commerce; no proposals have been forthcoming from the Secretary of Commerce, concerning our domestic maritime trade.

Mr. President, these two bills are not introduced as a final solution to this critical problem. They are introduced in the sincere belief that a real and immediate problem exists and that the introduction of this legislation will provide a forum before which these and other recommendations can be heard.

It is my earnest hope that the bills, as introduced, will be brought to early hearings and that this body will take some positive action to revive an industry so important to our overall economy.

In closing, Mr. President, I would like to bring to the attention of the Senate the recent appraisal by Vice Adm. John Sylvester to my distinguished colleague, Senator MAGNUSON, chairman of the Commerce Committee, which was submitted on behalf of the office of the Chief of Naval Operations. In that study, the Department of Defense makes it clear that domestic deep-water shipping is vital to the defense of our Nation. The Department of Defense points out that in the event of nuclear war, the domestic deep-water freighter may be uniquely fitted to serve as the transportation link between our coastal cities during a period of time when land transportation is at the best an uncertainty. The Navy Department feels that since a large percentage of domestic ships would be at sea they would escape damage, and their availability is vital.

The statement by Admiral Sylvester makes it mandatory for this body to take action to preserve this industry.

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

The bills, introduced by Mr. BARTLETT, were received, read twice by their titles, and referred to the Committee on Commerce, as follows:

> S. 1773. A bill to amend the Merchant Marine Act, 1936, as amended, to encourage investment in the American Merchant Marine by providing a program of assistance in the construction of vessels, to correct inequities, to stimulate the domestic commerce of the United States, and for other purposes; and
>
> S. 1774. A bill to amend title V of the Merchant Marine Act, 1936, in order to authorize construction differential subsidy for certain qualified operators in the coastwise, intercoastal and noncontiguous domestic commerce of the United States, and for other purposes.

AMENDMENT OF WOOL PRODUCTS LABELING ACT

Mr. SCOTT. Mr. President, on behalf of myself and the Senator from Connecticut [Mr. DODD], I introduce, for appropriate reference, a bill which would amend the Wool Products Labeling Act to provide the Federal Trade Commission with discretionary power to exempt products from the necessity of disclosing wool fiber content on their products where such is not necessary in the opinion of the FTC for the protection of the consumer.

Such discretionary power is already available to the FTC in the case of the more recently enacted Textile Fiber Products Identification Act, which is not applicable to products required to be labeled under the Wool Products Labeling Act of 1939.

Favorable consideration of this legislation could be of substantial benefit to the wool felt hat industry which is faced with dwindling demand, particularly for millinery, and which now comprises only four factories, one of which is located in Connecticut and the other three within a 6-mile radius of each other in Lancaster County, Pa.

Wool felt hats compete with other headwear materials such as fur felt and various types of cloth which are exempt from equivalent labeling requirements.

The fiber content of headwear, including wool felt hats, is not a factor of special importance to the performance of the fabric.

The fiber content of headwear is not a factor of primary importance in consumer acceptance.

Hats are the only item of wearing apparel not subject to abrasive wear and tear and the fiber content is, therefore, unimportant to the consumer from this standpoint.

Consumers purchase hats on the basis of style, color and price with little, if any, consideration as to the specific fiber content.

Similar legislation has been introduced in the House of Representatives by my colleague, Representative DAGUE.

I strongly urge, Mr. President that the appropriate committee give immediate and careful consideration to this legislation.

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

The bill (S. 1778) to amend the Wool Products Labeling Act of 1939 to authorize the Federal Trade Commission to exclude from the provisions of that act wool products with respect to which the disclosure of wool fiber content is not necessary for the protection of the consumer, introduced by Mr. SCOTT (for himself and Mr. DODD), was received, read twice by its title, and referred to the Committee on Commerce.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO LEGISLATIVE APPROPRIATION BILL

Mr. MONRONEY submitted the following notice in writing:

> In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 6868) making appropriations for the legislative branch for the fiscal year ending June 30, 1964, and for other purposes, the following amendment, namely: On page 22, line 11, insert: ": *Provided*, That the proviso to the paragraph entitled 'Extension of the Capitol' in the Legislative Appropriation Act, 1956, as amended, is amended by striking out 'and to obligate the additional sums herein authorized prior to the actual appropriation thereof'."

Mr. MONRONEY also submitted an amendment, intended to be proposed by him, to House bill 6868, making appropriations for the legislative branch for the fiscal year ending June 30, 1964, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

LEGISLATIVE APPROPRIATION BILL, 1964—AMENDMENTS

Mr. PROXMIRE submitted amendments, intended to be proposed by him, to the bill (H.R. 6868) making appropriations for the legislative branch for the fiscal year ending June 30, 1963, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT OF AREA REDEVELOPMENT ACT—AMENDMENTS

Mr. SCOTT submitted amendments, intended to be proposed by him, to the bill (S. 1163) to amend certain provisions of the Area Redevelopment Act, which were ordered to lie on the table and to be printed.

Mr HOLLAND (for himself and Mr. SMATHERS) submitted amendments, intended to be proposed by them, jointly, to Senate bill 1163, supra, which were ordered to lie on the table and to be printed.

ADDITIONAL COSPONSOR OF BILL

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the name of the Senator from Illinois [Mr. DOUGLAS] be added as a cosponsor of the bill S. 1613.

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

AMENDMENT OF SECTION 315 OF COMMUNICATIONS ACT—ADDITIONAL COSPONSOR OF BILL

Mr. HARTKE. Mr. President, I ask unanimous consent that the name of the senior Senator from West Virginia [Mr. RANDOLPH] be added as a consponsor of S. 1696, a bill I introduced on June 11, 1963, to amend section 315 of the Communications Act of 1934 so as to eliminate the statutory requirement of affording equal time for use of broadcasting stations by candidates for public office.

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

ADDITIONAL COSPONSOR OF BILL

Mr. PROXMIRE. Mr. President, I ask unanimous consent that at the next printing of S. 1721, a bill to amend the Small Business Act to prohibit certain discriminatory practices by business enterprises receiving assistance under such act, the name of the Senator from Pennsylvania [Mr. CLARK] be added as a cosponsor.

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

ADDITIONAL COSPONSORS OF BILLS

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors for the following bills:

Authority of June 17, 1963:

S. 1721. A bill to amend the Small Business Act to prohibit certain discriminatory practices by business enterprises receiving assistance under such act: Mr. CANNON, Mr. DODD, Mr. DOMINICK, Mr. GRUENING, Mr. MCINTYRE, and Mr. NELSON.

Authority of June 19, 1963:

S. 1731. 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: Mr. KUCHEL, Mr. HUMPHREY, Mr. KEATING, Mr. MORSE, Mr. SCOTT, Mr. DOUGLAS, Mr. BEALL, Mr. SYMINGTON, Mr. FONG, Mr. CLARK, Mr. JAVITS, Mr. HART, Mr. CASE, Mr. YOUNG of Ohio, Mr. COOPER, Mr. DODD, Mr. BAYH, Mr. BREWSTER, Mr. BURDICK, Mr. ENGLE, Mr. GRUENING, Mr. HARTKE, Mr. INOUYE, Mr. JACKSON, Mr. KENNEDY, Mr. LONG of Missouri, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MCNAMARA, Mr. METCALF, Mr. MUSKIE, Mr. NELSON, Mrs. NEUBERGER, Mr. PASTORE, Mr. PELL, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. WILLIAMS of New Jersey, Mr. DOMINICK, Mr. CHURCH, Mr. MOSS, and Mr. MCGEE.

S. 1732. A bill to eliminate discrimination in public accommodations affecting interstate commerce: Mr. KUCHEL, Mr. HUMPHREY, Mr. KEATING, Mr. MORSE, Mr. SCOTT, Mr. DOUGLAS, Mr. BEALL, Mr. SYMINGTON, Mr. FONG, Mr. CLARK, Mr. JAVITS, Mr. HART, Mr. CASE, Mr. YOUNG of Ohio, Mr. COOPER, Mr. DODD, Mr. BAYH, Mr. BREWSTER, Mr. BURDICK, Mr. ENGLE, Mr. GRUENING, Mr. HARTKE, Mr. INOUYE, Mr. JACKSON, Mr. KENNEDY, Mr. LONG of Missouri, Mr. MCCARTHY, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MCNAMARA, Mr. METCALF, Mr. MUSKIE, Mr. NELSON, Mrs. NEUBERGER, Mr. PASTORE, Mr. PELL, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. WILLIAMS of New Jersey, Mr. DOMINICK, Mr. CHURCH, Mr. MOSS, and Mr. MCGEE.

S. 1750. A bill to enforce the constitutional right to vote, to establish a Commission on Equal Employment Opportunity, 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, and for other purposes: Mr. DOMINICK, Mr. FONG, Mr. JORDAN of Idaho, Mr. KUCHEL, Mr. MILLER, Mr. MORSE, and Mr. SALTONSTALL.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—ADDITIONAL COSPONSORS OF AMENDMENTS

Under authority of the order of the Senate of June 17, 1963, the names of Mr. BARTLETT, Mr. BIBLE, Mr. CANNON, Mr. DOUGLAS, Mr. ERVIN, Mr. GRUENING, Mr. MORSE, Mr. MOSS, Mr. MUNDT, Mr. NELSON, Mr. PROXMIRE, Mr. SIMPSON, Mr. TALMADGE, Mr. YARBOROUGH, and Mr. YOUNG of North Dakota were added as additional cosponsors of the amendments submitted by Mr. CHURCH on June 17, 1963, intended to be proposed by them. jointly, to the bill (S. 1276) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

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 a joint resolution (H.J. Res. 508) making continuing appropriations for the fiscal year 1964, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

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.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 508) making continuing appropriations for the fiscal year 1964, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

Mr. HAYDEN subsequently said: Mr. President, from the Committee on Appropriations, I report favorably without amendment, the joint resolution (H.J. Res. 508) making continuing appropriations for those functions of the Government for which appropriations have not been enacted for the fiscal year ending June 30, 1964, and I submit a report (No. 306) thereon. I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Arizona?

There being no objection, the Senate proceeded to consider the joint resolutions.

Mr. HAYDEN. Mr. President, this joint resolution is similar to continuing resolutions which are agreed to every year, with one exception. The exception to which I refer is that this resolution provides appropriations for a 60-day period and all authority under the resolution will terminate on August 31, 1963.

In those instances when bills have passed both bodies and the amounts or authority therein differ, the pertinent project or activity shall be continued under the lesser of the two amounts approved or under the more restrictive authority.

When a bill has passed only one House, or when an item is included in only one version of the bill 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 of operations not exceeding the fiscal 1963 rate or the rate permitted by the one House, whichever is lower.

In instances when neither House has passed appropriation bills for fiscal 1964, amounts are approved for continuing projects or activities conducted in fiscal 1963 not in excess of the current year's rate or at the rate provided for in the budget estimate, whichever is lower.

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

The joint resolution (H.J. Res. 508) was ordered to a third reading, was read the third time, and passed.

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

On request, and by unanimous consent, addresses, editorials, articles, etc.,

were ordered to be printed in the RECORD, as follows:

By Mr. KEFAUVER:

Address of Representative CELLER, on the subject of "Law Observance," delivered at Exhibition Hall, New York, June 17, 1963.

ADDRESS BY ASSOCIATE JUSTICE TOM C. CLARK AT INSTITUTION OF LOGOPEDICS

Mr. CARLSON. Mr. President, the Institute of Logopedics, at Wichita, Kans., is an institution that is nationally and internationally known. It was established, as a part of the Wichita University on June 1, 1934, as a nonprofit corporation dedicated to the alleviation and prevention of communicative handicaps.

The ever-increasing growth of this institution is the result of the dedication of Dr. Palmer and his determination to be of assistance to those who are afflicted with difficulties of speech. The record speaks for itself.

By 1962, 27,000 individuals had received help from the institution. They came to the institute from all 50 States and from 15 foreign countries. At the present time, approximately 15,000 individuals, with all types of communicative problems, are enrolled. Five hundred of these are at the Wichita Clinic, with the rest receiving training at the 21 field service centers throughout the State of Kansas.

The Institute of Logopedics is more than a treatment center. It is also an institution where professional training is given. Since 1934, more than 700 students have taken courses in the Department of Logopedics. Over 30 master's degrees have been earned since 1944; and presently there are 186 students majoring in the field of logopedics.

Graduates from the department of logopedics are bringing communication to persons in 27 States and four foreign countries.

On June 16, the Honorable Tom C. Clark, Associate Justice of the U.S. Supreme Court, participated in the dedication of a new interfaith chapel at the institution.

In his dedicatory address, Justice Clark stated:

> Not only was the institute the first language habilitation center in the world to be designed and built expressly for the care and training of the speech handicapped; but this is the first chapel ever to be erected for the specific purpose of making available—in the appropriate atmosphere—religious education to such children.

I ask unanimous consent that Justice Clark's speech of dedication be printed at this point in the RECORD, in connection with my remarks.

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

ADDRESS BY MR. JUSTICE CLARK, AT THE INSTITUTE OF LOGOPEDICS, WICHITA, KANS., JUNE 16, 1963

I deem it to be a great pleasure and a high privilege to participate in the dedication of this beautiful interfaith chapel of the Institute of Logopedics. It is indeed a significant occasion. Not only was the institute the first language habilitation center in the world to be designed and built expressly for the care and training of the speech handicapped; but this is the first chapel ever to be erected for the specific purpose of making available—in the appropriate atmosphere—religious education to such children.

I come from Washington to speak at this service of dedication. It is but fitting that on behalf of those who are speechless I first say a few words of appreciation and gratitude to Sigma Alpha Sorority.

It is often said that there are no frontiers left today to explore and no pioneers left to explore them. Yet, we see right here before us the accomplishments of a great pioneer, Dr. Martin F. Palmer. His eyes light up when he relates the plans that he proposed for these silent children—an action program based on the philosophy that one's complete personality cannot be developed unless his experience includes the religious factor in life. As a result, an important part of the physical plant of the institute is this beautiful chapel that we dedicate today. It is significant that it is part and parcel of the same building where are housed the other facilities of the institute that are devoted to the educational effort to develop in these children the faculties that will enable them to carry on a normal life.

Thus, the functions of the institute are housed under one roof just as Dr. Palmer conceived that the course of instruction offered every student should result in the development of the whole child. Simple in design but truly reflecting the dignity of man and his dependence upon God, it has been built through the hard work, persistent efforts and loving devotion of Sigma Alpha. It shall stand as a monument to those who accepted the challenge of Dr. Palmer and his staff to bring to these children the teachings of Jesus so that their lives might be so blessed.

But this is not all that you have done. It takes more than mortar and boards and bronze and glass to make a chapel; you have supplied a togetherness of spirit that gives to this edifice life and love, reverence and faith. This is the more true because you and others have provided scholarships for professional students to come here and to learn the methods of habilitation of this great institute. Thus you have made it possible for its ministrations to be extended not only throughout the United States but in many countries of the world. And so to you, Sigma Alpha, on behalf of the thousands of human beings who have been helped through the assistance of this institute, and on behalf of its board of governors, its director, Dr. Palmer, and his staff, together with the patrons and patronesses of the institute, I say thanks and may God bless you for your great work. You have, indeed, rendered a good deed to a suffering fellow man. May others emulate your example and, in the song of the poet, join your effort in the realization that—

> "Through this toilsome world, alas
> Once and only once I fear
> If a kindness I may show
> If a good deed I may do
> To a suffering fellow man
> Let me do it while I can
> No delay, for it is plain
> I shall not pass this way again."

I have been greatly disturbed over the apathy of our people toward the 9 million souls among us who are unable—through no fault of their own—to lead normal lives because of a lack of communication. We take our facility for granted but one need only go on a short tour of inspection of the facilities of the institute to quickly realize the enormous handicap one has when he is unable to communicate readily with his fellow man. Just yesterday I took such a tour under the guiding and capable hand of Mrs. Barritt of the institute staff. I wish that every American, particularly the Congressmen and Senators as well as the President and Vice President, could see what I saw. I am sure that their hearts would go out in deep appreciation and lasting gratitude to the staff of the institute who, under the genius of Dr. Palmer, have built here in Wichita the greatest human habilitation center in our country. I know because I have been in them—all the way from Boston to Los Angeles, from Rochester to Austin. On this dedication day I speak for every American, who, I am sure, would want me to express to Dr. Palmer and his devoted staff the appreciation that is in my heart. What impressed me yesterday was the skill with which that staff works, the devotion that they give to their work, their dedication to its accomplishment, and the tremendous gains that they are making in this field. The life of Dr. Palmer, of Mr. Wurth, of Mrs. Barritt, and all of the others, reminds me of the life of Dr. Carpenter of Lexington, Va. When I was a student at VMI there was a doctor who had his office in an old two-story building in town. He was a fine doctor and undoubtedly could have practiced in the finest hospitals in the largest cities in the world. But he never thought much about money or prestige, and he chose instead to practice in the little town of Lexington, driving through the mountains in his old horse-and-buggy and caring for the needs of what he liked to think of as "his" people.

When any of the cadets at VMI had an ailment—or, for that matter, any other problem—which was too serious to be taken care of at school, they would go to see Dr. Carpenter. His office was on the second floor, and at the base of the old outside staircase was a weatherbeaten, wooden sign that read simply, "Dr. Carpenter—Upstairs." Finally, the long hours and age and the strain that comes from caring deeply about the problems of others took their toll, and Dr. Carpenter died. He had no family of his own, so the townspeople arranged the funeral. But when it came to finding an inscription for his grave, they could think of no words adequate to describe what he had meant to them or done for them. Some of the cadets had been allowed by the superintendent to attend the funeral, though, and they asked the mayor if they could not provide the marker for his grave.

A few years ago I was back at VMI for a reunion, and I went to the cemetery. There at the head of his grave is the sign which now, as in his lifetime, provides the only directions needed as to the doctor's whereabouts. It reads simply, "Dr. Carpenter—Upstairs."

It was only a few years ago that the cerebral palsied were thought to be mentally retarded because they could not talk—and they looked "that way," as the expression often went.

It has been the philosophy of Dr. Palmer and, through him, his staff that most of "these children can be taught to talk." It was that philosophy which developed this great model center which you have here in the heart of America.

Back in the thirties Dr. Palmer took these children and adults who had handicaps and put his philosophy to work. He started a professional training department at the University of Wichita, so that there would be many skilled hands and minds to help these forgotten ones. He developed a program to meet their needs—not attempting to squeeze them into an already set pattern but molding the pattern to each individual. He taught the brilliant child, the average child, and he sought to find the answer for the child who could not seem to learn. His was the effort to find a way of overcoming this retardation.

And just what is meant by retardation? The dictionary says, "Slow in the development of progress; obstacle." It does not

state that progress cannot be achieved; simply that there is some sort of obstacle impeding progress. Exactly, what is this obstacle? That is what the institute has been attempting to discover for 30 years. Then when the obstacle is discovered, to reduce or eliminate or to circumvent it so that progress can continue at somewhere near a normal rate.

Through scientific techniques we have seen the cerebral palsied brought out of the classification of the mentally retarded. We have seen the aphasic or brain-injured child being brought out of the same classification. And now at the institute we are seeing the multihandicapped being recovered through the efforts of these dedicated people.

There are fine schools in this country for the blind, for the deaf. We have one of the best in Washington—Gallaudet College. There are also fine rehabilitation centers for the physically handicapped. These are known quantities and good answers have been developed for them. Not only have the blind, deaf and halt been give expert training but our society has also made great strides toward placing these individuals vocationally, so that they might function with 100-percent efficiency.

But there was no place in these institutions for the thousands that have a combination of problems or conditions for which no adequate answer has been found. These children and adults were then just lumped together and hidden in the recesses of the mentally retarded. This dumping of all of the so-called "nonlearners" presents a sad commentary on our national life and a great danger to the accomplishment of our national purpose. We thank God this morning that the Institute of Logopedics has never had this attitude. Dr. Palmer insists that his professional students in the Department of Logopedics learn about every type of communication problem. The result is that any multiplicity of problems presented by a given case can be approached with this insight. As he developed a special education program for those who could not profit from public school, he separated the cases according to type or multiplicity thereof so that proper techniques for their learning could be utilized. Today there are 40 classrooms and the number is continually growing. Existing ones are being subdivided as the staff attempts to get even better programing to fit each child's need, in the effort to bring him to independent, contributing adulthood through communication.

The ability to deal with these multihandicaps is the result of the unique nature of the institute's threefold program of clinical services, professional training and research, together with separate home facilities where children and adults may find that normal support, security, and family responsibility which is present in our average American home.

Let us consider ourselves for a moment. We are assumed to be normal. What is the main ingredient enabling us to serve society? Is it our minds, our bodies, or our ability to communicate? I say to you that a good mind and a healthy body are of small use if one cannot communicate. It is of the speechless that we speak and think today.

How many children in this country are in schools for the mentally retarded or mentally ill who could be restored to normal living if their problems were correctly understood? And let us add to these thousands of souls those in our penal institutions. Did you realize that there are 50 percent more speech difficulties in the prison population than in normal life? What causes this? Are the speech defectives prone to criminal tendencies? No. But let us ponder over what happens when one has continuing failures in communication in this speaking world. He may become aggressive or he may withdraw—even to the point of becoming mentally ill. And what happens to the families of those who fail? They, too, become emotionally upset. What happens to society when it fails to care for these failures? It deteriorates to that extent. No wonder a distinguished leader in the promotion of mental health stated that the Institute of Logopedics was ably performing one of the most important functions in American life today.

To perform this laudable purpose Dr. Palmer, his wife and his staff have dedicated their all; 27,000 children have been examined at the institute. Thousands have been returned to society as normal, articulate, good citizens. Indeed, three children each day are discharged from the institute and return to normal activity in life. Even more important, through the professional training department here, students trained in logopedics have served in 27 States and 7 foreign countries. We cannot count the numbers of lives that those devoted to the institute have touched. From this great center of learning there has emanated knowledge, hope and inspiration to children in all 50 States and well over a dozen foreign countries.

I mention only one person who comes to mind. He serves as I do on the bench of a State court. When he came here in the thirties he suffered helplessly from cerebral palsy—today he is a judge. And his recovery is due alone to this man, Dr. Palmer, who believed that the palsied, too, can be habilitated to normal living.

And so today we come here to dedicate this chapel to the advancement of the Holy Spirit into the lives of these dear children. That such is indispensable to their whole being cannot be gainsaid. Today we have through the good deeds of Sigma Alpha the culmination of Dr. Palmer's dream that these children would have a beautiful chapel in which to worship, simple in design, quiet in dignity and affording each religious order an opportunity to worship as it chooses. Tomorrow, I hope that he may have not only the continued help of you who are here, but also more converts, more devotees to the institute, more people to join in his crusade to bring communication to these 9 million unfortunate fellow citizens of ours. To this end let us pray that millions of us—the fortunate who can communicate—will get this "Palmer religion" as I call it and get this job done.

In this spirit we now dedicate this chapel with the fervent supplication to that Almighty Being who rules over the universe and whose providential aids can supply correction to every earthly defect; that this chapel be forever consecrated to the use of those who suffer speechless among us; that through His divine blessing they be returned to normal living and to His glory forever; and may all those who work in togetherness in this cause to achieve this miracle of our age likewise receive His blessing and benediction.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

BERLIN UPRISING

Mr. JAVITS. Mr. President, June 17 is known in Germany as the "Day of German Unity" and for good cause. It was on that day in 1953 that workers in the Soviet-occupied zone of Germany joined in spontaneous movement against the Soviet-backed Communist dictatorship that was—and is—ruling them with an iron hand.

Their demands for free elections and an end to the Communist dictatorship were answered with Russian tanks and troops. But despite the fact that their bid for freedom was denied by brute force, the martyrs of June 17 established a dramatic precedent of revolt and of protest in Soviet-controlled East Europe and spearheaded the ultimate drive of the Central European Communist satellites for freedom.

The deeds of these brave men, women, and children, and the cause for which they fought and died, is remembered every year. This year, the 10th anniversary of that heroic effort, an observance was held in New York City at which the speakers were Dr. Eugen Gerstenmaier, president of the German Bundestag, and our distinguished colleague, the senior Senator from Connecticut [Mr. DODD]. I ask unanimous consent to have their addresses on this historic occasion inserted in the CONGRESSIONAL RECORD.

There being no objection, the speeches were order to be printed in the RECORD, as follows:

ADDRESS BY DR. EUGEN GERSTENMAIER, PRESIDENT OF THE GERMAN BUNDESTAG

When I first came to your country in the winter of 1947–48, there was no German in the world authorized to speak for Germany. I was then a man indebted to American troops for his freedom and had come to thank them and your churches for carrying out a great rescue operation for hundreds of thousands of homeless refugees and other war victims. I came here as a guest of the Lutheran churches. A few weeks later I was received at the White House by your President, Harry Truman. My reception then, and the talk I had with the President, inspired me and prepared me for the extraordinary difficulties which confronted my country.

I can't tell you how grateful I am for the foresight of the American Government, not only under President Truman but also under General Eisenhower and President Kennedy. Together with the patience and generosity of the American people, they made it possible for us to carry out our policy despite great obstacles. The United States thus made loyal allies out of wartime enemies. You bridged the tremendous gulf between us and also made possible a great change in the German people.

This change is a fact; it is indeed the foundation of the enduring relationship between Germany, the United States, and the rest of the free world. It is a stable and reliable foundation and Dr. Adenauer will bequeath to his successor an auspicious achievement that will survive changes in governments.

One thing, however, was not achieved. Germany is still divided. Indeed, the Iron Curtain between us in West Germany and the 17 million people in the rest of Germany has become more impenetrable in the last 15 years, and the Berlin wall has grown higher. That is why the 17th of June, now being observed for the 10th time, is not a day of national rejoicing in Germany but rather a subdued commemoration of the anniversary. It is marked by a kind of melancholy that from year to year grows deeper. It casts its shadow over an event which Germans have special reason to honor and cherish.

Our history, as you know, includes many wars, but popular uprisings, bloody mass insurrections, have been rare. And whenever

they did break out, they usually failed. In the history of our own generation the revolt against Hitler on July 20, 1944, failed; many Germans paid for it on the gallows. The uprising of June 17, 1953, against Moscow's henchmen in East Berlin and East Germany also failed. On both occasions the attempts did not stem primarily from material need or necessity, but from a hunger for freedom and human rights.

The response 10 years ago today—and 3 years later in Hungary—was Soviet tanks. The result: dead and wounded and many merciless executions. Other struggles for freedom, more or less bloody and more or less publicized, have taken place in Eastern Europe where men have stood up to demand justice. In this sense the 17th of June should remind us of the common cause we share with those beyond our own borders who seek their freedom.

Many have died in this cause, but we, the living, are obligated to live for our convictions. That is why the melancholy that darkens this day in Germany is uncalled for. By the same token, the reverence with which we remember the many victims of the division of Germany—and these include, incidentally, more than 30 Americans who died in the airlift—should not make this just a day of mourning. That kind of memorial day is suitable only for what is lost forever. This memorial day, for Germans, at least, should be an inspiration for the unfinished task that lies ahead.

Despite the responsibility the German people must bear for Hitler's crimes, we believe we have the right to be together. The vast majority of people in both parts of Germany give heartfelt approval to the unification of Europe. They also believe in the enduring association of a unified Germany with the North Atlantic community. But we cannot and will not forever relinquish our right to the integration of our own people.

We do not believe that the movement toward supranational integration is strengthened if it encompasses nations which themselves are not integrated. The unification of Europe will not be advanced, rather it will be inhibited by the division of Germany.

Moreover, the 52 million Germans in the Federal Republic owe it to the other 17 million in the Soviet-occupied zone of Germany to do everything conceivable to make it possible for them to live as human beings should.

Our policy today, as far as the German question is concerned, has three goals.

These are, one, a thoroughgoing humanization of living conditions for the people of the Soviet zone. This includes making it possible for the many divided families to go through the wall and the Iron Curtain and visit each other freely.

Two, establishing the right of self-determination in accordance with the United Nations Charter.

Three, the restoration of Germany's unity as a nation. I know that not a few people in the world regard all this as a hopeless German illusion. We disagree. All German political parties represented in the Bundestag concede that these goals cannot be reached by a unilateral German approach to the East. But we do not believe that setting these goals is in itself illusory. We maintain that it is an obligation. And at the same time, we hold that it is one of the legitimate tasks of world statesmanship in our time.

We Germans have decisively rejected war as a means to reunify our country. But this does not discharge us from the responsibility to investigate every possibility and to use every means within the framework of peaceful diplomacy, to make progress in negotiations with the East.

Some people may regard this only as national egoism or stubborn German resistance against the trend of history. Ladies and gentlemen, thoughtful and conscientious people in my country have never entertained any illusions about the bitter price the entire German nation has to pay for the suffering and crimes that occurred in the Hitler period.

But I must say to some so-called realists such as British philosopher Bertrand Russell and Hromadka, the Czech theologian, I must say to them that we Germans, although we have changed, and although we are now dedicated to peace and freedom, are not morally free to say Amen to a situation that denies millions of Germans their basic rights. Neither are we free to rest content with a condition in the heart of Europe which presents a continuing danger to the peace of the world. The danger is not that someone intends to start a war because of it; the danger is that the division of Germany itself lends itself to accidents that could bring about a world conflict.

It is not realistic to demand of us that we accept this situation and in addition that we establish diplomatic relations with the Communist satellite regime in East Berlin. Despite a readiness for compromise and conciliation, we consider such a demand not only politically unrealistic; we also see in it an imposition that is truly immoral. That is why, regardless of our readiness to live in peace with all men, we break relations with states which, by recognizing the Communist regime in East Berlin, in effect accept the division of Germany as final.

This situation is not comfortable, and it earns us anything but world praise. We understand perfectly well that people would like to relax. We understand, too, that divided Germany, with its Berlin problem and its troublemaking wall is not regarded by you as the center of the world. The 17th of June observance is not intended to suggest this. On the contrary, it should remind us Germans again and again that our most burning national problem, in the last analysis, is only a part of the historic conflict between the ideologies of totalitarian police states and the philosophy of freedom and human rights.

We Germans are not a very harmonious people and we have many internal disagreements. But from one end of the country to the other, with few exceptions, we agree on this: we have you to thank for saving most of Germany from being submerged in the Communist flood. The gratitude for this in Germany is great and deep. I am certain that President Kennedy will become clearly aware of it when he honors us with his visit next week.

World communism, as aggressive now as ever before, has two important allies in the free world today. One is the illusion that we can easily afford to let the Soviets practice their "salami" tactics. They will never be satisfied. The other ally—and this is much more dangerous because it is far more widespread—is complacency. We Germans know from experience how much a totalitarian state can force its people to accomplish—and even to bear the strain for some time with enthusiasm. Thus we have every reason not to underestimate either the Communist world or the danger it holds for us. But neither should we overestimate it. One course leads to inertia, the other to defeatism.

We can avoid both by being watchful, by being faithful to our allies and by fulfilling our commitments to the free world.

I would like to add in this context that we are not thinking only in military and financial terms. It is time for us to make an additional contribution in the form of political ideas. Perhaps we can help develop new formulas for resolving the problems facing us all. In my opinion, a true partnership requires that the parties concerned frankly express their views. I say this with the conviction that our alliance is fundamentally so firmly grounded and secure that it can tolerate temporary differences of opinion, as is the case now, for example, with regard to the Common Market.

We Germans have had the good luck to meet a number of extraordinary Americans who worked in Germany and left us with a clear image of American fairness, generosity, and determination. Some of them are with us here today. I am certain that the effort and sacrifice they and your great country made in Germany and everywhere else where freedom is at stake have not been in vain. As far as we Germans are concerned, I am just as certain that my pepole—after the terrible experience they went through—are dedicated to freedom with all their hearts. It is no exaggeration to say that this is also true for the overwhelming majority of the oppressed Germans behind the Iron Curtain. And for this reason, too, we shall not forsake them. And therefore, it is not only on this day that we appeal to you, to the peoples of the free world: do not forget them; do not write them off; do not give them up. They belong to us; they belong to you.

Many times in many countries I have been asked, "Where are you Germans going; what do you have in mind for the future?" I would like here and now to answer in the words of Abraham Lincoln. We intend to live "with firmness in the right, as God gives us to see the right."

This, indeed, was the motive of the 20th of July 1944, when Germans rose against Hitler. And this was the motive of the 17th of June 1953, which we commemorate today. And this must henceforth motivate Germany as part of the free world.

REMARKS BY SENATOR THOMAS J. DODD AT COMMEMORATION OF THE EAST GERMAN UPRISING

The course of human history is uneven, and the events of tomorrow have in every generation been unpredictable. Since mankind first began to record its story, there have been periods of progress, periods of stagnation, and periods of disastrous retrogression. But there is, in this varied history, a central moral pattern which makes it possible to foresee the general outline of the future, even though the details may remain obscure.

Despite the periods of stagnation and retrogression, the broad tendency of history points ever upward to the goals of human equality, of brotherhood between the peoples of the world, of peace between the nations, and of free societies whose laws stem from belief in the dignity of the individual.

In this long, upward struggle there are several dates that have enduring and universal significance because they represent historic turning points.

Such a date was June 19, 1215, on which the Magna Carta was signed in ancient England.

Such a date was July 4, 1774, when the American colonies issued their Declaration of Independence from British rule, invoking the belief that all men are created equal, that they are all entitled to life, liberty, and the pursuit of happiness and that it is the function and purpose of government to protect these rights.

Such a date, too, was June 17, 1953, when the workers of East Germany, ignoring the pundits who said that revolt against Communist dictatorship was impossible, rose up against their Communist rulers and against the military might of the Soviet Red army.

I think it important to recall certain facts about the uprising of June 17 because these facts constitute the best answer to those pessimists who believe that Communist power is permanent and unassailable and that Western policy must therefore seek to devise an accommodation with Soviet rule in Central Europe.

The uprising of June 17 began simply enough with a march of some 5,000 East Berlin workers, protesting against the new work norms.

Within hours, what began as a demand for the abolition of the work norms, turned into a demand for free elections.

Within a day, over 200,000 workers throughout East Germany had joined the revolt.

In Magdeburg, Görlitz, Brandenburg, and other cities, the workers stormed government offices and freed prisoners from Communist jails. They tore down and burned the hated Red flag of communism, which they regarded as the symbol of their oppression. And when the Red army sent its tanks in to crush the revolt, they fought against the tanks with rocks and with bare hands.

At this juncture in history it was a foregone conclusion that the workers of East Germany could not prevail against the massed might of the Red army. Their revolt was doomed to defeat; and it was also inevitable that they would have to pay a dreadful price for their temerity. In the fighting itself, several hundred East German workers died and thousands were wounded. In the repressions that followed, 50,000 East Germans were reported arrested. Almost 200 were executed, and 7,000, it is estimated, disappeared.

But even in defeat, the revolt of June 17 represented a signal victory for the cause of freedom.

At one stroke it destroyed the myth that Communist dictatorships are inherently stable and that uprisings against them are impossible. It demonstrated how utterly without support these dictatorships are. It demonstrated the total failure of 7 years effort to indoctrinate the youth of East Germany in Marxist dogma. It set a precedent for the Poznan uprising in Poland and the mighty Hungarian Revolution of October 1956 which shook the satellite empire to its very foundations.

The revolt of June 17 set off a historic process which will some day bring the entire structure of Soviet colonialism tumbling down. For freedom and not communism is the wave of the future. This is the central lesson of history. And it is the central lesson of the East German revolt.

As it was in 1953, the city of Berlin remains today the fulcrum of the struggle between the forces of freedom and the forces of slavery in the continent of Europe.

There are some who became discouraged, especially after the erection of the Berlin wall, by an apparent weakening in the Allied position and by voices of compromise in this country and in Great Britain. I am, myself, unhappy over some of the concessions we have made, or offered to make, on the question of Berlin and over our failure to react more energetically to the erection of the Berlin wall. But I am as certain as I am of anything that the West will never abandon Berlin.

Our commitment to defend Berlin has been stated and restated by three successive Presidents and by five Secretaries of State. It has been confirmed by congressional resolutions. It has been supported by the American people in successive Gallup polls, by the incredible majority of 8 to 1.

It was reconfirmed to the people of Berlin by Vice President LYNDON B. JOHNSON, acting as special emissary for President Kennedy in August 1961. His words on that occasion are worth quoting because I firmly believe that they represent the policy of our Government.

"I have come to Berlin by direction of President Kennedy. He wants you to know—and I want you to know—that the pledge he has given to the freedom of West Berlin and to the rights of Western access to Berlin is firm. To the survival and to the creative future of this city we Americans have pledged, in effect, what our ancestors pledged in forming the United States: 'our lives, our fortunes, and our sacred honor.'"

Finally, our continuing commitment to Berlin was made clear beyond the possibility of doubt by the fact that President Kennedy assigned Gen. Lucius D. Clay as his special representative in Berlin. General Clay's name has rightly become a symbol of Western determination to defend the freedom of Berlin and of its refusal to yield to threats and blackmail. The meaning of General Clay's appointment was, I am certain, not lost on the Soviets. It may very well be the reason why the Soviets are blustering far less this year than they were a year ago at this time.

There are those who say that the West was not even able to prevent the erection of the Berlin wall. How then, they ask, can the West possibly hope to persuade the Soviets to agree to the reunification of Germany, short of a war which no one wants?

I believe that there are many actions that we could have taken, short of war, to prevent the completion of the Berlin wall; and I believe that there are courses of action open to us which would make the democratic reunification of Germany a realistic objective, achievable by peaceful means.

First of all, I believe that the conventional forces under NATO's command in Europe must be dramatically increased. There has been far too great a tendency to rely on the shield of American nuclear retaliation; and, because of this tendency, our European allies have limited themselves to military efforts that are proportionately far below the American level.

To be sure, the free world must have the ability to respond to thermonuclear attack with thermonuclear missiles of its own. But thermonuclear missiles can have little impact on the internal political situation in satellite Europe and can exercise little restraint on the Red Army if it should come to another East Berlin or Poznan or Budapest.

The mere existence of conventional forces, in the adjoining free territories, on the other hand, does exercise a political influence, and this influence varies in direct proportion to their size and power. If NATO had achieved the Lisbon Conference goal of 50 divisions at the time of the Hungarian crisis, there is strong reason to believe that the Red Army might not have intervened again in Hungary after its withdrawal in late October 1956.

The second area in which we must concert our policies and increase our efforts, is trade with the Soviet bloc.

I believe that the free world must use its tremendous economic power, as the Soviets used their power, to bolster their diplomacy.

It is not merely that we have at our disposal vast annual agricultural surpluses, while the Communist bloc suffers chronically from agricultural shortages. The Herter-Clayton report of November 1961 pointed out that the West, possessing 18 percent of the world's population, commands two-thirds of its industrial capacity. "The way in which this preponderant power is used," said the report, "will be a major factor in determining the issues and outcome of the cold war."

Despite a few highly publicized technological successes the industry of the Soviet bloc is incredibly weak in many areas. The Soviet machine tool industry suffers, in particular, from a chronic inability to produce high precision equipment. To overcome their weaknesses, the Soviets have been desperately shopping for precision machine tools and chemical processing equipment and entire industrial plants of various kinds.

Although the NATO allies have imposed some restrictions on shipments to the Soviet bloc, these restrictions have been very unevenly applied, and the Soviets have been able to obtain an increasing amount of equipment which adds significantly to their industrial-military potential.

There is nothing that the Soviets desire more than increased imports of industrial equipment from the West and credit to finance these imports. Conversely, there is nothing that would hurt the Soviets more than the drastic curtailment by the free world of the present shipments of industrial equipment to the Communist bloc. Such a curtailment would play havoc with the Soviet economy because of the rigidity of its planning. It would make it more difficult for the Soviets to meet its economic commitments to the satellites, and thus increase the stresses within the bloc.

Our great industrial and agricultural superiority gives us leverage which we can exercise in a positive or a negative direction. The starting point should be a general tightening up on trade with the Soviet bloc. Beyond this point, we should meet aggression or threat of aggression by carefully calculated sanctions starting first, perhaps, with a ban on certain categories of industrial equipment; then extending this, if necessary, to cover all machine tools and chemical processing equipment; and finally, if the Soviets persist in their attitudes, cutting off all trade with the Soviet bloc.

Conversely, if the Soviets ever show themselves disposed to seriously bargain for a relaxation of the situation in Europe, we are in a position to offer meaningful concessions on trade and credit in return for political concessions from the Soviet side. It is not inconceivable that against a background of recurring discontent within the satellites and internecine strife within the Kremlin, the Soviets might some day be willing to exchange free elections in Germany for substantial credits and shipments of equipment from the West. For my own part, I believe this would be a legitimate quid pro quo.

I do not underestimate the difficulties in the way of implementing such a policy. It will involve the voluntary abandonment of profitable sales by Western industry, and a far greater degree of cooperation than today exists between the NATO nations. But if we are not prepared to forego a small percentage of our profits in the interest of freedom, then the future of freedom is, indeed, uncertain. And if we are not prepared to use our great economic leverage as an instrument of deterrence against Soviet aggression, then the future of peace is equally uncertain.

It is not enough that we should come together every year at this time to pay homage to the heroism of the East German uprising of June 17, 1953. We owe it to the martyrs of the East German uprising and of the Polish and Hungarian uprisings which succeeded it, to pursue the goal for which they gave their lives by making it the prime objective of our diplomacy.

I am confident that this goal is achievable. I am confident that it can be achieved by peaceful means. But it will require all the persistence, all the resourcefulness, and all the dedication of which we are capable.

If we so dedicate ourselves to the task before us, then the heroes of the June 17 uprising will not have sacrificed their lives in vain.

TRADE EXPANSION ACT

Mr. JAVITS. Mr. President, on May 17 I made a speech in which I set forth certain recommendations as to how the United States could deal with its trade policy in the face of the rebuff which the whole world has suffered in respect of her trade policy when Britain's application for admission to the Common Market was rejected. There have been most unusual comments and analyses upon these recommendations which call for changes in the Trade Expansion Act.

Mr. President, I have been watching with great concern developments in

Western Europe which tend to negate our basic foreign trade policy objectives: the gradual expansion of worldwide trade through the mutual elimination of trade barriers. The failure of Britain's admission to the EEC and the unfavorable results of the first ministerial meetings in Geneva under the Trade Expanson Act, call into question the adequacy of our negotiating position at the coming trade talks. By unduly concentrating on our trade with the EEC to the exclusion of our other major trading partners such as Canada, Latin America, the United Kingdom and Japan, we are acting against our own national interest as well as the interest of the free world.

With these thoughts in mind, I made a statement on this floor on May 17 calling for a reappraisal of the Trade Expansion Act and the elimination of contradiction from our foreign trade policy. My remarks received wide national circulation, generating comments from businessmen, trade associations, foreign governments and plain citizens. I believe these replies indicate the existence of a national consensus behind the national effort to reduce trade barriers and the adjustment of our economy to the competitive realities of the day. Increased productivity not protectionism is the rational answer to import competition.

I believe a sampling of these comments will be of interest to my colleagues. I therefore ask unanimous consent that copies of some of the more outstanding letters received by me commenting on my May 17 foreign trade statement on the floor be printed in the RECORD at the conclusion of my remarks.

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

CALIFORNIA WOOD PRODUCTS, INC.,
Santa Rosa, Calif., June 11, 1963.

Hon. JACOB K. JAVITS,
U.S. Senator,
Washington, D.C.

DEAR SIR: I read with extreme interest your statement to the Senate entitled "United States Must Play New Role at Worldwide Trade Talks."

For many years, our firm has fought for stronger alliances with countries of the free world through liberalized trade. Our most recent foray upon protectionist groups who threaten the Nation's world trade future is included in a letter to DON CLAUSEN, Congressman, First District, State of California. Our wish is that Congressman CLAUSEN consider the international implications of his actions before being led down the "protectionist path."

Many thanks to you and your colleagues who clearly understand the role the United States must play in the economic cold war with the communistic bloc.

Very best regards.

Sincerely,

E. M. CRITCHFIELD, *President.*

THE TOBACCO INSTITUTE, INC.,
Washington, D.C., June 12, 1963.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR JACK: I have just had an opportunity to read carefully your letter of June 3 and its enclosure, which is a copy of your speech in the Senate of May 17 proposing certain amendments liberalizing the Trade Expansion Act of 1962.

I concur most heartily in the views you have expressed and proposals you have made. As president of the Tobacco Institute, I testified before the House Ways and Means Committee last year, presenting the full support of the tobacco industry, including manufacturers, leaf dealers, and growers, in support of the bill. I would be happy to express similar support for your present proposals.

I was also glad of an opportunity recently to testify before the House Foreign Affairs Committee on behalf of the proposal to eliminate the so-called Mills amendment, enacted last year, which will impose heavy restrictions against our trade with Yugoslavia and Poland if allowed to stand. I hope very much that you will do everything in your power to advance this project.

With every good wish,

Sincerely,

GEORGE V. ALLEN.

JUNE 7, 1963.

Senator JACOB JAVITS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: Thank you for the reprint of your recent address in the Senate on world trade and U.S. trade policy. As former Special Assistant to Secretary Hull, subsequently for 13 years a member of the U.S. Tariff Commission (11 years as vice chairman) and a member of the U.S. delegation at the Geneva Conference in 1947 which adopted the GATT, I am naturally much interested in this subject and in your address.

Let me congratulate you most sincerely on the splendid contribution that you, as a U.S. Senator, have consistently and most ably been making over the years to liberal trade policy. Your contributions exhibit a thorough understanding not only of its broader implications but also of its technical aspects and problems in practical administration, and commendable initiative and imagination in suggesting ways of making it more effective. With practically everything that you suggest in your address I find myself in agreement. Since, however, you invite comments, you may find the following to be of some interest.

First, I have some observations to make regarding that part of your address in which you discuss adjustment assistance. I quite agree with you that the Trade Expansion Act should make clear that the purpose of adjustment assistance is not to avoid disturbing the status quo but, quite the contrary, to facilitate maximum utilization of the Nation's human and material resources. But it also seems to me that the retention in the act of the proviso that the increase in imports must have resulted in major part from the trade agreement concession greatly weakens, if indeed it does not substantially preclude actual use of, the adjustment provisions. It was my experience as a member of the Tariff Commission that in most cases, if not all, it is quite impossible to differentiate at all closely between a tariff concession and other factors as the cause of increased imports. This particular provision threatens to make a virtual dead letter of the adjustment provisions. Unless this feature of the act can be made genuinely operative in deserving cases, either tariff cuts that ought to be made cannot be made or, if made, will result in the accumulation of increasingly formidable opposition to continuance of our present policy and, possibly, its reversal.

Second, while recognizing that the amendments you have suggested would greatly increase our bargaining power in the coming negotiations and are most desirable, I have serious misgivings—especially if they are not adopted—regarding the prospect of our obtaining anything remotely approaching the kind and magnitude of concessions from the Common Market that we ought to seek and that you envisage. These apprehensions were not greatly lessened by impressions I received from attending a small meeting recently at which Mr. Jean Royer—formerly a top official of the GATT and presently, I understand, tariff consultant for the International Chamber of Commerce and the World Bank—was the speaker.

In an able and well-informed talk, he emphasized at the outset that the Common Market countries were not greatly impressed with the value of the concessions we could offer. Partly this seems to have been based on our loss of bargaining power by reason of the exclusion of the United Kingdom from the Common Market—thanks, I might add, to his fellow countryman, President De Gaulle—your proposals would, of course, broaden and activate this feature of the act. He was also concerned about possible agreement by the United States to a tariff-cutting formula that would go beyond reciprocal horizontal reductions and permit lopping off the higher peaks in our tariff structure; for example, chemicals. He was hopeful that an acceptable compromise could be arrived at. Our subsequent agreement at Geneva not to exclude this idea has helped for the time being to tide over this difficulty.

But in respect of the deadlock over agricultural protection in the Common Market, he was not at all reassuring, merely suggesting that some accommodation might be achieved through international commodity agreements. He had previously suggested that the negotiations might be advantageously confined, largely or wholly, to nonagricultural commodities.

Coupling his earlier expression of skepticism regarding the value of concessions we could offer with his emphatic statement at this point that, in his view, no substantial change in the Market's agricultural policy could be expected, I asked whether the threat of withdrawal on a wide scale by the United States of concessions already enjoyed by the Common Market would induce it to make really worthwhile modifications of its present attitude. Or, if it came to a showdown, would it elect to engage in a trade war? Needless to say, I explained that I held no brief for the penalty method of tariff bargaining and would deplore such an outcome as costly to both sides. But suppose, I continued, matters should come to this pass, what would be the result?

I was not greatly heartened by his reply. He felt certain that no appreciable modification could be expected in its agricultural policy. This seems to have been a sacrosanct fait accompli so far as he was concerned, though I observe that negotiations in this area are not precluded by the broad and very general agreement on bases for negotiation subsequently approved at Geneva. On the subject of trade war he sidestepped somewhat by suggesting that the Common Market might not elect to retaliate.

If Royer's views are well founded, and especially if your proposals are not adopted, can we be quite sure that, in the absence of the penalty method of obtaining concessions (or perhaps even with it), we can achieve a satisfactory agreement? May we not be in need, while "speaking softly" but not too softly, of "carrying a big stick" and somehow getting across the idea that it may, indeed, have to be used. If they are not impressed by what we have to offer, might they not be a little more impressed by what we can take away?

I came away from the Royer meeting more convinced than ever that the Common Market is going to be an extremely hard bargainer. Most emphatically we shall need the additional bargaining power envisaged in your address in order to achieve a really good agreement. Unfortunately, I am not entirely sure that even this will suffice. But it would surely help.

Sincerely,

LYNN R. EDMINSTER.

WASHINGTON, D.C.

GESTETNER CORP.,
Yonkers, N.Y., June 10, 1963.

Senator JACOB K. JAVITS,
U.S. Senate.

DEAR SENATOR JAVITS: Thank you very much for sending us the copy of the CONGRESSIONAL RECORD which printed your statement on foreign trade, which sets forth with singular wisdom and clarity the position which all thinking men will support.

Meanwhile, in spite of the Government's expressed stand with general bipartisan support for more liberal trade, the Department of Defense has seen fit under the guise of the national security to impose regulations which have the affect of eliminating imported merchandise as a competitive factor in Defense Department procurement to the detriment of the import and export industry at large and the Government itself.

The elimination of this area of competition has already led to needless increases in costs in the vast area in which the national security is clearly not at stake.

In our own State of New York, the "Buy American" regulations put into effect in the parlous days of the depression still serve to deny to the State economies that could be affected by the introduction of imported merchandise, and this in a State whose very prosperity depends so much on the vitality of its imports and exports and the great port of New York City.

Sincerely yours,

D. ZEALAND.

SYRACUSE UNIVERSITY,
COLLEGE OF BUSINESS ADMINISTRATION,
Syracuse, N.Y., June 11, 1963.

Senator JACOB K. JAVITS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: Thank you for your letter of June 3 and for your splendid speech given on the floor of the Senate on Friday, May 17, 1963 The sentiments expressed in your speech are such that I can endorse them without exception. I believe that the Congress of the United States should amend the Trade Expansion Act of 1962 so as to eliminate the limitations presented by the 80-percent provision clause. I endorse the idea embodied in your bill S. 602.

I entirely endorse your remarks with respect to the need for further liberalization of American trading regulations to include in the GATT negotiations the commodities now entirely excluded and also the reduction and removal of the many import quotas that are in existence.

The negotiations presently being conducted at Geneva have already made it clear that the EEC is going to drive a hard bargain. I believe that they are bargaining from strength, and that this is no time for the United States to argue as it does within the endorsement given the Trade Expansion Act by the Congress, that the United States is in favor of freeing world trade and increasing its trade with the Common Market if, at the same time, it covers its retreat in the face of hard bargaining with a whole series of restrictions that are outside the tariff negotiating machinery. You will no doubt have read of the complaints made by the French Chamber of Commerce with respect to the trade restrictions that limit French access to the American market. You will also have seen in the April issue of the First National City Bank newsletter an effective documentation of the hypocrisy that surrounds the stand taken by the United States and its representatives with respect to the reduction of restrictions on agricultural countries. It is well to remember that the United States already has a favorable balance of trade with the EEC, and that EEC has a right to demand additional opportunities to expand its trade with the United States. If we are to persuade both the EEC and the free world that we believe in the advantages that accrue from the free working of comparative advantages, if we are to persuade the uncommitted countries that we are as much concerned for our poor relations as we are for our relations with our richer friends, then we must put aside hypocrisy and take positive steps to make our domestic market available to those who can compete successfully in it. It would be well for the United States to begin the liberalization process by making still further concessions to the Japanese, who have shown the path to development that is possible under the free market system, the path that may or may not be traveled by other developing countries. Japan financed its own economic development very largely through the pursuit of the most efficient methods of production. In the face of American and British competition, Japan was able to compete successfully and earn the foreign exchange that is required to accelerate further economic development. We cannot advocate the free market system as the better alternative to the Soviet system of development if we positively discourage Japan and the developing countries from looking to the developed free markets for potential customers.

Thank you again for your letter and accept my support in your efforts.

Sincerely yours,

MICHAEL J. THOMAS,
Instructor, International Marketing Management.

NEW YORK, N.Y.,
June 13, 1963.

Hon. JACOB K. JAVITS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: Thank you for sending me your letter of June 3, 1963, and the enclosed address on U.S. trade policy.

There are two comments that I should like to make. In the first place I am bound to say that the European position with respect to the inadequacies of the present law to remove the disparity between "very high" and "very low" duties seems to me to be entirely reasonable. I would hope that enough flexibility could be put into our law to make it possible to meet them at least part way. The old French plan of 1951, which provided for negotiations on the basis of reductions in an index number of duties in predefined groups of items always seemed to me rather attractive, but the U.S. could not accept it then as a basis for negotiation. We shall now probably have to accept something similar but less favorable.

Secondly, I would draw your attention to the relationship between the whole complex of negotiations centering around GATT and the forthcoming U.N. World Trade Conference. I feel that the United States may face a very bad time in that conference. I have been told that there was an opportunity to have a competent Indian chosen as Secretary General and that the State Department, thinking to please Latin America, refused to go along with a deal to that effect and supported Prebisch. I cannot think how anyone who knows either Latin America or Prebisch could imagine that this could yield any favorable results. I am very much afraid that the conference will turn into an all out attack on GATT, the trade policies of the Atlantic countries and the United States in particular.

I can see that it may have a number of bad effects but I cannot see that it could have any good ones. But the point is that if the underdeveloped countries are convinced before the conference meets that they are getting something of benefit to them through the GATT machinery, the more sensible among them may very well be persuaded not to join a united front against the United States.

Finally, may I say that, after admiring your approach to and judgement about these important commercial policy matters for a good many years, I expect from about the middle of 1964, to be able to express my support in more concrete manner as I shall probably become a constituent of yours at that time.

With best wishes,

Sincerely,

MICHAEL L. HOFFMAN.

CONSOLIDATED PAINT & VARNISH CORP.,
Cleveland, Ohio, June 12, 1963.

Hon. JACOB K. JAVITS,
U.S. Senate, Committee on Labor and Public Welfare, Washington, D.C.

SIR: Thank you for sending us a transcript of your speech regarding reduction of tariffs, reprinted in the CONGRESSIONAL RECORD of Friday, May 17, 1963.

We would like to state that we are fully in favor of tariff reduction in the largest scale possible, as we feel certain that this will contribute enormously to the increase of export business of our company in particular and the United States in general.

In many instances, we find that certain of our materials (roofcoatings and specialty paints) are excluded from many markets because of the high tariff and duty exacted for these materials. Although our customers are convinced of the superior quality and usefulness of our products, this in many cases is an obstacle impossible to surmount.

Thank you for your efforts.

Very truly yours,

I. M. HYNCIK,
Export Manager.

CONGRESS OF THE UNITED STATES,
Washington, D.C., June 18, 1963.

Hon. JACOB K. JAVITS,
Old Senate Office Building,
Washington, D.C.

DEAR JACK: That was an able speech of yours on foreign trade. I agree with nearly all of the views expressed and fought for most of them inside the committee.

With best wishes.

Faithfully,

PAUL H. DOUGLAS.

STANDARD OIL CO., NEW JERSEY,
New York, N.Y., June 18, 1963.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: I have read with the greatest of interest your speech to the Senate on May 17, 1963, which you were kind enough to send me with your letter of June 3, 1963. My associates and I were in full accord with your efforts last year to give the President broader authority in the administration of the Trade Expansion Act of 1962 and certainly wish you success in the renewed effort which you are making.

I greatly appreciate your thoughtfulness in writing me on this matter.

With best regards,

Sincerely yours,

M. L. HAIDER,
President.

KELLOGG CO.,
Battle Creek, Mich., June 18, 1963.

Hon. JACOB K. JAVITS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: We have your letter of June 3, 1963, and we agree with you that we must amend the Trade Expansion Act of 1962, to provide authority for the President to negotiate for the reciprocal across-the-board elimination of tariffs with all fully developed free world nations in specified categories of items to replace the present authority which has been emasculated by the rejection of United Kingdom membership in the European Common Market.

Yours very truly,

E. L. HARDING, Sr.,
Vice President and General Counsel.

MERCHANTS NATIONAL BANK & TRUST CO.,
Indianapolis 9, Ind., June 12, 1963.

Hon. JACOB K. JAVITS,
U.S. Senate,
Committee on Labor and Public Welfare,
Washington, D.C.

DEAR SENATOR JAVITS: I appreciated very much your letter of June 3 with the abstract from the CONGRESSIONAL RECORD. A freer trade among the nations of this world can increase our gross national product, our trade balance has always been favorable.

The question of a liberal trade policy is closely related to the strength of the U.S. dollar. If in defense of the dollar there must be restrictions on its international use, the dollar-sterling basis of the free world's trade and finance will weaken to the detriment of Western civilization.

I appreciate your understanding of the problems of Latin America, Asia, and Africa. We cannot let the poor nations become poorer as a result of Common Markets of the developed countries. I will appreciate being on your mailing list.

Very truly yours,

G. I. GIBBS,
Assistant Cashier.

INTERNATIONAL SHIPPING CO.,
Portland 4, Oreg., June 10, 1963.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SIR: I have read with great interest your speech as recorded in the CONGRESSIONAL RECORD of May 17. I quite agree that the Trade Expansion Act of 1962 is inadequate to cope with conditions as they exist at the moment and that the President with proper guidance should be given broader authority to deal with changing conditions which affect the welfare of the whole of the United States and not a particular group. We are faced with a situation in the world today where this Government must be prepared from its knowledge of world affairs to act in the best interests of all of us in this country and those countries who directly affect our security and trade interests.

I feel sure that most businessmen and those who are sincerely interested in the general welfare of our country will wholeheartedly agree with your ideas.

Yours very truly,

R. W. CABELL,
President.

UNITED NATIONS,
New York, June 18, 1963.

Senator JACOB K. JAVITS,
U.S. Senate,
Senate House Building,
Washington, D.C.

DEAR JACK: I read with great interest the statement you delivered on the floor of the Senate on May 17, under the title "United States Must Play New Role at Worldwide Trade Talks." How right you are.

Yours sincerely,

PAUL G. HOFFMAN,
Managing Director.

JUNE 12, 1963.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: I have the honor to thank you very much for your letter dated June 3, 1963, concerning the U.S. trade legislation.

The Austrian Federal Government is also aiming at an increased economic cooperation between the nations of the world and is, therefore, following with great interest the developments in regard to the U.S. Trade Expansion Act 1962.

I have, therefore, transmitted your letter to the competent Austrian authorities, in order to receive their view in the matter, and I shall certainly not fail to let you know their comment to your suggestions.

With best personal regards,

Yours very sincerely,

Dr. WILFRIED PLATZER,
Austrian Ambassador.

BRITISH EMBASSY,
Washington, June 10, 1963.

The Honorable JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: Thank you so much for your letter of June 3. I am most grateful to you for sending to me and to other members of the commercial department of this Embassy, copies of the statement you delivered to the Senate on May 17. I think myself that if the four lines of action you propose were followed there would be a response from Europe.

I was interested in your remarks about the rigidity of the rules that, under the Trade Expansion Act, must be applied when application is made for adjustment assistance. We in this Embassy have watched with interest the progress of the adjustment assistance applications that have come before the Tariff Commission. I am bound to say that we regard the new criteria prescribed in escape clause investigations as helpful to Britain and other countries seeking to develop their exports to the United States, not because they would give any additional advantage to foreign goods but on the contrary because they tend to maintain the value of trade concessions bargained by the United States. In the past there has been a tendency in other countries to regard with apprehension escape clause procedures as they could lead, through the imposition of increased tariffs, to penalization of the success of a firm or an industry in developing new trade with the United States.

Sincerely yours,

JOHN CHADWICK,
Commercial Minister.

HOUSE OF REPRESENTATIVES,
Montgomery, Ala., June 8, 1963.

Senator JACOB K. JAVITS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: I received your letter of June 6, 1963, along with your statement delivered on the floor of the Senate on May 17, 1963, concerning the worldwide trade talks. I was very much impressed with your views and agree with you wholeheartedly.

I have long thought that the United States has not used its economic strength properly or adequately in leading the free world. I am hoping that Senate bill 602 is enacted into law.

Thank you very much for your letter and the copy of your speech.

Sincerely yours,

GARY F. BURNS.

LEAGUE OF WOMEN VOTERS OF CALIFORNIA,
San Francisco, Calif., June 17, 1963.

Senator JACOB K. JAVITS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: Thank you very much for sending me a copy of your statement delivered on the floor of the Senate on Friday, May 17, 1963, entitled "United States Must Play New Role at Worldwide Trade Talks."

I found your remarks very interesting and worth while. I agree heartily with your comment that in our preoccupation with the Common Market, we tend to overlook the importance of our trade with other parts of the world and even of other regional groupings like the ECC.

The information made available on page 2 of your statement concerning Latin America is particularly useful in view of Californian interest in that area. Recently I have, for instance, received requests from three different leagues of women voters in this area for information or speakers about economic development in and trade with Latin America.

Your list of the Philippine commodities on which the United States imposes tariff quotas seemed to me to explain a point which had puzzled me during the recent hearing in Los Angeles of the Senate Commerce Committee Subcommittee on trade with the Pacific; namely, that the Philippines impose a variety of restrictions on American citrus fruits and citrus products.

I trust that your bill introduced January 30 (S. 602) is moving successfully through Congress.

Sincerely yours,

MRS. ROBERT G. NEUMANN,
Director.

TAMPA, FLA.,
June 20, 1963.

Senator JACOB K. JAVITS,
Washington, D.C.

DEAR SENATOR: Thank you so much for sending me the copy of your fine address of May 17. Your reminder to the Senate that we have long passed the time when separate national interests are the only criterion, was so timely and so vitally necessary. I particularly like your fourth point about easing the trade barriers for the less developed countries. Surely it is idle to urge them to go ahead on one hand and at the same time restrict them in the limited markets they now have.

People are so reluctant to acknowledge and adapt to a changing world. Yet in the long run it is necessary for our ultimate survival. We should be most grateful to you for your insight and the courage to raise your voice to awaken others to a great need. Thank you again and success to your efforts.

Sincerely,

MARK DUNNELL.

UTICA, MICH.,
June 11, 1963.

Hon. JACOB K. JAVITS,
U.S. Senator,
Washington, D.C.

DEAR SIR: Thank you for your letter of June 3, 1963, and the copy of your statement delivered on the floor of the Senate, May 17, 1963.

You are to be commended for your aggressive attitude toward the enactment of liberal foreign trade legislation.

President Kennedy recently said, "Peace and progress cannot be maintained in a world half-fed and half-hungry." And certainly we live in the day of "the shrunken mile" manmade trade barriers that hinder the free exchange of materials and goods must be removed. We are our brothers keepers.

I wish you success in your crusade for economic progress in freedom. Just think, 10,000 human beings will die this day of starvation and malnutrition.

Sincerely,

BURTON E. STEVENS.

CIVIL RIGHTS AND THE REPUBLICAN PARTY

Mr. JAVITS. Mr. President, for a minute or two I wish to address myself to an article entitled "Inside Reports of a White Party Label," which appeared to the New York Herald Tribune today, and is printed also in the Washington Post.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may have an additional 2 minutes.

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

Mr. JAVITS. In the column, by reporters Roland Evans and Robert Novack, the point is made that, based upon the talks which one of the reporters has had at the meeting of the Republican National Committee in Denver, they are tending to a conclusion that "These Republicans want to unmistakably establish the party of Lincoln as the white man's party," or to a party which at least is tending toward something of a neutral position on the segregation issue.

I do not question the good faith of these reporters or their responsibility as journalists, but I certainly question very strongly their seeming conclusions derived from those to whom they talked. I do not believe that what this article says will change the party of Lincoln from being what it is—a party which was founded in the fires of war over a century ago in connection with the very issue which the country faces as a national crisis today.

So I reject any idea that the party of which I am a member will take on a white party label, or seek to become a white supremacy party in any sense. That would be the greatest disservice to my party. It would represent a great disservice to the Nation, which has the right to look at us, as the party of Lincoln, to be one of the most stalwart advocates of civil rights legislation in our land.

I refer to the fact that during President Eisenhower's administration the first two civil rights bills in 85 years went on the statute books. They were bipartisan acts, but they were enacted at that time. The temper of the Republican administration was for them.

Also an analysis of the votes from 1957 on shows the strong dependence which must be placed upon votes on this Republican side of the aisle if we are to have any civil rights legislation at all. I call specifically to the attention of the Senate the vote on the motion for cloture with respect to amending the rule XXII which permits of filibusters, in which a majority of Republicans, or 18 out of 33, voted for cloture. That was in my opinion a very recent and a very acid test.

So I reject any idea that my party has changed its coloration or its character from being the party of Lincoln. I think that point will be demonstrated in the coming struggle on civil rights legislation.

I believe that the country cannot believe any such report as this. It represents a grave disservice to my party and a great disservice to its character and the way in which it can best serve America. I hope that any Republicans who entertain such ideas will speedily dispel them, because I believe they would tend toward the destruction of my party should Republicans ever undertake any such line of policy.

TVA COOPERATION TO REHABILITATE AREAS AFFECTED BY STRIP MINING

Mr. KEFAUVER. Mr. President, last March I was pleased to add my name as a cosponsor of S. 1013, a bill principally sponsored by the distinguished Senator from Ohio [Mr. LAUSCHE]. This bill provides for a study by the Secretary of the Interior of strip and surface mining operations in the United States, and for a report to the Congress of the results of such study not later than 2 years from the date of enactment of the legislation.

While I concur in the aims expressed and implied in this bill, recent visits to my own State of Tennessee convince me that 2 years may be too long to wait before we begin to correct a problem that is growing every day. The time for corrective action, I feel, is now. Strip mining is scarring vast acres of once-beautiful mountainsides and hillsides and will continue to do so until definite steps are taken to protect these natural resources.

In this connection, I have been conducting a correspondence with the Chairman of the Tennessee Valley Authority, Aubrey J. Wagner. As is well known, TVA is a large purchaser of coal for the steam plants that produce TVA electricity. Indeed, in the five States where TVA buys coal—Kentucky, Tennessee, Illinois, Virginia, and Alabama—TVA bought 18.5 million tons of the 157 million tons produced in 1961. Of this amount purchased by TVA, about half came from strip mines. In Tennessee, the coal purchased by TVA amounted to well over half of all coal produced in the State.

Since TVA is such a significant purchaser of coal in the Tennessee Valley, I believe it may be possible for TVA to institute a policy of requiring reclamation of strip mine areas in connection with contracts for the coal it purchases, and that this would go a long way toward establishing a pattern of reclamation of scarred strip mine areas. If reclamation requirements were put into effect by TVA as part of its coal purchase contracts, the coal producer, not being sure whether coal from a particular mine would go to TVA or to another consumer, would eventually find it desirable to institute reclamation procedures at all of his mines. Thus even though TVA does not purchase all, or even a majority of the coal produced in the Tennessee Valley area, a policy of required reclamation should eventually have a beneficial effect on strip mining throughout the entire area. The cost of restoration should not place an unreasonable burden on the coal producers since it has been estimated that the job can be done for an average of some 1 to 3 cents per ton of coal mined. This certainly seems like a reasonable price to pay to bring an end to scarred landscapes, polluted streams, unproductive soil and eroding mountainsides. It is my hope that once the TVA has instituted a program of required restoration of existing strip mine operations, scientists and foresters of TVA, the Forest Service, the Bureau of Reclamation and similar agencies can then coordinate their actions in an all-out campaign to eradicate the scars which now exist as a result of past strip mine operations.

It has always seemed to me that half the battle in eradicating any undesirable feature of our modern civilization, such as strip mine scars, is getting the facts fully and clearly in our grasp, so that we can act on clear and certain knowledge of exactly what the problem is and what the best solutions are. I want to pay tribute to TVA for the excellent work it has done in providing the facts about the strip mine situation. The excellent report TVA put out in March of this year concerning strip mining is filled with important and useful facts, statistics, programs, and proposals for the advancement of strip mine reclamation. I urge all of my colleagues who are interested in the strip mine problem who have not already given this fine TVA report careful study to do so. You will find it is a most beneficial factual reference in this area of strip mine reclamation.

I personally hope that TVA will follow up this fine accomplishment with another of equal importance, and require that all its suppliers of coal from strip mines take reasonable steps to rehabilitate their mines. For the information of my colleagues, I ask that my latest letter to Chairman Wagner discussing this proposal be printed at this point in the RECORD.

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

JUNE 5, 1963.

Hon. AUBREY J. WAGNER,
Chairman, Tennessee Valley Authority,
Knoxville, Tenn.

DEAR MR. CHAIRMAN: I am writing to request your most careful and sympathetic consideration to implementation of an immediate program by TVA to encourage and promote reclamation of coal strip mining areas in Tennessee and neighboring States. As you know from our previous correspondence, the problems of strip mining and the challenge of reclamation are subjects in which I have long been interested. Similarly, I know of the keen and sincere interest of yourself and your fellow directors of TVA in finding solutions to this difficult and growing problem.

Several important steps have already been undertaken in this area. I know, for example, that TVA foresters are engaged in demonstration and research programs to determine improved methods of reforestation, drainage, soil conservation and similar techniques for reclamation. Additionally, legislation was introduced in the Senate on March 7, of this year, of which I was a cosponsor, to authorize a comprehensive study and a report to the Congress by the Secretary of the Interior on strip and surface mining operations and methods of reclamation.

Nevertheless, I believe that although these appropriate steps have been taken to seek a long-range solution to the strip mining problem, there are procedures which could be implemented to initiate immediate action toward reclamation of existing strip mining areas.

I have studied your excellent report on coal strip mining issued on February 21 of this year, with great care, and I believe the facts developed therein indicate that TVA could initiate a policy of requiring, as a part of its contracts for the purchase of coal, that strip mined areas be improved by

the coal mine operator to a reasonable standard of reclamation. I note from your February report that TVA is already bearing the costs of reclamation as part of the price of coal purchased from areas where reclamation is required by State law, and, further, that estimated costs for a reasonable program of reclamation run as low as 1 to 3 cents per ton of coal mined. Finally, as your report points out, the basic techniques of reclamation are already well known, and most strip mined areas could be protected during the mining operation and restored thereafter by sensible and inexpensive planning of access roads, drainage of roads and cuts, partial levelling of dirt mounds and reforestation. Even though strip mine operations and site conditions may vary from State to State, or even from mine to mine, it should be possible for TVA to prescribe basic reclamation standards as part of its contract to purchase coal, and permit the individual mine operator to choose the technique best suited for the reclamation of his particular area.

I believe that in the States where reclamation is not required by law such a program by TVA would provide the flexibility and the stimulus needed to get a sound, workable reclamation program under way. I would very much like to see TVA initiate such a program in the near future, before thousands of additional acres of land are ruined by unplanned, poorly executed, and unrestored strip mining.

Please be assured of my continuing interest in this matter, and my desire to initiate and support such legislation as may be required to authorize this much-needed program by TVA.

With kindest regards.

Sincerely,

ESTES KEFAUVER,
U.S. Senator.

THE 162D ANNIVERSARY OF THE NEW YORK NAVAL SHIPYARD

Mr. KEATING. Mr. President, 162 years ago, about the time of the inauguration of Thomas Jefferson for his first term as President, the U.S. Government purchased an obscure shipyard located on the mud banks of Wallabout Bay at the west end of Long Island, near where the infamous British prison ships had been anchored during the War of Independence. No one could have believed that the United States would eventually become the greatest naval power in the world. And no one would have predicted that this $40,000 acquisition would become the world's largest naval shipyard, worth at least $1 billion.

This year on its 162d anniversary I salute the New York Naval Shipyard, commonly known as the Brooklyn Navy Yard, for the vital part it has played and continues to play in the Nation's security. Throughout the years it has earned the reputation of a shipyard that can get things done, and in a hurry if necessary. Its motto is "Can do." As such it is symbolic of the American tradition of determination, optimism, and self-reliance. The employees at the shipyard today live up to the highest traditions of preparedness, patriotism, and skill.

No job is considered impossible. Once, during the Second World War, the undamaged sections of two torpedoed destroyers were spliced together by the men at the Brooklyn Yard to make one whole ship. This was a fantastic feat of engineering and construction.

In the days before the United States maintained a large Navy, war emergencies often found the Government forced to purchase and convert passenger or cargo ships into armed craft. One typical example is the coastal passenger steamer *Monticello* in 1861, which was rumored a target for a raid. It was sent to the Brooklyn Navy Yard which put all its resources into the job. It was finished and heavily armed within 24 hours of its arrival. On its first voyage it beat off a surprise rebel raid in the Potomac.

A total of 23 ships were constructed in the yard during the Civil War and the work force increased to a peak of 6,200 men. In World War I it went up to 18,000, and in World War II, to 71,000. Today the work force numbers 12,000. In times of war the yard is the scene of feverish activity.

In time of peace, there is sometimes a most regrettable tendency on the part of the Pentagon to forget or downgrade the vital role that this installation and its loyal and determined workers play in our national defense. Navy yards have a critical role in keeping our ships fit for all types of activity at a moment's notice. They offer, moreover, not only the facilities for the ships, but also for crews and other Navy personnel that must be berthed and provided for when a ship is in port.

Today, as the importance of the peacetime Navy increases, there can be no doubt in anyone's mind as to the vital role played by the Brooklyn Navy Yard and the skilled, hardworking force that mans it.

Versatility is another characteristic of this great enterprise. In addition to repair and conversion work, it can construct all sizes of ships from small torpedo boats to huge battleships and aircraft carriers. The biggest construction project in its history was begun in 1952 when its first supercarrier was started—the U.S.S. *Saratoga*. Since then it has completed the *Independence* and the *Constellation*, also of the *Forrestal* class.

The New York Naval Shipyard has a great record of service to the country. We expect it to continue to be our "can do" shipyard as long as our Navy is needed.

CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a call of measures on the calendar to which there is no objection, beginning with Calendar No. 251 and ending with Calendar No. 270.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Montana? The Chair hears none, and it is so ordered. The clerk will state the first measure.

YEAR-LONG NAVIGATION OF THE GREAT LAKES AND ST. LAWRENCE SEAWAY

The Senate proceeded to consider the bill (S. 530) to provide for an investigation and study of means of making the Great Lakes and the St. Lawrence Seaway available for navigation during the entire year, which had been reported from the Committee on Public Works, with an amendment, on page 2, line 10, after the word "necessary.", to strike out "The Chief of Engineers may submit such interim reports to the President and the Congress with respect to such investigation and study at such time or times as he deems advisable, and shall submit to the President and the Congress, not later than January 1, 1964, his final report of the results of such investigation and study, together with his recommendations, including his recommendations for such legislation and administrative actions as he may deem advisable." and insert "The Chief of Engineers may submit such interim reports as may be deemed advisable, and shall submit his final report, together with his recommendations for such legislation and administrative actions as he may deem advisable, not later than two years after funds are made available for the study."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in view of the fact that the winter ice blockade of the Great Lakes and the Saint Lawrence Seaway is one of the most serious obstacles to the economic advancement of our country, particularly the Midwestern United States, and thereby presents a hindrance to our national defense, the Chief of Engineers, Department of the Army, under the direction of the Secretary of the Army, shall make a full and complete investigation and study of waterway deicing systems, including a review of any previous pertinent reports by the Department of the Army, any available information from any of the other departments of the Government, and waterway deicing methods in use by private concerns and foreign governments, for the purpose of determining the practicability, means, and economic justification for providing year-round navigation on the Great Lakes (including connecting channels and harbors) and the Saint Lawrence Seaway by eliminating ice conditions to the extent necessary. The Chief of Engineers may submit such interim reports as may be deemed advisable, and shall submit his final report, together with his recommendations for such legislation and administrative actions as he may deem advisable, not later than two years after funds are made available for the study.

SEC. 2. There are authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 270), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of S. 530, as amended, is to authorize the Chief of Engineers, under the direction of the Secretary of the Army, to make a full and complete investigation and study to determine if there is means and economic justification for providing year-round navigation on the Great Lakes, including connecting channels and harbors,

and the St. Lawrence Seaway, through elimination of ice conditions; to submit interim reports as considered advisable; and to submit the final report, with recommendations for such legislation and administrative action as he may deem advisable, not later than 2 years after funds are made available for the study.

GENERAL STATEMENT

The Great Lakes system comprises five bodies of fresh water, Lakes Superior, Huron, Michigan, Erie, and Ontario, which with their connecting channels extend almost halfway across the North American Continent. These lakes and their tributaries above Ogdensburg, N.Y., drain an area of about 298,000 square miles, and constitute the major portion of the St. Lawrence River Basin. The Great Lakes and their connnecting channels have a total water surface area of about 95,000 square miles, of which about 60,950 square miles are in the United States. The distance from Duluth at the western end of Lake Superior to Ogdensburg on the St. Lawrence River is 1,216 miles. Navigation on the Great Lakes and their connecting channels is closed from about mid-December until early April as a result of ice conditions.

The matter of maintaining winter navigation throughout the Great Lakes and St. Lawrence Seaway has developed widespread interest during recent years. There is considerable information available on deicing harbors and waterways in this country and at foreign ports. Use of such deicing methods has been largely restricted to anchorages, short canal sections, and limited areas. The problem in the Great Lakes area assumes tremendous proportions, when the large mileages are considered. The restricted channels above Montreal total about 373 miles in which heavy ice is prevalent from December through March each year. To this must be added ice problems in the Great Lakes themselves, the approach channels to the harbors and the harbors also, and the channel of the St. Lawrence River below Montreal, which is also icebound throughout the winter months.

The investigation would include a study of waterway deicing systems, including a review of any previous pertinent reports by the Department of the Army, any available information from any other departments of the Government, and methods in use by private concerns and foreign governments. Interim reports would be submitted by the Chief of Engineers from time to time as he deems advisable. The committee recommends an amendment to the bill to provide for submission of the final report, together with the recommendations of the Chief of Engineers for such legislation and administrative actions as he deems advisable, not later than 2 years after funds are made available for the study. This proposed time period for submitting the final report was considered more realistic than the date included in the original bill.

COMMITTEE VIEWS

The committee realizes the extent of the problem involved in keeping the channels of the Great Lakes and the St. Lawrence Seaway open for navigation the entire year, but believes that the matter should be fully explored because of its economic and national defense aspects. Present information indicates that large capital investment and maintenance expense would be involved, but the possibilities that further research and investigation might lead to methods that are technically economical and feasible warrant full and complete studies of the particular problem.

The committee notes the comments of the Bureau of the Budget, which does not recommend enactment of S. 530, as it sees no realistic hope for positive accomplishment. Of course, the committee does not imply, in recommending the enactment of this legislation, that the 2-year study, as outlined above, will result in a final solution for maintaining year-round navigation on ice-clogged lakes. In fact, the committee cautions those with an intense interest in improving the navigation on the Great Lakes not to anticipate or expect miraculous accomplishments as a result of this study. However, considering the vital role which navigation on the Great Lakes plays on the total economy of this Nation, any new information which ultimately leads to a further understanding of the control of our water resources would be of national benefit. At best, it might be hoped that the studies could lead to an extension of the navigation season of perhaps several weeks at the beginning of winter and at the end of winter. The most pressing argument for undertaking the study, the committee believes, is that if no work is continued in this area there never will be a chance of making a technological breakthrough. The committee is of the opinion that a simple solution is not possible at this time, but believes that the need exists to compile, develop, and evaluate competent and complete information on the problem, and recommends enactment of S. 530.

POLE MOUNTAIN DISTRICT, WYOMING

The bill (S. 51) to authorize the Secretary of Agriculture to relinquish to the State of Wyoming jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Agriculture is authorized to relinquish to the State of Wyoming such measure as he may deem desirable of legislative jurisdiction heretofore acquired by the United States over lands within the Medicine Bow National Forest constituting the area known as the Pole Mountain District, created by Executive Order Numbered 4245, dated June 5, 1925, as amended by public land order numbered 1897, dated July 10, 1959.

(b) Relinquishment of jurisdiction under the authority of this Act may be made by filing with the Governor of the State of Wyoming a notice of such relinquishment, which shall take effect upon acceptance thereof by the State of Wyoming in such manner as the laws of such State may prescribe.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 282), explaining the purposes of the bill.

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

This bill would authorize retrocession to the State of Wyoming of such measure of legislative jurisdiction over the Pole Mountain District of the Medicine Bow National Forest as the Secretary of Agriculture may deem desirable. The Department of Agriculture recommends enactment of the bill, since lack of clear legislative jurisdiction by the State in certain matters creates problems of protection and administration for the national forest.

The bill is identical to S. 3370 which passed the Senate on October 2, 1962. No objections or requests for hearings were received by the committee.

The need for the bill is fully explained in the attached report of the Department of Agriculture.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 12, 1963.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR MR. CHAIRMAN: This is in reply to your request of January 18, 1963, for a report on S. 51, a bill to authorize the Secretary of Agriculture to relinquish to the State of Wyoming jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District.

There are other problems of legislative jurisdiction involving a number of areas administered by this Department, which indicate that there is a need for a general authorization for retrocession of legislative jurisdiction, such as would be afforded by S. 815, a bill to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes.

The particular situation regarding the Pole Mountain District of the Medicine Bow National Forest in Wyoming makes prompt action desirable to authorize the retrocession of certain legislative jurisdiction held by this Department over that area to the State of Wyoming. Therefore, we recommend the enactment of S. 51.

A similar bill S. 3370, was introduced in the 87th Congress. On September 11, 1962, this Department recommended the enactment of that bill with clarifying amendments. The recommended changes have been incorporated into S. 51.

S. 51 would authorize the Secretary of Agriculture to relinquish to the State of Wyoming such measure as he may deem desirable of legislative jurisdiction heretofore acquired by the United States over lands making up the Pole Mountain District of the Medicine Bow National Forest. Under the bill, a notice of relinquishment filed with the Governor of the State of Wyoming would take effect upon acceptance of jurisdiction by the State of Wyoming as prescribed by State laws.

The lands comprising the Pole Mountain district of the Medicine Bow National Forest formerly were a part of the Fort D. A. Russell Military Reservation which subsequently became a part of the Francis E. Warren Air Force Base. They were set apart and reserved for military purposes by a series of Executive orders beginning in 1869. They became a part of the national forest by Executive Order No. 4245 of June 5, 1925, and Public Land Order No. 1897 of July 10, 1959, issued pursuant to section 9 of the act of June 7, 1924 (16 U.S.C. 505). The previous military withdrawals as to these lands were revoked by Public Land Order No. 2446 of July 20, 1961, leaving the lands in national forest status.

By act of February 17, 1893 (Laws of Wyoming, 1893, p. 43), exclusive jurisdiction was ceded by the State of Wyoming to the United States over certain military reservations, including Fort D. A. Russell, and any lands thereafter acquired or held by the United States for military purposes. The revocation of the military withdrawals does not clearly have the effect of terminating the exclusive jurisdiction of the United States over these lands.

Lack of certain legislative jurisdiction by the State creates problems of protection and administration for the national forest. For example, the State of Wyoming lacks authority to regulate or control hunting and fishing under State laws on the Pole Mountain district. It also lacks authority to apply State laws relating to forest fires, theft and property destruction, taxation of personal property, and other matters normally covered by State laws. Authority for State officials to enforce State and local laws is often beneficial in the protection and administration of national forests, particularly where some offense of a minor nature has occurred.

Generally the Federal Government does not exercise exclusive jurisdiction over national forest land but has in such lands a proprietorial interest only. The Federal Government, through the Department of Agriculture, under S. 51 would, by reason of its proprietorial interest, retain the power under article IV, section 3, clause 2 of the Constitution and legislation enacted by Congress pursuant thereto to administer and protect these lands in accordance with the laws, rules, and regulations applicable to the national forests. This Department, therefore, is of the view that a proprietorial interest in its properties is satisfactory to its functions. Both this Department and the State of Wyoming desire that the State have authority for the enforcement of the State's hunting and fishing and other laws on the Pole Mountain district just as it does on other national forest lands in the State.

Provisions contained in the Organic Administration Act of June 4, 1879 (30 Stat. 36), and the Weeks Act of March 1, 1911 (36 Stat. 963), make it clear that the jurisdiction, both civil and criminal, over persons within national forests shall not be affected or changed by reason of their existence, except so far as the punishment of offenses against the United States therein is concerned. An intent of such provisions in these acts is expressed as being that the State wherein any such national forest is situated shall not, by reason of the establishment thereof, lose its jurisdiction. It, therefore, is evident that the provisions of S. 51 would be consistent with the basic national forest legislation cited.

The Bureau of the Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

ADDITION OF LANDS TO CACHE NATIONAL FOREST, UTAH

The bill (S. 1388) to add certain lands to the Cache National Forest, Utah, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the exterior boundaries of the Cache National Forest, Utah, are hereby extended to include the following described lands:

A tract of land in the north half of the northeast quarter of section 24, township 6 north, range 1 east, Salt Lake base and meridian, being more particularly described as follows:

Beginning at the northeast corner of said section 24, and running thence south following the east line of said section 24 522.4 feet; thence north 65 degrees 16 minutes west 250.3 feet; thence along a regular curve to the left with a radius of 3,743.2 feet, for an arc distance of 1,606.0 feet; thence north 0 degrees 08 minutes east 78.9 feet to the north line of said section 24; thence south 89 degrees 52 minutes east along the section line 1,783.4 feet to the point of beginning, containing 10.2 acres.

A tract of land in sections 18 and 19, township 6 north, range 2 east. Salt Lake base and meridian, being more particularly described as follows:

Beginning at the southwest corner of said section 18 and running thence north 0 degrees 21 minutes east along the west line of said section 18, 3,960.0 feet; thence north 88 degrees 39 minutes east 150.0 feet; thence south 1 degree 22 minutes east 318.2 feet; thence north 88 degrees 38 minutes east 15.0 feet; thence south 1 degree 00 minutes east 137.0 feet; thence east 280.0 feet; thence south 159.0 feet;

thence north 88 degrees 49 minutes east 406.0 feet; thence south 51 degrees 20 minutes east 96.1 feet; thence south 71 degrees 13 minutes east 158.4 feet; thence south 54 degrees 15 minutes east 162.6 feet; thence south 25.0 feet; thence south 41 degrees 53 minutes east 233.7 feet; thence south 57 degrees 04 minutes east 408.1 feet;

thence north 88 degrees 39 minutes east 120.0 feet; thence south 1 degree 21 minutes east 64.0 feet; thence south 67 degrees 27 minutes east 144.4 feet; thence north 1 degree 21 minutes west 59.1 feet; thence north 89 degrees 14 minutes east 58.7 feet; thence south 3 degrees 43 minutes east 228.1 feet;

thence east 55.5 feet; thence south 18 degrees 28 minutes east 139.2 feet; thence south 27 degrees 28 minutes east 332.6 feet; thence south 89 degrees 11 minutes east 131.3 feet; thence south 4 degrees 30 minutes east 494.1 feet; thence south 43 degrees 29 minutes east 307.2 feet; thence south 85 degrees 12 minutes east 145.9 feet;

thence south 4 degrees 45 minutes east 769.2 feet; thence south 3 degrees 48 minutes west 300.0 feet; thence westerly 70.0 feet, more or less; thence south 6 degrees 15 minutes east 235.0 feet; thence south 42 degrees 00 minutes east 115.2 feet; thence east 164.5 feet; thence south 9 degrees 00 minutes east 1,025.2 feet; thence south 54 degrees 00 minutes east 365.7 feet;

thence along a regular curve to the right with a radius of 1,850.08 feet for an arc distance of 1,126.0 feet, the tangent at the beginning of the curve bears south 64 degrees 09 minutes west; thence north 5 degrees 00 minutes east 61.8 feet; thence north 9 degrees 15 minutes east 400.0 feet; thence north 85 degrees 14 minutes west 1,191.0 feet; thence north 401.0 feet; thence south 82 degrees 20 minutes west 256.0 feet; thence south 31 degrees 38 minutes west 231.8 feet.

thence west 120.0 feet; thence south 1 degree 30 minutes west 204.6 feet; thence north 65 degrees 16 minutes west 766.7 feet to the west line of said section 19; thence north 522.4 feet to the point of beginning containing 246.0 acres.

A tract of land in the northwest quarter of the northeast quarter of section 13, township 6 north, range 1 east, Salt Lake base and meridian, being more particularly described as follows:

Beginning at the southwest corner of said northwest quarter northeast quarter, from which point the north quarter corner of said section 13 bears north 0 degrees 57 minutes east 1,320.0 feet, and running thence north 0 degrees 57 minutes east along the west line of said northwest quarter northeast quarter 195.0 feet; thence north 65 degrees 04 minutes east 361.3 feet;

Thence south 51 degrees 18 minutes east 284.6 feet; thence east 322.0 feet; thence south 170.0 feet, more or less, to the south line of said northwest quarter northeast quarter; thence north 89 degrees 57 minutes west 875.0 feet, more or less, to the point of beginning, containing 4.4 acres.

A tract of land in the southeast quarter of the southeast quarter of section 12 and the northeast quarter of the northeast quarter of section 13, township 6 north, range 1 east, Salt Lake base and meridian, being more particularly described as follows:

Beginning at the northeast corner of said section 13 and running thence south along the east line of said section 13 576.0 feet to a point on the north line of First Street of the Huntsville townsite; thence south 88 degrees 39 minutes west 473.3 feet; thence north 0 degrees 07 minutes east 75.0 feet;

thence north 61 degrees 26 minutes west 496.4 feet; thence north 4 degrees 53 minutes west 284.7 feet to a point on the south line of section 12; thence continuing north 4 degrees 53 minutes west 349.3 feet; thence north 9 degrees 37 minutes east 196.5 feet;

thence east 40.0 feet; thence north 2 degrees 47 minutes east 120.0 feet, more or less, to the north line of the south half southeast quarter southeast quarter of section 12; thence east along said line, 900.0 feet, more or less, to the east line of said section 12, thence south 0 degrees 21 minutes west 660.0 feet to the point of beginning, containing 24.9 acres.

A tract of land in the southwest quarter of the southwest quarter of section 6 and in the west half of section 7 and in the north half of the northwest quarter of section 18, township 6 north, range 2 east, Salt Lake base and meridian, being more particularly described as follows:

Beginning at the southwest corner of said section 7 and running thence north 0 degrees 21 minutes east along the section line 5,280.0 feet to the southwest corner of said section 6; thence continuing north along the section line 1,320.0 feet, thence east 1,320.0 feet; thence south 1,320.0 feet to the north line of said section 7;

thence south 3,960.0 feet; thence north 88 degrees 43 minutes east 500.0 feet; thence south 3 degrees 00 minutes east 1,232.0 feet; thence south 71 degrees 24 minutes west 301.3 feet to the north line of said section 7; thence south 24 degrees 44 minutes west 310.2 feet; thence south 130.5 feet; thence south 88 degrees 39 minutes west 335.25 feet;

thence north 130.5 feet; thence south 88 degrees 08 minutes west 121.5 feet; thence north 76.0 feet; thence south 88 degrees 27 minutes west 414.9 feet; thence south 6 degrees 45 minutes east 192.0 feet; thence west 100.0 feet; thence south 34 degrees 02 minutes west 220.0 feet; thence south 88 degrees 39 minutes west 419.1 feet to west line of said section 18; thence north 576.0 feet to the point of beginning, containing 230 acres, more or less.

A tract of land in sections 1, 2, 3 and 12, township 6 north, range 1 east, Salt Lake base and meridian, being more particularly described as follows:

Beginning at the northwest corner of said section 2 and running thence east along the section line 5,280.0 feet to the northwest corner of said section 1; thence east along the section line 5,280.0 to the northeast corner of said section 1; thence south along the section line 5,280.0 feet to the northeast corner of said section 12; thence south along the section line 1,320.0 feet;

thence west 1,320.0 feet; thence north 1,320.0 feet to a point on the south line of said section 1; thence west along the section line 1,320.0 feet; thence north 3,960.0 feet; thence west 2,640.0 feet to a point on the east line of said section 2; thence south along the section line 2,640.0 feet; thence west 1,320.0 feet; thence south 1,320.0 feet to a point on the south line of said section 2;

thence west along the section line 1,320.0 feet; thence north 3,960.0 feet; thence west 2,640.0 feet to the east line of said section 3; thence west 3,960.0 feet; thence north 1,320.0 feet to the north line of said section 3; thence east along the section line 3,960.0 feet to the point of beginning, containing 920.0 acres.

A tract of land in the south half of the south half of section 36, township 7 north, range 1 east, Salt Lake base and meridian, being more particularly described as follows:

Beginning at the southeast corner of said section 36 and running thence north along the west line of said section 36 1,320.0 feet; thence east 3,300.0 feet; thence south 1,320.0 feet to the south line of said section 36; thence west along said south line 3,300.0 feet to the point of beginning, containing 100 acres.

A tract of land in the south half of section 34, township 7 north, range 1 east, Salt Lake base and meridian, being more particularly described as follows:

Beginning at the southeast corner of said section 34 and running thence north along the east line of said section 34 1,980.0 feet; thence west 3,960.0 feet; thence south 1,980.0 feet to the south line of said section 34; thence east along said south line 3,960.0 feet to the point of beginning, containing 180 acres.

SEC. 2. All lands of the United States within such extended boundaries together with all federally owned lands within the former forest boundary which are included within the enlarged Pineview Reservoir site in sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 16, and 24 township 6 north range 1 east sections 6, 7, 18, and 19, township 6 north, range 2 east, and sections 34 and 36, township 7 north, range 1 east, Salt Lake basin and meridian, and including any lands within such boundaries hereafter acquired by the United States in connection with the Weber Basin project, shall hereafter be national forest lands subject to the laws, rules, and regulations applicable to lands acquired pursuant to the Act of March 1, 1911 (36 Stat. 961), as amended: *Provided,* That none of these lands shall be sold, exchanged, or otherwise be disposed of by the Secretary of Agriculture without the approval of the Secretary of the Interior and any revenue from disposal so authorized shall be credited pursuant to reclamation law.

SEC. 3. (a) The Secretary of Agriculture shall make available, from the lands referred to in the foregoing sections of this Act, to the Bureau of Reclamation of the Department of the Interior, such lands as the Secretary of the Interior finds are needed in connection wih the Weber Basin and Ogden River reclamation projects, and shall include particularly as a minimum area needed for such project, all the normal water surface area of the Pineview Reservoir and an adjacent border strip extending out from such water surface area a minimum horizontal distance of 100 feet around said reservoir, and in addition all the reclamation acquired land in section 16, township 6 north, range 1 east.

(b) The Secretary of the Interior is authorized to enter into such agreements with the Secretary of Agriculture with respect to the relative responsibilities of the aforesaid Secretaries for the administration of, as well as accountings for and use of revenues arising from, lands made available to the Bureau of Reclamation of the Department of the Interior pursuant to subsection (a) as the Secretary of the Interior finds to be proper in carrying out the purpose of this Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 283), explaining the purposes of the bill.

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

This bill would extend the boundaries of the Cache National Forest to include lands in and near the Pineview Reservoir site, Weber Basin project, and provide for the administration of such lands as described in the attached letter of the Secretary of Agriculture requesting this legislation. The bill does not increase Federal ownership, but provides for better management of the lands which have been or will be acquired in connection with the reclamation project.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 16, 1963.

Hon. LYNDON B. JOHNSON,
President of the Senate.

DEAR MR. PRESIDENT: Transmitted herewith, for consideration of the Congress, is a draft bill, to add certain lands to the Cache National Forest, Utah.

This Department recommends enactment of the draft bill.

The draft bill would: (1) extend the exterior boundaries of the Cache National Forest in Utah to include about 1,700 additional acres in and near the Pineview Reservoir site, Weber Basin project; (2) give national forest status to lands within this extension now owned (about 750 acres) or later acquired by the United States in connection with the Weber Basin project, with the proviso that none of such lands would be sold, exchanged, or otherwise disposed of by the Secretary of Agriculture without the approval of the Secretary of the Interior and any revenue from disposal so authorized would be credited pursuant to reclamation law; (3) direct the Secretary of Agriculture to make available to the Department of the Interior such lands as many be needed for the Weber Basin and Ogden River projects; and (4) authorize the Secretaries of the two Departments to enter into agreements with respect to the administration of, and accounting for and use of revenues from lands made available to the Department of the Interior.

The Pineview Reservoir is created by a dam in the Ogden River in sec. 16, T. 6 N., R. 1 E. in Utah. The area immediately surrounding the original reservoir has been within the Cache National Forest for more than 20 years. Recently the storage capacity of the reservoir has been increased and additional lands have been acquired by the Bureau of Reclamation.

The addition of these lands to the Cache National Forest would facilitate their management. They are very similar to and offer the same uses and resources as do the adjacent lands now being administered by the Forest Service. Recreation development programs, wildlife habitat management, and fire control all can be more simply and economically administered by a single agency. National forest personnel are located in the immediate area and can do this effectively. It would put under the jurisdiction of one agency the Federal lands which are similar in character and serve common purposes and which require similar management. Giving national forest status to the lands which have been acquired by the Bureau of Reclamation in connection with the expansion of the storage capacity of the reservoir would permit uniform development and protection of the recreation and other resources of the area and would facilitate effective and economical administration of these lands under the principles of multiple use and sustained yield as directed in the act of June 12, 1960. At the same time the needs for reclamation purposes would be fully met.

The bill would not increase Federal ownership. By extension of the Cache National Forest boundaries the bill would give national forest status to lands which have been acquired or will hereafter be acquired in connection with the reclamation project.

A similar letter is being sent to the Speaker of the House.

The Bureau of the Budget advises that there is no objection to the presentation of this proposed legislation from the standpoint of the administration's program.

Sincerely yours,

ORVILLE C. FREEMAN,
Secretary.

PENALTIES FOR MISUSE OF FEED MADE AVAILABLE FOR RELIEVING DISTRESS OR PRESERVATION AND MAINTENANCE OF FOUNDATION HERDS

The bill (S. 400) to establish penalties for misuse of feed made available for relieving distress or preservation and maintenance of foundation herds, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 407 of the Agricultural Act of 1949, as amended, is hereby amended by adding after the sixth sentence the following: "Any person who disposes of any feed, which has been made available to him for use in relieving distress or for preservation and maintenance of foundation herds, other than as authorized by the Secretary, shall be subject to a penalty equal to the market value of the feed involved, to be recovered by the Secretary in a civil suit brought for that purpose, and in addition shall be guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $1,000 or imprisonment for not more than one year."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 284), explaining the purposes of the bill.

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

This bill provides the same penalty for misuse of feed made available under section 407 of the Agricultural Act of 1949 to relieve distress or preserve foundation herds as is now provided for misuse of feed made available under Public Law 86-299. That is a civil penalty equal to the market value of the feed and a criminal penalty of not to exceed $1,000 or imprisonment for not more than 1 year. The offense would be a misdemeanor.

This bill was requested by the Department of Agriculture to provide uniform administration of these similar programs. No objections or requests for hearings were received by the committee.

The bill is further explained in the attached letter from the Department.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., January 4, 1963.

Hon. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith for the consideration of the Congress a draft bill entitled "A bill to establish penalties for misuse of feed made available for relieving distress or preservation and maintenance of foundation herds." If enacted this bill would further amend section 407 of the Agricultural Act of 1949, as amended.

Under Public Law 86-299, there is imposed a statutory penalty if CCC-owned grain sold to a farmer in a designated emergency area at the current support price is disposed of by the farmer other than by feeding to his livestock. There is no such penalty if a farmer misuses CCC-owned grain made available to him at a lower price under section 407 for the purpose of relieving distress or for the preservation and maintenance of his foundation herd. Instead, in such situation CCC's measure of recovery is the customary measure of damages.

The livestock feed program of this Department uses the authority of both statutes, the authority of section 407 to provide feed for foundation herds and the authority of Public Law 86-299 to provide feed for the farmer's other livestock. If there is a misuse of grain it may involve purchases by the recipient under both statutes. We believe it advisable that CCC have a uniform basis of recovery for such violations. The proposed legislation would provide a statutory penalty for feed sold and misused under the applicable provisions of section 407 which is similar to that now contained in Public

Law 86-299. An identical recommendation is being transmitted to the Speaker of the House of Representatives.

No increase in administrative expense or appropriation will be necessitated if the proposed amendment is enacted. The Bureau of the Budget advises that, from the standpoint of the President's program, there is no objection to the submission of this proposed legislation and explanatory letter to the Congress for its consideration.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

EXTENSION FOR 2 YEARS OF THE DEFINITION OF "PEANUTS" UNDER AGRICULTURAL ADJUSTMENT ACT OF 1938

The bill (S. 582) to extend for 2 years the definition of "peanuts" which is now in effect under the Agricultural Adjustment Act of 1938, as amended, was announced as next in order.

Mr. KEATING. Mr. President, I ask that the bill be passed over for the time being.

The PRESIDING OFFICER. The bill will be passed over.

LEASE AND TRANSFER OF TOBACCO ACREAGE ALLOTMENTS

The Senate proceeded to consider the bill (S. 581) to amend the Agricultural Adjustment Act of 1938 to extend for 2 years the present provisions permitting the lease and transfer of tobacco acreage allotments, which had been reported from the Committee on Agriculture and Forestry, with an amendment, to strike out all after the enacting clause and insert:

That (1) subsection (a) of section 316 of the Agricultural Adjustment Act of 1938, as amended, is further amended—

(1) by striking out "and 1963" and inserting in lieu thereof ", 1963, 1964, and 1965";

(2) by striking out ", and for the 1963 crop year, other than" and inserting in lieu thereof "or"; and

(3) by striking out the last sentence and inserting in lieu thereof the following: "In the case of Maryland (type 32) tobacco, no farm shall be eligible for lease of 1962 or 1963 allotment from the farm unless at least 75 per centum of the allotment for the farm was actually planted during each of the years 1960 and 1961, nor shall a farm be eligible for lease of 1964 or 1965 Maryland tobacco allotment from the farm unless at least 75 per centum of the allotment for the farm was actually planted on such farm during each of the two immediately preceding years."; and

(2) Subsection (b) of such section, as amended, is amended to read as follows: "(b) Any lease shall be made on an annual basis and on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to amend the Agricultural Adjustment Act of 1938 to extend for two additional years the provisions permitting the lease of tobacco acreage allotments."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 286), explaining the purposes of the bill.

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

PURPOSE

The purpose of this bill is to authorize, for 2 additional years, the transfer, by lease, of tobacco acreage allotments from one farm to another within the same county. The law does not apply to burley tobacco or cigar filler and cigar binder, types 42, 43, 44, 53, 54, and 55. Under the existing law, an allotment for Maryland (type 32) tobacco could be leased only if at least 75 percent of the allotment for the farm was planted in 1960 and 1961. As introduced, the bill would have permitted leasing of any Maryland tobacco allotment, but on the recommendation of the Department of Agriculture the committee amendment would preclude the leasing of any Maryland tobacco allotment unless at least 75 percent of the allotment for each of the 2 preceding years was planted on the farm.

NEED FOR LEGISLATION

In many areas, tobacco acreage allotments have become so small that producers holding such allotments frequently, in any particular year, neglect to plant their allotment because it is an uneconomic operation, or for other reasons.

For the crop years 1964 and 1965 only, this bill would authorize the holders of such small allotments to transfer their allotment to another tobacco producer in the same county if they chose to do so.

COMMITTEE AMENDMENT

The committee amendment to the text of the bill would prohibit the leasing of Maryland tobacco allotments unless at least 75 percent of the allotment was planted on the farm during each of the 2 preceding years. This amendment was developed in order to carry out the recommendations of the Department of Agriculture as outlined in their report which follows.

AGRICULTURAL LAND DEVELOPMENT IN ALASKA

The bill (S. 623) to provide for a program of agricultural land development in the State of Alaska was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alaska Farmland Development Act of 1963".

DEVELOPMENT OF POLICY AND PURPOSE

SEC. 2. In order to provide more adequately for the sound, efficient, and orderly development and utilization of agricultural land resources of the State of Alaska; to facilitate and assure the establishment of family-type farms as economic units of production and to encourage, promote, and strengthen this form of farm enterprise; to provide for Alaska's future economic growth by promoting a sound and stable agriculture, thereby insuring a more adequate and dependable food supply for the present and future population of the State; and in recognition of the strategic position of the State of Alaska in relation to national security and defense, it is hereby declared to be the policy of Congress, and the purpose of this Act shall be, to provide for a program of agricultural land development in the State of Alaska which will assist agricultural producers to develop and utilize more effectively the productive capacity of the State's land resources for agricultural purposes.

SEC. 3. The Secretary of Agriculture is hereby authorized to formulate and carry out a land development program, which, subject to such terms and conditions as the Secretary determines will best effectuate the policy and purpose expressed in section 2 of this Act, shall provide for the making of payments or grants to agricultural producers in the State of Alaska for carrying out specified farmland development or treatment measures including, but not limited to, clearing, draining, shaping, and otherwise conditioning land for the production of crops or for pasture.

SEC. 4. In carrying out the provisions of this Act, the Secretary is authorized, within the amounts of such appropriations as may be provided therefor, to enter into agreements or other arrangements extending for a period of years with producers determined by him to have control of the farms and ranches covered thereby. The Secretary shall not enter into any such agreement or agreements the effect of which would be to grant to any single producer more than one-fifth of the total amount of funds appropriated for the Alaska land development program for the year in which the agreement is made.

SEC. 5. The Secretary is authorized and directed to issue such rules and regulations as may be necessary to carry out the provisions of this Act.

SEC. 6. In carrying out the provisions of this Act, the Secretary may utilize the committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended.

SEC. 7. There is hereby authorized to be appropriated, without fiscal year limitations, such sums as may be necessary to carry out this Act: *Provided,* That the total cost of the program (excluding administrative costs) shall not exceed $1,250,000 and for any program year payments shall not exceed $125,000. The program authorized by this Act shall be in addition to, and not in substitution of, other programs in the State of Alaska authorized by any other Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 287), explaining the purposes of the bill.

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

This bill, which is identical to S. 2805 as passed by the Senate on September 28, 1962, provides for payments to assist agricultural producers in Alaska to carry out farmland development measures. Maximum payments in any year would be $125,000, and the total cost of the program, exclusive of administrative costs, could not exceed $1,250,000. Assistance in Alaskan farmland development is needed because of expanding population and the high cost of conditioning land in Alaska. A high percentage of the food consumed in the State is imported.

Attached is the report of the Department of Agriculture favoring enactment of S. 2805. No report has been received as yet from the Department on S. 623, but except for the final sentence of section 4, which was added to S. 2805 after the Department had reported on it, S. 623 is identical to the bill on which the Department reported.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 24, 1962.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR MR. CHAIRMAN: This is in reply to your request of February 7, 1962, for a report on S. 2805, a bill to provide for a program of agricultural land development in the State of Alaska.

This Department recommends that the bill be passed.

The purpose of this bill is to provide for a program of land development which will assist agricultural producers in the State of Alaska to develop and utilize more effectively the productive capacity of the State's land resources for agricultural purposes. The bill would authorize the Secretary of Agriculture to formulate and carry out a land development program under which payments or grants would be made to agricultural producers in Alaska for carrying out specified farmland development measures. Such measures may include, but would not be limited to, clearing, draining, shaping, and otherwise conditioning land for the production of crops or for pasture. In making this assistance available, the Secretary would have authority to enter into agreements with agricultural producers extending for a period of years.

Provision is made for utilizing the farmer committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act in the administration of the proposed program. The program authorized in this bill would be in addition to other programs in the State of Alaska now provided by law. There is authorized to be appropriated, without fiscal year limitations, a maximum of $1,250,000 for the entire program, excluding administrative costs, but not to exceed $125,000 is to be expended in any one program year.

We believe the program authorized in this bill is a desirable long-term approach in the needed expansion of agriculture in Alaska. The agricultural economy of the State has not kept pace with its rapid growth in population. Data from the Bureau of the Census show that the population of Alaska increased by 75 percent between 1950 and 1960. While the population as a whole is still predominantly rural (62 percent rural to 38 percent urban), the urban centers increased by 150 percent, as against less than 50 percent in the farming areas.

At present a high proportion of the food consumed in the State of Alaska must be imported. Such importation is costly and acts as a deterrent to orderly economic growth. Lack of local agricultural production could also pose serious problems in maintaining the health and well-being of the people in this strategic area of national security and defense.

The Department recognizes the need for building a stronger agricultural base in Alaska and believes that the proposed legislation would prove a valuable and practical addition to other programs now in operation in the State. There are ample land resources which could be developed into family-type farms as economic units of production under the assistance authorized in this bill. Such development would prove of value not only to the people of Alaska but would serve the national interest by providing the means by which Alaska's growth would be better assured in an orderly and well-balanced manner for the benefit of the Nation as a whole.

Conditioning land for production in Alaska is expensive because of high labor and equipment costs. The program authorized in this bill would provide for the development of probably 20,000 acres during its authorization with a maximum in any year of 1,500 to 2,000 acres, assuming a cost-sharing arrangement whereby landowners would pay a part of the cost. This amount of land would help to only partially fill the gap between food needs and supply in the State. It would not affect materially the total demand for agricultural products. The demand for fresh produce (vegetables, and dairy and poultry products) is so pressing that expansion in farming would be expected to take place in those directions. The expected expansion would not be great enough to offset the expanded need for these products for the projected increase in population.

It is believed that the enactment of this proposed legislation would result in a total need for $1,250,000 additional for the entire program, but that an initial appropriation of about $125,000 would be sufficient for the first year after the bill is enacted. Since the presently established agricultural stabilization and conservation committees may be used to operate the program, the additional administrative costs would be much less than if a new organization were required.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

ORVILLE L. FREEMAN,
Secretary.

Mr. BARTLETT subsequently said: Mr. President, Alaska is in the very early stages of economic development. The program contemplated under S. 623 will aid immeasurably the further economic development of this infant State.

The Alaska Farmland Development Act provides for the establishment of program of land development on a continuing and stable basis. Stability is, perhaps, one of the most important economic benefits Alaska will gain from this program.

Agriculture in Alaska has suffered from the vast changes which have taken place in the Nation and in the world in the last 30 years. Farming declined in the 1930's, almost vanished during the 1940's when all of our attention was devoted to the war effort. There was an upsurge of farming shortly after the end of World War II but this declined again during the Korean war. Now farming is struggling to regain its position and take its proper place in Alaska's economy.

Because the development of an agricultural base in Alaska was delayed or postponed due to prior national interests, Alaska farmers now must try to make up their lost ground. They are faced with an entirely different world than existed in the 1930's. They are faced with a world of rapid transportation, high costs, and intense competition.

The Senate, in passing S. 623, recognized the necessity of providing Alaska with at least a minimum of stability in its agricultural endeavors. The program provides that not more than $1,250,000 will be spent over a period of not less than 10 years. This is hardly a major effort as compared with the vast expenditures on the national agricultural industry. However, it is sufficient to do that which must be done, sufficient to promote the kind of private development which has always characterized American farming and made American farmers the finest the world has seen.

It should be remembered—it must be remembered—that Alaska farmers share in very few benefits that are granted to others in the agricultural community. Indeed, they are not included at all in most of the Federal programs, and this despite the fact that the man starting out in farming in most cases is most urgently in need of help. S. 623 will help.

The benefits to Alaska's economy and, consequently, to the Nation's economy which will grow from this program will show that the Senate's confidence in Alaska's farmers is well placed.

BILL PASSED OVER

The bill (H.R. 40) to assist the States to provide additional facilities for research at the State agricultural experiment stations was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

ACQUISITION OF GREAT FALLS PROPERTY, VIRGINIA

The Senate proceeded to consider the bill (S. 1039) to authorize the Secretary of the Interior to acquire through exchange the Great Falls property in the State of Virginia for administration in connection with the George Washington Memorial Parkway, and for other purposes, which had been reported from the Committee on Finance with an amendment, on page 3, line 14, after the word "are", to strike out "deficient." and insert "deficient: *Provided,* That not more than $1,000,000 may be appropriated for the acquisition of land under this Act."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior (hereinafter called the "Secretary" may accept title to, and administer in connection with the George Washington Memorial Parkway, pursuant to the Act of May 29, 1930 (ch. 354. 46 Stat. 482), as amended, the lands, and interests in lands, commonly known as the Great Falls property, more particularly described as follows, to wit:

All of that land in Fairfax County, Virginia, depicted on the drawing designated "NCP 117.1–471B," filed among the land records of National Capital Parks, said drawing being Potomac Electric Power Company's drawing numbered 77345–E of June 20, 1949, as revised by National Capital Parks on October 14, 1960, which land is comprised of 521.-292 acres shown on the drawing as area 1, 53.446 acres shown as area 3, and 208.899 acres shown as area 4 on said drawing, the aggregate of which is 783.637 acres.

SEC. 2. In exchange for the conveyance to the United States of the lands and interests in lands described in section 1 of this Act, the Secretary may convey to the Potomac Electric Power Company all the right, title, and interests of the United States in and to the following described portion of the lands commonly known as the Blue Ponds area:

All that land situated in the county of Prince Georges, State of Maryland, depicted on the drawing designated NCP 123–375, dated October 17, 1960, filed among the land records of National Capital Parks, containing approximately 391 acres, less that land occupied by the reconstructed section of Muirkirk Road under permit of the Department of the Interior, dated September 3, 1954, issued to Prince Georges County, Maryland.

SEC. 3. The Secretary may convey to the county of Prince Georges, State of Maryland, all the right, title, and interest of the United States in and to the following described portion of the lands commonly known as the Blue Ponds area:

All that land occupied by the reconstructed section of the Muirkirk Road under permit of the Department of the Interior, dated September 3, 1954, issued to Prince Georges County, Maryland.

SEC. 4. The Secretary shall consummate the exchange authorized by this Act on the basis of the fair market value of the properties. If the value of Federal properties does

not approximately equal the value of privately owned properties, the Secretary may make up the difference by payment from donated funds or appropriated funds if donated funds are deficient: *Provided*, That not more than $1,000,000 may be appropriated for the acquisition of land under this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 289), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The Government acquired 391 acres of detached land at Blue Ponds, Md., in connection with the construction of the Baltimore-Washington Parkway which is now surplus to its needs. A 250-foot right-of-way across this property is presently leased and being used by the Potomac Electric Power Co.

The power company owns a tract of 783 acres adjoining the small Virginia State park at the Great Falls of the Potomac River a few miles outside the District of Columbia on the route of the George Washington Memorial Parkway. The tract contains remains of the Potowmack Canal, built by Gen. George Washington and his associates to provide a skirting channel around the falls for boat traffic up the Potomac River to the west.

Ruins include the turning basin and remains of the town of Matildaville, which was based on the canal operation.

The canal is an outstanding remaining example of colonial engineering, and historical evidence of the efforts of General Washington and his associates to establish routes for commerce and communication that would open up the interior areas of the United States to development.

The Great Falls tract has geologic, botanic, wildlife, scenic, and recreational values which add to its worthiness for development and would provide the National Capital area and its many visitors an unduplicated attraction in conjunction with the George Washington Memorial Parkway.

The property is now under 50-year lease by the National Capital park system. It has long been recognized and desired as a worthy part of the system, but was not available until negotiation of the lease in 1960. The lease includes a provision that it may be purchased at any time during the life of the lease for "fair market value."

Development of the property while on lease cannot, of course, equal development which would be justified if owned by the Government.

Construction of a sewer to serve the Dulles Airport and surrounding area, and consequent spread of suburban developments, appear certain to increase the value of the Great Falls property in the commercial market in the near future.

It is estimated that the land can be acquired at this time by the National Capital park system by exchange of the Blue Ponds property in Maryland and payment of not to exceed $975,000 to the company.

Following subcommittee hearings on S. 1039, full committee action was postponed on the bill to permit new members to inspect the Great Falls property.

The committee is strongly convinced that the tract should be acquired to preserve the great and varied values it contains, and that large savings will result from prompt acquisition. The bill was reported out favorably by unanimous action.

AMENDMENT

In keeping with committee policy, a limit on appropriations authorized has been added to the bill. The maximum authorization is fixed in this instance at $1 million to cover the full estimated cost of completing the exchange of the Blue Ponds and Great Falls properties.

Appropriations required may be reduced by contributions from individuals and groups interested, but this is not certain and the committee therefore has authorized appropriation of the full amount needed, if it is necessary.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar.

EXTENSION FOR 2 YEARS OF DEFINITION OF "PEANUTS" UNDER AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. MANSFIELD. Mr. President, after consultation with the distinguished Senator from New York [Mr. KEATING], and a very thorough and detailed explanation of the bill, I am now empowered to ask unanimous consent that the Senate proceed to the consideration of Calendar No. 265, S. 582.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 582) to extend for 2 years the definition of "peanuts" which is now in effect under the Agricultural Adjustment Act of 1938, as amended.

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

There being no objection, the bill (S. 582) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957, as amended (7 U.S.C. 1359 note), is amended by striking out "and 1963" and inserting in lieu thereof "1963, 1964, and 1965".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 285), explaining the purposes of the bill.

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

This bill extends for 2 years the present exemption of peanuts for boiling from marketing quotas. The present exemption, which has been in effect since 1957, would otherwise expire with the 1963 crop.

The report from the Department of Agriculture favoring this legislation is attached.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 5, 1963.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request of January 31, 1963, for a report on S. 582 to extend for 2 years the exemption of boiled peanuts in the definition of "peanuts" which is in effect through the 1963 crop year under the Agricultural Adjustment Act of 1938, as amended.

The bill provides for a 2-year extension of the exemption of boiled peanuts in the definition of "peanuts" as contained in section 359(c) of the Agricultural Adjustment Act of 1938, as amended. This definition excludes from the provisions of acreage allotment and marketing quotas any peanuts which are marketed before drying or removal of moisture, either by natural or artificial means, for consumption exclusively as boiled peanuts. Such peanuts do not enter the market in competition with salted peanuts or other peanut products. Experience under the exemption during the past 6 years has shown that it does not adversely affect the supply adjustment and price-support programs for peanuts.

On January 4, 1963, this Department addressed a letter to the Honorable LYNDON B. JOHNSON, Vice President of the United States, in which we recommended that the present definition of "peanuts" be extended without a time limitation. A copy of this letter and proposed draft bill mentioned therein is enclosed.

The Department would prefer permanent extension of the present authority, but would have no objection to extending it for a 2-year period if Congress so determines.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

The PRESIDING OFFICER. Is there further morning business?

Mr. BARTLETT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CIVIL RIGHTS—COMMONSENSE

Mr. TALMADGE. Mr. President, the editor of the Columbus, Ga., Enquirer has written a thoughtful column concerning the administration's package of civil rights legislation now pending in Congress. He points out that the problem here involved is one with which the South and the Nation have worked steadily and earnestly to resolve, and that this commonsense atmosphere must be allowed to prevail over all the racial strife and coercion now sweeping the country.

I ask unanimous consent that Mr. Grimes' column be printed in the body of the RECORD.

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

IS THIS TRAGEDY NECESSARY?

(By Millard Grimes)

The South is about to catch the heaviest barrage it has ever suffered on the racial question. There is no sense in deluding ourselves. The Federal Government is rolling up the big guns and they are aimed at every facet of the problem.

A couple of the columnists who share this page, Joe Alsop and Walter Lippmann, called the turn earlier this week. Lippmann is plainly panicky. He wants the Government

to ride down on the South—and the North too, for that matter—and demand an immediate end to all racial barriers.

Alsop sees the fight taking on aspects of the struggle between Africans and the old colonial powers. He believes the protests that have dotted the South are going to spread North as Negroes become more ambitious in their demands.

A leader of the National Urban League may have set the pattern in a speech made last week in Cleveland. "Negroes need more than equal rights," he argued. "They deserve extra rights as compensation for the 300 years of lost opportunity." He said industries should hire Negroes because they are Negroes and that preferential educational opportunities should be provided.

A factor which has undoubtedly shaken the Kennedy administration is the surprising protest from certain Negro circles that "Kennedy is not doing enough."

Attorney General Bobby Kennedy came away shaken from a meeting recently with Negro leaders in Harlem. He was disturbed at the depth of their demands and they had proven impatient with his restraint, such as it is.

So, the harvest approaches, not just for the South, but also for those northern cities where Negroes have now settled in large number. The siege guns, of course, will be aimed at Dixie, but the most compelling drama may be enacted on metropolitan sidewalks.

But is it all necessary? Must the Nation play out this incredible tragedy? Is it too late to lower the emotional thermostat and restore perspective and commonsense to a problem mankind has been wrestling with since the dawn of time?

Can't some national leader summon the guts to stand up and say that the racial problem is not the most important matter facing the Nation today? Can't he say that despite real and imagined wrongs committed, the Negro has fared well by his relocation on this continent and that those "300 years of lost opportunity" the Urban League man mentioned would have been spent in the brushland of middle Africa if the Negro's ancestors had not been slaves?

This is not a perfect world—not for anyone, white, black, yellow or otherwise. But it's the only world we've got, and the United States is still the Nation that provides the best opportunity for the greatest number of its citizens, and I'm tired of hearing a lot of people who know better intimate that it doesn't.

Now, we're just going to have to make the best of this problem—white and Negro alike—but we're not going to use dictatorial methods to force open doors that private citizens prefer be closed, and in so doing corrupt the democracy to the point where it won't be worth saving.

Some national leader should say all that. A lot of them probably feel that way but are afraid.

We're trying to act properly in the South, I believe. The handicaps have been enormous. Both races have lived with poverty and privation. Their problem is economic far more than racial. It is social far more than political. It is sincere far more than vicious.

If the clock has run out on moderation, the entire Nation is in serious trouble. It is all like a bad dream that happened once before, about 103 years ago. Moderation lost out and the cost was terrible.

It must not lose out again.

SPREAD OF NUCLEAR WEAPONS DEVELOPMENT

Mr. PROXMIRE. Mr. President, in his great speech at Bonn yesterday, the President of the United States cautioned on the necessity of nations using all of their influence to persuade countries which do not now have nuclear weapons not to develop such weapons. I think the argument by President Kennedy is a very, very important one. I think it should be discussed and considered very widely.

If we are to have a test ban agreement between Russia and the United States, many persons raise the question as to what is to prevent other countries from developing nuclear weapons and a proliferation of such weapons? This argument is answered with great clarity by Howard Simons in an article in the Washington Post this morning. I ask unanimous consent that the article be printed in the RECORD at this point.

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

A-ARMS PROLIFERATION—HOW TEST BAN MIGHT PREVENT SPREAD

(By Howard Simons)

Once again President Kennedy has declared that without a treaty to halt nuclear testing, atomic arms will spread inevitably to other nations and that this would be a "disaster."

But in Bonn, as so often before, Mr. Kennedy grappled ineffectively with the central question: How can a test ban involving the United States, the United Kingdom and the Soviet Union slow down and perhaps even halt the spread of nuclear weapons?

Though any such treaty would be open to signature by all nations, both France and Communist China have said they would not sign. France already possesses atomic bombs and China is working feverishly to develop them.

The persistent atomic aspirations of these two dissidents from the major power centers are largely responsible apparently, for the President's reluctance to explain fully how a test ban might slow the spread of nuclear weapons.

This is so because any such discussion must touch upon internal affairs in France and China's relationship with the Soviet Union. And, presumably, Mr. Kennedy holds the view that the less said out loud about those subjects the better, especially in the absence of a treaty.

Nonetheless, the President has heard all the arguments on how a ban might affect the spread of atomic arms and the arguments have been persuasive. In effect, the arguments amount to this:

Just as a parent cannot effectively command a teen-age child to stop smoking as long as the parent continues to smoke, so, too, the major nuclear powers cannot insist that other nations refrain from building and testing nuclear weapons as long as the major powers themselves continue to test.

Once the major nuclear powers—a distinction not yet accorded to France—agree to halt nuclear testing, it would then become possible for those powers to bring economic, technical, diplomatic and psychological pressures to bear on other nations, including perhaps even France and Red China.

This is obviously not possible now. But, in the view of administration experts, a test ban agreement could make it possible and essentially for two reasons.

The first reason is that a test ban would lessen tension between the United States and the Soviet Union. A lessening of tension might reduce the present incentive of many nations, such as Egypt and Israel, to acquire atomic arms.

By the same token, there is ample evidence that a test ban would be welcomed by many other nations, such as Italy, Sweden and Switzerland, as a bona fide excuse not to develop their own atomic arms.

The second reason why a test ban agreement might deter the spread of nuclear arms is that it would open a door to concerted action by the United States and the Soviet Union to halt such a spread.

Thus, for example, in France's case a test ban coupled with joint United States and U.S.S.R. actions might lead a post-De Gaulle government to merge its independent nuclear force with a NATO nuclear force.

There are also technical reasons why a test ban could slow the spread of nuclear weapons development. These have to do largely with the fact that continued weapons development by the major powers will bring the world closer to cheap and plentiful weapons. For the present, at least, atomic arms are immensely expensive to come by.

Ironically, though it is in the interests of both the Soviet Union and the United States to keep atomic arms from other nations, the longer both nations continue to develop such arms the easier it becomes for those other nations to acquire them.

Whether persuasion by the major powers will be able to slow the spread of atomic weapons, if and when a test ban are agreed to, is not known. But as Mr. Kennedy noted in Bonn yesterday: "Quite obviously, they may not accept this persuasion, and then, as I say, they will get the false security which goes with nuclear diffusion."

IN DEFENSE OF CONGRESS

Mrs. SMITH. Mr. President, on May 25, 1963, I spoke in defense of the Congress, particularly in answer to a telecast that I felt was extremely onesided and unfair.

I made my statement on the Deena Clark National Broadcasting Co. "A Moment With" program at 6 o'clock the afternoon of May 25, 1963. That program was shown a week later on June 2, 1963, on WNBC-TV in New York.

Subsequently I made the same statements on radio programs on WABI, Bangor, Maine, and WGAN, Portland, Maine.

I believe that it is time for more to speak up in defense of Congress and against the ever increasing pattern of those forces which would discredit and undermine public confidence in Congress until it is driven to complete subjugation and subservience to the President to automatically rubberstamp each and every request that he makes.

I ask unanimous consent that my statement be placed in the body of the RECORD at this point.

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

I want to express my deep appreciation to Deena Clark, WRC-TV and the National Broadcasting Co. for inviting me to appear on this excellent public service program and speak from the bottom of my heart and the top of my head on some subject on which I feel very strongly—on something I mentally would like to get off my chest.

There are many things on which I have such strong feelings but on several of them, others who are far more articulate than I, have spoken eloquently—far more eloquently than I could.

However, there has been a thunderous silence on one subject on which many should have spoken by now. Thus far, the discussion on this subject has been completely one-sided. And apparently the heavy targets of this one-sided subject—Members of

Congress—have been reluctant to defend themselves and to answer their critics.

We all know of the greatly publicized abuses by some Members of Congress with respect to junketing and misuse of Government funds provided by the taxpayers and shocking abuses of the privileges and powers of their positions. I agree wholeheartedly with much of that criticism. I agree that some action should be taken to curb and prevent these abuses and misuses. I agree that they should be exposed to the public light.

I not only believe this but I have voted time and again for measures to do it—measures such as those proposed by Senator JOHN WILLIAMS, of Delaware, the foremost Senate watchdog against abuses and misuses, whether they be in Congress or out.

For example, I have voted for the Williams proposals on restricting the use of counterpart funds by Congressmen on junkets and for requiring full and public accounting of expenditures.

But I saw a television program recently which went far too far—and beyond the bounds of fairness. It is a program that is billed as an objective documentary type of program. But if I ever saw slanting and stacking the cards, this program really did it.

It was not objective. Instead it was a very heavyhanded editorial program. And it was reckless in its heavyhanded editorialism. For example, the commentator—more properly he should be called editor—featured the abuses and misuses of one Member of Congress and then, in shotgun manner, equated most all other Members of Congress with this one Member that he highlighted in his scathing editorialized program. He went even so far as to make the sweeping indictment of Members of the House and Senate as to charge that 90 percent of all Members of Congress were guilty of some of the abuses and misuses as that one particular Member of Congress he singled out for dissection and starring role.

June 1, 1963, is the 13th anniversary of the Declaration of Conscience address that I made in the Senate on June 1, 1950, when I denounced the tactics of a fellow Republican in the U.S. Senate who had indulged on the Senate floor in character assassination and practiced trial by accusation. In that address I took issue with his shotgun methods in which he invoked the dubious guilt by association technique and attempted to indict large groups of people by the record of one or two persons in such groups.

Well, in my opinion the recent TV so-called documentary against Members of Congress employed the same shotgun method when the commentator on that program indicted practically all Members of Congress when he equated 90 percent of all Members of Congress with the one Member he had singled out for his dissection of abuses and misuses. He left his audience to guess as to whom might be the very few in the 10 percent innocents. He did not identify them. Instead by his sweeping 90-percent indictment, he left his viewing and listening audience with the impression that when they next looked at their own individual Senator or Congressman that chances were 9 to 1 that he or she was guilty of some of the abuses and misuses attributed to the featured Congressmen on that program.

Under the guise of objective documentary, this 90-percent indictment was no less character assassination, trial by accusation, guilt by association and the application of reckless shotgun methods than what I took issue with 13 years ago in the Senate in my Declaration of Conscience.

As an individual Member of that group, I resent this not just for myself but also for the many, many of my colleagues in the Senate and House, who are scrupulously honest, conscientious, and hard working.

Since no one has risen in defense of them, I take this opportunity to do so. And I will speak of my own case only because I think it typifies the majority of the Members of Congress instead of just a narrow 10-percent minority.

I will take very briefly some of the standards raised by the commentator who sat in such righteous judgment of 90 percent of Congress. He implied that taking a campaign contribution let the contributor own a Member to some extent. Well, in my last campaign I did not take a single individual contribution in either the primary or the general election—my only contribution being the standard and minimum and automatic contribution made by the Republican Senatorial Campaign Committee to each Republican nominee for the Senate. Yet, I do not doubt the integrity of my colleagues who did take contributions.

The commentator raised the standard of world junketing at taxpayers' expense. Well, in the 14 years I have been in the Senate, I have taken only one Senate committee foreign trip at the expense of the American taxpayers. Yet, I would not condemn those of my colleagues who have taken many foreign trips on official business for the very simple reason that I know how hard they work on those trips—I saw it in the one committee trip I made—and I know how their efforts result in wiser and more efficient use of our foreign aid funds to other nations.

The commentator raised the condemnation of nepotism. Well, I am a product of nepotism myself. I would not be in the Senate now if it were not for nepotism. I worked very hard and earned every cent I received in the salary I got as the secretary to my late husband when he was Congressman. I was elected to succeed him in the House and then later elected to the Senate greatly because of the work I did as his secretary and wife. And I know from my own personal observation and experience of how the wives of many Senators and Congressmen work very hard and for very long hours for every cent of salary they get.

The commentator raised the standard of a "full day's work" with the strong implication that Members did not put in a full day's work for the pay they received and the strong implication that they were guilty of excessive absenteeism. Well, I wish he would just spend 1 day at work with any Senator.

I would take him to my office before 8 o'clock in the morning and he would find that probably I would not leave the office before 7 that evening and would take work home with me. As for absenteeism I will let you judge just how valid the criticism is. I have not missed a rollcall vote for over 8 years—not since June 1, 1955—and not for, 1,415 consecutive rollcall votes. Yet, I certainly would not infer that any Member who missed a rollcall vote during this 8-year period was guilty of not giving a "full day's work" or working any less on such day of missing a vote than I was working when there to vote.

Why have not Members spoken up in defense of themselves against such sweeping 90-percent indictments as the TV so-called documentary program I have referred to?

Because they know that they are immediately discounted for defending themselves and make themselves all the more suspect, under the "guilty until proved innocent" attitude commentators pass on to their viewers, all the more suspect that they are guilty of all such charges merely because they do defend themselves.

I welcome this opportunity to defend the majority of the Members of Congress. But I do wish that others outside of Congress would rise in defense of the honest, conscientious and hard working Senators and Congressmen, who do constitute a majority of Congress.

MADISON COUNTY, ILL., DEBATE ON "SILENT AMENDMENTS"

Mr. DOUGLAS. Mr. President, the Madison County (Ill.) Bar Association and its judiciary committee deserve high commendation for their public spirit and leadership in planning a major debate of national importance on the three amendments to the U.S. Constitution which are quietly being pushed through the State legislatures. These three proposals would, if adopted, amend article V of the Constitution so as to make obligatory the submissions for ratification of amendments sponsored by two-thirds of the State legislatures, eradicate the Supreme Court's recent decision in Baker against Carr, and establish a Court of the Union with power to overrule decisions of the Supreme Court.

On May 15, I suggested in a Senate speech that these proposed amendments present an attack on the fundamental principles of our Federal system and require the most careful examination. The largely unnoticed progress of these amendments through many of the State legislatures, with the support of powerful interests, has alarmed many thoughtful citizens. These proposals are now beginning to be the subject of thorough public discussion.

It is appropriate that the first major public debate on this matter should be sponsored by an association of lawyers, for in the early days of the Republic the legal profession was the foremost defender of the Constitution.

Recently, Chief Justice Earl Warren stated in an address before the American Law Institute in Washington, D.C., that "any serious effort to amend the Constitution of the United States should provide the occasion for a great national debate. Every bar association, National, State, and local, should take cognizance of the proposal."

The Madison County Bar Association's debate to be held tomorrow night, June 26, at Holiday Inn on Bypass 66, near Edwardsville, Ill., is in direct response to this challenge and will be the first major public debate on these issues of national importance.

The speakers will be Mr. Arthur J. Freund, the St. Louis attorney and critic of the three amendments who is in large part responsible for alerting the country to them and the Honorable Millard Caldwell, justice of the Supreme Court of Florida and former Governor of that State. The debate will take place before members of the bar and the bench of Madison County, observers from various bar associations and law schools, and representatives of the news media.

Illinois is famous for the Lincoln-Douglas debates of more than a century ago, one of which was held only a few miles from Edwardsville in Alton. I hope very much that tomorrow's debate on issues of great importance to the future of our federal system similarly receives the attention it deserves and that it will initiate a number of similar debates throughout the country.

JOB PLACEMENT OF TRAINEES

Mr. FONG. Mr. President, the Manpower Development and Training Act

enacted by Congress has had an encouraging start in Hawaii. A great deal of its initial success there can be attributed to the painstaking care and skillful administration applied by officials of the State department of labor and industrial relations, in cooperation with the State department of education, during its early stages.

I have particular pride in calling attention to the contributions of Mr. Frank Damon, who was the State director of labor and industrial relations, at the inception of the program in Hawaii. He assumed the duties of labor director in Hawaii after serving ably as my administrative assistant in Washington. Since leaving the labor department several months ago, he has entered the private practice of law in Honolulu. His successor as labor director is Mr. Alfred Laureta, who is carrying forward the fine work begun by Mr. Damon in implementing the Manpower Development and Training Act in Hawaii.

A progress report on the success of the program in Hawaii was published in an article in the Hawaii Press newspaper of May 8, 1963.

I ask unanimous consent that the article titled "Hawaii Tops All Other States in Job Placement of Trainees" be printed in the RECORD at this point.

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

HAWAII TOPS ALL OTHER STATES IN JOB PLACEMENT OF TRAINEES

(By Nadine Wharton)

Hawaii is the only State in the Nation with a 100-percent job placement record under the Manpower Development and Training Act.

In fact, Hawaii is one of the few States where the revolutionary MDTA is accomplishing its purpose.

This purpose is to give America's workers training in new and superior skills so they can fill the jobs which will open in the years ahead.

In Hawaii this means vocational training for garment workers on power sewing machines.

It means teaching people to be good waitresses and waiters and carpenters.

It means giving a man a chance to get off unemployment and take a new lease on life

SAVES MONEY

As the act is applied here it is saving the State a good deal of money in unemployment insurance payments. And more important, it is saving an important portion of the labor force from months of idleness.

On Maui two canneries consolidated to become one operation. As a result, 86 persons were out of a job. Luckily, Sheraton Maui was just completing a new hotel, and would need waiters and waitresses and a complete staff.

Employment service staff worked with the department of education to set up classes for the former cannery workers in hotel jobs.

All who entered the classes graduated. And all were hired to work at Sheraton Maui.

On Kauai, 18 men are taking a 52-week course to qualify as beginning carpenters. Remainder of their training will be on the job.

In Honolulu, 12 young men are taking a 12-week course, learning how to be bank tellers.

There are six new students working toward a practical nurse degree.

There are nine women training as sewing machine operators, taking an 8-week course to qualify for employment in Hawaii's growing garment industry.

TRAINING COST

It costs $650 to train an average MDTA student in Hawaii. But the national average, and the amount allotted by the Federal Government per trainee is almost twice that amount—$1,200.

Most of the trainees in Hawaii are not heads of households, and are therefore not eligible for weekly training allowances. This means the trainees care enough about their future to go to school on a no-income basis.

Average male trainee is more than 35 years of age and has been gainfully employed for as much as 10 years. Most of the trainees have been unemployed for a maximum of 26 weeks—and collecting unemployment insurance.

Of five veterans taking the training, three are handicapped.

Some of the trainees are high school graduates. Some did not reach the eighth grade. One or two have college training.

PRIORITIES

First priority for training is given to unemployed heads of households who have had 3 years gainful employment, and to farmworkers with less than $1,200 net family income.

Second priority is for unemployed youths 19 to 21 years old who can benefit from further schooling. Second category of unemployed youths, including school dropouts, are between 16 and 18.

Employment service workers, and no additional staff has been hired to administer MDTA, work with unions, industry and business to determine where shortages of workers exist. They identify occupations, test and counsel and select the persons to be trained, and try to place the trainees in jobs.

FACILITIES

The department of education, through the division of vocational education, develops courses and provides training facilities, equipment and instructional staff for the courses.

No training can be given unless the person intends to work in the occupation for which he is trained. Otherwise there are practically no restrictions on who may participate in the program. Employed persons whose jobs are below their level of performance may retrain to acquire new skills.

Alfred Laureta, director of the employment service, said he can take pride in the way MDTA works in Hawaii.

PRESERVATION OF THE NENE OR HAWAIIAN GOOSE

Mr. FONG. Mr. President, I wish to call to the attention of my colleagues and of conservation-minded Americans Hawaii's latest unique contribution to the preservation of the almost extinct Hawaiian nene goose.

As described in the New York Times of June 20, 1963, the conservation program to save the Hawaiian goose—Branta Sandwicensis—or nene—pronounced nay-nay—from extinction has been successful. Two Hawaiian geese have just arrived at the National Zoological Park in Washington, D.C.

This is more than a passing interest. The nene is the official State bird of Hawaii, having been adopted as the bird emblematic of the State by the 29th Territorial Legislature May 7, 1957.

The bird is one of the world's rarest species of water fowl. It is endemic to the Hawaiian Islands, native only to Hawaii and found nowhere else in the world in its wild habitat. The estimated world population in 1962 was 292. Less than 100 wild birds are believed to lead a precarious existence on the volcanic slopes of Mauna Loa, and there are an additional 200 in captivity, including a captive stock in Europe, having descended from three birds sent to the Wildfowl Trust, England, in 1950 and 1951.

Both male and female of these rare birds look alike. Head is black. Neck is creamy with a dark brown band at the bottom of the neck, and depressed diagonal lines with black under the white. The top part of the body of the bird is brown. Sides and belly are light brown. Tail and wings are black. Bill and feet are black. Feet are partially webbed. One might describe the color of the whole bird as gray-brown.

Over a century ago, the nene roamed in great flocks on the plateaus of the Islands Hawaii and Maui. People of old Hawaii hunted and killed them for food, and at one time the shippers exported them by the barrel to San Francisco during the gold rush days. By 1949, this Hawaiian goose was threatened with extinction. Some people thought the bird actually was extinct. Then five of them were discovered at that time. They had declined almost to extinction due to indiscriminate and wanton hunting and killing in the early days and by the ever-present wild animals preying on them. Now, under the protection of State law, a concerted effort is being made to conserve the nene.

The systematic program for nene restoration began in 1949 when Herbert Shipman, a rancher on the Island of Hawaii, lent the Board of Agriculture and Forestry a pair of nene with which to start a propagation project. Mr. Shipman had the only captive flock of nene in existence at that time.

The Legislature of Hawaii initially financed $6,000 for the project. The purpose of the project was to conduct an ecological study with a view to finding the nesting grounds of the wild nene; to set aside 8,100 acres of Keauhou Ranch as a sanctuary by negotiating a cooperative agreement with C. Brewer & Co. and the Bishop Estate; and to breed the captive birds and release the offspring in former known wild habitats.

In 1958 Congress authorized annual appropriation of $15,000 for a period of 5 years—which will expire in 1964—for the program of research, propagation, and management of the Hawaiian nene. The U.S. Fish and Wildlife Service is participating actively in this highly success restoration project and is doing a splendid job in reestablishing the rare birds in the Hawaiian tropic wilds. The Hui Manu—Bird Society—Bob Krauss of the Honolulu Advertiser, and the Honolulu Star-Bulletin have done and are doing commendable work in arousing interest in the restoration project and soliciting enthusiastic support for the continuation of congressional aid in the preservation and restoration of these rare birds.

A bill is in the Senate with the wholehearted support of the Hawaii delegation to increase the annual appropriation

from $15,000 to $25,000, and to extend the program to 1968.

This program has attracted worldwide interest and is being watched very closely by wildlife conservation organizations throughout the world.

Up to 1963 over 150 nene bred in Hawaii have been successfully released into the wilds of Hawaii's volcanic slopes.

I ask unanimous consent that the entire article be reprinted in the RECORD at this point.

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

[From the New York (N.Y.) Times, June 20, 1963]

HAWAII PAMPERS NENE GEESE TO SAVE THEM FROM EXTINCTION

(By Lawrence E. Davies)

POHAKULOA, HAWAII.—A small flock of pampered nene, sometimes called the rarest waterfowl in the world, will be released in July in a program to save the Hawaiian goose from extinction. Fifty-four goslings burst out of eggs in carefully tended pens of the State fish and game division here on a slope of the extinct volcano Mauna Kea this spring.

This is the most successful hatch reported since a project was instituted in 1949 to preserve the remnants of the rapidly disappearing wild population by breeding the birds in captivity and then turning them loose to mate wild nene.

Only a few years ago biologists estimated the number of wild nene at 25 to 50. The number now is believed to be at least 50.

The population has been decimated over the years by the mongoose, the wildcat, and the wild dog.

Wild pigs, of which around 70,000 now are believed to roam the island of Hawaii, along with goats and sheep, have trampled the nene's nests. Hunters have shot down the adult birds during the breeding season.

The nene is now Hawaii's official bird and protected by law.

The site of the nene (pronounced nay-nay) project is 34 miles from Hilo and only a mile below Camp Pohakuloa, which is used by the Army, the Marines, and the National Guard for training maneuvers.

The nene project is under the supervision of Ronald L. Walker, a biologist. Ah Fat Lee, a nene propagation specialist, spends virtually every hour—waking and sleeping—with the nene during the breeding and hatching season.

The goose lays four or five eggs of a light cream color. A typical one measures 3⅜ inches long and 2⅛ inches in diameter.

THE OREGON DUNES NATIONAL SEASHORE

Mrs. NEUBERGER. Mr. President, more and more national publications are recognizing the need for adequate protection of the Oregon Dunes area so as to preserve the unique scenic beauty for public enjoyment and recreation. An able and educated conservationist in my State, Mr. J. Michael McCloskey, recently wrote an article on the dunes which appeared in the April-May 1963 issue of the Sierra Club Bulletin. I ask unanimous consent to include in the RECORD with my remarks the text of the article by Mr. McCloskey entitled "The Sands That Time Will Not Save."

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

THE OREGON DUNES: THE SANDS THAT TIME WILL NOT SAVE

(By J. Michael McCloskey)

Saharan dunes, large and longitudinal, are normally found on deserts. But on Oregon's coast they are, anomalously, piled high by humid Pacific winds in a land dense with vegetation. These dunes, between Florence and Coos Bay, are the highest coastal dunes on the North American Continent, nearly 300 feet high and reaching almost 3 miles inland.

The winds and currents of time created these dunes, but man has already begun to take them apart. They are the product of geological time—of a cycle of balance between moving, eroding sand and natural stabilizing vegetation. The cycle built them and it also controlled them—but man in his first 50 years of knowing them has not cared. He has logged up to their edges, encroached on their drift path, and planted exotic sand-binding grasses to stop their movement. In his brief acquaintance with them, he has profoundly disturbed the balance of forces which created them. The leading authority on these dunes, botanist William S. Cooper, foresees that man's activity may have already "changed significantly the character of the whole dune complex."

But man has also begun to perceive that he can act to save these dunes. In its 1959 Pacific Coast Recreation Survey, the National Park Service adjudged the Oregon Dunes to be of national importance, warranting permanent preservation. The Park Service said there is no area on the Pacific coast "possessing a comparable association of dunes, seashore, fresh water lakes, and forest." It proposed establishment of a 32,000-acre national seashore. The late Senator Richard L. Neuberger promptly introduced legislation to establish such a seashore. His wife, who succeeded him, introduced similar legislation in the following Congress, but failure to gain House sponsorship and lack of united support in Oregon left the proposal without the impetus that carried other companion seashore proposals, Cape Cod, Mass., Port Reyes, Calif., and Padre Island, Tex., to enactment.

But now, with a new Congressman representing the district, House sponsorship has been assured, as well as support of the State administration. In an interdepartmental agreement in late January the Departments of the Interior and Agriculture agreed that the seashore should be established and the proposal has now been made a part of the administration's program. Secretary of the Interior Stewart Udall is reported to be more otpimistic about its chances than he was about the prospects for the seashores established by the last Congress.

Two bills are now before the 88th Congress, S. 1137 by Senator MAURINE NEUBERGER, and H.R. 5186 by Congressman ROBERT DUNCAN. Senator NEUBERGER's bill would establish a 40-mile-long seashore of some 42,000 acres, while Congressman DUNCAN's bill would establish a seashore of about 30,000 acres.

Hearings were held on Senator NEUBERGER's bill on May 4 in Oregon and on May 8 and 9 in Washington, D.C. Senate action on her bill is expected some time this summer, with House hearings in Oregon expected this fall. The Senate is expected to act favorably, the main question being whether or not to include the southern 9 miles, an area with an industrial water supply (now within S. 1137 boundaries—see map). In a preliminary master plan presented at the Senate hearings, National Park Service officials regarded inclusion of this section as highly desirable. The House bill does not contain the southern area.

Both bills, however, will accomplish three important objectives for conserving the natural features of most of the area. First, they will put management in the hands of the National Park Service which will make preservation of the natural cycle of dunes activity, for public appreciation, a paramount aim. Much of the area is now under the administration of the U.S. Forest Service, which is conducting an extensive program of dunes planting and stabilization. (In response to criticism from conservationists, the Forest Service recently cut back its planting program from the originally planned 6,622 to 3,300 acres.)

Second, by putting management in the hands of the Park Service, the bills will make it possible to preserve more of the wild mood of the dunes, for the Park Service has indicated that it is not likely to build as many roads through the dunes as the Forest Service, and it will be likely to exercise more control over cross-country dunes vehicles.

Third, both bills will restrict cluttered private developments along the dunes. However, Congressman DUNCAN's bill (H.R. 5186) provides less protection of this sort. His bill protects only 17,100 acres of dunes while Senator NEUBERGER's bill protects 24,077 acres of dunes, and Senator NEUBERGER's bill also provides more of a protected scenic corridor along Highway 101, which runs along the area (14¼ miles of corridor in comparison to 5½ miles). Moreover, her bill has more forest area for moving space for the dunes and for seashore facilities (12,180 acres in comparison to 8,320 acres). Congressman DUNCAN's bill has excluded much abutting private land and provides for a seashore only about 30 miles in length.

Both bills, however, will save the sands that time is no longer saving—no longer since man has intervened to subdue them. He can now, equally as well, intervene to protect them—to restore their natural freedom to move southerly with the longshore currents of summer and with the crosswinds of the seasons, carrying the sands of interior rivers back onshore, building the patterned piles of transverse dunes and the high ridges of oblique dunes running inland, meeting the undergrowth on ancient dunes, the barriers of ponding streams, and the persistent push of pioneering shrubs, continuing the timeless circle of advance and overgrowth and reawakening. This can all exist again in an Oregon Dunes National Seashore.

INVASIONS AND ESTIMATES

Mr. SIMPSON. Mr. President, press reports last week, alluding to an invasion of Cuba by exile forces, are indeed a tragedy, for in final analysis what was reported by some exiles in Cuba as an invasion was in fact only an increase in the guerrilla tactics that have been going on since the crisis last October.

It is regrettable that the invasion reports leaked out, as the Cuban Revolutional Council attempts to regain the prestige lost in its association with the administration. It should be noted that the invasion reports did not originate with the council's leadership.

There is some cause for thanks, however, that an invasion did not occur last weekend, because if precedent is a valid indicator, there would have been another Hungary on the beaches of Cuba while the administration sent protests to Rus-

sia and mouthed its peace-at-any-price platitudes.

Another point that bears mention concerns the State Department's instantaneous reaction in terming invasion reports "inaccurate and highly colored." And they fired their blast in jig time.

It is pleasing to note the State Department has—to use a now famous word—"sophisticated" its intelligence apparatus enough to say in reverberating tones that fewer than 50 exiles had invaded Cuba. This highly precise estimate, bear in mind, comes from the same State Depart that has been unable to estimate to within several thousand the number of Soviet troops in Cuba. But, perhaps the State Department is less concerned with the Russians already in Cuba than with Cubans fighting valiantly to return there.

The question must be asked: In view of "State's" newly found precision, whether our foreign policy experts are now prepared to announce, to a tolerance of 50, the total number of Soviet troops in Cuba. I should ask that this utterance of accuracy become retroactive to May of this year when 8,000 Soviet troops were landed at Santiago, Cuba, and that news of this landing be given as much publicity as the stories alleging the withdrawal of Communist soldiers from the Russian satellite off our shores.

FIFTY YEARS OF USDA MARKETING SERVICE

Mr. BURDICK. Mr. President, the U.S. Department of Agriculture is observing its 50th year of organized marketing service to farmers, industry, and consumers. It is appropriate that during the year there will be a number of special events in which public and private organizations will join to recognize and pay tribute to the enviable progress we in this country have made in the marketing of farm products.

Last week in the Administration Building of the Department of Agriculture, I saw an outstanding exhibit tracing the development of our marketing system during the past 50 years and depicting the marketing services that today help bring to us better food and fiber in greater variety at less cost.

Although some of the USDA marketing services, such as the collection of statistics, had their beginnings much earlier, it was in May 1913, that the first marketing agency, the Office of Markets, was established. This was the predecessor agency of today's Agricultural Marketing Service, whose broad assignment in the USDA is to help advance orderly and efficient marketing and effective distribution of the Nation's farm output.

When the first formal work in agricultural marketing was started in the Department of Agriculture in 1913, there was no such thing as a milking machine or a mechanical cottonpicker. The sawdust-floored meat market, the open pickle barrel, the live or New York dressed chicken were commonplace. A network of high-speed highways to transport prepackaged meat or frozen foods and the supermarket were still dreams of the future. Yet to come were a nationwide market news service for agricultural products, Federal-State inspection and grading, our present laws to protect the interests of farmers marketing livestock and fruits and vegetables, a national school-lunch program, and an extensive program of marketing research.

Marketing farm products is now the Nation's biggest business—one that annually moves and transforms 135 million tons of foodstuffs with a retail weight and value of more than $60 billion. It likewise handles nonfood products of agriculture worth several billion dollars more. Moreover, this marketing system does this job well.

A few figures dramatically spotlight the importance of agricultural marketing in the American economy:

Consumer expenditures for farm-derived products—food and nonfood—are equal to one-fifth of the gross national product.

For every person at work on a farm growing farm products, two persons are employed off of farms in marketing those products.

Out of every dollar spent to buy products of farm origin, two-thirds of it pays for marketing them.

This is because marketing has taken over many jobs from the kitchen, as well as from the farm. And for our society of abundance, American agricultural marketing is providing consumers with services unmatched anywhere else in the world for variety, as well as for quality and quantity.

A report on consumer protection activities of Federal agencies, issued in 1961 by the Committee on Government Operations, shows that of all the Federal people engaged in service to consumers, nearly half are in the Department of Agriculture. This fact may come as a surprise to most people.

But consider these facts:

We can rely on the safety and wholesomeness of our meat and poultry, because all of it that crosses State lines has been carefully checked by USDA inspectors.

We can rely on the quality of produce, meat, butter, eggs, poultry, and many other foods, because of the grades and grading services provided by USDA.

We can get these foods in infinite variety—incomparably clean and fresh—because of the remarkable private marketing system developed with the aid of USDA marketing research and service.

In this country we can buy these foods at less real cost than can any other people in the world or in history. For this, we can thank both efficient production and marketing and the help of our public servants in the Department of Agriculture.

Our children or our neighbor's—one-third of all the schoolchildren in the Nation—get well-balanced lunches every day to help them develop robust health and good eating habits for a lifetime. This, too, is provided through the help of USDA.

These are some of the marketing services that have grown up during the past 50 years. They are of direct benefit to the consumer. Yet they also serve the farmer and the marketing industry which acts to bring the consumer and his food supply together.

How well our marketing system works in serving as the connecting link between the producer and the user concerns practically everyone. The efficiency and effectiveness of the marketing systems largely determines the ease with which products flow from the distant highly specialized producing areas to the consuming centers, the returns received by the producer, and the prices paid by the consumer.

There are two basic ways in which order is maintained in our marketing system—ways which not only promote market stability but also are capable of changing to meet the growing needs of our dynamic economy. One is the so-called regulatory laws which have been passed by Congress to guarantee fair play in agricultural marketing. The other is marketing agreements and orders, which are self-help programs by which producers and handlers of agricultural products can stabilize buying and selling conditions in the marketplace.

Several regulatory laws are in effect to insure proper functioning of the marketing system by safeguarding individual rights, supervising marketing practices, or assuring honesty in dealing. The regulatory measures establish rules of fair business practice in marketing and help to preserve the free and open competition upon which our economy is based.

One of these laws is the Federal Seed Act—a truth in labeling law—which traces its beginning back to the original Seed Importation Act, passed in 1912, a year before the first USDA marketing agency was established. The Federal Seed Act, which was passed in 1939, requires proper labeling of seeds and prohibits low quality seed from interstate and foreign commerce. This law protects the interests of both farmers and individual homeowners.

Another regulatory statute is the U.S. Warehouse Act—passed in 1916—which provides assurance of safe storage for farm products and preservation of the integrity of warehouse receipts. Under this law, more than 1,800 public warehouses are licensed, bonded, and supervised to foster economic marketing of agricultural products.

One of the most important of the regulatory laws is the 42-year-old Packers and Stockyards Act. This act which provides for more orderly marketing in the livestock and packing industries is not only a fair business practice and antimonopoly law, somewhat simulating the Federal Trade Commission Act, but also is a public utilities type of law.

As a fair-business practice and antimonopoly act, it provides safeguards against restriction of competition and price manipulation and discrimination in livestock, poultry, and meat marketing.

As a public utilities type law, the Packers and Stockyards Act provides for registration and bonding of livestock dealers and commercial agents, maintenance of correct livestock and meat scales, and just rates at stockyards and auction markets for reasonable services and facilities.

Another important regulatory law is the Perishable Agricultural Commodities Act, an enforced code of ethics for the fruit and vegetable industry. This law is almost as broad an act in its field as the Packers and Stockyards Act is in livestock and meat. Fruits and vegetables are highly perishable, so people in the fast moving produce industry are especially dependent on the honesty and good faith of those with whom they deal. This law is designed to protect the individuals in the industry from such unfair practices as unwarranted rejection of shipments, failure to pay, and misbranding of produce. Interstate traders in fresh and frozen fruits and vegetables are required to have licenses. USDA is authorized to suspend or revoke a trader's license for violating the act.

Another means by which our marketing system has developed is through marketing agreements and orders which regulate the handling of various agricultural commodities. These are designed to improve returns to producers by establishing orderly marketing conditions. They are self-help programs through which producers can work together to solve marketing problems they cannot solve individually.

Although the first marketing orders date back to the Agricultural Adjustment Act of 1933, which used the term licenses, these programs are now authorized under the Agricultural Marketing Agreement Act of 1937.

Producers in 27 States are now using 45 Federal marketing agreements and orders to maintain orderly marketing conditions for fruits, vegetables, tree nuts, and shade-grown tobacco by restricting the quantity or quality that can be marketed. There are also Federal milk marketing orders which establish minimum prices for producers in 83 of the Nation's large milk markets.

All of the USDA marketing services came into being in response to public needs and public demands—at the direction of Congress which wisely recognized that what happens to farm products after they leave the farm is just as important as their production.

This marketing work—and in fact the whole marketing process, all of the buying and selling, shipping and storing, processing and packaging—all this seems to be very little known to the general public.

Apparently there is good reason for that. The reason is that we do have a good marketing system and good marketing services. They do a good job day after day. But they are not glamorous or spectacular like shooting a rocket to the moon. So, we can—and do—look on the whole marketing process as routine—something that we just expect as a part of our way of life. When we stop to think about it, this really is one of the best things about our marketing system—that our food supply is so ever present, so readily available that we never have to give it a second thought.

The American farmer today, under our system, produces enough for himself and 27 others. This high level of productivity and an efficient marketing system serve the well-being of all of us. The result is reflected in our high standard of living.

Most of us are inclined to give little or no thought to the fact that because of our agriculture's productivity and the efficiency of our marketing system, we have available in this country, the largest quantity and variety of the most nutritious foods ever known to mankind. These foods are placed in our local supermarkets before we even decide we want them and are there for sale to us at the lowest percentage of income in history. We expect and get fresh strawberries and other fruits in the middle of the winter, potatoes already peeled and perhaps cooked, even company dinners prepared so that we only have to warm them and watch TV or rush out for the evening. We give little thought to how all this happens, and the children of most families know only that milk comes from the refrigerator and that it is always safe to drink.

In less fortunate parts of the world, from one-half to three-fourths of the working people must devote their lives to food production alone. Too many people are trying to stave off hunger. In our country we have freed nearly all our people from food production and at the same time virtually freed everyone from hunger.

Our people and other resources thus released from food problems pursue those activities which constantly give us a rising standard of living, providing not only for ourselves, but also enabling us to supply large quantities of food for needy, less fortunate people in other parts of the world. As a recent study of the Food and Agriculture Organization of the United Nations concluded, one of the major reasons why the United States is a land of plenty, while other countries are witnessing mass hunger, is this country's highly developed and efficient marketing system.

Thus it is only fitting that this 50th anniversary of the start of marketing service work in the Department of Agriculture should afford us with the opportunity to consider the benefits we all derive from this marketing system—and from the USDA services that help to make it efficient—and orderly—and economical.

We can also realize that our marketing system—good as it is—can be improved much more. We can further improve quality and the keeping properties of our foods. We can find new and better ways of handling and transporting farm products. We can cut the costs of marketing—to help farmers get better returns and keep down costs to consumers.

As USDA starts its second half century of marketing work, we can confidently expect still greater progress in marketing. Working together with State departments of agriculture, the State universities and colleges, and with private industry, as it has in the past, the Department of Agriculture will continue to seek out improvements in marketing—improvements that can bring undreamed of advances in the years ahead—and can mean a still better life for all of us.

"THE INEQUITIES OF SOCIAL SECURITY—WHAT YOU MAY NOT KNOW"

Mr. METCALF. Mr. President, over the years we have witnessed attacks on the social security system from various sources. Recently we have heard and read criticism from those who would convince us the social security approach to hospital insurance for the aged is unsound.

I feel it is imperative for supporters of social security to keep the record straight. Therefore, I asked the Library of Congress to analyze a recent critique of our social security system which was inserted in the CONGRESSIONAL RECORD of May 9, on page 8172.

The critique, by Mr. Alvin L. Levine, of Perfect Fit Industries, Inc., New York, was entitled "The Inequities of Social Security—What You May Not Know." The article also contained some proposed amendments to the law, which deserve close scrutiny.

I commend to my colleagues the Library of Congress study, undertaken at my request, and ask unanimous consent that the analysis of "The Inequities of Social Security—What You May Not Know," by the Education and Public Welfare Division of the Library of Congress be printed in the RECORD at this point.

I do not maintain that our social security system is perfect. Almost every Congress, whether Republican or Democratic, has adopted amendments to improve the program. I do not necessarily disagree with some of the proposals made by Mr. Levine but I do strenuously disagree with the context in which they are offered.

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

THE LIBRARY OF CONGRESS,
Washington, D.C.

To: Hon. LEE METCALF.

From: Education and Public Welfare Division.

Subject: Analysis of "The Inequities of Social Security—What You May Not Know."

The following analysis was prepared in accordance with your request as to (1) whether there are any factual inaccuracies or omitted argumentation in the article, and (2) the cost of the amendments which were proposed.

An article entitled "The Inequities of Social Security—What You May Not Know," appeared in the CONGRESSIONAL RECORD of May 9, 1963. It offers seven amendments to the Social Security Act in order to eliminate what its author believes to be inequities in the present law. The fact that there is not a direct relationship between benefits and contributions, the lack of a money-back guarantee provision, and the existence of such restrictions as the retirement test, the prohibition against individuals' receiving full benefits for each type of benefit for which they may be eligible, and the age limits for

dependents' and survivors' benefits constitute inequities, according to the article.

In its discussion the article is not completely accurate in the details of the social security system. It states that the maximum combined employer-employee tax is now $360, and will be $400 in 1966 and $450 in 1968. The actual figures are $348, $396, and $444, respectively. It states that the maximum benefit for a retired worker and his wife is $204. Actually, it is $190.60. During the first 13 years, the social security tax rate for employer and employee combined was not the 3 percent stated in the article. It was 2 percent. The article claims that the maximum monthly benefit for a husband and wife under the original act was $80. The original act contained no provision for a wife's benefit and set the maximum primary benefit at $85 a month. The comparison of the present maximum benefit and maximum tax with the original ones to show that benefits have not increased as fast as have contributions might be questioned because it fails to consider that under the original law an increasing contribution rate was scheduled. The article inaccurately states that the original act provided for total disability.

The article attempts to show that it would be more advantageous financially for workers to bank the equivalent of the social security contribution than to put it into the system. This can be readily demonstrated statistically, depending upon the assumptions adopted. The example presented in the article, however, contains an erroneous assumption; namely, that the worker would have available for deposit in the bank the equivalent of his employer's contribution on his behalf to the social security system. The example, assuming that the worker between ages 21 and 65 would have available for deposit in a bank at 4¼ percent interest compounded quarterly the equivalent of not only his social security contribution but also that of his employer, points out that by the time the worker reached age 65 he would have in the bank about $50,000, or $20,000 more than would a couple who received $30,000 in social security benefits over a period of 12 years. On the basis of the equivalent of his own social security contribution only, the worker at age 65 would have accumulated interest and principal of only about $25,000, or $5,000 less than the aged couple at the benefit level assumed in the article. It might be argued that without the social security system the employer would pass on to the worker the amount he now pays on him in social security taxes. The worker, however, normally would have to pay 20 percent or more of his higher wage in taxes, and therefore could not deposit it entirely.

The Chief Actuary of the Social Security Administration has made the following rough estimate for the level cost (long-range cost) of the amendments proposed in the article. Adoption of these proposals would increase the present combined employer-employee tax rate by approximately 50 percent, from 7¼ to 11 percent. In terms of dollar cost on a long-term basis, the cost of these suggested changes in the law would add up to around $12 billion a year.

1. Elimination of antiduplication provision—1.40 percent of taxable payroll.

2. No retirement test after age 65, and no employee taxes after age 65—1.05 percent of taxable payroll.

3. No age limit for widow's benefits—0.75 percent of taxable payroll.

4. Guaranteed minimum return of employee contributions—0.25 percent of taxable payroll.

5. No age limit for wives of old-age beneficiaries—0.50 percent of taxable payroll.

6. Benefits for disabled widows, regardless of age—0.05 percent of taxable payroll.

7. Husband's and widower's benefits, regardless of dependency, for men who are not insured on their own earnings record—0.10 percent of taxable payroll.

The cost of the entire package of benefits listed above (excluding item (6), since it is already included in item (3)), is 4.05 percent of taxable payroll. This means that to put this proposal into effect would require the immediate increase in the employee contribution rate of 2 percent of taxable payroll, and a corresponding increase for the employer.

INDIVIDUAL CONSCIENCE AND CIVIL RIGHTS

Mr. BAYH. Mr. President, I am happy to inform my distinguished colleagues that the citizens of my home State of Indiana have recently benefited from another timely radio editorial on the subject of interracial fellowship. On June 14, station WXLW of Indianapolis spoke out forcefully and perceptively on this vital human problem.

The editorial particularly stressed the need for an emotional climate on the part of both races free from unreasoning hate and the terrible violence this sometime begets. The WXLW editorial also quite properly reiterates a point which cannot be overemphasized: The creation of such an emotional climate liberated from destructive hysteria must begin with the individual's searching of his own conscience.

Mr. President, the message contained in this editorial speaks to all Americans. I therefore ask unanimous consent that it be inserted into the RECORD.

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

EDITORIAL

(By Robert D. Enoch)

Just a few months ago, Americans from one coast to the other were holding their collective breath over the Berlin crisis. We, again, skirted national danger and chaos as the Cuban problem came into sharp focus last October.

But, the most dangerous and most explosive situation of all is right here and now—within the borders of our country.

The bombs have been placed. The timing devices have been set, and the fuses are attached. Some have already been lighted. The shot that was heard around the world will be as nothing compared to the blast that will be heard if nothing is done to stop it.

We speak of the civil rights issue.

For too long, we have failed to speak on this problem. There is no easy answer or solution. In truth, there is no easy method by congressional action, Supreme Court decision, or planned and executed desegregation campaigns that can be effective on a permanent basis.

The final answer must come from and be a determined position of all the people.

The great danger in today's situation is the fault that is evident in the thinking on both sides of the problem.

Negro leadership is principally in the hands of brilliant, aggressive, and sincerely dedicated men, and we commend that leadership. Opposition to the campaign being waged is in the hands of equally dedicated, honest men in positions of authority.

Both sides are laboring under the false impression that the results of their negotiations, either backed up by civil law or moral law, can be and will be all that is necessary.

The fallacy of this position does not take into consideration personal feelings of the individual peoples on either or both sides. The problem is not academic. If it were, the Emancipation Proclamation of 100 years ago would have resolved it.

Of course, it is outrageous that, because of color, any citizen is denied the right to vote and of life, liberty and the pursuit of happiness. It is appalling that anyone from either side resorts to murder and destruction. But, the facts are there—and, if wisdom, judgment, and calm consideration is not the watchword of the moment, hell will break loose, and irretrievable damage to the rights of all individuals will result.

Hate is a horrible word. No man can hate, and turn it off or on at will. No man can hate without eventually destroying himself and everything he touches. Heated controversy does not beget love, helpfulness, or calmness, in either the educated or uneducated mind. It is at this point that we face our greatest danger.

Many years ago, a high school chemistry teacher attempted to find a responsive attitude in this poor mind. Only one classroom demonstration has stayed and that concerned a beaker partially filled with water, to which the instructor added a quantity of oil. Of course, the oil and water immediately separated. He then stirred, first slowly, and then with great vigor. But, the result was the same. The oil and water still separated.

Then, the chemist added just a bit of soft soap, and gently stirred the mixture—and behold—an emulsion was formed that did not settle out. Yet, each drop of water and each drop of oil retained its individual identity—all because of a little soft soap.

To the leaders of both sides in the march to first-class citizenship, we say don't light the fuses, don't turn the land into bedlam. Add a little soft soap to the mixture.

THE CONNECTICUT STORY

Mr. HILL. Mr. President, no one in the U.S. Senate has done more to further the cause of the mentally retarded men, women, and children in the United States than Senator ABRAHAM RIBICOFF.

People in the field have told me over and over again how he, as Governor of Connecticut, encouraged them in their efforts, and later of his interest in their problems as Secretary of Health, Education, and Welfare.

As we are about to take new steps forward in behalf of the mentally ill and mentally retarded people of our land, I would like to share with all my colleagues the story of Connecticut's progress in this field. Therefore I ask permission to insert in the RECORD at this point an extensive tribute to the Connecticut program for the mentally retarded which was largely achieved during Senator RIBICOFF's tenure as Governor. The tribute appeared in Children Limited, the publication of the National Association for Retarded Children, and is appropriately entitled "The Connecticut Story."

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

THE CONNECTICUT STORY—CONNECTICUT'S DEVELOPING PROGRAM FOR THE MENTALLY RETARDED

(By Bert W. Schmickel, deputy commissioner of health)

We in Connecticut are excited about the advances that we have made in the last 3 years, fully realizing that our ultimate aims and objectives are still to be fully realized in the distant future.

To clearly define what progress we have made I must describe Connecticut's program in mental retardation as it existed approximately 3 years ago. As I describe the concepts and program elements of our new statewide total approach to the problem, I would

want you to realize that we in Connecticut do not feel that we have all of the answers. Solutions at which we have arrived, philosophies and programs that we have devised might be very apt for Connecticut and not at all appropriate for Ontario, or New York State, or Montana, or Prince Edward Island.

In order that you might be in a position to make some comparisons, I should tell you that Connecticut is the second smallest of the States in area; it has a population of 2½ million; it covers about 5,500 square miles and is only approximately 60 miles from the north to south border and about 90 miles from the east to west border. Generally speaking, we have two very large centers of population and four or five somewhat less concentrated centers of population.

Three years ago the total State-involved program for the mentally retarded consisted of two training schools each serving the total needs of its respective area. The first training school, Mansfield, was built in 1917, and remained under the administration of one superintendent until 1941 and a second superintendent from 1941 to date. It was the only institution for the retarded in Connecticut until 1940 when due to a waiting list of approximately 1,200, the Southbury Training School was constructed.

Southbury Training School differed from the beginning from its predecessor in that it is a "cottage type" institution and that the emphasis from Southbury's inception was on training and education leading toward return to the community. The Mansfield State Training School has long since also established an excellent program of education and training. The population in each school in 1959 was approximately 1,800. The waiting list at this time had again reached approximately 1,200. Because of the pressures of this waiting list as well as rising pressures from the parents of those retarded children who remained in the community, and along with the reticence on the part of the Southbury Training School to increase its capacity, it behooved us to critically examine our position with the view of developing a comprehensive, long-range State plan.

This analysis revealed three major and basic weaknesses. First was the lack of an authoritative, central administration; second, there was a total disregard of the important role of the community. Unfortunately, Connecticut's institutionally oriented program had tended to encourage the growth of the waiting list because institutionalization had been our sole answer to parents of the retarded; and third, an urgent need for mandatory education for both the trainable and the educable within the public school system.

With the strong support of the staffs and the boards of trustees of our two institutions, plus the dynamic and dramatic lobbying of the parent associations the State passed three major pieces of legislation in its 1959 session—one, public education for both the trainable and the educable was made mandatory; two, an office of mental retardation was created within the State department of health; and three, a program of grants-in-aid for day care, vocational training, and diagnostic clinics was established.

The responsibility for special classes rests with the individual municipalities and their boards of education. They are not under the supervision of the office of mental retardation but under the supervision of the State department of education, bureau of pupil personnel, and special educational services. There is a strong liaison and working relationship between this bureau and the office of mental retardation.

CONCERN FOR INDIVIDUAL

Perhaps the one most important step to be taken by the office of mental retardation was to establish a basic philosophy upon which to base its program. The philosophy we have developed consists of three basic concepts centered upon concern for the individual, and the inherent rights of the retarded child. First, the need for his individual fulfillment; second, the preservation of his personal dignity; and, third, provisions for his happiness.

Each individual's mental health depends upon his ability to use his capacities to the best advantage in terms of vocational, social, and personal success. It is our responsibility and the responsibility of society to furnish maximum opportunity to allow for this process of self-fulfillment.

The most difficult to define of the three concepts is that of dignity leading to enhancement of self-worth. Retarded persons are particularly subjected to a host of experiences which tend to degrade them and hamper the development of their abilities. Institutional regimentation and discipline subject the individual to powers beyond his control and often lead to a loss of that most precious human feeling: self-esteem.

Happiness is a state of well-being brought about by physical comfort (e.g. good food, pleasant surroundings, a clean body, a warm bed), and a sense of acceptance by others. The feeling of belonging to a group and of being loved is essential to a state of happiness. In light of these concepts two very basic principles loomed forcefully before us:

IMPORTANCE OF HOME

To the retarded child the security of his home and the affection of his family is perhaps even more meaningful than to the normal child for he has less understanding and fewer other sources of affection. As long ago as 1909 the first White House Conference on Children, called by President Theodore Roosevelt, made the pronouncement that home care was vastly better than the best of institutional care. The child who from birth is handicapped so that he cannot compete on the same level with other children should not be further deprived of what every child needs most—the love, warmth and security of home and parent.

UNTAPPED RESOURCES

We knew we must not only recognize the danger that lies in the loss of community and public interest in an institution that is far removed from them but that we must take active steps toward the full utilization of all community assets in providing programs and services for our retarded children.

Experience in Connecticut has shown us that the quality of programs and services gradually diminish as an institution's population expands. Although additional cottage staff is supplied to meet the growth in population, seldom, if ever, is the ancillary staff increased proportionately.

Security of home and family affection is often more meaningful to the mentally retarded than to the normal child. The handicapped child should not be further deprived of what every child needs most, the love and care of home and parent. The institution, far removed from the community, not only deprives these patients of community services but withdraws them from community interest.

At the Seaside regional center, a regional training program has already shown that remarkable progress can be made particularly with the severely retarded and mentally retarded in a small well-staffed center. Parents were encouraged to take their children home for visits at frequent intervals with minimal red tape. Local doctors and other professional people were anxious to provide clinical services. There was an adequate supply of well-qualified personnel applicants and a superabundance of well-qualified volunteers. Educable children are graduated from the Seaside Center into special class programs in their community schools. The adult training program is now training 35 young men and women for social adjustment in the community and such vocational work as domestic and maintenance services. Instruction includes spending and saving of their money and use of such community resources as churches, theaters and libraries.

SEASIDE

In our excitement over the acquisition of Seaside all of us were very naive in that we expected equal appreciation by the community in which Seaside was located. Our prospective neighbors we found were afraid that these retarded children would be destroying their flower beds and breaking into their homes and that their teenage daughters would not be safe on the streets and beaches. We found that they were circularizing a petition against our use of this facility with the intention of submitting it to the Governor. This brought dramatically to our attention a fourth very serious weakness in our total program—the need for a comprehensive, all-inclusive program of public education. Of course, the office of mental retardation immediately started such a program in the New London area. You might be interested in knowing that the leader of this opposition and instigator of this petition (which was later withdrawn) was the volunteer Santa Claus at Seaside's Christmas celebration and we have a picture of him with a retarded child on each knee.

We view the Seaside Center as a regional entity. Not only does it admit or accept admissions for residents but it acts as the clearing house for all the problems of families residing in that district. After careful consideration of such problems, if residence is indicated the family is referred to the central office. The program today consists of (1) a residential program, (2) a day care program, (3) a residential trainee program, (4) a day pretrainee program and (5) summer day camp program.

The residential program has shown us that remarkable progress can be made particularly with the severely retarded and emotionally disturbed in a small, well-staffed permissive center such as Seaside.

We have discovered that when such centers are located near or in large cities, the problems of recruitment are minimal. We have substantiated our thinking that there is available in such cities a superabundance of well-qualified volunteers and that they can perform admirably not only in the more superficial activities of the center but in such areas as feeding, child care, and habit training.

We have discovered that the local physicians—the dentists—the psychologists—the general hospital and the social agencies are not only willing but anxious to assist in providing full clinical service. We have found that a State agency can work hand in hand with the local parent association and with the local board of education.

TRAINEE PROGRAM

Young men and women who were never able to meet the standards of the community work placement programs at our two institutions or were unsuccessful on such a placement are in our trainee program at Seaside. They receive assignments in the kitchen, dining rooms, janitorial services, maintenance and grounds service, or in child caring activities. They live in what was formerly the nurses' quarters in individual rooms under the supervision of a housemother and housefather. They are given a great deal of individual guidance and attention both on and off the job. They receive a biweekly paycheck of $20. Once they have proven their ability and trustworthiness, they are free to go into town on the local bus and even arrange visits to their homes in other cities. They are given instruction and assistance in the spending and saving of

their money and in proper attitudes and conduct in the utilization of the community's resources such as the churches, YMCA, the theater, the library, the bowling alley, etc. Every effort is being made to see that this program does not become a static one.

INTEGRITY OF FAMILY

Within a matter of weeks, we began to get reactions from the parents of our newly admitted Seaside children. Some families who had had their child in an institution for many years reacted as though in a daze; they couldn't believe that they could be enjoying the close relationship with their child that had developed at Seaside. The freedom to come and go; the freedom to participate in the activities of the center; the ease with which they could see their child; spend time with him, or take him home for short or long periods—seemed miraculous. This situation was one which they had only dreamed could be possible.

Our consideration and emphasis on the need to keep our residential facilities near the communities and near the homes of our residents' family was often made light of. Such comments were heard as "Connecticut is a very small State; it is easy to get around; everyone has a car today; if a family were truly interested in their child they would find a way." We have found that these expressions are unsound and not based on fact.

With the opening of Seaside we received almost 100 letters requesting transfer from other institutions. The major point in the great majority of such requests was to be closer to their child and have their child closer to his home and family.

We are on the brink of some very exciting developments for the retarded in Connecticut. If we are to make the most of our opportunity we must be quick to recognize our weaknesses and have the flexibility to do something about them, even as we must be strong, and uncompromising in defending our basic objectives and concepts.

I REMEMBER WELL

(By Mrs. R. Sargent Shriver, Jr.)

The problem of institution design and management has been with us for over 100 years. In that time some progress has been made in meeting the needs of States, of families and of the individual retarded who require residential care. My own experiences have led me to a mixed appraisal of existing conditions in this area.

I remember well one State institution we visited several years ago. There was an overpowering smell of urine from clothes and from the floors. I remember the retarded patients with nothing to do, standing, staring, grotesque—like misshappen statues. I recall other institutions where several thousand adults and children were housed in bleak, overcrowded wards of 100 or more, living out their lives on a deadend street, unloved, unwanted, some of them strapped in chairs like criminals. In the words of one expert, such unfortunate people are "sitting around in witless circles in medieval prisons." This is all the more shocking because it is so unnecessary. Yet institutions such as these still exist.

One sun-drenched morning last summer, my husband and I visited a completely different sort of center—the Southbury Training School near Waterbury, Conn. As we arrived, a fishing contest was taking place around a pond. In another area, a group of girls sat knitting. Nearby another group sat crosslegged, engaged in spirited community sing. A wooden "Toonerville" train plied the grounds, filled with laughing children. A coachman in red silk livery conducted pairs of children around green meadows in a burro-drawn cart.

Every person in this scene, old and young, was mentally retarded. The teenager leading the group in songs was retarded. So were the children in the train, the passengers in the burro cart and their liveried coachman.

Here for once, at Southbury, the mentally retarded were participating as human beings, with all the privileges of work and play that the nonretarded enjoy. We saw a 30-year-old man, with an IQ of 25, hard at work cleaning up the yard. In many institutions, he would have been sitting uselessly, permitted to do nothing, or even strapped in a chair. The children, we learned, had helped to build the train, and the school swimming pool. Adults go into neighboring communities on Saturday to cut lawns and do other household chores before returning to Southbury with some spending money.

Southbury is a community for the retarded, rather than an institution. Its 1,540 acres contain many of the elements of everyday life—a farm, a bakery, a shoe repair shop, beauty shops, barber shops, a clothing store, and a cafeteria, most of them arranged on a typical smalltown Main Street. For the most part they are manned by the retarded. The emphasis is on rehabilitation rather than indefinite confinement. A team of first-rate doctors does all it can to prepare residents for a return to the outside world.

There are 2,000 residents of the picturesque cottages at Southbury, which is one of the five or six best State installations we have ever toured. Even though it has expanded greatly since it was founded in 1940, Southbury is far from able to meet the demand for admissions. Happily, there is a growing number of outstanding facilities, although the supply still falls far short of the need.

The Seaside, New Haven, and Hartford regional centers will emulate the Southbury pattern. Over 2,400 retarded will be served by these three centers at one-fifth the cost of a conventional central institution. There will be savings in human anguish, too. The regional centers will afford frequent home and community contacts, normalizing the lives of the residents in the centers.

I congratulate the Governor, mayors, members of city councils, and the community funds for their support of this, in many respects, internationally new and forward-looking concept of service and research in mental retardation; not only other States but other nations will benefit from what the dedicated public servants and energetic citizens of Connecticut are doing for the mentally retarded youth of their State.

Connecticut is in the vanguard. Nowhere, at the present, is there a more concerted, coordinated, well-designed plan at a State level to match this one. The new concept in decentralization has been put into action, the citizenry has responded, State leadership has been effective. Not only the retarded but all the Connecticut Yankees will benefit from it.

ROLE OF PARENT GROUPS

(By Robert W. Fletcher, president, Connecticut ARC)

The Connecticut way, which won the commendation of the President's Panel on Mental Retardation as well as leading authorities in many parts of our country, is the result of strong conviction, perseverance, and united effort by residents of Connecticut.

The regional center is not an approach or concept that has developed overnight in Connecticut. It reflects the experience and thinking of parents and friends of the retarded who took upon themselves the responsibilities of aiding, fostering, and increasing the social and vocational development of the retarded.

Our experience is not just an "ask and you shall receive" process with our State legislature. There has been a continued educational program which was begun 10 years or more ago by a few determined parents and friends of the retarded. Our Connecticut General Assembly has responded to this grassroots education of the citizens of Connecticut by its legislative acts in 1959 and 1961. In 1959, through the planning and evolutionary thinking of leaders in this field, who were the backbone of the Connecticut Association for Retarded Children, legislative bills were drafted and the concepts were presented and supported by friends and parents of the retarded.

One of these bills that was enacted into law, created OMR and gave it liberal statewide authority under the commissioner of the department of health. In addition, CARC wrote another section of this legislation allotting funds to OMR for distribution as grants-in-aid to local associations to assist and improve day care centers, vocational training programs, and diagnostic clinics.

As the office of mental retardation is the creation of CARC, it is natural that the relationship of OMR to CARC should be close and coordinated. When the Connecticut Legislature enacted this bill into law, it unfortunately did not allocate sufficient funds to staff this new department adequately. This staff shortage, as well as CARC contacts with local associations, further fostered the coordination between OMR and CARC at the beginning. This staff relationship between them from the time of CARC's part-time executive director to our third executive director (who is on a full-time basis) is progressing through the guidance of the leaders of OMR and CARC. Both realize the importance of this relationship. For through cooperation, duplication of effort can be eliminated, progress of various State and local institutions can be furthered and inactive areas can be developed and stimulated.

CARC and OMR worked together last year on a successful program to upgrade standards in local day care centers. We are planning to do the same for sheltered workshops in the near future. Other areas of coordination include joint sponsorship of institutes for the clergy, institutes for dentists, workshops for local treasurers, and a U.S. Public Health Service Institute for Public Health Nurses. These latter areas have been one-shot programs, but plans are being made to revamp and schedule these programs as time and needs permit. Another area of cooperation is just being developed in our relationship at Camp Harkness, where residential camp programs of the two State training schools and CARC are now being developed to the mutual advantage of all the retarded.

The "Connecticut way" is only beginning. Our work will not really be underway as long as a single parent or retarded human being remains in the Dark Ages atmosphere. The road to enlightenment is through education of parents and the general public, through fostering coordinated research, and through the development to the fullest, the capabilities of all retardates.

PRESIDENT'S PANEL CHAIRMAN COMMENTS ON CONNECTICUT

(By Leonard W. Mayo, Chairman, President's Panel on Mental Retardation)

The important thing about Connecticut, insofar as the future of its mentally retarded is concerned, is not only that it has a master plan—and a good one—but that it has the structure, the administrative arrangement, the public support, and the philosophy that can produce plans and implement them.

As long as this situation obtains, Connecticut will never be without a program. It will never be sitting on its hands waiting for help or for the right moment to take action. It will always be working toward well-conceived goals and playing just a bit over its head—and that is one of the secrets of progress and achievement.

If States are going to emulate one another in this field, let them emulate not so much a specific plan but the structure and procedure that gives some promise of producing a plan. States differ, and each one should develop a program to meet its own needs; but unless the stage is set properly and the right climate developed, nothing of merit is likely to eventuate. On the other hand, with the essential ingredients of sound planning, including local initiative and drive, and a responsive State administration you have a winning combination.

BASIC INGREDIENTS

What were the basic ingredients in Connecticut's planning? There are many, but the following come quickly to mind:

An articulate and skillful parents group;

An interested State administration;

The realization that not all of the official activity in behalf of the mentally retarded in the State should or can be included in any one department;

The act of bringing local communities into the planning process;

An appreciation of the contribution and continuing value of high-quality residential care and its relation to other services; and

The conviction that a wide variety of services for the retarded is required; that all should be of high quality; and that the central focus of planning should be the retarded person himself and his family—not any one form of care.

A DECISIVE STEP

Connecticut took an important and decisive step when it appointed an able man on a full-time basis to be responsible for the development of a plan and its implementation. This is far different from giving one man administrative responsibility for the operation of all State programs for the retarded. By its very nature, mental retardation is an integral part of many and varied State and local, public and private activities and responsibilities.

The assignment given to Bert Schmickel when he was appointed and placed in the Department of Health in Connecticut, was to weave the various threads of mental retardation throughout the State into one fabric—the type of high-level coordinating function that frequently carries with it major responsibility but very little authority. Actually, the best and most skillful coordination is accomplished through the skill, patience, and knowledge of the coordinator, not through authority vested in him.

One of the first steps taken by the office of mental retardation was to establish a basic philosophy based on three concepts centered on the individual and his inherent rights: the need for his individual fulfillment; the preservation of his personal dignity; and provision for his happiness.

Not only do Connecticut's planning methods and personnel commend themselves but the master plan itself merits thoughtful analysis. The regional center concept, as interpreted by Connecticut, places responsibility for admissions in each region on the center in that region. That center, in turn, will provide inpatient and outpatient service, day care, consultation to parents, flexible policies of admission and discharge, and short- and long-term care as indicated. Seriously retarded infants are cared for in nursing homes licensed and supervised by the State; these should be extended to locations where they are not now available. The relation established between hospitals and the office of mental retardation whereby the latter is notified at once of the birth of a severely retarded child is excellent.

Under the center plan, when it is in full operation, the present residential institutions in Southbury and Mansfield will receive some of the profoundly retarded and those with serious emotional and other complicating problems. This does not mean that the regional centers will deal only with the mild and moderate cases. It has already been demonstrated that it is possible and desirable to care for many of the seriously retarded in the regional center at Waterford, the first to be established.

The Citizens Committee on Mental Retardation, appointed by the Governor and responsible to him, is a sound idea and is working well. A coordinating committee within the State government—also responsible to the Governor and composed of top representatives of the department concerned with mental retardation—is equally essential and Governor Dempsey has the appointment of such a group under consideration. The President's Panel on Mental Retardation supported committees of both types in general principle.

NEED FOR RESEARCH

There are some pieces missing in the jig-saw puzzle of the Connecticut plan; research, for example. If the program contemplated for the placement of the multihandicapped at Southbury and Mansfield is realized, they could become productive research laboratories with affiliations with institutions of higher learning. There is an awareness of these and other opportunities as yet unmet, and Connecticut has the modus operandi for working on them.

It is fortunate at this point in time that there are a number of States that can be enthusiastically cited for outstanding work in mental retardation. It should be noted that Connecticut is among the front runners—and still moving.

PETROLEUM IN THE SPACE AGE

Mr. McGEE. Mr. President, the American oil industry has contributed in large part to the very high standard of living we enjoy in America today. This industry symbolizes the initiative, industry and tenacity that has made our Nation great.

Mr. President, an example of the strides now being made by the oil industry to make sure that we are first in the future is contained in an article in the Humble Way, the magazine of the Humble Oil & Refining Co., in its spring edition. I ask unanimous consent that this article, "Petroleum in the Space Age," be printed in the RECORD.

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

PETROLEUM IN THE SPACE AGE—EXCITING NEW ERA SPURRING GROWTH AND PROGRESS IN ALERT OIL INDUSTRY

Those of us old enough to remember when the family car was a hand-cranked "flivver" somehow find it a little difficut to realize that we now live in an age of atomic energy and space exploration. In the days of our youth, the atom was inviolate, and space travel was a Jules Verne fantasy. We recall, too, that someone was always predicting that the oil industry wouldn't be able to supply enough gasoline for all those cars the auto manufacturers were turning out in ever-increasing numbers.

Yet, man has smashed the atom and harnessed its incredible energy for useful work. Astronauts have soared into space and orbited the earth. The oil industry has supplied plenty of gasoline for millions of autos and other vehicles. Furthermore, oil companies are still seeking new customers, not only for gasoline but for a multitude of petroleum products, many of them undreamed of a few decades ago.

Now the petroleum industry is adjusting its sights to the changing needs of the new space age. This is not a sudden thing; the industry's research scientists, management, and economic planners have long been preparing for the new era. They know that petroleum will not be a victim of space age progress, but rather an important contributor to it.

Astronauts may soon streak silently through the blackness of outer space to explore distant planets, but for most of us the developments of the space age will unfold along less dramatic lines. The use of petroleum as an energy source will continue to expand at a steady pace. There will be increasing competition from other energy sources, to be sure, but the total energy needs will provide room for growth for all.

Nuclear energy, of course, is a potentially strong competitor. Oil industry scientists foresee that by the end of this century about 20 percent of the world's total energy needs will be supplied by atomic power; some nuclear scientists put the figure even higher, around 40–50 percent. Perhaps the actual figure will be somewhere between these two estimations. At any rate, it seems likely that about 70 percent of the nuclear power used will be for stationary electric generating plants, replacing coal more than oil and gas. The remaining 30 percent will be used for ships and submarines.

Even nuclear-powered engines must be lubricated, perhaps by special types of oils and greases not yet developed. Significantly, it has already been demonstrated that petroleum products can provide shielding for nuclear reactors.

The familiar applications of petroleum energy for automobiles and home heating promise to endure for a long time. Cars use a multitude of petroleum products. Various new types of automotive propulsion have been proposed—fuel cells, solar batteries, nuclear power—but none yet seriously challenges the practical economy of the gasoline engine. The gas turbine seems to hold considerable promise, but it too uses petroleum fuel.

Chemicals derived from oil will continue to play an increasingly important role in the space age. Oil companies manufacture the basic building blocks of chemistry and in many cases turn out finished chemical products. Today, only about 5 percent of a barrel of crude oil finds its way into chemical goods. But some forecasters see a day when much larger percentages of petroleum will be devoted to chemicals.

Many petroleum-based materials have already found places in the infant space industry. Among these are the thermoplastics, the new fluorocarbons, polypropylene, and nylon—all tough, durable, and versatile. Polyurethane foams, commonly used by florists and for packaging fragiles, keep liquefied gases cold in space flight. As superior insulators, these foams figure prominently in a new low-temperature science, called cryogenics. Synthetic fibers originating from hydrocarbon molecules are being used for space suits and spacecraft insulation.

Synthetic rubber from petroleum is finding wide application in the space industry. Oil-based fluids are vital to complex hydraulic systems in radar installations, gantries for launching space vehicles, and ground-based guidance systems. Oil for electrical transformers and cooling fluids also has a direct and growing usage in the space industry. Oil industry research is constantly improving these products for high reliability and stability under severe conditions of heat and cold. The search for new oil uses is never ending.

Before manned flights to the moon become reality, winged aircraft will be traveling through the earth's upper atmosphere at speeds of 2,000 miles per hour. The military requires a supersonic fuel for the RS–70 aircraft, which will fly three times the speed of sound, well over 1,500 miles per hour. A

highly refined petroleum product must be formulated to withstand temperatures of 500 degrees Fahrenheit and still not freeze at 70 degrees below zero.

Barring an increase in international tensions, the potential volume requirements for supersonic jet fuel for military use is limited. But fuel for supersonic commercial jetliners (which will whisk passengers across continents and oceans at about 1,400 miles an hour) will be needed in great quantity. Lubricants for supersonic jets, as for today's slower aircraft, are almost all synthetic products derived from petroleum. Aircraft manufacturers doubtless will continue to find many uses for oil-based plastics and fibers.

To penetrate the earth's encircling atmosphere and steer toward the moon, man will still depend greatly on petroleum. The first-stage propellant that thrust NASA astronauts into earth orbits and which will launch the coming moon shot is RP-1, a rocket fuel similar to kerosene. (Many people think liquid oxygen pushes the craft through space but "lox" simply provides the oxidizer to burn the petroleum rocket fuel.)

The second-stage booster for most NASA systems, including those still on the drawing boards, is powered by hydrogen. Hydrogen is highly attractive as a rocket fuel because it is the lightest of all the elements and provides the most push per pound. The oil industry is not a volume supplier of hydrogen at the present time, but as demand grows, it could easily become one. Many refining processes use hydrogen to improve the color and odor of certain petroleum products, as well as to change their chemical nature. The refinery complex is thus accustomed to making and handling hydrogen for its own use and can be specifically designed to make larger volumes of hydrogen as an end product.

Space vehicles will require special lubricants, hydraulic fluilds, and cooling fluids. Lubrication problems connected with space machinery are among the most challenging facing science and the aerospace industry. Besides the temperature extremes, outer space imposes a near total vacuum and zero gravity; oils and greases either vaporize or simply creep away from the component they need to lubricate. Someone has suggested it may be easier for man to reach the moon than to close the door of his spacecraft after he's crawled out. These obstacles will be hurdled, of course, as petroleum research develops new techniques for lubrication.

Development of new energy sources, spurred by space vehicle requirements, may appear to jeopardize petroleum's future. Instead, they will probably open new oil industry markets. One such development is thermionic power, the direct conversion of heat to power. Using heat supplied by natural gas or petroleum-derived propane, the power package can already run small electrical home appliances. Another promising energy source is thermoelectric power, in which a semiconductor, when heated, causes electric current to flow. The same process can produce extreme cold, and this could be harnessed for refrigeration.

The fuel cell, which generates power directly from chemical reaction, is attracting more attention than other energy-conversion devices. A workable fuel cell exists and is being used for specialized applications, but it is far from being a perfected and economical apparatus. The basic advantage of the fuel cell is that it operates at about 80-percent efficiency, as compared with 35- to 50-percent efficiency of the internal combustion engine. That is why scientists and engineers of more than 50 companies are working feverishly to perfect a practical fuel cell. Humble, through its scientific affiliate, is a leader among oil companies engaged in this field of research, seeking to make sure that when the fuel cell finally does become practical, it will operate on petroleum fuel.

The oil industry, which now supples almost three-fourths of the mineral energy produced in the United States, has played an important role in the rise of America to a world power, helped make possible an unprecedented standard of living, and helped transform the economy of many underdeveloped nations. The space age poses some special challenges, but the industry's past progress and its current contributions to space technology point to a bright future. The needs for petroleum as an essential resource will continue to soar as man reaches for the stars.

THIS REFORM IS PLAIN DOUBLE TAXATION

Mr. McGEE. Mr. President, the problem of devising a tax structure that will create the greatest incentive for economic expansion and at the same time be fair in its application to all taxpayers is indeed difficult.

We must always work toward the goal of a tax as nearly perfect as we can make it but I strongly believe that it is a mistake to try to perform all the reforms in our tax system at one time. We must establish a priority in order to accomplish first things first.

The problems engendered by trying to do too much at one time are aptly illustrated in an editorial that appeared in the June 20 edition of the Denver Post. I ask unanimous consent that this editorial be printed in the RECORD.

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

THIS REFORM IS PLAIN DOUBLE TAXATION

The House Ways and Means Committee has been busy in Washington putting together, at President Kennedy's request but not in his best interest, a package of what are loosely called tax reforms. The assembly job has not yet been completed, but from the looks of some of the pieces, the committee is putting together a monster.

The latest piece of this Frankenstein product agreed on by Congressman WILBUR MILLS' committee is the scheme to raise (mind you, this is part of the Kennedy tax reduction package) $500 million in new revenue by curbing itemized tax deductions for individuals.

Under the proposed restrictions, individual taxpayers would no longer be allowed to take deductions from taxable income for State and local taxes paid on gasoline, auto tags and drivers licenses, cigarettes and beverages or on a variety of selective sales taxes (like levies on hotel bills) or special taxes.

So far, congressional and administration tax writers have not proposed eliminating the deduction of such big items as State and local real estate taxes, income taxes or general sales taxes. But the direction they are taking is clear, and it would only be a short step through this open door for the elimination of such deductions as well.

Thus the general taxpayer would be paying on already-taxed income, one more instance of double taxation and a rather blatant one at that.

Just how widespread would be the effect of the tentative Ways and Means Committee decision to restrict the itemized deductions for taxes paid is indicated by Treasury figures which show that deductions were itemized on 24 million of the 61 million individual income tax returns filed in 1961.

These tax-on-tax provisions are supposed to be committee substitutes for the so-called reforms proposed by the administration which would have disallowed itemized deductions unless they exceeded 5 percent of a taxpayer's income. Administraton proposals could have had an adverse effect on charitable donations, persons paying mortgage interest and so on. The committee's provisions are less severe, particularly as they affect certain groups—like real estate interests. The committee is also being more gentle on the oil industry.

This newspaper warned when the President tied his tax cut proposal to a tax reform package that he was hobbling chances for both a meaningful tax cut (one that could spur both investment and consumption) and real reform.

We foresaw that every so-called reform would affect some interest or group and that each would have to have its chance to make its case. Obviously, the lobbyists have been active. The committee's work to date shows that.

One thing we didn't foresee was that the committee, faced with the choice of reforming against a group which could actively lobby and reforming against the general taxpayers, would give the works to the latter. But the tax-on-tax proposal which has now been put in the projected bill is that kind of reform.

The recent curb on expense account deductions, plus the wavering doubletalk about tying tax reform to tax reduction, has made Americans more tax-conscious than at any time in our history since the Boston tea party.

So, if the general taxpayers don't have a lobby, they do have a way of fighting back. They can do so at the polls on election day, and it is there that they may pay Mr. Kennedy back for the work of a democratically dominated committee.

We don't know whether this thought will give the tax writers pause. But their progress toward reform to date certainly should. If this is the best they can do, they ought to give up the effort.

COURT SPOKE TWICE ON RELIGION

Mr. McGEE. Mr. President, we have heard many persons express the opinion that the Supreme Court of the United States has been overly zealous in preventing any sort of infringement upon our freedom of religion.

I do not share that criticism, Mr. President, and I would question why those who are so quick to criticize the Court on this issue have not noticed a decision which upholds the right of an individual American to practice her religious beliefs as she sees fit.

An excellent editorial on this question appeared in the June 23 edition of the Denver Post. Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

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

[The Denver Post, June 23, 1963]

COURT SPOKE TWICE ON RELIGION

On the same day that the U.S. Supreme Court outlawed prayers and ceremonial reading of the Bible in public school programs, the Court handed down another decision on religion, which ought not to be overlooked or neglected.

In the prayer decision, the Court broadened and strengthened that part of the first amendment forbidding a government establishment of religion. In the other decision—the one given less public attention—the Court broadened and strengthened that

part of the amendment which forbids government interference with the free exercise of religion.

The free exercise case involved a woman in South Carolina who was denied unemployment benefits by the State on the ground that she refused to accept suitable work when it was offered to her.

The rejected jobs required work on Saturday, a day regarded as the Sabbath by the Seventh-day Adventist Church and a day on which members of the church are prohibited from working. The woman in the case was a member of that church.

The Supreme Court found that the policy of the State forced the woman to choose between following the precepts of her religion and forfeiting benefits, on the one hand, and abandoning one of the precepts of her religion to accept work, on the other hand.

"Governmental imposition of such a choice," the Court said, "puts the same kind of burden upon the free exercise of religion as would a fine imposed against appellant for the Saturday worship."

The burden on the free exercise of religion, the Court said, is not justified in this case by any compelling State interest.

The Court shows no less zeal in this case in preventing government from burdening the exercise of religion than it does in the prayer case in preventing government from espousing religion through officially promulgated prayers and Bible reading in the public schools.

Under the first amendment, the Court says, the Government is obliged to protect religious rights without fostering a State religion; the free exercise of religion must be respected, even as the establishment of religion is to be avoided.

Considered together, as it was obviously intended that they should be, these decisions give an impression of a Court much more understanding of, and even favorable disposed toward, America's religious tradition than some of its critics would credit it with being.

Mr. HUMPHREY. Mr. President, is morning business concluded?

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

AUTHORIZATION OF APPROPRIATIONS FOR ATOMIC ENERGY COMMISSION

The PRESIDING OFFICER. Under the order of yesterday, the Chair lays before the Senate the bill (S. 1745), which the clerk will read by title.

The LEGISLATIVE CLERK. A bill (S. 1745) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

AGRICULTURE AND THE COMMON MARKET

Mr. HUMPHREY. Mr. President, in September of 1961, I spoke in the Senate of the European Economic Community and its implications for American agriculture. At that time I pointed to the fact that the United States had given strong support to the Community on the assumption that it would develop a liberal trade policy, not only within the Common Market, but also in its relationships with third countries.

It was my hope that the European Economic Community would develop an agricultural policy internationally oriented, promoting efficient production on a competitive trade basis. It was obvious that the Community's agricultural policy also could affect the entire course of free world commercial policy. Agricultural and industrial trade have a close interrelationship. It would be extremely shortsighted to try to maintain high protection barriers in one and free competition in the other.

Since my speech of September 22, 1961, I have closely observed activities of the European Economic Community because I feel it has great potential for good. Also, the United States has demonstrated its commitment to a liberal trade policy in the passage of the Trade Expansion Act.

The tremendous productivity of the American farmer is enabling us not only to eat better than any country in the world, but also to be the world's largest exporters of agricultural products—20 percent of the world total. Our $5 billion export market is of great significance not only for our farmers, but also to many business and laboring men and women who market, transport, store, and process these commodities. In addition, agricultural exports are of major importance to our international balance of payments, as President Kennedy has pointed out.

Currently, the Common Market is our largest outlet for farm products. Its present and potential importance in the foreign trade field is being made increasingly aware to us. In 1962, we exported to the Common Market about 23 percent of our total agricultural exports. However, more importantly, the Common Market purchased over one-third of all U.S. agricultural exports sold for dollars.

Every segment of American agriculture has expressed the sincere desire that the Common Market follow liberal trade policies as its common agricultural policy evolves.

Mr. President, how the Community reaches its goal of a common agricultural policy will be the major factor in determining whether the nations of the free world develop their agricultural policies within an international context, or within the framework of narrow nationalistic interests. On the decision of the EEC depends not only the course of agricultural trade, but of international trade generally. I do not think it is either in the interest of the Common Market or in the interests of the friendly agricultural exporting countries that international trade be sacrificed by the EEC in achieving a common agricultural policy. Inward looking highly protectionist policies inevitably raise food prices to consumers. Resources which could be more productively applied elsewhere would be encouraged to stay in farming. The economic growth of the Community would be reduced.

I am deeply concerned by the growing evidence that the EEC is moving toward a protectionist trade restrictive policy oriented toward itself. The Community has refused to give fixed tariff bindings on agricultural imports of most competitive agricultural products. These include wheat, feed grains, rice, poultry, dairy products and most meat products. The EEC has indicated that these items will be subjected to variable levies, and for many products there will be minimum import prices in addition.

By the use of a variable levy there is assurance that imports can enter the market only at prices higher than the level of domestic support prices. Using wheat as an example, if EEC domestic support prices are at $2.75 a bushel, and imports are offered at the frontier for $2 a bushel, a levy of at least $0.75 per bushel would be collected on imports. If import prices dropped to $1.75 a bushel, the variable levy would increase to $1.

The Common Market's protective system for broilers is a complex of levies and charges.

First of all, the EEC established a "gate price"—a minimum import price. The purpose of the gate price is a protective wall. While our negotiators were told it was based upon production costs in third countries, such as Denmark and the United States, actually there was no relationship between the gate price and our own costs. The gate price was established at a landed price of about 33 cents a pound for ready-to-cook broilers. Our domestic prices for broilers have not reflected a landed price as high as this figure for many years.

In addition to the gate price, the EEC Commission established what it called the poultry levy. For outside countries, such as the United States, this levy consists of three parts: First, the old ad valorem tariff existing prior to the issuance of the poultry regulation, but with a slight downward adjustment; second, the difference in value of feed grains needed to produce a pound of broilers inside and outside of the Community; and, third, a 2-percent ad valorem duty, to give a preference to producers within the Community.

When you wrap it all up, it means simply this: A few years ago, German consumers were able to buy U.S. poultry by paying a 5-cent-a-pound import duty. At that rate, U.S. producers could compete with other suppliers. Today, the total import fees have jumped to over 14 cents a pound. Because our exporters can land broiler chickens at Hamburg for roughly 30 to 31 cents a pound, these levies figure out at about 45 percent ad valorem—a highly excessive rate.

What have been the effects of this complicated system on trade?

First of all, this system has really worked to limit imports from outside countries to the markets of the Community, particularly West Germany. Our trade has suffered the most. For the first 9 months of the new system, West German imports of poultry from all sources have dropped to 70 percent of the previous year's comparable 9-month period.

I mention poultry primarily because this situation is indicative of what the future may offer unless a change is made in the temporary adjustments and levels which have been provided with respect to the importation of poultry, and unless there can be a reversal of this trend; because unless that is done we shall find that American agricultural imports will be under an almost unsupportable bur-

den, and under limitations and protectionist policies that will cripple our agricultural export business.

Sharp gains have been achieved by Belgium and France, and the Netherlands has about held its own. So the drop in trade has been at the expense of outside countries—particularly the United States. Imports of U.S. poultry were only about 40 percent of the 1961–62 level and only about 75 percent of the 1960–61 level.

U.S. flour millers have been adversely affected by Common Market regulations through loss of exports. Practically all U.S. flour exports to the EEC have been going to the Netherlands. These were valued at about $7 million in 1961–62.

This is what happened: First, there was set a threshold price. Then, there was added a margin for milling plus an additional amount to protect EEC millers, less an allowance to offset returns from bran sales, less a consumer flour subsidy. This is quite a complicated formula. It means that, first, the Common Market levy which had been $14 per ton was more than tripled, and, second, it practically shut off this export business.

I know the executive branch is going to bat to obtain a substantial reduction in this levy.

I wish to make the record clear that prior to President Kennedy's journey to Western Europe, certain Senators signed a letter which was given to the President. I personally delivered it to him last week. The letter stated our deep concern over the trade tariff policies or protectionist policies of the Common Market countries. We wanted the President of the United States to have that letter as an indication of the deep concern on the part of Congress itself; because, after all, foreign trade is not merely a matter that is in the hands of the executive branch of the Government. Congress makes trade policy. Congress passed the Trade Expansion Act. We can alter that act and can affect the administration of it by amendments and by reductions.

The countries of Western Europe and their finance ministers, trade ministers, and industrial and agricultural representatives ought to know that the Congress of the United States cannot afford to stand idly by while vast areas of the United States are adversely affected economically by the protectionist, nationalistic, restrictive policies of the Common Market countries as they are being currently developed.

I also wish to stress my great concern about the proposed increase in import duty on crude soybean and cottonseed oil entering the Common Market. The proposed levy will double the rate from 5 to 10 percent ad valorem. European oilseed crushers have accesss to U.S. soybeans with no import duty. This provides them with a basic source of raw material which can be converted into both oil and meal. It would appear equitable that no special favors should be made for European crushers, and that soybean and cottonseed oil should enter free of duty, just as soybeans do.

The crucial elements are the internal target prices or support prices to be established for grains by the Community. These prices will give us another signal as to the direction agricultural policies of the Community take. If these price targets are established at unreasonably high levels, the result will be uneconomic production within the Community rather than imports from friendly supplying nations. Consumer prices for animal products within the Community will be unnecessarily increased, and imports of feed grains, dairy and livestock products gradually will disappear.

I call the attention of the Senate to the economic implications of such a development. Already our country is burdened with surpluses which are price depressing. If such surpluses are increased merely because we are unable to sell at reasonable prices in international markets, the economic consequences for American agriculture can be disastrous and there can be no bailing us out by more price support programs at home.

We must fight with everything at our command for a fair share of the international market. The only way I know to do that is to speak frankly, forcefully, and effectively to the European Common Market officers who are responsible for trade policy.

If the United States and other agricultural exporting nations are to be assured an opportunity to sell in the EEC markets, it is of major importance that these price goals be set at moderate levels.

In the Trade Expansion Act of 1962, the United States will bring a new tool to future negotiations with respect to trade matters with other nations. This act provides the framework for U.S. participation in trade negotiations. One of the mandates of this law is to maintain access to export markets for all our products—agricultural as well as industrial.

Mr. President, this Congress stated its purpose in passing the Trade Expansion Act, as follows:

> Through trade agreements affording mutual trade benefits to stimulate the economic growth of the United States and maintain and enlarge foreign markets for American products, to strengthen economic relations with foreign countries through the development of open and nondiscriminatory trading in the free world, and to prevent Communist economic penetration.

Broad authority is given the President to negotiate tariff reductions of 50 percent and even up to 100 percent, in some cases. There are special provisions which will facilitate negotiating tariff reductions with the EEC in broad categories of products. All members of GATT will benefit since the reductions negotiated under this authority will be applied on a nondiscriminatory basis. The broad concessions authorized to be negotiated by this act can bring about a great era of more liberal trade with mutual benefits.

However, I wish to call attention to section 252 of the Trade Expansion Act. This section directs the President to take all feasible and appropriate steps to eliminate unjustifiable import restrictions maintained by any country against U.S. agricultural products. Such steps may include retaliatory action against imports from the country in question and withholding of concessions and most favored nation treatment from that country.

Furthermore, where we see discrimination in the treatment of trade and products, we can go to GATT and insist that the rules of the organization be applied. It seems to me that this will be one of the logical developments if the present trend of the EEC continues.

I am opposed to an apparent increase in agricultural protectionism by the Common Market. I believe that the EEC fully understands our determination to work for expanding trade opportunities for efficient agricultural exporters. This is one of the things the administration is doing—informing the EEC in a vigorous and forthright manner just how we feel about those actions which have a strong flavor of protectionism.

Mr. President, trade must be a two-way street. It would function best if those items on which the Common Market countries have a competitive advantage are exported to us and, similarly, if we exported those items on which we have a competitive advantage.

American officials also have been forthright in their expressions. I have been pleased by the fact that not only Government people but also representatives of farm, processing, export, and other groups have given voice to their concern in trips abroad. For example, I received a detailed report on a meeting in Brussels where representatives of the soybean processing industry met with EEC officials.

What can we in Congress do about this situation?

First, I wish to congratulate the executive branch in its choice of Christian Herter as chief trade negotiator. He is doing an outstanding job for the United States. Second, I would suggest to the executive branch that the personnel assigned to do the negotiating not be those men and women that the various departments just happen to be able to spare at that particular time. There are not necessarily the best for this purpose. There is no greater service that the most competent Government officials can provide the American people than a willingness to accept an assignment in the forthcoming negotiations. This corps of officials should go forward with the same zeal as the members of the Peace Corps. Actually, and fundamentally, they are a Trade Peace Corps. Let us send the best. Third, I would urge the support by the Congress of a resolution I am introducing jointly with the distinguished minority leader, the distinguished Senator from Illinois [Mr. DIRKSEN]. It urges the executive branch to exert strenuous efforts to obtain continued export outlets for our agricultural products and to employ its energies to assure opportunities for export trade for U.S. agricultural commodities in the European Economic Community.

Mr. President, this is a matter which deserves bipartisan support. I was pleased to read the following from a

statement by the Republican members of the House Committee on Agriculture:

We support a unified and bipartisan effort to hold and expand markets for U.S. agricultural commodities in the European Common Market. We have already taken the initiative in this regard by pledging our full cooperation to the chairman of the House Committee on Agriculture.

Let the negotiators go forward in the full knowledge of the support of the Senate.

Mr. President, I ask unanimous consent that the concurrent resolution I have submitted today, which is cosponsored by the Senator from Illinois [Mr. DIRKSEN], the minority leader, be printed at this point in the RECORD.

There being no objection, the concurrent resolution (S. Con. Res. 51) was ordered to be printed in the RECORD, as follows:

Whereas the Trade Expansion Act of 1962 directs the President to take all appropriate and feasible steps to eliminate unjustifiable import restrictions maintained by any country against United States agricultural products; and

Whereas United States agriculture has a vital stake in the European Common Market, and while wishing to see it prosper, desires to share in this market; and

Whereas a significant part of our $1,200,000,000 export earnings from sales of agricultural commodities to the European Economic Community is threatened with resultant adverse effects on our balance of payments; and

Whereas there is evidence that the European Economic Community is taking actions which impair agricultural exports from the United States and other third countries; and

Whereas there is a need for reduction in trade barriers affecting the ability of United States farmers to export, and this can be achieved by using the rules and principles of the General Agreement on Tariffs and Trade; and

Whereas the continued unity and strength of the free world is fundamentally involved in these actions of the European Economic Community which affect world trade in agricultural commodities; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress of the United States that United States negotiators with the European Economic Community obtain adequate assurance that access to export markets for our agricultural products be maintained, so as to result in an expanding mutually beneficial system of world trade; and be it further

Resolved, That the Congress urges the executive branch to continue to use all its resources to expand trade in agricultural commodities on a nondiscriminatory basis, and to take whatever action may be necessary to require all signatories to the General Agreement on Tariffs and Trade to abide by its standards and provisions.

Mr. HUMPHREY. Mr. President, I send the resolution to the desk and ask that it be appropriately referred.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 51) was referred to the Committee on Finance.

Mr. HUMPHREY. Mr. President, today the negotiations begin in Geneva on the matter of poultry markets in the GATT organization. It will be a very critical meeting. It will affect every area of our country. I am hopeful that our Government will persist and prevail in its determination to apply fair standards of economic competition in the world markets.

ORDER OF BUSINESS

Mr. PASTORE obtained the floor.

Mr. PASTORE. Mr. President, I yield to the distinguished Senator from South Carolina, without losing my right to the floor.

Mr. JOHNSTON. Mr. President, I make the point of no quorum. I ask unanimous consent that there be a quorum call with the understanding that the Senator from Rhode Island will not lose the floor and will have the floor at the end of the quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AUTHORIZATION OF APPROPRIATIONS FOR ATOMIC ENERGY COMMISSION

The Senate resumed the consideration of the bill (S. 1745) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

Mr. PASTORE. Mr. President, the bill before the Senate, S. 1745, authorizes appropriations for the Atomic Energy Commission for plant and facility construction for the fiscal year 1964.

It was reported by the Joint Committee on Atomic Energy without dissent. I shall briefly review the highlights of the bill and shall be happy to answer any specific question that may be raised by any Member.

The Atomic Energy Commission requested authorizations in the amount of $233 million for the fiscal year 1964. The Joint Committee has allowed a total authorization of approximately $216 million—or, in other words, a cut of about 7 percent below the Commission's request.

Section 101 of the bill authorizes appropriations of $172,562,000 for new construction projects. The Commission had requested $184 million under this section. The cut of $12 million reflects the Committee's decision to defer authorization of the so-called military compact reactor project.

After very lengthy hearings before the Joint Committee, it was determined that, because of budgetary limitations, the military compact reactor program would be stretched out by almost 2 years. In summary, the committee decided that deferring the authorization of this project would not affect the schedule for developing a mobile, compact source of nuclear electricity to meet the Army's needs.

In general, the sum of $172 million authorized under section 101 provides for a relatively modest construction program which is necessary in order to keep atomic energy facilities up to date with the latest developments in both the military and peaceful applications of atomic energy.

Next, I should like to turn to two programs of foreign cooperation in the peaceful uses of atomic energy which are covered in sections 103 and 106 of the bill.

Section 103 authorizes the appropriation of an additional $7.5 million for the joint research and development program with the European Atomic Energy Community, a group of six nations working on the peaceful uses of atomic energy. I think it is important to note that all of these funds are spent in the United States, and that the nations of the European Atomic Energy Community will match the contribution of the United States. On the basis of testimony before the Joint Committee, I think it can be said that this has been a very successful program which in effect permits the United States to obtain twice as much for its research dollar.

Section 106 covers another significant program of atomic cooperation with a foreign government. Under this section, $5.5 million is authorized for a cooperative program, with West German authorities, which we hope will lead to the development of a new and improved nuclear fuel for generating power from the atom.

The West Germans will provide and operate a reactor plant at a total estimated cost of $20 million to $25 million. The United States, for its part, will spend up to $5.5 million for the development and procurement of the nuclear fuel, which will then be tested in the German reactor. If the United States carried out this program by itself, an estimated additional $10 million would be required for construction of a test reactor.

In general, this appears to be a promising research program which should operate to the benefit of both governments, and advance the peaceful uses of atomic energy.

Returning to our domestic program for the development of civilian nuclear power, let us look briefly at sections 104 and 105. Under section 104(a), an additional $709,000 is authorized for research and development on the fast-breeder reactor concept. This is a program aimed at the development of a reactor which may produce as much fuel as it consumes, or even more. In addition, under section 104(b), the Commission is authorized to waive charges for the use of nuclear fuel under the cooperative power reactor demonstration program. This waiver of the Commission's normal charges has proved to be an important stimulus to the construction of private reactors.

It is important to note that the Commission requested the authorization of $5 million in additional appropriations for the cooperative power reactor demonstration program, as well as greater latitude in using funds under the program. On the basis of a very searching review, the Joint Committee was able to conclude that funds were generally

available within the cooperative power reactor demonstration program, and sufficient to meet the foreseeable needs of the program. Accordingly, the additional funds and authority requested by the Commission were not allowed by the committee.

Another highlight of the domestic civilian nuclear power program is the authorization of $30 million for the construction of a prototype spectral shift nuclear reactor, provided in section 105 of the bill. The spectral shift is one of the five or six prototypes which the Commission recommended for construction in its comprehensive report to the President of the United States, in November of last year, on the civilian nuclear power program. Very briefly, the spectral shift is a type of reactor which has the potential advantage of making more efficient use of nuclear fuel and reducing the costs associated with the fabrication and reprocessing of such fuel. Under the terms of the legislation, the reactor can be constructed under a cooperative arrangement with either a public or private utility or industrial organization.

The Commission has testified that it will proceed with the construction of the reactor under the most economically attractive conditions consistent with the objectives of the Government.

In summary, Mr. President, I think this bill represents the best thinking of the Atomic Energy Commission and the Joint Committee on Atomic Energy, arrived at after very extensive and searching hearings. It is a modest, but very necessary, bill; and I urge its favorable consideration by the Senate.

In considering this bill, Mr. President, and what I have said here today, I think it is important to keep in mind that the bill before us now authorizes appropriations only for construction and for the Cooperative Power Reactor Demonstration Program. All other appropriations made to the Atomic Energy Commission are made pursuant to a "blanket" authorization which is contained in section 261 of the Atomic Energy Act of 1954.

To give some perspective on this matter, I point out that this bill authorizes $216 million in appropriations, as compared with overall funds of $2¾ billion requested by the Atomic Energy Commission for the fiscal year 1964. In other words, the Joint Committee on Atomic Energy has been able to review only about 8 percent of the funds requested for the atomic energy program. These figures point up a problem which is becoming more grave every year.

Under the provisions of the Atomic Energy Act of 1954, the Congress created the Joint Committee on Atomic Energy as its specialized arm for dealing with atomic energy matters. For the past 18 years, the committee has endeavored to fulfill its vital responsibility as the congressional "watchdog" over the atomic energy program. An examination of the record shows that the committee has been conscientious and generally bipartisan in its handling of atomic energy affairs.

But now, after 18 years, we have run up against a problem which is seriously impairing the ability of the Joint Committee to carry out its statutory responsibilities under the Atomic Energy Act of 1954. We have run up against the ironic fact that while the committee has a wide and sweeping responsibility for the review of the entire atomic energy program, it lacks the authority to review over 92 percent of the funds requested for the atomic energy program.

Mr. President, the current state of the law is simply not in accord with proper principles of political and fiscal responsibility. If the Joint Committee on Atomic Energy is to properly fulfill the trust vested in it by the Congress and the American people, it must have authority at least equal to the heavy responsibilities imposed upon it by law.

After extensive deliberation, the members of the Joint Committee on Atomic Energy, without dissent, voted to add a new section 107 to this authorization bill which will require the authorization of all appropriations to the Atomic Energy Commission.

I believe that the enactment of this provision will enable the Joint Committee to be of greater assistance to the Appropriations Committees of both Houses in their complex task of handling the atomic energy budget.

It will provide the Joint Committee with the authority it needs to do the job called for by the Atomic Energy Act of 1954.

The end result can only be better, more meaningful control over the atomic energy program, to the benefit of the Congress, the taxpayers, and the Nation.

Mr. President, I urge the enactment of S. 1745 in the form reported by the Joint Committee on Atomic Energy.

Mr. AIKEN. Mr. President, there is little I would add to the comprehensive discussion of S. 1745 as presented by the distinguished Senator from Rhode Island, chairman of the Joint Committee on Atomic Energy.

In general, I believe that the bill has received the most careful scrutiny by the Joint Committee's Subcommittee on Legislation. The cut of 7 percent below the authorization requested by the administration is indicative of the careful review to which this bill has been subjected. In general, I would say that the "fat" has been trimmed from the budget, where the "fat" could be trimmed without seriously affecting the Nation's atomic energy program.

I believe that the bill enacted in the form recommended by the committee will provide the authorization necessary for a modern atomic energy establishment.

I would like, however, to stress the importance of section 107 of this bill which would amend the Atomic Energy Act of 1954 to require prior congressional authorization of all appropriations for the Atomic Energy Commission. This is a requirement which is, in my view, long overdue.

In the early days of the atomic energy program, it was possible for the Congress to exercise a significant degree of control over the program through the requirement for authorization of construction funds. But now that the basic capital plant is in being, the heart of the atomic energy program may be found in the extensive operating budget, and it is precisely here that the Joint Committee on Atomic Energy has no authority.

As the senior Senator from Rhode Island has stated, the Congress, in the Atomic Energy Act of 1954, entrusted the Joint Committee on Atomic Energy with unusual and far-reaching powers in order to make it an effective "watchdog" over the atomic energy program. In furtherance of this responsibility, the Joint Committee held extensive hearings this year on the proposed AEC authorization bill which covers only construction items and the cooperative power reactor demonstration program. It is ironic that these extensive hearings cover a bill which represents only about 8 percent of the overall atomic energy budget of almost $2¾ billion.

But the simple irony of this situation is not the only cause for concern. The fact is that although the Joint Committee is responsible to the Congress and the American people for surveillance of the entire atomic energy program, it lacks the statutory authority to review over 90 percent of the atomic energy budget.

Mr. President, I believe that the time has arrived when some remedial action must be taken. The Joint Committee is rapidly finding it impossible to fulfill the responsibility imposed upon it by the Atomic Energy Act of 1954. The committee has developed an unusual degree of experience in the field of atomic energy over the past 18 years. Commonsense indicates that the Congress should be able to avail itself of the accumulated knowledge and experience of the Joint Committee in making decisions about the atomic energy program. The Appropriations Committees of both Houses should have this type of service—and the Congress and the American people, above all, deserve nothing less.

Therefore, Mr. President, I join with the chairman of the Joint Committee and with the Members from both sides of the aisle in urging the enactment of this bill in the form reported by the Joint Committee.

Mr. PASTORE. I thank the Senator from Vermont for his excellent contribution to the consideration of the bill. I join him in saying that the Joint Committee on Atomic Energy, consisting of Members from both the House of Representatives and the Senate, strongly supports the sentiments expressed by the Senator.

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

Mr. PASTORE. I yield.

Mr. JOHNSTON. First, I thank the Senator from Rhode Island for the work that he has done on the bill. He has done an excellent piece of work. The program is very much needed. Naturally, I am pleased to find on page 2, line 8, of the bill the following:

> Project 64-A-4, additional waste storage facilities, Savannah River, South Carolina, $7,700,000.

I believe that is the language of the bill.

Mr. PASTORE. The Senator from South Carolina is absolutely correct.

Mr. JOHNSTON. Also, on page 4, line 20, I notice the item:

Project 64-e-10, modifications to radioactive materials handling facilities, Savannah River, South Carolina, $1,000,000.

I thank the Senator for including those items in the bill. I know that we will use the facilities, and they will be very beneficial to all the people of the Nation.

Mr. PASTORE. I thank the Senator from South Carolina.

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

Mr. PASTORE. I yield.

Mr. CARLSON. For those Senators, including the senior Senator from Kansas, who did not have an opportunity to go into all the details in regard to the proposed legislation, I commend the senior Senator from Rhode Island and the other members of the committee for the rather extended hearings which have been held. I have glanced through them briefly. As a Member of the Senate who is not on the committee, I feel that we can well depend upon the recommendations of the committee. Therefore, I shall support the approval of this authorization.

Mr. PASTORE. I thank the Senator from Kansas.

Mr. CURTIS. Mr. President, I rise for two purposes this afternoon. A little later I shall discuss the Cuban situation and then repeat a concrete suggestion. However, before I enter into that discussion, I want to comment a bit about the atomic energy authorization bill which is before the Senate this afternoon.

Our atomic energy program has accomplished a great many things. It is not my purpose to review those accomplishments at this time, nor to speak with authority concerning the legislation. I happen to be the most junior member of that joint committee. However, I wish to make some general observations about it.

This is my first opportunity to have served on a joint committee composed of Members of the House and the Senate that has legislative authority. That experience has not only been interesting and gratifying, but the idea of a joint committee has worked very well. The cooperation between Members from the House and Members from the Senate has been excellent. The rules of the procedure that they follow recognize both bodies as coordinate ones in the legislative branch. No difficulties in respect thereto, and no jealousies, have arisen. I also wish to pay my respects to the chairman of the Joint Committee, the Senator from Rhode Island [Mr. PASTORE].

This bill carries a new provision which I believe is very much in the general interest. Prior hereto only about 8 percent of the budget for the atomic energy program came before the Joint Committee for annual authorization. The original law had a continuing authorization for a great part of the atomic energy program. The requests for 92 percent of the amount of money being spent in that field would come only before the Appropriations Committee. The legislative committee, the committee which has the staff specialists in this one field, the committee that is devoted to the problems and programs of atomic energy, had no opportunity to periodically review those requests.

This authorization bill carries an amendment to the substantive law. It will now provide that expenditures for substantially all of the atomic energy program will have to be authorized annually. This is good budgeting. It is necessary if we are to have coordinated programs. It is necessary if we are to operate under a system of reasonable control over expenditures. In making this statement, I voice or imply no criticism whatever of the Appropriations Committees. The Appropriations Committees and the various subcommittees are well equipped with competent staffs. The members are devoted to their jobs. They spend long hours at their work. They have to consider a variety of subjects—public works, military, health, Government operations, costs of the departments, legislative appropriations, and countless other matters. So what is being done today is no reflection upon those fine committees. I believe it will enable them to perform their work easier. It will mean there will be two committees to review our atomic energy program. It will mean the Appropriations Committee will not be faced with a request for money that the Commission must have right now. The committee will be in a position to ask the question, "Has this been authorized? Has the Committee on Atomic Energy gone into it?"

I hope this bill, when it passes the House, will carry this provision. I think it is a step forward in good budgeting. I wish to express my concurrence with the entire committee, and particularly the chairman, the Senator from Rhode Island [Mr. PASTORE], in this recommendation.

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

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 101. PLANT OR FACILITY ACQUISITION OR CONSTRUCTION.—There is hereby authorized to be appropriated to the Atomic Energy Commission in accordance with the provisions of section 261a. (1) of the Atomic Energy Act of 1954, as amended, the sum of $172,562,000 for acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, as follows:

(a) SPECIAL NUCLEAR MATERIALS.—

Project 64-a-1, modifications to production and supporting installations, $5,000,000.

Project 64-a-2, waste fractionization facilities, Richland, Washington, $3,700,000.

Project 64-a-3, additional waste storage facilities, National Reactor Testing Station, Idaho, $3,400,000.

Project 64-a-4, additional waste storage facilities, Savannah River, South Carolina, $7,700,000.

(b) SPECIAL NUCLEAR MATERIALS.—

Project 64-b-1, additional boiler for heating plant, Richland, Washington, $700,000.

(c) ATOMIC WEAPONS.—

Project 64-c-1, weapons production, development, and test installations, $10,000,000.

Project 64-c-2, explosive component plant, Mound Laboratory, Miamisburg, Ohio, $1,590,000.

Project 64-c-3, radiography facility, Sandia Base, New Mexico, $275,000.

Project 64-c-4, nuclear safety facility, Rocky Flats, Colorado, $1,500,000.

Project 64-c-5, fabrication building addition, Rocky Flats, Colorado, $2,140,000.

(d) ATOMIC WEAPONS.—

Project 64-d-1, theoretical and computations building, Lawrence Radiation Laboratory, California, $3,500,000.

Project 64-d-2, additions to administration and computer buildings, Los Alamos Scientific Laboratory, New Mexico, $2,400,000.

Project 64-d-3, technical area utility improvements, Los Alamos Scientific Laboratory, New Mexico, $865,000.

Project 64-d-4, steamplant addition, Sandia Base, New Mexico, $655,000.

Project 64-d-5, test range improvements, Tonopah, Nevada, $760,000.

Project 64-d-6, base construction, Nevada Test Site, $4,000,000.

Project 64-d-7, manufacturing standards laboratory, Rocky Flats, Colorado, $720,000.

Project 64-d-8, instrument maintenance and standards addition, Y-12 plant, Oak Ridge, Tennessee, $590,000.

Project 64-d-9, addition to development laboratory, Y-12 plant, Oak Ridge, Tennessee, $1,700,000.

(e) REACTOR DEVELOPMENT.—

Project 64-e-1, modifications to reactor facilities, $3,000,000.

Project 64-e-2, fast reactor test facility, National Reactor Testing Station, Idaho, $17,000,000.

Project 64-e-3, SNAP development and test facilities, Santa Susana, California, $500,000.

Project 64-e-4, nuclear safety engineering test facilities, National Reactor Testing Station, Idaho, $19,400,000.

Project 64-e-5, expansion of expended core facility, National Reactor Testing Station, Idaho, $3,000,000.

Project 64-e-6, support facilities for advanced space power systems, National Reactor Testing Station, Idaho, $1,800,000.

Project 64-e-7, thorium-uranium fuel cycle development facility, Oak Ridge National Laboratory, Tennessee, $7,275,000.

Project 64-e-8, modifications to CANEL facilities, Middletown, Connecticut, $1,455,000.

Project 64-e-9, research and development test plants for Project Rover, Los Alamos Scientific Laboratory, New Mexico and Nevada Test Site, $3,000,000.

Project 64-e-10, modifications to radioactive materials handling facilities, Savannah River, South Carolina, $1,000,000.

Project 64-e-11, high temperature lattice testing reactor, Richland, Washington, $2,500,000.

(f) REACTOR DEVELOPMENT.—

Project 64-f-1, heating plant boiler No. 5, Argonne National Laboratory, Illinois, $1,500,000.

(g) PHYSICAL RESEARCH.—

Project 64-g-1, accelerator improvements, Lawrence Radiation Laboratory, California, $750,000.

Project 64-g-2, accelerator improvements, Argonne National Laboratory, Illinois, $500,000.

Project 64-g-3, accelerator and reactor additions and modifications, Brookhaven National Laboratory, New York, $1,250,000.

Project 64-g-4, Tandem Van de Graaff facility, Brookhaven National Laboratory, New York, $12,000,000.

Project 64-g-5, accelerator improvements, Cambridge and Princeton accelerators, $700,000.

(h) PHYSICAL RESEARCH.—

Project 64-h-1, modifications and additions to cafeteria, Lawrence Radiation Laboratory, California, $250,000.

Project 64-h-2, steamplant addition, Brookhaven National Laboratory, New York, $850,000.

(i) BIOLOGY AND MEDICINE.—

Project 64-i-1, low-level radiation counting facility for clinical research, Brookhaven National Laboratory, New York, $430,000.

Project 64-i-2, additional animal quarters, Lovelace Foundation, Albuquerque, New Mexico, $500,000.

Project 64-i-3, addition to agricultural research laboratory, Oak Ridge, Tennessee, $685,000.

Project 64-i-4, molecular biology laboratory, Oak Ridge National Laboratory, Tennessee, $330,000.

(j) COMMUNITY.—

Project 64-j-1, water distribution system, phase II, White Rock, Los Alamos, New Mexico, $625,000.

Project 64-j-2, classroom additions, Barranca Mesa Elementary School, Los Alamos, New Mexico, $224,000.

Project 64-j-3, additional water well, Los Alamos, New Mexico, $194,000.

(k) GENERAL PLANT PROJECTS.—$40,649,000.

SEC. 102. LIMITATIONS.—(a) The Commission is authorized to start any project set forth in subsections 101 (a), (c), (e), and (g), only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

(b) The Commission is authorized to start any project set forth in subsections 101 (b), (d), (f), (h), (i), and (j), only if the currently estimated cost of that project does not exceed by more than 10 per centum the estimated cost set forth for that project.

(c) The Commission is authorized to start a project under subsection 101(k) only if it is in accordance with the following:

1. For community operations, the maximum currently estimated cost of any project shall be $100,000 and the maximum currently estimated cost of any building included in such project shall be $10,000.

2. For all other programs, the maximum currently estimated cost of any project shall be $500,000 and the maximum currently estimated cost of any building included in such project shall be $100,000.

3. The total cost of all projects undertaken under subsection 101(k) shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

SEC. 103. COOPERATION WITH EUROPEAN ATOMIC ENERGY COMMUNITY.—There is hereby authorized to be appropriated to the Atomic Energy Commission, in accordance with the provisions of section 261a. (2) of the Atomic Energy Act of 1954, as amended, the sum of $7,500,000, in addition to the sum of $15,000,000 previously authorized, which shall be available for carrying out the purposes of section 3 of Public Law 85-846, providing for cooperation with the European Atomic Energy Community.

SEC. 104. COOPERATIVE POWER REACTOR DEMONSTRATION PROGRAM.—

(a) Section 111 of Public Law 85-162, as amended, is further amended as follows:

1. By striking out the figure "$3,600,000" in clause (2) of subsection (a) and inserting in lieu thereof the figure "$4,309,000".

2. By striking out the date "June 30, 1963" in clause (3) of subsection (a) and inserting in lieu thereof the date "June 30, 1964".

(b) The maximum amount of the program authorization, specified in subsection 110(b) of Public Law 86-50, section 109 of Public Law 86-457, section 109 of Public Law 87-315, and section 110 of Public Law 87-701, is increased by $10,000,000.

SEC. 105. SPECTRAL SHIFT POWER REACTOR.—

(a) The Commission is hereby authorized to enter into cooperative arrangements with privately, publicly, or cooperatively owned utilities or industrial organizations for participation in the development, design, construction, and operation of a Spectral Shift Nuclear Powerplant for which the sum of $30,000,000 is hereby authorized to be appropriated. The Commission is also authorized to waive use charges in connection with this project in an amount not to exceed $10,000,000.

(b) The cooperative arrangements authorized under paragraph (a) of this section may be entered into in accordance with either (i) the criteria for the third round of the Commission's power reactor demonstration program: *Provided, however,* That under any such arrangement the Commission may furnish funds for design assistance without regard to the provisions of section 169 of the Atomic Energy Act of 1954; or (ii) an arrangement under the following terms and conditions.

(1) The Commission shall provide for the manufacture and construction of the nuclear reactor plant. The Commission may obtain such participation by the cooperating utility or organization as is consistent with Commission ownership and operation of the nuclear reactor plant.

(2) The cooperating utility or organization shall furnish the site and all equipment, facilities, and services necessary for a complete and operable nuclear powerplant except those furnished by the Commission as part of the nuclear reactor plant.

(3) The Commission may enter into a contract with the cooperating utility or organization for the operation of the nuclear reactor plant, including the training of personnel and other relevant matters. Any such contract may be for such period of time as the Commission may determine to be advisable for research and development purposes and for such additional period as the Commission may determine to be necessary in the best interest of the Government. Upon the expiration of such period, the Commission is authorized to offer the nuclear reactor plant for sale to the cooperating utility or organization at a price to reflect appropriate depreciation, but not to include construction costs assignable to research and development; or the Commission may dismantle and remove the reactor plant and its appurtenances.

(4) The Commission, without regard to the provisions of section 44 of the Atomic Energy Act of 1954, as amended, is authorized to sell to the cooperating utility or organization the steam produced in the nuclear reactor plant. The price of such steam shall be based upon the current or projected cost of steam from conventional sources in the area in which the powerplant is constructed. Such steam may be used by the cooperating utility or organization for the generation of electric energy and any other industrial purpose.

(5) There are authorized to be appropriated such additional funds as may be required for the operation of said nuclear powerplant in accordance with any such arrangement.

(c) Before the Commission enters into any arrangement or amendment thereto under the authority of subsection (a) of this section, the basis for the arrangement or amendment thereto which the Commission proposes to execute (including the name of the proposed participating party or parties with whom the arrangement is to be made, a general description of the proposed powerplant, the estimated amount of cost to be incurred by the Commission and by the participating parties, and the general features of the proposed arrangement or amendment) shall be submitted to the Joint Committee, and a period of forty-five days shall elapse while Congress is in session (in computing such forty-five days, there shall be excluded the days on which either House is not in session because of adjournment for more than three days): *Provided, however,* That the Joint Committee, after having received the basis for a proposed arrangement or amendment thereto, may by resolution in writing waive the conditions of, or all or any portion of, such forty-five day period: *Provided further,* That such arrangement or amendment shall be entered into in accordance with the basis for the arrangement or amendment submitted as provided herein: *And provided further,* That no basis for arrangement need be resubmitted to the Joint Committee for the sole reason that the estimated amount of the cost to be incurred by the Commission exceeds the estimated cost previously submitted to the Joint Committee by not more than fifteen per centum.

SEC. 106. COOPERATIVE RESEARCH AND DEVELOPMENT PROGRAM WITH WEST GERMAN AUTHORITIES.—There is hereby authorized to be appropriated to the Commission, the sum of $5,500,000, for use in a cooperative program of research and development with any person or persons in connection with Arbeitagemeinshaft-Versuch Reaktor at Juelich, Germany, to be conducted either under the Agreement for Cooperation Concerning Civil Uses of Atomic Energy Between the Government of the United States of America and the Government of the Federal Republic of Germany signed on the 4th day of July 1957 as now or hereafter modified, or the additional agreement between the United States of America and the European Atomic Energy Community signed on the 11th day of June 1960 as now or hereafter modified.

SEC. 107. Section 261 of the Atomic Energy Act of 1954, as amended, is amended to read as follows effective January 1, 1964:

"SEC. 261. APPROPRIATIONS.—

"a. No appropriation shall be made to the Commission, nor shall the Commission waive charges for the use of materials under the Cooperative Power Reactor Demonstration Program, unless previously authorized by legislation enacted by the Congress.

"b. Any Act appropriating funds to the Commission may appropriate specified portions thereof to be accounted for upon the certification of the Commission only.

"c. Notwithstanding the provisions of subsection a., funds are hereby authorized to be appropriated for the restoration or replacement of any plant or facility destroyed or otherwise seriously damaged, and the Commission is authorized to use available funds for such purposes.

"d. Funds authorized to be appropriated for any construction project to be used in connection with the development or production of special nuclear material or atomic weapons may be used to start another construction project not otherwise authorized if the substituted construction project is within the limit of cost of the construction project for which substitution is to be made, and the Commission certifies that—

"(1) the substituted project is essential to the common defense and security;

"(2) the substituted project is required by changes in weapon characteristics or weapon logistic operations; and

"(3) the Commission is unable to enter into a contract with any person on terms satisfactory to it to furnish from a privately owned plant or facility the product or services to be provided by the new project."

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. AIKEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AREA REDEVELOPMENT ACT AMENDMENTS OF 1963

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 230, S. 1163, which is to be made the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1163) to amend certain provisions of the Area Redevelopment Act.

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

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1163) to amend certain provisions of the Area Redevelopment Act, which had been reported from the Committee on Banking and Currency with amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Area Redevelopment Act Amendments of 1963."

SEC. 2. Experience has shown that certain modifications and increased appropriations are necessary to achieve more fully the purposes for which the Area Redevelopment Act was enacted. It is the purpose of this Act to make these changes in order to insure a continuing and effective program of Federal economic assistance to areas distressed by substantial and persistent unemployment and underemployment.

SEC. 3. The first sentence of section 5(b) of the Area Redevelopment Act is amended by inserting "Federal or State" after "including".

SEC. 4. Section 6(b) of the Area Redevelopment Act is amended—

(1) by striking out "$100,000,000" wherever it appears in paragraph (1) and inserting in lieu thereof "$250,000,000"; and

(2) by striking out "only after" in subparagraph 9(B) and inserting in lieu thereof "in no shorter period of time and at no faster an amortization rate than", and by striking out "has been repaid in full" and inserting in lieu thereof "is being repaid".

SEC. 5. Section 7(c) of the Area Redevelopment Act is amended by striking out "$100,000,000" and inserting in lieu thereof "$150,000,000".

SEC. 6. Section 8(d) of the Area Redevelopment Act is amended by striking out "$75,000,000" and inserting in lieu thereof "$175,000,000, to remain available until expended when so specified in appropriation Acts,".

SEC. 7. Section 7(c) of the Area Redevelopment Act is amended—

(1) by striking out "$4,500,000" and inserting in lieu thereof "$10,000,000"; and

(2) by inserting before the last sentence the following: "The Secretary, in his discretion, may require repayment of the assistance provided under this section and prescribe the terms and conditions of such repayment. Receipts from such repayments shall be credited to the appropriation available for assistance under this section which is current at the time of repayment."

SEC. 8. Section 12(10) of the Area Redevelopment Act is amended—

(1) by striking out "(not in excess of six months) service" and inserting in lieu thereof "(not in excess of one year) or intermittent services"; and

(2) by striking out "allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses" and inserting in lieu thereof "paid actual travel expenses and per diem in lieu of subsistence and other expenses at the applicable rate prescribed in the standardized Government travel regulations, as amended from time to time".

SEC. 9. The first sentence of section 21 of the Area Redevelopment Act is amended by striking out "and undertaken by public applicants".

SEC. 10. Section 23 of the Area Redevelopment Act is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", and when so specified in appropriation Acts such sums shall remain available until expended. Funds appropriated for the purpose of extending financial assistance under sections 6 and 7 shall be deposited in the area redevelopment fund in the Treasury of the United States. The fund shall pay into the general fund of the Treasury, at least annually, interest on the net amount of the capital so deposited which is used for such assistance, computed in such manner and at such rate as may be determined by the Secretary of the Treasury in accordance with this section. The rate for capital used under section 6 shall not be greater than the current average yields on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the time when the money is used. The rate for capital used under section 7 shall not be more than the higher of (1) 2½ per centum per annum, or (2) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt computed at the end of the preceding fiscal year and adjusted to the nearest one-eighth of 1 per centum."

Mr. GRUENING. Mr. President, I rise to support the passage of S. 1163, the Area Redevelopment Act Amendments of 1963.

The original act has been very beneficial to the State of Alaska, as I know it has been to many other States. Added funding is essential if it is to continue its worthwhile actions to relieve the many substantial pockets of unemployment persisting in the Nation. There were 4.5 million men and women unemployed in March of this year—6.6 percent of our total labor force. Even though this percentage is high, it has been higher. The real danger to our economy, however, is the fact that it has persisted.

During a 1-year period from March 1962, the percentages of unemployed in the United States have been as follows:

March 1962, 6.7 percent; April 1962, 6.6 percent; May 1962, 6.6 percent; June 1962, 6.6 percent; July 1962, 6.7 percent; August 1962, 6.7 percent; September 1962, 6.8 percent; October 1962, 6.6 percent; November 1962, 6.9 percent; December 1962, 6.6 percent; January 1963, 6.8 percent; February 1963, 7.1 percent; March 1963, 6.6 percent.

Mr. President, we have grown and prospered because we have acted as one country. When we cease to do so, we shall begin our decline. The hungry, persistently unemployed worker in West Virginia is and should be as much a concern of the employed worker in Alaska as if he himself were unemployed. If we have learned anything from the depression of the 1930's it should have been that unemployment in any area of the Nation spreads like the plague to all the other portions of the Nation. No part of our country can contemplate with complacency unemployment in another part of the Nation and say "That's their problem, not mine."

I am not saying, Mr. President, that a portion of our country, struck by persistent high unemployment can sit back and say that is the problem of the rest of the country and not its own. Self-help is a vital part of its recovery as it is a vital part of the area redevelopment program. But there is a limit to what an unemployment stricken area can do.

The Area Redevelopment Act has been good for the State of Alaska. Through its loans and grants more than 700 jobs will have been created in Alaska that were not there before. That means there will be more than 700 men and women who will be taken off the unemployment rolls and made taxpayers, not tax eaters. And that does not include the jobs that will be created in the future as a direct result of the technical assistance furnished the various localities in Alaska by the area redevelopment program. The total ARA investment in Alaska to date has been $3.7 million.

Pockets of persistent unemployment in Alaska reach really high levels. For example, during the week ending June 15, 1963, the insured unemployment rate in Nome, Alaska, was 24.7 percent, in Anchorage it was 8.3 percent, while at Fairbanks it was 7.9. Yes, I will admit that, except for Anchorage, these figures are lower than last year. The statewide unemployment rate last year was 7.5 percent for the corresponding week. This year it is down one-tenth of 1 percent. This is progress but not of a significant kind.

But for the 7.5 percent who have been unemployed for weeks and weeks, who must return each night to their families to report "no job", this one-tenth of 1 percent drop is no great consolation.

From my own personal knowledge I can attest to the fact that ARA has proven itself in Alaska. It needs the wherewithal to do more—much more. And I therefore urge the support of S. 1163 to give the program the additional means of creating more jobs for those unemployed who are in desperate need of them.

Mr. McGEE. Mr. President, the Area Redevelopment Administration represents a new departure in the relationship between the Federal and State Governments. Those States which have appreciated the real significance of this innovation and undertaken the reciprocal steps at the State level, put themselves in a position to benefit their people. Wyoming is one of the States to have done so; and for this reason, ARA is doing much for my State's economy.

ARA's enabling legislation puts considerable emphasis on local participation. This is a sound approach because it assures responsiveness to local needs and minimizes centralization and authoritarian planning. Realistically, however, those areas which need ARA's help most are frequently unable to raise the funds needed to cement this partnership between the Federal and local effort.

Awareness of this inability has prompted the Wyoming House of Representatives to enact, on February 2, 1963, legislation to make such funds available from the Wyoming Natural Resource Boards. Up to $300,000 was authorized for this purpose.

This legislation has made it possible for ARA to consider participation in the launching of a key tourism development in one of the country's most magnificent scenic areas—the Jackson Hole Valley at the foot of the Teton Range. I know that ARA has been subjected to considerable criticism for its participation in tourist projects. It is possible that some of this criticism is warranted. I do not know all the facts; but I do know the facts about the Jackson Hole project which are now being investigated by ARA. At a cost to it of $845,000 ARA will make possible, over a 6-year period, a total investment estimated at over $6 million. ARA is thus providing for employment, for business profits, as well as a major contribution to the tourist industry which serves the American public as it acquires firsthand knowledge of the magnificence of our country.

Few States are able to undertake all the tasks that are essential for the development of their economies. Nor can the Federal Government do these things. Together, State and Federal Governments can accomplish much. Essential to this accomplishment, however, is a mechanism which links and makes possible coordinated action. ARA is this link. Without it, the people of my State would not be able to plan a new $3,152,000 gypsum wallboard producing plant, nor hope for an associated satellite industrial complex which will provide numerous employment opportunities, and add to the gross national product.

Further, the projects contemplated would provide a direct benefit in the form of 219 jobs. This figure may not seem large in terms of the national population but translated to a State with just over 300,000 inhabitants it represents sizable gains.

I believe that ARA has more than amply demonstrated its worth for the people of Wyoming. I believe, moreover, that ARA can also help other States that are willing to help themselves with such local action as is needed to provide ARA with a proper working chance.

Mr. PELL. Mr. President, on May 1, 1961, the President signed into law the Area Redevelopment Act, of which I was a cosponsor in the Senate, one of the most significant pieces of economic development legislation ever enacted by the Congress. In Rhode Island we not only applauded the philosophy behind the act, we actively supported it, are doing the best we can to implement it, and fully intend to continue to do so.

Rhode Island, an urban State, has a high degree of industrial sophistication. But, as in many such areas, we are beset by pockets of hard-core unemployment, which, despite our most strenuous efforts, continue to blight our economy. The Area Redevelopment Administration, with its three basic programs of financial assistance, already has made an appreciable contribution toward helping us help ourselves in achieving our objective of economic stability and orderly growth. How has it done this?

In Rhode Island in a population of more than 868,000, approximately 24,900 or 7.1 percent of the labor force, are unemployed. As this situation and worse situations had existed for a number of years, the Providence-Pawtucket labor market was immediately designated as an area eligible for area redevelopment assistance.

Rhode Island communities have only as yet received approval of four vitally important project proposals involving loans and grants, totaling a Federal investment of $1,579,305. But, this moderate beginning is expected to lead directly to the creation of 1,454 new jobs and to many more jobs in the secondary and peripheral industries that supply goods and services consumed by the direct jobs. For example, on the 25th of June 1962, 1 year ago today, the Industrial Development Foundation of Woonsocket was given a grant of $136,000 and a loan of $50,000, which will eventually lead to the creation of more than 255 new jobs. On the 29th day of June, 1962, the city of Providence was given a grant of $375,000 and a loan of $696,000, for access roads, to the Mashapaug Pond industrial redevelopment project, which will in due time provide employment for over 1,045 people. Furthermore, in April of this year the city of Pawtucket, R.I., was awarded a technical assistance project for the purpose of studying the drainage problem and soil bearing capacity of the Moshassuck Valley. This contract was negotiated by the Area Redevelopment Administration at a cost of $36,630. Within the last 2 weeks, on the 13th of this month, an industrial and commercial loan of $285,675 was made to the American Boat Building Corp. of Warwick, R.I., which will eventually provide 154 more jobs for that community.

Moreover, recognizing that they had only begun to scratch the surface of their economic rejuvenation, Rhode Island citizens have either submitted or are about to submit 19 additional project proposals which will require financial assistance and which eventually will lead to many thousands of jobs.

These do not include proposals submitted under the Accelerated Public Works Act or the Manpower, Development, and Training Act. But, financial assistance is not the only service provided Rhode Island by ARA. The State has made a number of requests that the Agency enter into contracts to study specific economic problems of local and regional concern. This ARA has done. For example, an edible fish study is under consideration.

Finally, ARA has helped Rhode Island train 751 previously unskilled or unemployable workers, who previously did not have jobs, at a cost of only $660,458. More than 70 percent of these retrained workers have already found jobs. The savings in unemployment compensation and welfare payments alone will more than adequately compensate us within a year, to say nothing of the added productivity and new tax contributions that will be made by these new workers.

Therefore, Mr. President, I sincerely hope that the Senate will favorably consider the pending legislation with regard to the Area Redevelopment Administration.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

A PACIFIC BLOCKADE OF CUBA

Mr. CURTIS. Mr. President, I rise today to express my congratulations and thanks to my two distinguished colleagues, the junior Senator from Kentucky [Mr. MORTON] and the senior Senator from Colorado [Mr. ALLOTT] for their excellent statements on Cuba. I am delighted to accept the invitation of the Senator from Kentucky to join in a discourse about American policy on Cuba, and I heartily endorse the bold and imaginative proposal offered by my good friend from Colorado. Present administration policy on Cuba is inadequate, in my opinion, and therefore is unlikely to achieve its stated objective of removing Communist power from this hemisphere. Likewise, it is clear to me that mere criticism of that policy is an unsatisfactory antidote to its deficiencies. Constructive alternatives should be proposed. One such alternative has now been proposed and the Senator from Colorado deserves our thanks for offering it.

I believe, Mr. President, that the peoples of the Western Hemisphere have reached their moment of truth. Cuba firmly controlled by a Communist regime and supported by Soviet military power is a clear and present danger to the security of this hemisphere, especially to the security of the nations in the Caribbean region. This point was clearly established in the recent outstanding report released by the Preparedness Investigating Subcommittee of the Committee on Armed Services. The subcommittee, we will recall, called for the elimination of the "evil threat" represented by the Soviet occupation of Cuba "at an early date." An official arm of the U.S. Senate has conducted an investigation on Cuba and has made its pronouncement in unequivocal terms. This is the undisputed finding of the Preparedness Investigating Subcommittee of the Senate Committee on Armed Services. This subcommittee is made up of men of stature—patriotic men not influenced by partisanship. Their words have been stated by the distinguished Senator from Colorado [Mr. ALLOTT], and by the distinguished Senator from Kentucky [Mr. MORTON], but I cite them again as the official and undisputed findings of the Preparedness Investigating Subcommittee's "Interim Report on the Cuban Military Buildup," Cuba is "an advanced Soviet base for subversive, revolutionary, and agitational activities

in the Western Hemisphere and affords the opportunity to export agents, funds, arms, ammunition, and propaganda throughout Latin America." It "serves as an advance intelligence base for the U.S.S.R." It "provides a base for the training of agents from other Latin American countries in subversive, revolutionary, agitational, and sabotage techniques."

The report goes on:

Our friends abroad will understandably doubt our ability to meet and defeat the forces of communism thousands of miles across the ocean if we prove unable to cope with the Communist threat at our very doorstep.

This evil threat—

The report concludes—

must be eliminated at an early date.

In what better way can this objective be achieved than by Cubans themselves? Thousands of Cubans throughout this hemisphere are anxious to return to their homeland. Together with thousands of their oppressed brethren remaining on that unhappy island, they only await the call to colors to free their country from Communist rule and return it to the inter-American family of nations. The proposal by my colleague from Colorado appears to offer to those Cubans the best opportunity to liberate their nation from Communist rule.

Let me point out, however, that the Cubans will need all the help they can get from the American States. Establishment of a free Cuban government at Guantanamo is but a first step on the road to liberating Cuba. Additional measures must be implemented to support that government's liberation campaign.

One such measure is a pacific blockade. This measure, unlike that suggested by the senior Senator from Colorado, is not a new proposal. It has been discussed from time to time by various Senators. I first proposed it in August 2 years ago and repeated it in March 1962. I now reiterate my support of a pacific blockade of Cuba as a measure designed to assist the Cubans in their efforts to free their homelano.

On August 24, 1961, I first spoke in this Chamber advocating a pacific blockade of Cuba. I have repeated that recommendation and in a sense this objective was approved in some degree by President Kennedy's quarantine of Cuba last October. The authorities on international law generally agree that a pacific blockade is not an illegal action nor is it an act of war, and that under it the blockading nation has a right to reject traffic to and from a blockaded nation which originates in third-party states. We know, of course, that neither the United Nations nor the Organization of American States has approved of pacific blockades as a means of protecting the integrity of a member nation but the present Legal Adviser of the Department of State is of the opinion that under the Charter of the United Nations the obligation to refrain from the use of force is not absolute. This, of course, approves the legality, under international law, of President Kennedy's quarantine of last October and the precedent for a blockade of Cuba is thus well established.

Mr. President, I ask unanimous consent that a summary of the leading and authoritative opinions on the pacific blockade be inserted at this point.

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

CITATIONS OF DEFINITIONS AND OTHER MATERIAL RELATING TO PACIFIC BLOCKADES

Charles Cheney Hyde's "International Law Chiefly as Interpreted and Applied by the United States," volume II, pages 1667 and 1668: "The term pacific blockade refers to the cutting off of access to or egress from a foreign port or coast by naval operation designed to compel the territorial sovereign to yield to demands made of it, such as the granting of redress for the consequences of its wrongful conduct, and by a process whereby the blockading state does not purport to bring into being a state of war. Such action is deemed to be pacific merely in the sense that the blockading state is disposed to remain at peace, while the state whose territory is blockaded does not elect to treat the operation as producing war or as compelling it to make war upon its adversary."

Hyde, "International Law Chiefly as Interpreted by the United States," 2d revised edition, volume 2, page 1654: "International law recognizes the use of nonamicable measures short of war to check the commission of such acts of aggression."

Prof. Pitman Potter, one of the most respected American writers on international law, in an editorial comment (on the proposal to use pacific blockade against the Chinese Communists at the time of the Communist intervention in Korea) in the American Journal of International Law for April 1953, concluded: "In short, the idea of using the weapon of blockade against Communist China, without war, is not excluded by international law, although that depends largely on the reaction of Peiping—or of Moscow. It has little to do with the Charter of the United Nations or the Constitution of the United States."

PACIFIC BLOCKADES

(Memorandum discussing pacific blockades prepared by one of our contemporary scholars in the field of international law:)

A pacific blockade is an operation involving the use of force against the blockaded state, but which the blockading state nevertheless does not consider to be an act of war. Since blockades prior to the early 19th century had been associated invariably with belligerent activity, a tendency to regard them in any form as a use of force short of war was viewed with skepticism. Doubts were expressed as to the legality of a so-called pacific blockade. As recently as 1952, the seventh edition by Lauterpacht of Oppenheim's International Law, although citing numerous instances of pacific blockades going back to 1827, noted that "no unanimity exists among international lawyers as to whether pacific blockades are admissible according to the principles of international law." A year earlier, however, the second revised edition of Hyde's work on International Law, referring also to the frequent resorts to pacific blockades by European states, found that "the instances have sufficed in number to justify the conclusion that such procedure does not necessarily constitute internationally illegal conduct." After all, as Lauterpacht had noted, "all cases of pacific blockade are cases either of intervention or of reprisals." Since the practice of European states (but Hyde observed that "the United States has never had recourse to pacific blockade") had made use of these forms of retaliation for many years, what less could be said for the pacific blockade?

* * * * *

Nevertheless, in the imposition of pacific blockades certain rules were generally recognized. One of the requirements of a blockade in time of war was that in order to be binding it must be effective. This was enacted by the Declaration of Paris of 1856. There has been no disposition on the part of other authorities to disagree with the comment by Lauterpacht that "There can be no doubt that pacific blockades ought likewise to be effective."

With reference to the respective rights of the blockading and blockaded states, there also has been general agreement that the blockading state may seize and sequestrate any ships of the blockaded state which try to break the blockade. Such ships however may not be confiscated; they must be returned when the blockade is raised.

A more troublesome question has concerned the effect of a pacific blockade on the shipping and commerce of third states. As far back as 1887, a resolution adopted by the Institute of International Law prescribed as one of the conditions of a pacific blockade that "ships under a foreign flag shall enter freely in spite of the blockade." Secretary of State Hay declared in 1902 that the United States did "not acquiesce in any extension of the doctrine of pacific blockade which may adversely affect the rights of states not parties to the controversy, or discriminate against the commerce of neutral nations." Secretary of State Lansing repeated this declaration in 1916, and during his tenure as Legal Adviser to the Department of State, Hackworth said in a memorandum on the pacific blockade: "If no attempt is made to extend the measures to citizens and property of a third state there is nothing exceptionable from a legal point of view."

Possible qualifications of so broad a statement should be noted. In a résumé which appeared in 1932, the Naval War College said that while a blockading force "may not take vessels of third States as prize, it may prevent their entrance; and for such detention the blockading State assumes no liability, though notice must be given the vessel of the third State at the line of blockade or in an unquestionable manner." Returning to the subject again in 1938, the Naval War College stated: "The United States has consistently denied the legality of interference with vessels of third States by a squadron applying a pacific blockade. As there is no war and therefore no belligerent rights, legally there can be no visit and search, but a blockading vessel has the right to identify ships attempting to pass the blockade." This later statement would appear to limit the scope of the earlier résumé.

A fair conclusion in regard to the rights of third States under a pacific blockade might be prefaced by the words of George Crafton Wilson that "from the nature of pacific blockade as a measure short of war, its consequences should be confined only to the parties concerned," with the addendum that the blockading State has the right to require identification of vessels seeking to pass the blockade.

* * * * *

Up to this point pacific blockades have been discussed in the light of long standing international practice and by citing the opinions of some of the leading authorities on international law. It now becomes necessary, however, to consider the effect on the preexisting situation of certain significant developments in the present century. Throughout this period there has been an increasing tendency, by means of international conventions and otherwise, to deplore and in some cases even to forbid the use of certain types of force in the settlement of international disputes. To mention a few examples: The so-called Drago Doctrine, adopted at the Hague Conference of 1907, prohibited "recourse to armed force for the recovery of contract debts"; in 1928 the Pact

of Paris, to which there were ultimately 63 signatories and adherents, renounced war as an instrument of national policy and undertook to settle all disputes by pacific means; the Montevideo Convention of 1933 provided that "no State has the right to intervene in the internal or external affairs of another"; it remained for the Charter of the United Nations to register one of the latest and most significant advances in this direction, providing in the fourth paragraph of article 2 that "all members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the purposes of the United Nations"; the Charter of the Organization of American States, adopted at Bogotá in 1948, followed very similar lines.

In spite of various qualifications written into these arrangements, it is apparent that signatory or adhering states are likely to be restricted in the choice of methods of retaliation against other states hitherto taken for granted. Such operations as interventions and reprisals, for instance, are definitely less practicable—and it already has been noted that all recorded cases of Pacific blockades have been either interventions or reprisals.

* * * * *

Notwithstanding such restraints on the use of force short of war, there is another approach which continues to be unaffected, the right of self-defense, a right which is recognized throughout the world as "inherent in every sovereign state." What is important in the present connection is to emphasize the possible application of the doctrine of self-defense under circumstances which go beyond those encountered in the traditional use of the Pacific blockade. The case of Cuba, for instance, involves not only blockading and blockaded states, the rights of innocent third states, the use of collective action, but also the incidental or calculated effect of the measures taken on third states not so innocent.

On the question of collective action, for example, it is interesting to note that the present Legal Adviser to the Department of State, Abram Chayes, feels that the actions taken against Cuba have ample justification under international law. After stating that the "Charter (of the United Nations) obligation to refrain from the use of force is not absolute," he goes on to cite article 52(1) of the Charter which prescribes the use of "regional arrangements or agencies for dealing with such matters relating to the maintenance of national peace and security as are appropriate for regional action." A regional arrangement of the kind contemplated, the Organization of American States, was brought into being by the Rio Treaty, and as Chayes indicates: "The quarantine action was authorized under" that Treaty, "whose primary purpose was to organize law-abiding states for collective action against threats to the peace." In full accordance with the terms of the Treaty, the organ of consultation met on October 23, 1962, and recommended that member states "take all measures, individually and collectively, including the use of armed force, which they may deem necessary to insure that the Government of Cuba cannot continue to receive from the Sino-Soviet powers military material and related supplies."

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The foregoing paragraph is concerned in the main with collective action. It is clear, however, that the measures taken by the Organization of American States, on the recommendation of the organ of consultation, were directed just as much against certain activities of "not so innocent" third states as against those of Cuba. There is thus presented in concrete form the question whether these steps and their deliberately intended effects can be defended as in accordance with international law. This writer is convinced that the answer is affirmative. So long as the circumstances are such as to make it permissible to invoke the doctrine of self-defense—and it is noteworthy that the Legal Adviser to the Department of State referred to the actions in regard to Cuba as "defensive"—two conclusions are inevitable. In the first place, collective action may be employed; and in the second place, the incidental effects in or to the states against which defensive measures are taken, to adapt the words used by Hyde, do not constitute internationally illegal conduct.

EXCERPTS FROM MESSAGE OF THE LATE FRANKLIN D. ROOSEVELT TO THE CONGRESS ON JANUARY 4, 1939

"The mere fact that we rightly decline to intervene with arms to prevent acts of aggression does not mean that we must act as if there were no aggression at all. Words may be futile, but war is not the only means of commanding a decent respect for the opinions of mankind. There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people" (84 CONGRESSIONAL RECORD, p. 74).

Mr. CURTIS. Mr. President, we can engage in profound discussions about the propriety of using a pacific blockade to effect the removal of Russian military support from the island of Cuba. If we are completely complacent and support Cuba status quo we accept an alternative to blockade which weakens Western Hemisphere nations and promotes the total revolution in the Western Hemisphere which Premier Castro has repeatedly stated he will invoke. A daily reading of our newspapers indicates that his efforts are identified by belligerent acts in many of our Latin American nations.

An effective blockade is not inconsistent with but, on the contrary, a necessary and helpful action to carry out the proposal of the distinguished senior Senator from Colorado [Mr. ALLOTT] to establish a provisional Cuban government at Guantanamo.

It seems clear to me that the Kennedy administration's measures to isolate Castro's Cuba, laudable as far as they go, are likely to fall short of their aim of bringing about the downfall of the Castro regime. As the junior Senator from Kentucky pointed out in his remarks the other day, food shortages and an exodus of refugees have not caused any Communist regime to collapse yet. Additional and more stringent measures are required.

As I have pointed out before, a blockade on all supplies except essential foods and medicine could deal a severe blow to the Castro regime.

An embargo on trade relations between non-Communist countries and Cuba can cause some difficulties for that regime, but not many, because it is dependent largely upon the Communist bloc for its necessities. Such a blockade should not be difficult to establish and maintain in full effectiveness. Our experience last autumn bears this out. And we can count on material assistance from a number of Latin American states.

I am cognizant of the objections that have been raised against a blockade. The same objections are being raised against the proposal of the senior Senator from Colorado [Mr. ALLOTT]. That is, it is said that a blockade is an act of war, and we cannot afford at this time to risk another American-Russian confrontation on as large or even larger scale as the one last October unless a direct threat to the United States exists in the form of reestablishment of Soviet strategic nuclear bases in Cuba. We are constantly reminded of the worldwide commitments of the United States and the jeopardy in which these might be placed were we to take forceful action now against the Soviets and their puppets in Cuba.

Let me point out that the blockade I am discussing would be pacific. Its purpose is not to destroy the Castro regime by force and violence, but rather to weaken it and to persuade its Soviet mentors that their military presence in this hemisphere must be withdrawn. The blockade would be an act of war only if it were challenged, and I do not believe that the Soviets are ready or willing to initiate general war over Cuba, especially in view of the fact, constantly stressed by the Secretary of Defense, that American strategic power is overwhelmingly preponderant.

Moreover, such a blockade can be legally justified. Self-defense is a prerogative recognized in international law as exemplified in the charters of the United Nations and the Organization of American States. That was the legal basis for the blockade of last autumn. Even though it is believed that all strategic weapons systems have been withdrawn from Cuba, we cannot be absolutely certain without onsite inspection. In any event, Cuba as a Soviet base, with or without missiles, remains a clear and present danger to the security of this hemisphere.

The forces required for a blockade are readily available. What is needed is the resolve to see it through. I am aware that measures such as those proposed by my good friend from Colorado and by me are not without risks, but I am convinced that the risks involved in the passive policy of procrastination being pursued at present far outweigh the risks of the alternatives that are now being proposed. More forceful measures are clearly required if we really intend to bring about the end of Communist rule in Cuba and the consequent danger to the entire hemisphere. Of course, there is the risk of another confrontation with the Soviet presence so near to our shores, but we must be prepared to take risks or follow a course of vacillation which might well invite disaster. Blockade is not the sole solution to our problems in the Caribbean, but it, as a corollary to the use of Guantanamo by free Cubans, can contribute to their solution. Once again, Mr. President, I urge serious consideration of this course of action.

Mr. BENNETT. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. I yield to the distinguished Senator from Utah.

Mr. BENNETT. I congratulate the distinguished Senator from Nebraska upon raising this particular question, not only with relation to the suggestion made

last week by the distinguished Senator from Colorado [Mr. ALLOTT], but also because this is one program that the administration has already demonstrated its willingness to use. It seems to me that if the President was willing to impose what he called a quarantine, but what everyone else called a blockade, on Castro last October, there is every reason to consider it now as a long-range instrument to be used in solving this problem. There is every precedent for it, even within the administration's own policies. The Senator from Nebraska has rendered a real service in pointing this out to the Senate today.

Mr. CURTIS. I thank the distinguished Senator from Utah. I commend to all Senators and to all readers of the CONGRESSIONAL RECORD the memorandum which I did not take the time to read, but which I placed in the RECORD, in support of the legality of a Pacific blockade. Not only is it legal; it is not an act of war.

The complacent, do-nothing, vacillating policy which seems to prevail has caused some observers to state that the Monroe Doctrine now belongs to Khrushchev; that Khrushchev is enforcing a policy of "hands off Cuba," instead of the United States saying to the world, "Keep your hands off Cuba."

I might point out to the distinguished Senator from Utah that in the partial blockade or quarantine—whatever one chooses to call it—of last August, no one rose up and agreed with Khrushchev's statement that the Monroe Doctrine had been repealed or done away with, by consent or otherwise. The self-interest of the United States and our rights under the Monroe Doctrine were clearly recognized by the entire world.

Mr. BENNETT. That is a very important point, because there are those who say that if we impose such a blockade now, it will start a war. But such a blockade did not start a war last fall, and the forces are the same: Cuba, Khrushchev, and ourselves.

I have the impression that the world applauded the United States when we took a firm stand and imposed that blockade. Would the Senator from Nebraska say that the blockade last fall was a pacific blockade?

Mr. CURTIS. I think so. That is a matter of definition, but I believe the Senator is correct. Certainly the nations of the Western Hemisphere applauded it. We are told by reliable observers that our friends in Latin America are puzzled. They wonder why the United States does not use its strength in their protection, in our protection, and in the defense of our principles.

I take this position with regard to the blockade and in regard to a strong policy concerning Cuba because I think that is the way to avoid war. Certainly if we let the Communists go on and on, to take one country after another, that will not contribute, in the ultimate, to a peaceful world, the avoidance of war, or the preservation of liberty and self-government.

Mr. BENNETT. Mr. President, will the Senator from Nebraska yield for another question?

Mr. CURTIS. I yield.

Mr. BENNETT. Is it not true that Khrushchev himself accepted our action as a pacific blockade? He did not attempt to fight his way into Cuba.

Mr. CURTIS. That is my understanding. Not only in reference to a blockade, but whether we were acting as we did in the case of Formosa, under the Formosa Resolution, or whether we took a firm stand in Greece or Trieste, or anywhere else, every time the West has moved with strength and determination in defense of principle, the Soviets have backed down. They will choose their own timetable, as has been said so many times. That statement is not original with me, but certainly it is true.

Mr. BENNETT. Does the Senator agree with me that, in a sense, Khrushchev had more incentive and more reason to resist that blockade than he might have today, because at that point our objective was to get rid of certain missiles which he had brought to Cuba and which could be very useful to him from a military standpoint; and he agreed to take them out of Cuba.

Mr. CURTIS. It was a demand for a retreat, in the eyes of the world; and he did not choose to contest it.

Mr. BENNETT. He did not contest it either in the United Nations or anywhere else in the world.

Mr. CURTIS. The Senator's point is very well taken.

Mr. BENNETT. I thank the Senator from Nebraska.

Mr. LAUSCHE. Mr. President, will the Senator from Nebraska yield to me?

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). Does the Senator from Nebraska yield to the Senator from Ohio?

Mr. CURTIS. I yield.

Mr. LAUSCHE. For whatever the information may be worth, I should like to state for the record that:

First. In 1946, after a sharp U.S. note, the Reds vacated Azerbaijan.

Second. The Truman doctrine opposed the Communists in Greece and Turkey.

Third. The United States fought a war in Korea, and kept it limited.

Fourth. The United States garrisoned Europe and encircled the Soviet Union with bases.

Fifth. The Reds cut off Berlin's supplies. We mounted a massive airlift.

Sixth. During the Red Chinese attack on Quemoy, the United States participated in convoying supplies.

Seventh. In 1956, at the time of Suez, the United States landed troops in Lebanon.

Eighth. The United States blockaded Cuba while the Reds were arming Castro—although subsequently we marched down the hill.

Ninth. The United States now is fighting Communists in southeastern Asia.

I wish to make the point that we cannot avoid the conclusion that every time we took a firm stand, it brought the results we intended.

Mr. CURTIS. I thank the distinguished Senator from Ohio. I greatly appreciate his remarks. What he has said is absolutely correct. Furthermore, his statement that now we are marching down the hill is also correct; and that position by our country does not strengthen our hand, does not preserve the peace, and will not deter the Communists.

Mr. MUNDT. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. I yield.

Mr. MUNDT. I think the Senator from Ohio [Mr. LAUSCHE] has made a significant contribution by the recital of the instances of firmness of position by the United States and the reactions thereto of the Communists.

I suggest that there be stated, as an addition to the list, the fact that when there seemed to be shaping up an attack by Red China on the channel islands of Quemoy, Matsu, and Amoy, President Eisenhower sent to Congress a request for a resolution which would make it clear that the United States would protect with its fleet and its other forces the sanctity of Formosa; and the resolution clearly indicated that we would also protect the freedom and independence of the channel islands of Quemoy and Matsu. As a consequence, instead of launching their attack or stepping it up, the Chinese Communists immediately began a program of reducing the threats to both Formosa and the channel islands. It was not long thereafter that they even went on the basis of bombing Quemoy on alternate days, and indicated in advance the days; and those bombings, instead of increasing in intensity, decreased consistently thereafter.

So whether considered from the standpoint of Russian communism or Chinese communism, the result is the same; namely, a program of firmness has always tended to safeguard freedom and to decrease the aggressive threats of communism. I wonder whether the Senator from Nebraska concurs in that statement.

Mr. CURTIS. I certainly do. I believe that if we turn back to the newspaper files and those of other media for the period just prior to the time of the passage of the Formosa resolution, which stated in substance that Congress authorized the use of the entire armed might of the United States to defend Formosa and the Pescadore Islands, it will be found that just prior thereto the invasion of Formosa was expected daily—in fact, almost hourly. But the resolution was passed, with only three votes in opposition in the Senate, and with only a handful of votes in opposition in the House; and then the administration implemented the resolution. We stood firm. Years have passed; and what was predicted by the keenest observers as about to happen at any moment has not yet happened.

Mr. MUNDT. Furthermore, the reverse side of the coin is equally obvious—namely, that on the occasions when we have appeased communism and retreated from a firm stand, the consequences have been highly detrimental to the cause of collective security and freedom.

For purposes of illustration, we should note what happened in connection with our attitude toward Cuba. In October of last year we hit our high point. It was the only time—except for the unfortunate Bay of Pigs incident—when

we developed a policy and stood by it firmly and clearly for several weeks.

But beginning with the first week after the election of 1960, we began a steady retreat and marched down hill from the high plateau enunciated by President Kennedy on October 22. What have been the consequences? One very serious consequence, it seems to me, is the disaffection of a great ally of ours—the French—from the standpoint of the collective security complex. General de Gaulle—unhappily and unwisely, in my opinion, but understandably—after observing our failure to protect freedom 90 miles from Florida, in Cuba, where communism had established a beachhead, began to rearrange his defense systems on the basis that the French might have to defend themselves and could not rely upon the forces of the United States to give them the atomic punch, the type of striking power, and the kind of secure national defense that any sovereign country desires for itself—reasoning from the standpoint that a country which was unwilling to protect itself against communism in Cuba, 90 miles away, conceivably might not be available to protect France—thousands of miles away—from communism.

Now we are concerned about the course that De Gaulle and the French are taking. In my opinion, the French decision is most unwise and most unfortunate from the standpoint of collective security against communism. But it is understandable. This kind of disenchantment and this type of disaffection can occur in other countries, unless we demonstrate a determination and an ability to eliminate the Communist cancer so close to our shores.

I am concerned about the whole trend of American foreign policy. We now hear that our goal is to make the world safe for diversity. I recall that some 45 years ago, in 1917 or 1918, a great Democratic President by the name of Woodrow Wilson called upon Americans in their efforts to resist aggression "to make the world safe for democracy."

To me what we now see is a big retreat; it has come in a half century. I like the concept of making the world safe for democracy a great deal better than I like the concept of making the world safe for diversity.

What is meant by "diversity"? Would we make the world safe for an individual like the dictator of Haiti, one who disregards his constitution and public opinion, and establishes himself as a military dictator while we do nothing? Is that what is meant by diversity? Does it mean that there will be a Cuban Government controlled by the Communists so close to home? Is that what is meant by diversity? Does it mean that we should continue to countenance as a permanent status the type of situation that exists in the Balkans, in the Baltic States, and in the countries which have been overrun by communism in Eastern Europe? Is that the kind of diversity we wish to protect by our billions of dollars of expenditures in foreign aid, through our steady annual appropriations of $3 billion, $4 billion, and $5 billion in connection with the foreign aid program?

Or by making the world safe for diversity does the administration mean to continue the diverse and divided conditions existing on the opposing sides of the Berlin wall?

The time has arrived when we are entitled to have from the present administration a declaration of what it believes our foreign policy should be. We should have a clarification and enunciation of that policy, and then we should provide some support to implement that foreign policy.

What does the Senator from Nebraska conceive to be our foreign policy goals, now that they have been redefined as an attempt to make the world safe for diversity?

Mr. CURTIS. I agree with the Senator from South Dakota. Though I do not rise to settle all the problems of the world—and I am not disputing the statement generally—in the Western Hemisphere we have a responsibility to the free peoples and those who long to be free. They have a right to say, "Why does the United States adopt a hands-off policy? Why does the United States refuse to speak with clarity and firmness, and fail to use its strength to back up such statements?

Mr. MUNDT. We certainly have not been fulfilling our responsibilities in the Western Hemisphere vis-a-vis Cuba or vis-a-vis Haiti. I wonder what responsibilities we have as the Castro Communists, the Russian Communists, and the indigenous Communists of British Guiana are in what is virtually a riotous situation under a Communist leader at the present time?

It seems to me that we must redefine our policy. Our public purpose and national security are not served by the preachment of a series of pretty phrases, pious proclamations, and brave words, without a followthrough providing a clearcut outline as to what our policy is, or without arranging a program to enforce such aspects of the program as we have always thought to be established American policy—for example, the Monroe Doctrine.

I congratulate the Senator for bringing the subject to the attention of the Senate and for making a concrete proposal. On earlier occasions the Senator from South Dakota has advocated a somewhat different approach. He has advocated using the power of economics for the destruction of communism in Cuba—a type of program of economic sanctions which would not necessarily involve a blockade. But surely the time has come when we must do something to keep the free world from crumbling apart as increasingly other countries, looking at a do-nothing program of appeasement on America's part, tend to strike out on their own to protect themselves.

I hope that this discussion of foreign policy, both as it relates to the Western Hemisphere and the Communist threat in toto, will continue until, if necessary, there is hammered out in Congress a foreign policy declaration, which should preferably be forthcoming from more adequate leadership at the other end of the avenue.

Mr. CURTIS. I thank the Senator. I now yield to the distinguished Senator from Kentucky.

Mr. MORTON. I thank the distinguished Senator from Nebraska. I commend him on the points that he has made. First, I should like to ask a somewhat technical question. Exactly what is the Senator's understanding of a pacific blockade?

Mr. CURTIS. Pacific refers to the organic meaning of the word "peaceful" blockade. It is not for the purpose of aggression. It is not for the purpose of landing troops. It is for the purpose of controlling ingoing and outgoing traffic, the same as economic sanctions; only in that case if we should apply economic sanctions and get other countries to agree not to send Castro the things he needs, the Communist world would pay no attention to it.

I again call attention to a document, which was not prepared by me, but by one of the leading contemporary scholars, on the legality of a pacific blockade. We have ample naval and air force to enforce it. But Americans could by choice—and I am sure they would—permit the flow of foods and medicines to the people in those countries. We could weaken the Castro government to the point at which the Cubans and all others who desire to make a fight for their liberty would have a reasonable chance of winning.

Mr. MORTON. That was my understanding. However, I thought the record should be complete in that regard. I have read that much of the machinery of Cuba, including agricultural machinery, factories, and so forth, is reaching a high degree of inefficiency because of a lack of American spare parts for most of the machinery. Would not the proposed pacific blockade described by the Senator from Nebraska shut off the flow of military spare parts from the Communist community to Castro's armed forces, and would that not weaken his power to prevail as the leader of a police state?

Mr. CURTIS. Very definitely. We could shut off petroleum, all kinds of aviation fuel, which, of course, is a petroleum product, repairs, component parts, and other things that are being used in the Cuban industry to oppress the people and maintain the Castro government. Such action would also include stopping the flow of conventional arms to the island; and it could also stop the flow both in and out of Cuba of Communist personnel.

Mr. MORTON. Several days ago we pointed out in colloquy on the floor that no police state as strong as the Castro police state will be overthrown by any number of well-meaning people, even though they may be hungry. We think of East Germany, Hungary, and other countries as witness to that fact. But if we could cripple that military machine through cutting off supplies and especially spare parts for their industrial machines, including their agricultural machinery, which would affect their ability to harvest sugarcane, then, indeed, the pacific blockade would have served the worthy end of an overthrow, or a possible overthrow, at least, setting the climate for an overthrow by the people

of Cuba themselves, with such help as they could get from the exile community and through the underground, and the moral support that they would get through the suggestion of the Senator from Colorado [Mr. ALLOTT]—the establishment of a government-in-exile, which we in turn would recognize, on Cuban soil.

Mr. CURTIS. The Senator is correct. No group of people, whether they be hungry or dissatisfied, unhappy, angry, or whatever their condition may be, have been able to overthrow Communist control with their bare hands.

The least the United States could do—and I think it would be sufficient—would be to create a situation in which the Cubans could speak and act for themselves. That is why I hope serious consideration will be given to the proposal to allow the Cubans to have temporary space on Guantanamo for a provisional government. Then, if we should see to it that the Communist forces do not reinforce the island with implements of war and the sinews of their industry, and other things, it is entirely possible that the Cubans might free themselves. Without that they do not have a chance. The whole history of the past quarter of a century proves it.

Mr. MORTON. The Senator has been very generous in yielding, I should like to conclude with one comment.

In the colloquy between the Senator from South Dakota and the Senator from Nebraska the question of the so-called Formosa Resolution was discussed. I was not a Member of Congress at that time, but I was an officer in the State Department with some responsibility for getting that resolution through the Congress.

It was recognized by the administration at that time—the Eisenhower administration, and by Secretary Dulles in particular—that if the resolution was to be an effective instrument for peace it had to pass the Congress with virtual unanimity, for it was the American people speaking through their representatives, and not merely a statement by an American President or by an American Secretary of State. Secretary Dulles time and again pointed out, as did President Eisenhower, that the three great conflicts of our memories—World War I, World War II, and the Korean conflict—came about as a result of miscalculation; miscalculation on the part of the aggressor as to what would be the response of the people of America, how effective would be that response, how quick it would be, and how dedicated it would be in its determination to achieve victory.

The Formosa resolution was sought from the Congress and passed by the Congress almost unanimously. As the Senator pointed out, there were only three defecting votes in each House. So, loud and clear we spelled out to the Chinese Communists where we stood before the fact, rather than after they had taken Formosa, when we would have had to send marines in to get it back.

It strikes me that in Cuba today we must watch out for the factor of miscalculation. The Russians might say, "They are not going to bother us 90 miles offshore, so we can take over a government and build it up. Why not do it 400 miles offshore in area A, B, C, or D around the Caribbean perimeter?"

It seems to me there is an added danger, that there might be a buildup of the miscalculation in the minds of the Communist community, especially in the Kremlin, which could plunge us into a controversy far worse than the risks entailed in taking such bold action as the Senator from Nebraska and the Senator from South Dakota have recommended.

Mr. CURTIS. I thank the distinguished Senator. I think the greatest risk which this Government could take would be to do nothing. The greatest risk we could take would be to decide it was not worth the risk to act. Safety lies in the direction of positive action in this field, as it always has in all fields, in dealing with the Communists or any other aggressor.

I thank the Senator.

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

Mr. CURTIS. I am happy to yield to the distinguished Senator from Colorado, to whom I have referred many times, and to whom we are indebted for the suggestion of one of the very important and to my mind most worthwhile and beneficial steps which could be taken.

Mr. ALLOTT. I appreciate the remarks of the distinguished Senator from Nebraska. Does the Senator feel that the proposal he has made today with respect to a blockade is entirely consistent with the proposal made by the senior Senator from Colorado last week with respect to the establishment of a provisional government—not a government in exile, but a provisional government—of the Cuban people on Cuban soil at Guantanamo?

Mr. CURTIS. Most decidedly so. In one instance, we would make it possible for free Cubans to have a place on their homeland to set up a government. In the second instance, we would say to those people who do not represent the true government of Cuba, to the Castroites, "We are not going to permit a flow of goods into this country to destroy the true representatives of the people or the people themselves."

Mr. ALLOTT. I am sure the Senator has heard speeches made by various Senators, and statements made by the State Department—even by the President himself—with respect to the fragmentation of Cubans who have either been exiled or have had to exile themselves from their own homeland. Can the Senator point to a single positive, constructive step which has been taken by this administration to provide a unification of these fragmented groups?

Mr. CURTIS. I cannot. I am sure that every student of current events is aware of the fact that the implication, at least, to all Cubans has been, "Do not make a move. We will not help you."

Mr. ALLOTT. Is it not a fact that the resignation of Dr. Cordona within the past month or 6 weeks was predicated upon the indecisiveness, lack of understanding, or lack of action—one of the three—of this administration during the Bay of Pigs incident, plus the failure of the administration to follow through last October on the withdrawal of Russian troops from the island of Cuba?

Mr. CURTIS. I think that is correct.

Mr. ALLOTT. So far as the chronology is concerned, the fragmentation brought about by the policy of this Government has been increasing day by day.

Mr. CURTIS. Not only that, but this administration is fragmenting the entire Organization of American States by permitting Castro, backed up by the U.S.S.R., to strike terror throughout the Western Hemisphere.

Mr. ALLOTT. The Senator has spoken about a lack of confidence on the part of other nations. I think the Senator has noted the deterioration in our relationships with France in the past 2 years. Our own President is in Europe today, talking with the leaders of European governments, but the diplomatic relations between the United States and France have broken down so badly that even a courtesy call upon President de Gaulle of France is not now considered advisable.

I think of our relationships with Germany, which occasioned the President's trip to Europe today. I think of what has happened with respect to England and the deterioration of relations with England.

I think of the growth of communism in Italy in the past 2 years, and even in Greece, which was protected under the Truman doctrine, by which we took a hard line. Even there the situation is deteriorating. I think the same is true of Turkey.

It is difficult today to point to a spot in the Near East where propaganda, bloodshed, strife, and infiltration are not more dominant than they have been at any other time in the past 10 years.

I think of Laos. I think of Vietnam, where our policy is falling apart under our fingers. I think even of our great ally, Thailand, which now seems to be feeling the impact of all these things.

Is it not a fact that, when we consider the infiltration of communism in South America and the instability of all governments there, the one place in the whole world which seems to be tight for the moment is the Quemoy-Formosa area, with respect to which Preesident Eisenhower in 1955 requested a resolution from the Congress, and with respect to which we have implemented a hard, tight policy and convinced the Communists that we are not going to yield an inch.

Mr. CURTIS. That is correct. There are many ingredients, but one basic ingredient that is needed for the United States to be respected around the world is for the United States to stand for something and to back it up and let the whole world, including the Communists, know where we stand, and that we intend to support our position with all our strength. That not only leads to respect among governments which represent the free people all over the world; that, in my opinion, is the only road to peace.

Mr. ALLOTT. I have in my hand an article from this morning's Washington Post, written by Dan Kurzman, which is a very excellent summary of this subject. It discusses the resolution offered by Representative JAMES F. BATTIN, of

Montana, in the House of Representatives. This article states:

U.S. officials were reluctant to discuss seriously this effort to place Congress on record, as Representative WILLIAM C. CRAMER, Republican, of Florida, put it, against any policies "leading the United States toward a coexistence accommodation" with Russia on the Cuban situation.

I do not know how others feel. I used the little story in the Senate last week that anybody who believes in coexistence believes the lion can lie down with the lamb and that the lion will become a vegetarian.

Nothing in this world, no state of politics nor international relations, can contribute more to the advancement of the Communist cause than can a state of coexistence. I hope to see the day when every American will quit using the word, because it implies getting along on the basis of mutual accommodation. This is what it does not do. It is under the theory of peaceful coexistence that Khrushchev has made every bit of progress he has been able to make.

This article goes on to say:

"There's nothing wrong in saying that the Monroe Doctrine isn't dead," one official commented. "But such a statement will be meaningless unless we are ready to go to war over Cuba."

I believe the President has uttered some words to this general intent—I am not certain—but here is a statement which in effect says, "We believe in liberty—ha ha. We are not ready to do anything about it. It will be meaningless unless we are ready to go to war."

So we are now saying to the world, as the President did last fall, and as he did before, that we are not willing to use the force and might of the United States to stop this takeover within our own hemisphere.

Cuba no longer has a Cuban Government. It has not even a Cuban Communist government. By every source from which we can ascertain the facts, it is a government that is completely dominated and controlled. The strings are pulled, not by Castro, but directly by the Communists from Russia, and that means Khrushchev. So how do we expect to make progress?

This same official goes on to say, as quoted in this article:

This idea is a little more insane than the usual ones made by administration critics.

Has the distinguished Senator from Nebraska ever seen one act by this Government—and I will limit it first to the time since the crisis of last fall—which would lead him to believe that our Federal Government has any policy toward Cuba?

Mr. CURTIS. I am afraid that I must agree with the Senator's thesis. If the Government has a policy, no one knows what it is. It is not being implemented. It appears to be a policy of compromise, vacillation, and acceptance of the idea that there can be a Communist sanctuary in the Western Hemisphere. That policy is the policy of those who must ultimately bear the label of "warmonger," because if Communists are permitted to take over in Cuba now, the same thing will happen to one country after another. As the Preparedness Subcommittee of the Committee on Armed Services pointed out, one by one the Western Hemisphere nations will be taken over by Communists and the United States will be isolated. The lack of a policy is leading either to the necessity of a very costly war or the necessity of surrendering to the Communists; and the latter will never be done.

Mr. ALLOTT. I thought this interview with a member of the administration in the State Department, although he seems to be Mr. Anonymous, was very enlightening. It confirms what I have thought, from examination and cross-examination of witnesses before the various committees of Congress, and particularly the Appropriations Committee, namely, that the administration, if it has a policy, is limited to a half-hearted policy of containment.

I wonder if this great, elucidating interview with a member of the State Department could possibly have been with the young genius, Richard Goodwin, the 29-year-old genius who was the President's special adviser on Latin American affairs at the time of the Bay of Pigs occurrence, and who had never been in Latin America in his life—which may account for some of the mistakes we made—and if this could be another product of his fertile mind.

I wonder why the cloak of anonymity? Why do Senators suppose this administration is concerned lest Castro charge us with violating a treaty, and that therefore, there would be a valid objection to the suggestion of the provisional government? After all, Castro refuses to recognize the treaty, anyway. So how could this be a violation when, according to Castro, no treaty exists?

As I pointed out previously, and will point out again, this question has been researched by some of the best legal brains in the country, and they have come to the conclusion that the proposal would not be a violation of the treaty. I wonder why an anonymous spokesman of the State Department addresses himself to a vilification campaign, saying this is "insane," and that it makes no sense. Why that instead of coming forward with a counter proposal? After all, is the answer not that these people could and should come forward with a counter proposal? I do not assert that the plan offered by me is a perfect one, but one fact is certain: We have seen no action. We have seen a deterioration in Cuba and in South America. I wonder where Mr. Anonymous was at the time of the Bay of Pigs or at the time of the Berlin wall.

I ask unanimous consent to have printed in the RECORD at this point the article to which I have referred, written by Dan Kurzman and published in today's Washington Post, containing an interview with this anonymous official in the State Department.

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

GOP RESOLUTION IN HOUSE HITS AT POLICY ON CUBA

(By Dan Kurzman)

House Republicans, in a new attack on President Kennedy's Cuban policy, yesterday submitted a resolution declaring that the presence of Soviet troops in Cuba is a "clear violation of the Monroe Doctrine."

Representative JAMES F. BATTIN, of Montana, headed the Republican task force that drew up the resolution. He told the House that it should tell the world in unmistakable terms that the Monroe Doctrine "is not dead."

Submission of the resolution, which was approved by the House Republican Policy Committee, is the latest GOP move to keep the Cuban issue alive as a 1964 campaign issue.

U.S. officials were reluctant to discuss seriously this effort to place Congress on record, as Representative WILLIAM C. CRAMER, Republican, of Florida, put it, against any policies "leading the United States toward a coexistence accommodation" with Russia on the Cuban situation.

"There's nothing wrong in saying that the Monroe Doctrine isn't dead," one official commented. "But such a statement will be meaningless unless we are ready to go to war over Cuba."

Administration officials were even less reluctant to discuss a proposal made to the Senate last week by Senator GORDON ALLOTT, Republican, of Colorado, that the United States should establish and support a Cuban provisional government at Guantanamo Naval Base—an idea that has been praised by Senators BARRY GOLDWATER, Republican, of Arizona, KARL MUNDT, Republican, of South Dakota, and other leading Republicans.

The provisional government, ALLOTT said, should be authorized by the United States to station on the base Cuban exile soldiers now being trained in this country.

"This idea is a little more insane than the usual ones made by administration critics," one official said.

It was pointed out that if the base were used as the site of a provisional government, the Fidel Castro regime might have grounds for charging that the United States was violating the treaty under which it is occupying Guantanamo.

The United States-Cuban treaty, which grants this country a lease in perpetuity, states that Guantanamo may be used simply as a coaling and naval station.

Aside from this possibility, U.S. officials said, the usual reasons for the impracticality of a Cuban government-in-exile would apply. No group represents all or even a majority of the exiles, or for that matter, the Cuban people themselves.

Administration officials agreed with Senator FRANK CHURCH, Democrat, of Idaho, who said that many exiles came from "families that owned or controlled almost all the land or wealth of Cuba and are not likely to be greeted as liberators."

Senator THRUSTON MORTON, Republican, of Kentucky, however, disagreed with this view, expressing the belief that a provisional government could be set up without violating the treaty. ALLOTT added that Castro does not recognize the treaty anyway.

In calling for a congressional resolution confirming the validity of the Monroe Doctrine, Representative BATTIN asked that President Kennedy simply follow in the footsteps of Presidents Roosevelt, Truman, and Eisenhower.

Congress should demand, he said, an end to Soviet intervention in Cuba, a termination of Communist sabotage, subversion, and guerrilla warfare in the Western Hemisphere, and the right of the Cuban people to determine their own destiny.

Mr. ALLOTT. Mr. President, we know who vilifies us from abroad. I have before me the text of a radio message from Moscow to Cuba. It was intercepted at 1400 Greenwich mean time

on the 19th of June 1963. It was in Spanish. It reads:

GUANTANAMO CUBAN EXILE BODY PROPOSED

(Moscow in Spanish to Cuba 1400 G.m.t., June 19, 1963—L)

NEW YORK.—Senator GORDON ALLOTT has proposed to Congress the creation inside the U.S. naval base of Guantanamo of the Cuban provisional government, which should be formed by the heads of the Cuban counterrevolutionary emigres in the United States. From the Senator's statement it can be deduced that the main aim of his plan is to (encourage?) subversive activity and, in the end, armed intervention in the Cuban Republic. Senator ALLOTT's proposal shows that the rabid Members of the U.S. Congress are not giving up their designs of pushing the United States into worsening the situation in the Caribbean zone, which could entail the most dangerous consequences for the entire world.

These reports always end with a threat, and we always bow and vacillate, in the face of what we are told the Communists will do, despite the fact that we have learned from experience over and over again that the Communists back off every time we stand up to them.

Mr. CURTIS. I thank the Senator. I point out that the fact that the Senator's proposal has caused the U.S.S.R. to react adversely is the highest compliment that could be paid the Senator. They have their government in Cuba. They do not want to be disturbed. The Senator from Colorado has offered something concrete, something legal and workable. The responsibility is on the administration. If they do not like what has been said here or what the distinguished Senator from Colorado said on the floor the other day, or what the Senator from Kentucky [Mr. MORTON] said the other day, they should come forward with an alternative plan of action, or else concede that they have no objection to the Communist sanctuary and control in Cuba.

Mr. ALLOTT. I should like to ask the Senator one final question. He is aware, of course, that almost 2 years ago we committed ourselves at Punta del Este for what turned out to be between $12 billion and $14 billion for assistance to Latin American countries. It was advertised in the press and publicized all over the world as being $20 billion. Actually, in the fine print it was shown that it was something like $12 billion to $14 billion. Can the Senator point to even one country in Latin America or in the Caribbean area where there has not been an intensified effort on the part of the Communist infiltrators and where the governments today are not more unstable than they were 2 years ago or at any time before that?

Mr. CURTIS. I regret that I must concur in that statement. I point out that, on the other hand, when the President of the United States acted with determination last October, that time was the high point in support by the governments and the people of the Western Hemisphere for the United States.

Mr. ALLOTT. The Senator is entirely correct. It is necessary to point out that immediately prior to the Cuban crisis we could not have counted on the firm support of five or six governments in Latin America, and then when the President made his brave speech and stated what we would do, we were able to solidify 21 governments in the Organization of American States behind us, and get their signatures on the dotted line in a matter of about 24 hours.

Mr. CURTIS. That is correct. There is one thing that we must learn as a nation, and that is that there are problems in the world that cannot be solved with a check. There comes a time when principle must be the guide.

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

Mr. CURTIS. I yield.

Mr. DOMINICK. I wish to add my voice to the congratulations being extended to the Senator from Nebraska. His speech seems to me to be part and parcel of a series of constructive programs that have been brought forward on the floor of the Senate on this subject; and I hope that they will continue. I have some facts and figures which will support the impact of what the Senator has been saying, in economic terms. Many problems are confronting Cuba today. For example, it costs between $4 and $5 for ham and eggs for breakfast in Cuba. Butter is now selling for $8 a pound. If we should enforce a pacific blockade, but still allow food and medicine necessary for the health and welfare of the Cuban people to go into Cuba, we would be cutting off the tools with which they are keeping a bare survival existence level going in Cuba.

I gather that it is the Senator's basic idea that we could clamp down on Cuba so that it could not go ahead economically and keep itself economically strong.

Mr. CURTIS. The plan involves using the force of the United States to make our economic sanctions work and to enforce them.

Mr. DOMINICK. Some interesting statements have been made concerning the medicines which we have sent into Cuba in exchange for prisoners. I thought it might add to the record of these debates to cite some of them. The first one is as follows:

Only a small quantity of the medicine sent to Cuba has been made available to the public in the drug stores. Not even the most simple medicaments can be obtained by the sick among the Cuban population.

That statement was made by members of the faculty of the School of Medicine of the University of Havana.

The next one is:

The supply of medicines received by the Castro regime in the exchange for the members of the 2506 Brigade has not reached the Cuban people, except for a small amount of Alka-Seltzers and aspirins that are sold to the public at very high prices. There are different versions as to the destination of the shipment. Reliable sources ascertain that the medicines are being sent to the U.S.S.R. by sea and air.

That is the statement of Dr. Enrique Huertas, president of the Cuban Medical Association.

I have before me a number of similar statements. The point I am making is that when we act as though we are trying to do something for the people, not for the Castroites, and when we try to do it by any means other than by following the suggestions that have been made by the Senator from Colorado or the Senator from Kentucky or the Senator from Nebraska, the result is to do nothing except to strengthen the Communist world as such, and not to strengthen the democratic people.

Mr. CURTIS. I agree with the Senator. What has been proposed, especially by the Senator from Colorado [Mr. ALLOTT], is that we recognize a provisional government that represents the real Cuban people, and withhold our assistance from Communist agents, who will either sell it or divert it or take it to their homeland and use it as a weapon to enforce their iron will upon those enslaved peoples.

Mr. DOMINICK. I have some further information. I do not know whether these are facts or estimates. I assume that most of the figures are estimates, but they come from intelligence sources within Cuba. They point out the absolute necessity of doing something about a government in Cuba which is impressing its people with torture and terrorism.

Since January 1, 1959, a total of 10,717 persons have been killed in action or executed by firing squads or are missing in Cuba. More than 4,000 have been killed without any trial whatsoever. More than 2,800 were shot as the result of being found by military tribunals to be guilty of crimes against the state. There is no law or order. The persons in control of the Cuban Government merely say, "We are in charge. We do not like what you are doing. We will shoot you." According to this estimate, since January 1, 1959, 10,717 have been killed or executed by a firing squad of Cuba's Red regime.

It is estimated that 965,000, or more than 14 percent of the island's population, have been arrested for political reasons. Approximately 81,000 are still in jails, prisons, and concentration camps. The result, according to the report, has been a mass exodus from Cuba. Since January 1, 1959, approximately 449,450 Cubans have left the island. About 230,000 additional persons are at present in Cuba awaiting the opportunity to leave. They are in possession of passports and are trying to get out of Cuba. Approximately 385,000 are trying to fulfill the requirements for leaving the island.

This is another situation in which communism has imposed its will on people who want to leave but are required to stay against their will. It is similar to the wall in East Berlin.

Mr. CURTIS. I thank the Senator from Colorado for his recitation of the facts. They leave me with this thought: In the name of humanity, we ought to withdraw recognition of this false, foreign, Communist government of Cuba. As of today we have not done so.

Mr. DOMINICK. I completely agree with the Senator from Nebraska. This information is quite interesting to me. We have been called warmongers because we have proposed to do certain things for the people of Cuba. Those who do not agree with us have said we are advocating war in one form or another. As happened recently when my distinguished senior colleague from Colorado

[Mr. ALLOTT] made his proposal, it was said, "This means war."

The interesting thing is that of the more than 449,000 refugees who have left Cuba, 385,000 have been located in the United States.

The United States has been a haven for them, because here they can exercise their freedom once again. Our country has provided a haven for them, even to a greater extent than have their Spanish-speaking and Portuguese-speaking brothers in Latin America.

So it seems to me that, having provided a haven and having witnessed at firsthand what has taken place among the refugees, it is up to us to make positive proposals, such as the Senator from Nebraska and the senior Senator from Colorado have been making, to do something about the conditions in Cuba, in order to give them recontrol over their own government in Cuba.

Mr. CURTIS. I thank the Senator from Colorado for his contribution to the discussion. I yield the floor.

FOREIGN AID AND THE ALLIANCE FOR PROGRESS

Mr. MORSE. Mr. President, I continue today with my critical—and I hope, constructive—analysis of the foreign aid bill.

One of the key sections in the foreign aid bill is that dealing with the Alliance for Progress. It carries authorization of a very large sum, and it deals with one of the most difficult geographic areas in American foreign policy.

The foreign aid request contains a proposed budget of $925 million for the Alliance for fiscal 1964. This compares with $707 million appropriated for fiscal 1962 and $751 million appropriated for fiscal 1963.

As one of the early advocates of an economic aid program for South and Central America, I have been as disappointed as anyone by its seeming lack of achievement to date. The special report by the former Presidents of Colombia and Brazil, Mr. Lleras and Mr. Kubischek, should be a warning signal to Congress that substantial changes are needed in the Alliance for Progress, and they should be made before the United States commits large new sums of money to it.

In the fall of 1960 Senator HICKENLOOPER, of Iowa, and I had the pleasure of participating in the Bogotá Conference, along with the then Under Secretary of State, Douglas Dillon, where the foundation was laid for the Alliance for Progress.

We said in our report that the Conference could prove to be a turning point in history. We continued:

> We say "perhaps" because the true significance of the Bogotá Conference can be measured only as its agreements and recommendations are implemented. What is proposed in the Act of Bogotá is a hemispherewide program of social reform to accompany the existing programs of economic development.
>
> This is properly described, not as a U.S. program, but as an inter-American program. Subject to appropriation of funds by the Congress—which we hope will be promptly forthcoming—the United States has agreed to provide an initial installment of $500 million to finance the program. But an equal, perhaps even a greater, responsibility rests on the Latin American countries. All of our technical assistance, all of our economic aid will fail of their purpose—in fact, may only make matters worse—if they are not accompanied by vigorous efforts and far-reaching institutional changes on the part of the Latin American peoples themselves.

To me, it was in 1960 and is today completely self-evident that the Alliance for Progress is not an American program to subsidize the status quo in Latin America. We are not making available $700 million a year to its countries just to keep the Communist wolf, in the person of Fidel Castro, from the door.

The sole and single purpose of the American capital is to finance reform. I stress that. The concept that the United States will continue to put money into feudal, oligarchic, inflation-ridden, or military regimes in South and Central America just to keep them from falling into the hands of Communists is one that should be dispelled in both hemispheres.

If that is the idea that the Latin American critics have, and if that is the foundation for their criticisms of the United States that we are not making money available fast enough, then I say we might as well stop the Alliance right now. I am not at all interested in any such American aid program. I am not at all interested in preserving governments whose policies make the rich richer and the poor poorer despite American aid.

I make these comments today as the chairman of the Subcommittee on Latin American Affairs of the Committee on Foreign Relations.

That is happening in some of these countries, and all we are doing is subsidizing them. We are subsidizing a continuation of a good many activities in Latin America that cannot be reconciled with democratic processes.

To the extent that we do subsidize these policies, there can never be an end to our aid because such countries are the true foreign aid "rathole." There is not enough capital in the whole United States to fill them up. Communism will always be a specter hovering over them and there will never be an indigenous barrier to it. The only barriers will first be U.S. economic aid, and then U.S. military aid.

Already, the level of military aid to Latin America is increasing. Seventy-seven million is programed this year, just to maintain internal security. But in most instances, an internal security problem in Latin America will continue until economic freedom and democratic procedures are granted to their masses.

However, the point I want to make today is that the Congress, in passing a foreign aid bill, must reemphasize that our contribution to the Alliance for Progress is only one to help them in the economic and social reforms they want to undertake. If they do not want to adopt land reform, housing, education, and resource development programs, and if they do not want to accompany them with the fiscal and financial policies needed to make them work, there is nothing for the American taxpayers to finance.

This leads me to the common criticism that we have conducted many bilateral arrangements with the governments of this hemisphere, when we should have worked through a hemispheric organization, or panel, to make the decisions about where the money is to go and under what circumstances. I have great sympathy for that point of view. I am sorry that the Alliance funds have not been handled on a multilateral basis. But I believe the principal objection to such a procedure has come from some of the governments themselves, who feel their bargaining power might be diluted through such an arrangement.

I think we should make a new effort, anyway, to operate the Alliance for Progress through a board of participating countries. I think it should be up to all the partners of the Alliance to decide what projects shall be financed, and what conditions must be met by the recipient country.

Moreover, I should like to see the United States put a definite ceiling on the total that will be expended for the Alliance for Progress. We should be able to say that an amount in the general neighborhood of $1 billion a year will be available for the next 8 years, and that when that money is gone, there will not be any more, and that if Latin America has little or nothing to show for it, it will be because of their own failure, not ours.

I think we may need some definite ceiling, because we do not have clear-cut economic goals in mind for the Alliance, as we did with the Marshall plan. Under the Marshall plan, we reconstructed an economic plant that had been destroyed. We helped rebuild going institutions.

In Latin America, we are trying to build something that was never there before. Our program is not one of reconstruction, but of development. Reconstruction carries a built-in tapering off and conclusion; but development is open ended. Unless it is wisely planned, and accompanied by financial and economic policies that maximize the effect of the capital, there may be only expenditure and no development at all.

I do not believe that the United States can run the risk of assuming financial responsibility for the whole of South and Central America, simply to keep it out of the hands of communism. To do that would be to pick up a bear by the tail; and each year the cost to us merely to hang on to it would be greater, although, even so, we probably would not be able to forestall violent revolutions.

In considering the bill this year, I hope Congress will work out the means of tying U.S. aid more specifically to the financing of reform, and will find ways of encouraging the formation of a council of recipient countries to decide how a specific and limited amount of money shall be spent for the Alliance.

Therefore, Mr. President, in closing my remarks, I state, as chairman of the Subcommittee on Latin American Affairs, that I shall not support the Alliance for Progress program in the foreign-aid bill, in its present form. I shall

support economic aid to Latin America if the specific amounts are related to specific reforms and specific projects.

Furthermore, I shall not support anywhere near the amount of money called for by the Alliance for Progress recommendations of this administration as regards military aid for so-called internal security. In my judgment, we can save money, in connection with the foreign aid bill, by making clear to the Latin American countries that we are not going to continue to help them build up their military programs, which, in my judgment, in most instances they do not need at all, and which all of us know would be of no help, anyway, to the United States in case of a war with Russia, for if we got into a war with Russia, the United States would be the one to protect Latin America; in a nuclear war, Latin America would not be of any particular aid to us, by virtue of the military aid which is called for in this bill.

Therefore, the time has come for us to say, in behalf of the American taxpayers, "Little more for military aid, but plenty more for economic aid, provided you do two things: one, relate such aid to specific reforms which are so sorely needed in Latin America; two, relate the aid to specific projects in Latin America that will help raise the standards of living of the masses of the people in Latin America"—for Latin America will obtain her greatest security and protection when the governments of the Latin American countries take the reform steps that must be taken in order to make it possible to raise the standards of living of the masses of the people in Latin America. That means tax reform, land reform, judicial reform, medical aid, and all the other aid necessary to better the economic lot of the masses of the people there, so they can enjoy economic freedom of choice for the individual. Once that day arrives, we shall not have to worry about political freedom in Latin America, for a people who are economically free are always politically free.

Mr. President, I yield the floor.

VISIT TO THE SENATE OF PARLIAMENTARY DELEGATION FROM INDIA

Mr. HUMPHREY. Mr. President, I wish to introduce to the Senate a very distinguished delegation from the Parliament of India.

The delegation is led by the Speaker of the House of the People, Hon. Hukam Singh, and also by the Deputy Speaker of the Council of States, Mrs. Violet Alva.

The group consists of six parliamentarians, plus the Secretary of the House of the People.

Today, certain Members of the Senate had the good fortune to participate in an informal luncheon with this able and distinguished delegation, and to have an exchange of thoughts and views on problems relating to our respective countries.

The members of the delegation are the following:

The Speaker of the House of the People, Hon. Hukam Singh; the Deputy Speaker of the Council of States, Mrs. Violet Alva; Hon. R. K. Khadilkar, Member of the House of the People; Hon. Diwan Chand Sharma, Member of the House of the People; Hon. Surendra Nath Dwivedy, Member of the House of the People; Hon. Gopal Swarup Pathak, Member of the Council of States; and the Hon. Maheswar Nath Kaul, Secretary of the House of the People.

I ask my colleagues to join me in extending a very warm welcome to all of these distinguished visitors.

[Applause, Senators rising.]

Mr. COOPER. Mr. President——

Mr. HUMPHREY. Mr. President, at this time I yield to the Senator from Kentucky [Mr. COOPER].

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). The Senator from Kentucky is recognized.

Mr. COOPER. Mr. President, as a member of the minority group in the Senate, those on the Republican side, it gives me great pleasure to join in welcoming to the Senate this distinguished group of parliamentarians from the Republic of India.

It is a personal pleasure for me to welcome them, because during my short service in India, in 1955 and 1956, I had the honor of meeting most of them.

But, Mr. President, aside from the personal interest I have in their visit, I wish to say that I believe all of us welcome them because of the country they represent and because of the principles for which their country stands.

I know there are differences of thought and differences of approach to certain domestic problems and differences in attitude toward some of the international questions. However, there are very substantial similarities between our country and India, and I believe we should always take them into account.

India, like our country, but years later than our country, is establishing her political institutions of freedom. India is also undergoing an industrial revolution, years after our country and the other Western democracies had that experience, and under much more difficult circumstances.

As India now faces these problems, there hangs over India the shadow of aggression from her northern neighbor.

Yet I point out to my colleagues and to my countrymen that, despite all of these difficulties, India has never faltered in maintaining her adherence to her democratic institutions and values.

These men and this distinguished woman are the representatives of a parliamentary institution. In their own work they pursue the same type of democratic procedures that we pursue in the Senate and in the House. One who visits in their country finds the same democratic values, appreciation of the work of the individual, freedom of the individual, freedom of the press, and free elections, which we have valued for so long in our country. So today it is my great honor and pleasure to join with my colleague in welcoming here the distinguished representatives of a democracy in the East.

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

Mr. HUMPHREY. I yield to the Senator from Alabama.

Mr. SPARKMAN. I join with my colleague in extending a word of welcome to the distinguished visitors who are honoring us today. I had the good fortune to be with them in the informal luncheon that was referred to. There was a very helpful and informal discussion there of questions in which both countries are interested. It is a very fine thing that they have come our way. I express the wish that they may have a most successful and happy tour of the parts of the United States they visit. I join in greeting them here today.

Mr. HUMPHREY. Mr. President, I should like also to acknowledge the presence of the Ambassador of the Republic of India, who through his service in the city of Washington has brought honor not only to himself but to his country and to the cause of freedom. These visitors continue the fine exchange that exists between our respective countries. Only recently the President of India was with us, and then the Minister of Defense. These were very important visitors, and they have added a great deal to our knowledge of the problems of India and our understanding.

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

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. JAVITS. I shall be very brief. I believe our colleague has spoken so eloquently for us on this side of the aisle that his statement needs no addition by me. But I have so much regard for Mr. B. K. Nehru, the Ambassador of India to the United States, who is in the Chamber, and his colleagues, some of whom I visited myself in India 7 years ago, that I desire to say that if freedom is to triumph in that nation, it will be because of the sense of democracy in India as contrasted to China. I rise today to join with my colleagues in welcoming these distinguished visitors, and to assure them that they have in the United States a vast reservoir of good will, affection, and a desire to help upon which to draw.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a biographical sketch of each of the visitors be printed at this point in the RECORD.

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

GOVERNMENTAL AFFAIRS INSTITUTE,
Washington, D.C.

Biographic information concerning the Indian Parliamentary Delegation, participants in the foreign leader exchange program of the Office of Cultural Exchange of the U.S. Department of State, Washington, D.C.

HUKAM SINGH

Present position: Speaker of the House of the People (Lok Sabha), the Lower House of the Indian Parliament.

Date and place of birth: Montgomery, India (now Pakistan), August 30, 1895.

Home address: Paramjit Ganj, Kapurthala, Punjab.

Family: Married; one daughter.

Academic background: B.A., Khalsa College, Amritsar; L.L.B., Law College, Lahore.

Previous position: Manager, Khalsa High School, Montgomery, 1941 and 1943–45; chairman, governing body, Khalsa College, Delhi; president, bar association, Montgomery District; Puisne Judge, State High Court, Kapurthala, 1947–48; member of the Indian Constituent Assembly, 1948–1950.

Memberships: Member of Akali Party.

Travels abroad: Member Indian Parliamentary Delegation to Russia and Yugo-

slavia, 1956; Commonwealth Parliamentary Conference, Canberra, 1959; United States (foreign leader grant), 1960.

MRS. VIOLET ALVA

Present position: Deputy Speaker of the Council of States (Rajya Sabha), the Upper House of the Indian Parliament.

Date and place of birth: April 24, 1908, Ahmedabad, India.

Address: 3, Ashoka Road, New Delhi.

Academic training: M.A., L.L.B., University of Bombay; diploma of Social Service League, Servants of India Society; Honorary Professor of English, Indian Women's University.

Other present positions: advocate of the supreme court since 1951; first woman advocate to argue a case successfully before the full bench of the High Court of India.

Past positions: Deputy Home Minister, Government of India, 1957–62; legal practice, 1937–1945; member, Bombay Municipal Corporation 1946; member, Bombay Legislative Council 1947–1952; honorary presidency magistrate, Bombay; justice of the peace, Bombay; jail visitor and presiding justice of juvenile courts; elected member of executive of Congress Parliamentary Party; member, public accounts committee, 1954–56.

Membership in organizations: President, International Federation of Women Lawyers; member of the senate of the Indian Women's University; member of standing committee, All India Newspaper Editors Conference.

Publications: Founded and edited the Begum (later the Indian Woman).

Travel abroad: Egypt, Ceylon, Burma, Brazil, Mexico, United States (leader grant), 1962.

R. K. KHADILKAR

Present position: Member of the House of the People (Lok Sabha), the Lower House of the Indian Parliament.

Place and date of birth: Ratnagiri, Maharashtra; December 15, 1904.

Academic training: B.A., Fergusson College, Poona; LL.B., Law College, Poona.

Past positions: Member, Lok Sabha, 1957–62; editor of various newspapers, 1938–48.

Travel abroad: United Kingdom, France, Germany, Switzerland, Italy, Czechoslovakia, China, U.S.S.R.

SURENDRA NATH DWIVEDY

Present position: Member of the House of the People (Lok Sabha), the Lower House of the Indian Parliament.

Place and date of birth: Cuttack, Orissa State: February 11, 1913.

Past positions: Member, Lok Sabha, 1957–62; Member, Rajya Sabha (the Upper House of the Indian Parliament), 1952–56.

Other present positions: Deputy chairman, Praja Socialist Party.

GOPAL SWARUP PATHAK

Present position: Member of the Upper House of the Indian Parliament (Rajya Sabha).

Place and date of birth: Bareilly, U.P.; February 26, 1896.

Academic training: B.A. Government College, Lahore; M.A., Agra College; LL. B., Allahabad University.

Past positions: Delegate, Indian delegation to UNGA, 1946–1959; Senior Advocate, Supreme Court of India.

Membership in professional organizations: Executive council, Allahabad University; executive president, Indian Society of International Law; member, Indian Commission of Jurists.

Travel abroad: United Kingdom, France, Switzerland, Czechoslovakia, United States of America, South America (as Special Representative of the Prime Minister with personal rank of Ambassador).

DIWAN CHAND SHARMA

Present position: Member of the Lower House of Parliament (Lok Sabha).

Place and date of birth: Gujarat, West Pakistan; March 8, 1896.

Academic training: M.A., Presidency College, Calcutta; B.A., D.A.V. College, Lahore.

Past positions: Professor and head of English Department, Punjab University, Chandigarh, 1949–52.

Membership in professional organizations: President, University Teacher's Association, Punjab University.

Publications: "Men and Manners," "Our Indian Heritage," "Life of Mahatma Gandhi," "The Prophets of the East," "Tales of Friendship," "The Makers of Today."

Travel abroad: Malaya, Korea, Japan, China, Turkey, U.S.S.R., Netherlands, France, United States of America, United Kingdom, Switzerland.

MAHESWAR NATH KAUL

Present position: Secretary of the Lower House of the Indian Parliament (Lok Sabha).

Place and date of birth: Srinagar, Kashmir; September 16, 1901.

Academic training: B.A., Punjab University, Lahore; Bar-at-Law, Cambridge University, England.

Past positions: Deputy Secretary, Central Legislative Assembly, 1937–47; practiced law at Allahabad High Court 1927–36.

Travel abroad: Eastern and Western Europe; United States of America and Canada, 1952; Japan, Burma, China, Thailand, and Malaya.

SENATE RULES

Mr. DOUGLAS obtained the floor.

Mr. DOUGLAS. Mr. President, before I yield briefly to the distinguished Senator from West Virginia [Mr. RANDOLPH], I hope I may be pardoned for making an observation with respect to the proceedings of the Senate during the past 2½ hours. These proceedings furnish additional evidence of the need for a rule of germaneness to be applied to the debates.

At approximately 1 o'clock the distinguished majority leader had laid before the Senate the very important bill, S. 1163, which would amend certain provisions of the Area Redevelopment Act, and would provide authorization for an additional $455½ million.

That action was followed almost immediately by recognition of the Senator from Nebraska [Mr. CURTIS] to discuss the Cuban question. His colloquy with his Republican colleagues consumed approximately 2 hours. Such a procedure would not be tolerated in any other parliamentary body in the world. In any of the other parliamentary bodies in the world, when a bill is laid before the body, discussion proceeds upon it. Amendments are considered and voted upon. Then there is a vote upon passage of the bill. But there are very few irrelevant comments. At the conclusion of the discussion upon the bill, or at a stated hour in the day, discussion of general topics is permitted.

I have no criticism of Senators who take advantage of the existing rules to make speeches at an early hour in order that they may make the afternoon newspapers. I suppose that is an inevitable consequence of what can happen under the present rules. But I do think that the experience we have had this afternoon furnishes additional evidence supporting the need for adoption of a rule of germaneness. I am informed that the distinguished Senator from Rhode Island [Mr. PASTORE], who has been urging such a change for many years, is holding hearings on that subject this week. The Senator from Pennsylvania [Mr. CLARK] has urged such a change in the rules. I very much hope that it may be accomplished.

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

Mr. DOUGLAS. I yield.

Mr. PASTORE. I agree wholeheartedly with the distinguished Senator from Illinois. The committee has accorded me the privilege of appearing before it at 10:30 on Thursday morning. I hope that the Senate will adopt the proposed rule. I went through the same procedure the other day when I was in charge of a bill. It is a crying shame that a Senator charged with the responsibility of handling a bill should have to sit in the Senate hour after hour and be interrupted in the way custom has dictated. I hope that the Senate will do something about the situation.

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

Mr. DOUGLAS. I yield.

Mr. MANSFIELD. I wish to express my full accord in the sentiments expressed by the distinguished Senator from Illinois [Mr. DOUGLAS], who is the Senator in charge of the ARA bill now pending before the Senate, and the distinguished Senator from Rhode Island [Mr. PASTORE], who is the author of a proposed rule of germaneness, which I hope will be adopted shortly. Many subjects have been debated today. Senators have spent a great deal of time on one particular subject—Cuba. If the distinguished Senator from Illinois would permit me to proceed for 2 or 3 minutes, I should be most happy to further the cause of confusion and bring home the emphasis which needs to be placed on a proposed rule of germaneness, as far as the conduct of this body is concerned.

Mr. DOUGLAS. I am most happy to yield.

PROPOSED CUBAN BLOCKADE

Mr. MANSFIELD. Mr. President, I did not hear all the remarks made by the distinguished Senator from Nebraska [Mr. CURTIS] today, but I was intrigued by his reference to a "pacific" blockade. That is something new in the annals of history, I believe. It is worth looking into, especially in view of the explanations which have been made in relation to it. It is my understanding that the Senator asserted that last fall's "quarantine" of Cuba by the United States was in effect a pacific blockade.

Further he said—and I think I state a direct quotation:

> The blockade would be an act of war only if it is challenged—and I do not believe that the Soviets are ready or willing to initiate certain war over Cuba.

That statement is quite interesting. As I listened to the speech, I thought that the word used was a "specific"

blockade. I looked at the news ticker, and I found the word was "pacific" blockade.

After listening to the distinguished Senator from Nebraska, it was my further understanding that, in response to questions asked by the distinguished Senator from Kentucky [Mr. MORTON], he said that a "pacific" blockade was a "peaceful" blockade, and that it was not an "aggressive" blockade.

Mr. President, under any circumstances a blockade is an act of war. It is so regarded in the rules of international law. We cannot quibble about words and meanings. We cannot utter those words out of both sides of our mouths. If what is being considered is alternatives to the present policy, the consequences of such alternatives must be faced.

A blockade is an act of war. An invasion is an act of war. If one adopts either one of these policies then I think he had better be prepared to go all the way.

And what would be required if we were really going to war over Cuba? That is the alternative to the present administration policy, and not declarations which express only the sense of the Congress. A week or 10 days would be required to build up the kind of force needed for an invasion. At least six American divisions would be required.

Castro could be defeated, and he would be forced to flee to the hills. What would happen then? There would be a type of guerrilla activity. We know what that is, based on what has happened in Cuba previously, what is happening in Vietnam today, and what has happened and is happening elsewhere in the world.

After that is put down, what would follow? Surely an occupation force in the hundreds of thousands, and the spending of billions of dollars to rehabilitate that country, because that is how wars are won nowadays. The victors do not win, but the losers usually do, in the form of economic assistance, rehabilitation, and reconstruction.

We can pass resolutions in this body—one every day, or every hour on the hour—but they are not policy They are merely expressions of what the Congress thinks. They are, in effect, "sense" resolutions as to how and what the Congress feels. Under the Constitution, the final and real responsibility for action lies with the President of the United States.

We can fulminate easily, quickly, and on the slightest provocation; but we all know, as practical Senators, that while we are free and easy with what we say we also are, or should be, fully aware of where the awesome, final, and terrible responsibility lies.

I find it a little difficult to listen in this Chamber to fellow Senators tell the rest of us what is wrong with our country and how much they admire our gallant allies in Western Europe or southeast Asia or elsewhere. They can justly be praised, but I think we ought to recognize that some of the things we do are right, even in the field of foreign policy, and even under President Kennedy. The same was true under Eisenhower.

Speaking personally, I have made some recommendations on Cuba, too, which I think are entitled to consideration, but that consideration will have to be given by the executive branch of the Government, where ultimate responsibility for policy toward Cuba lies.

I have, for example, recommended:

First. A hemispheric quarantine of Cuba on the same model as that recommended by the Organization of American States in imposing economic sanctions against the Dominican Republic in 1960—which was successful in that case.

Second. Prevention of communication between propagandists and agents between Cuba and Latin America, thus lessening contact between Communist leaders and parties in Latin America with their counterparts in Cuba and reducing Cuba's role as a training base for subversives.

Third. Recognition of a Cuban government-in-exile, but only if and when—I repeat, only if and when—the various anti-Castro groups can get together under a responsible and recognized leadership.

Fourth. The Organization of American States should not only proclaim principles and adopt resolutions, but also should undertake the leadership in a matter which is not only a U.S. problem, but a hemispheric problem as well. The charter of the OAS, if fully utilized, would give that Organization, in my opinion, a great deal more in the way of authority and bring to it a great deal more in the way of responsibility.

Cuba is not solely an American problem. Cuba is a hemispheric problem. The sooner the Western Hemisphere realizes that, the better off we all will be.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. CURTIS. The distingished majority leader made reference to my remarks.

Mr. DOUGLAS. Mr. President, I am glad to yield, but I point out that this entire discussion is extraneous to the bill before the Senate. I am glad to yield, however, to the Senator from Nebraska.

Mr. CURTIS. I thank the Senator from Illinois. I shall be very brief.

I commend the majority leader for the positive steps he has taken. If the Senator will read the RECORD as to what the junior Senator from Nebraska had to say, whether he agrees with it or not he will see it was an affirmative suggestion for debate and consideration throughout the country, including consideration by the Executive.

I did not detect any fear and trembling or gnashing of teeth on the part of anyone, in office or out of office, when President Kennedy imposed his quarantine, which was along the same line, though not exactly the same as a pacific blockade. He had the support of the American people. He had the support of people throughout Latin America who hoped for freedom.

I resent the suggestion, which, though not made, might possibly be implied, that we criticize administration policy and suggest that the only alternative at this time is an invasion, costly in human lives. That is the very thing we wish to avoid. We want this country to explore every possibility that is legal and that the experts say is not an act of war. That includes a pacific blockade, to see what might be done to stop the Communist growth in the Western Hemisphere.

Again I thank the Senator from Illinois for yielding. I commend the majority leader for the positive suggestions he has made. I know he has made them, or he would not so report to us. I wish that the question of dealing with communism before bloodshed becomes inevitable could have the priority in the executive branch to which it is entitled.

I thank the Senator.

NUCLEAR TEST BAN NEGOTIATIONS

Mr. CLARK. Mr. President, in this morning's New York Times the text of a news conference held by President Kennedy in Bonn appeared.

I have been greatly heartened by the renewed interest shown by the President in negotiating a test ban agreement with the Soviet Union. I was happy to note that Under Secretary of State Averell Harriman will go to Moscow about the middle of July for the purpose of reopening test ban negotiations.

Two of the questions which were asked of the President yesterday have a direct bearing on the test ban problem. I ask unanimous consent that questions Nos. 9 and 11, and the answers thereto, as they appear on page 10 of this morning's New York Times, may be printed in the RECORD at this point in my remarks.

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

Question 9. What meaning do the talks scheduled in July—in Moscow—have in relation to the Federal Republic's role in any multilateral atomic forces? Is there any possibility that these Moscow talks will be concerned with the nonspreading of the use of atomic weapons?

Answer. The—yes, I think they will be concerned with the nondiffusion of nuclear weapons. But we have felt that the organization of the multilateral force as discussed between the Federal Republic and the United States does not provide for a diffusion which would threaten the peace. In fact, I think it would give greater security and more satisfactory conditions of control.

The purpose of the talk, basically, of course, is to get a test ban. I believe it essential that we get a test ban this year or otherwise I think it greatly increases the prospect that there will be additional nuclear powers throughout the world in the months in 1964, 1965 or 1966. Now I would regard that as a disaster.

I do not regard the atomic weapons and the prospect of it spreading and the realization that war has been the constant companion of mankind throughout our history and the conflict between the Communist system and the free system.

When you mix all these tactics together, you have a highly explosive and a highly dangerous situation. When Pandora opens her box and the troubles spew out, all that is left in is hope. Now in this case if we have a nuclear diffusion throughout the world, we may even lose hope.

Question 11. With regard to an earlier answer, if a test ban agreement were signed by the United Kingdom, the United States, and the Soviet Union, if this test ban agreement were signed, how then would this pre-

vent France, for example, or China, or any other country that wasn't a signatory to the pact, how would this prevent them from going on and making nuclear weapons?

Answer. Well, as you know, it's posed in the treaty that those who sign the treaty would use all the influence that they had in their possession to persuade others not to grasp the nuclear nettle. Now it's up to those countries. Quite obviously they may not accept this persuasion and then, as I say, they will get the false security which goes with nuclear diffusion.

Mr. CLARK. It will be noted that the President, in referring to the problem of obtaining a test ban agreement and the difficulty of persuading nations other than the U.S.S.R. and our own, which have nuclear capability, to agree to such, said:

When Pandora opens her box and the troubles spew out, all that is left in is hope. Now in this case if we have a nuclear diffusion throughout the world, we may even lose hope.

While the President's statement indicates that there is a very close connection between negotiating a test ban agreement and preventing the spread of nuclear weapons, his statement does not indicate how such a treaty would deter other nations from acquiring nuclear arms.

However, I think the argument is clear, and there are perhaps good reasons why, speaking at Bonn, the President did not feel inclined to speak out on the need, in my opinion—and I hope in his—to persuade the French, and perhaps later the Chinese Communists, not to acquire nuclear weapons.

This reasoning is spelled out in an intelligent and persuasive article by Howard Simons in this morning's Washington Post, entitled, "A-Arms Proliferation: How Test Ban Might Prevent Spread." I ask unanimous consent that this article be printed in the RECORD at this point.

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

A-ARMS PROLIFERATION—HOW TEST BAN MIGHT PREVENT SPREAD

(By Howard Simons)

Once again President Kennedy has declared that without a treaty to halt nuclear testing, atomic arms will spread inevitably to other nations and that this would be a disaster.

But in Bonn, as so often before, Mr. Kennedy grappled ineffectively with the central question: How can a test ban involving the United States, the United Kingdom, and the Soviet Union slow down and perhaps even halt the spread of nuclear weapons?

Though any such treaty would be open to signature by all nations, both France and Communist China have said they would not sign. France already possesses atomic bombs and China is working feverishly to develop them.

The persistent atomic aspirations of these two dissidents from the major power centers are largely responsible, apparently, for the President's reluctance to explain fully how a test ban might slow the spread of nuclear weapons.

This is so because any such discussion must touch upon internal affairs in France and China's relationship with the Soviet Union. And, presumably, Mr. Kennedy holds the view that the less said out loud about those subjects the better, especially in the absence of a treaty.

Nonetheless, the President has heard all the arguments on how a ban might affect the spread of atomic arms and the arguments have been persuasive. In effect, the arguments amount to this:

Just as a parent cannot effectively command a teenage child to stop smoking as long as the parent continues to smoke, so, too, the major nuclear powers cannot insist that other nations refrain from building and testing nuclear weapons as long as the major powers themselves continue to test.

Once the major nuclear powers—a distinction not yet accorded to France—agreed to halt nuclear testing, it would then become possible for those powers to bring economic, technical, diplomatic, and psychological pressures to bear on other nations, including perhaps even France and Red China.

This is obviously not possible now. But, in the view of administration experts, a test ban agreement could make it possible and essentially for two reasons.

The first reason is that a test ban would lessen tension between the United States and the Soviet Union. A lessening of tension might reduce the present incentive of many nations, such as Egypt and Israel, to acquire atomic arms.

By the same token, there is ample evidence that a test ban would be welcomed by many other nations, such as Italy, Sweden and Switzerland, as a bona fide excuse not to develop their own atomic arms.

The second reason why a test ban agreement might deter the spread of nuclear arms is that it would open a door to concerted action by the United States and the Soviet Union to halt such a spread.

Thus, for example, in France's case a test ban coupled with joint United States-U.S.S.R. actions might lead a post-De Gaulle government nuclear force with a NATO nuclear force.

There are also technical reasons why a test ban could slow the spread of nuclear weapons development. These have to do largely with the fact that continued weapons development by the major powers will bring the world closer to cheap and plentiful weapons. For the present, at least, atomic arms are immensely expensive to come by.

Ironically, though it is in the interests of both the Soviet Union and the United States to keep atomic arms from other nations, the longer both nations continue to develop such arms the easier it becomes for these other nations to acquire them.

Whether persuasion by the major powers will be able to slow the spread of atomic weapons, if and when a test ban is agreed to, is not known. But as Mr. Kennedy noted in Bonn yesterday: "Quite obviously, they may not accept this persuasion, and then, as I say, they will get the false security which goes with nuclear diffusion."

Mr. CLARK. Mr. President, I have no doubt that if we can agree with the Russians on a test-ban agreement, the two great nuclear powers will be able to exercise pressure along the lines indicated by Mr. Simons, which will deter the Chinese Communists from going far with nuclear experiments and which, in due course, will persuade the French likewise to refrain from exploding nuclear devices. Of course, we shall have no difficulty with Great Britain, which will be a party to the agreement.

On the same subject, earlier this year Senator SCOTT and I received a letter from several hundred Pennsylvania educators stating their support for the efforts of the administration to achieve an agreement with the Soviet Union on a nuclear test ban.

Among the signatories are faculty members of Albert Einstein Medical Center, Bryn Mawr College, Drexel Institute of Technology, Haverford College, Lincoln University, Temple University, Swarthmore College, and the University of Pennsylvania. A number of Philadelphians who are faculty members of the Camden, N.J., branch of Rutgers University are also among the signers, and so are some faculty members of Villanova University and Muhlenberg College, which are in Pennsylvania.

The letter makes reference to an exchange of correspondence between President Kennedy and Premier Khrushchev which, it will be remembered, took place last December.

In the period which followed, the Soviets hardened their line at Geneva, and hopes for a test ban faded.

Then on June 10, in an address at American University, President Kennedy announced that a new high-level effort would be made to negotiate a nuclear test ban. This was extremely heartening news. I think that it has had a beneficial impact on the Nation, and I can only hope that it will have an equally favorable effect upon the climate of opinion in the Senate, which must ratify a test ban treaty if our negotiators are successful in their efforts.

In view of this change in circumstances, I consider this affirmation by the Pennsylvania teachers and scholars and scientists who have signed this letter, as most timely.

I therefore ask unanimous consent that the letter of the Pennsylvania educators be printed at this point in the RECORD.

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

Senator JOSEPH S. CLARK,
Senator HUGH SCOTT,
Senate Office Building,
Washington, D.C.

As concerned citizens, we, the undersigned faculty members of universities and colleges in the Philadelphia area, have followed the pattern of disarmament negotiations, and are now greatly encouraged by recent developments disclosed in the exchange of correspondence between Premier Khrushchev and President Kennedy. It appears that the differences have narrowed to the point where an agreement on a nuclear test ban is now conceivable.

It is our conviction that such an agreement is desirable for at least four reasons:

1. To stop the spread of nuclear weapons to additional countries.

2. To prevent further contamination of the environment of human life through fallout.

3. To provide a possible first step in the process of arms control.

4. To restore confidence in the ability of governments to solve the complex problems of the modern world.

We understand from the correspondence between heads of state that the role of the U.S. Senate has been emphasized in the negotiations and may have an important bearing on their outcome.

We urge you to use every opportunity to assure our Government that it can count on your support for an appropriate nuclear test ban, and to encourage your senatorial colleagues to join with you in this action.

Mr. CLARK. Mr. President, as a further indication of the widespread support in Pennsylvania for the administration's efforts to negotiate an effective

nuclear test ban, I ask unanimous consent to have inserted in the RECORD at this point a petition prepared and circularized by the eastern Pennsylvania committees of SANE. I have been informed that close to 1,500 Pennsylvanians have signed this petition.

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

PETITION SUPPORTING TEST BAN NEGOTIATIONS

To the President of the United States and the U.S. Senators From Pennsylvania:

The United States and the Soviet Union each possess sufficient nuclear weapons to destroy any possible enemy nations;

Nuclear testing in the past has been harmful to human health; additional testing will only multiply the hazards;

All nations agree that nuclear testing, with the exception of underground tests, can be detected by existing national systems;

The Soviet Union has accepted the principle of on-the-site inspection and the installation of tamperproof automatic seismic stations (black boxes) for inspection of underground testing. The main differences between the nations is the number of annual inspections to be permitted;

Since a nuclear test ban treaty will serve the best interests of the United States by:

1. Stopping the spread of nuclear weapons to other countries.

2. Slowing down the arms race and setting the stage for worldwide disarmament under international inspection.

3. Preventing further radioactive contamination.

We, the undersigned, affirm our support to our Government's efforts to resolve the few remaining differences and to conclude and approve a treaty to end nuclear weapons tests by all nations for all time.

MINUTES OF SENATE DEMOCRATIC STEERING COMMITTEE

Mr. CLARK. Mr. President, after a number of other Senators and I engaged in a debate on the so-called Senate Establishment early in this session, I received a letter from Mr. William S. Jenkins, who is the director of the Bureau of Public Records Collection and Research at the University of North Carolina at Chapel Hill. Mr. Jenkins expressed his concern about the fact that the minutes of the Senate Democratic steering committee are kept under lock and key and may not be examined even by members of Senate staffs. He makes the interesting suggestion that for the sake of historians, and in the interest of preserving such records, the originals be deposited in the Library of Congress, and that copies be made available for use by scholars.

I ask unanimous consent that the relevant portions of Mr. Jenkins' letter be printed in the RECORD.

I hope the Senate leadership will give careful consideration to this suggestion.

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

THE UNIVERSITY OF NORTH CAROLINA, BUREAU OF PUBLIC RECORDS COLLECTION AND RESEARCH,
Chapel Hill, April 2, 1963.

Hon. JOSEPH S. CLARK,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CLARK: I have followed with keen interest both the recent discussions that have taken place in Congress concerning actions that should be taken on rules and, also, the broader inquiry of "What is wrong with Congress?" as analyzed by editorials in the Washington Post. I think that your energy in encouraging a thoughtful study of the situation is much to be commended. I was particularly impressed with the note in the Washington Post of February 22, 1963, "For History's Sake," in which you make an effort to open up some of the secret files of the Senate: "Why should the minutes of the Senate Democratic steering committee remain indefinitely under lock and key? Why should the members of even Senate staffs be denied access to the proceedings of the Democratic conferences? * * * These records * * * are part of the history of our times."

The preservation of records of this sort should by all means be stressed. Why does not the Senate have the originals deposited in the Library of Congress from time to time, and have the Library of Congress furnish them with photostat positive copies for use? We need to stir some of your enthusiasm in the establishment of a national legislative society of American legislative and related problems.

In 1941 the Library of Congress and the University of North Carolina began a joint enterprise—known as the State records microfilm project—to compile on microfilm the official public records of all of the American States, records which reflect the organic growth of American institutions of representative government. The core materials for this microfilm compilation were the session laws and legislative journals arranged serially State by State. It was thought that the assembly of this large body of documentation would be a great resource for the study of legislative processes, rules, and customs. In 1956 the bureau of public records collection and research was established at the University of North Carolina for the purpose of utilizing this facility of research. Since that time, the bureau has engaged in a 5-year project to present RSUS as a pattern of usefulness in other areas of the world to follow. It is the objective of this program to form an encyclopedic world source for comparative studies of legislative processes by providing for international exchanges between scholars of various countries.

* * * * *

Sincerely yours,

W. S. JENKINS.

AREA REDEVELOPMENT ACT AMENDMENTS OF 1963

The Senate resumed the consideration of the bill (S. 1163) to amend certain provisions of the Area Redevelopment Act.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. Mr. President, after 2½ hours we are now considering S. 1163.

The distinguished Senator from West Virginia [Mr. RANDOLPH], who has been a tower of strength in this program, has been waiting patiently during this time to open the debate. With the permission of my colleagues, I should like to yield to the Senator, and I assure all Senators that he will make a germane speech.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. RANDOLPH. Mr. President, yesterday in this body, by a vote of 73 to 1, we passed H.R. 3872, an act to increase the lending authority of the Export-Import Bank and to extend the period within which that institution may exercise its functions. I wish to add, in the presence of the Senator from Illinois [Mr. DOUGLAS], that measure provides for Treasury financing—the controversial so-called backdoor financing. I emphasize that the vote was 73 "yeas" and 1 "nay."

The Export-Import Bank is, of course, one of five agencies providing loans and grants to other countries, but denying our own people the right to apply.

Today, Mr. President, we have before us for consideration legislation vitally important to our country, and especially to hundreds of redevelopment areas—both chronic labor surplus urban communities and underdeveloped rural and semirural areas.

In the Area Redevelopment Act, and now in S. 1163, a bill to amend certain provisions of that act, our less fortunate areas have instruments of hope and opportunity. When we vote on the pending measure, will the same ratio of ayes to nays obtain that prevailed yesterday on the measure renewing the authority of the Export-Import Bank? Why should not S. 1163 receive support in this forum equivalent to that accorded to an instrumentality to which our citizens cannot even make application?

Mr. President, I am a witness for the ARA program and I am a proponent of the pending bill to improve the basic structure we fashioned in 1961 with too many imperfections in its legislative fabricating.

The State which I have the privilege to represent here is one which, by reason of its difficult economic problem, the ARA legislation was intended especially to assist, along with sister States, and areas in those States, in relatively similar circumstances.

It has never been my contention that the Area Redevelopment Act would be the panacea—the single answer to the problems of the pockets—they are much larger than that—of economic distress in this country. I have not claimed to see only perfection either in the program or its administration. It is an instrument which was passed after much amending and compromise. The frailties of human beings are inherent in the administrative process, but I believe that experience is improving very materially the quality of the administration of this relatively young program.

I have said—and I reemphasize—that the imperfections can be corrected if we have patience and if we persevere.

Careful pruning and feeding can revitalize a tree, but the woodsman's ax will destroy it. Let us "prune" and "feed" the ARA program through wise action on the bill before us; let us not ax it into a distorted mess or a lifeless form. ARA is today and will continue to be a vital aid to those communities and areas which need this program as a staff on which to lean as they first limp and then stride forward to redevelopment and recovery.

Revitalized former depressed areas add materially to our national posture and to the Nation's economic growth. Those which continue to languish in economic stagnancy sap our national vitality.

Mr. President, I know that there are those Members of Congress and other

citizens who charge that ARA is only a scheme for spending economically unhealthy areas back to prosperity. I disagree with this evaluation.

If I agreed with it, I would find it necessary to be against the agricultural subsidy programs for cotton, peanuts, tobacco, and other commodities—and I am not opposed to these, even though they are of little assistance to the economy and the citizens of West Virginia.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. RANDOLPH. I am glad to yield.

Mr. PASTORE. Does the Senator see any distinction between helping people by way of reclamation projects in some parts of this country and helping people who are unemployed in distressed areas, and in connection with urban renewal projects? Is there any distinction?

Mr. RANDOLPH. There is no distinction. I am in agreement with the Senator when he says, in effect, that we have a responsibility to go over the entire spectrum in order to have meaningful legislative programs enacted and carried out. It should be done, without regard to the differences in the types of assistance.

Mr. PASTORE. What precisely disturbs the senior Senator from Rhode Island is the fact that most of the opposition to this program is coming from representatives of States which have asked Congress to help them when they have been in trouble. All we are doing is saying that when people are unemployed in America, when people working in mines and mills lose their jobs, they are as much disturbed as are farmers who cannot sell their crops. The time has come when one hand must wash the other. Congress has enacted legislation to help people through hydroelectric projects and reclamation projects. When it comes to helping people who have lost their jobs in mills and other plants, there is talk to the effect that there are too many people of that kind and, therefore, we should forget about them. I say the time has come when what is good for the goose is good for the gander.

Mr. RANDOLPH. I thank the Senator. He is correct in the assertion he has made. His comments are cogent and timely.

If I agreed with the spending charge lodged against ARA, I would likewise find it necessary to oppose aid for education in selected sections known as federally impacted areas; but I support this program even though West Virginia's participation is infinitesimal.

I do not concur in the allegation that ARA is a spending scheme. With a few exceptions, dollars disbursed under the ARA program return to the Government many times over in such forms as new tax yields on the profits of businesses helped to expand or brought into being as new ventures; in increased taxes growing from levies on the incomes of persons provided with employment; and in reduction of the costs of unemployment compensation and welfare programs.

Under the authorizations of the act, 75 percent of ARA disbursements are loans which are repayable to the U.S. Government with interest.

There are individuals who claim that ARA is in conflict—this is almost unbelievable, but it is charged that ARA interferes with the free enterprise system and is stifling local initiative, as well as supplanting local responsibility. I emphatically dispute such charges. I disagree with a blanket charge of that type. The fact is that ARA is based on the private enterprise, profitmaking system, and its every action must stem from and be based on local initiative.

The initiative is not in Washington. The action begins in a community, in hundreds of communities, as indicated on the map which is in the rear of the Chamber for Senators to study during this debate.

Without local action—locally conceived plans and applications—there can be no ARA reaction at the Federal level. These are programs that do not originate on Pennsylvania Avenue, or in any building within the Federal system. Such projects are initiated by applications from back home, where people are unemployed, as they are in West Virginia. Within the past 15 years West Virginia has suffered an actual decrease in employment. We know the problem of unemployment in a State like West Virginia. We know that people desire to work, and that projects under the ARA program can move forward and will not only sustain, but also strengthen, the State in which our people hope to continue to live and work.

We have lost population in the past 25 years. Arkansas is the only other State which has lost population. The loss is 7½ percent in West Virginia and about 7⅜ percent in Arkansas. I say in all good humor to my friend from Florida [Mr. HOLLAND], that sometimes, as I travel around the country and stop off pleasantly in Florida and in other sections of the country, I do not consider that we have lost population in West Virginia; we have merely sent missionaries to other States. In other words, West Virginians are helping in other parts of this country to carry on industry and business. The main reason they are in other States is that they have not been able to find gainful employment in our own State. I repeat, they want to work; I repeat, they are ready to work; I repeat, projects under ARA help to sustain and strengthen our State, as I have indicated.

ARA does indeed promote and strengthen the free enterprise system and local initiative by enabling independent ventures to develop and exist in areas where there is enough local determination to have something done in the way of redevelopment to replace economic stagnation.

We will not say much about it for perhaps a few months in this forum, but there are areas in this country today, so-called prosperous areas, in which we will find, not under automation, but under cybernation that we shall have to do what I am doing this afternoon, namely, pleading for the employment of human beings in the areas that some Senators represent.

If we go to New York City this afternoon, and walk into R. H. Macy's, we will find an electronic salesgirl. It is a machine. The electronic salesgirl is capable of selling 36 items in 12 different patterns and sizes. If we buy an article with a $5 bill, and the article costs $3.40, we will receive the correct change of $1.60. If we give the electronic salesgirl a dollar bill for a purchase of 60 cents, we will have returned to us the correct change of 40 cents.

In other words, from automation we have come to cybernation, whereby decisions are made by machines. It is no longer automation but cybernation, a word taken from the Greek word for steersman.

Under cybernation logical decisions are made by machines. If we go to Martinsburg, W. Va., we find there a floor space which is not more than five or six times the size of the floor space of the Senate Chamber. There we will find 50 or 60 employees processing Federal income tax returns. Approximately 4,000 persons have been displaced by that computer system. The Internal Revenue Service operates that plant with only a few workers.

In 1950 the U.S. Census Bureau employed 4,000 persons to do a specific job. Today 50 statisticians are carrying forward the work which was carried on by 4,000 workers in the Census Bureau only 12 years ago.

Talk about automation. Automation is nothing, frankly, compared with what has come into being, namely, cybernation.

Mr. President, I will witness specifically for the area redevelopment program in West Virginia. Progress has not been sensational, but it could not be under the provisions of the basic act. The very nature of the law and the administrative procedures prevent sensationally quick results.

Nevertheless, in West Virginia we have made some modest projects gains, some really extraordinary ones. We have also had our share of disappointing project results.

We are convinced that the youthful ARA program is growing to maturity and that our prospects for redevelopment are progressing commensurately.

This would be a tragic time for the area redevelopment program to be stymied or retarded. For Congress to impose a condition of stymie or to inflict retardation would be not only faulty, it would be folly. It would be as foolish as amputating a human limb at a time when it was healing and knitting according to a well-conceived treatment plan.

What about West Virginia? I said I would be specific, and I shall be. In our State, 51 of our 55 counties have been designated as redevelopment areas; and of the 51 a total of 50 have completed overall economic development plans. The people of those counties know their problems more intimately and they have much clearer and more purposeful objectives. Most of our counties are working diligently for problem solutions and are seeking means for the attainment of their worthy objectives.

As in other parts of the country, so it is in West Virginia that numerous sections are not suited for major industrial development because of location, topography, and other factors. But in many instances—as, for example West Virginia—there is natural beauty—scenic grandeur—which, with proper development, would be attractive to tourists, conventioners, and other visitors, not by the hundreds or thousands, but by the hundreds of thousands, who seek rest and recreation.

These areas, lacking in industrial potential, have a right to attention and aid—we cannot block them off—so that they may develop their economies through service activities and ventures. It is not always possible to have manufacturing, which, like industries, also can provide jobs, both direct and indirect.

Call it tourism or some other name, the fact remains that ARA can be and properly is of assistance in this field of activity.

In the State of West Virginia the prospect of providing new jobs at reasonable capital investment rates is growing brighter and brighter.

It is gratifying that in West Virginia thus far there has been a meritorious blending of industrial projects with others which are calculated to provide new employment in the service-type enterprises.

I emphasize, however, that there are numerous project applications under investigation and processing in the ARA and related and allied agency pipelines. It would be a depressing circumstance if the ARA would be stifled by a failure of Congress to act swiftly and affirmatively on this measure to amend the Area Redevelopment Act and to extend authorizations in important categories of expenditures.

Mr. President, I do not know of a State that can paint a picture in such a way as West Virginia and have it understood. In recapitulating our progress in West Virginia under the ARA activities, I report that the first 19 approvals were for projects with estimated total costs of $14,541,557, and with the ARA subscribing $9,791,819 of funds under its control—$5,226,319 in loans, and $5,565,500 in public facility grants. Admittedly, the ratio of loans and grants is not altogether satisfactory in this experience. It reflects, however, the severity and the duration of the economic problem West Virginia has been experiencing. We are pleased that we have been able to subscribe as much local public and private capital as has been provided, both under the ARA and accelerated public works programs, and the other regular items which require matching.

In the administration of the total ARA program in our State, including approvals announced prior to the time of this debate, a total of $11,050,779 of ARA funds has been committed, in categories as follows:

From loan funds, $5,226,319, and from public facility funds, $4,565,600 for 19 projects to provide at least 1,900 new, direct jobs and many more indirect jobs after the projects have been completed and the enterprises have been in operation 1 year;

From training and subsistence funds, $1,030,460 on 28 approved projects for the training of 2,298 unemployed persons in new vocations, using their inherent skills;

And from technical assistance grant funds, $228,500 for feasibility studies and investigations on 12 projects, several of them possibly to have high degrees of jobmaking potential in the future.

We have no doubt that, on the whole, salutary results will be brought by these significant commitments of ARA loan, grant, and training funds. All estimates will not be on target, and there will be some mistakes. On balance, I associate myself with those who believe and predict that the program will have been justified as reassessments of results are tabulated in the future.

Mr. President, among the projects approved by ARA in West Virginia is one for the establishment of a new particleboard, veneer, and plywood manufacturing plant in rural Braxton County at a site near Gassaway, population approximately 1,250. This is a section 5(b) designation, and the significant addition to the employment rolls there is estimated to reach 347 workers when the plant comes into full operation.

Perhaps no project in the whole ARA program—and certainly none in West Virginia—has had a more pronounced stimulating effect on a community than has this project at Gassaway, W. Va.

Since the approval of the application was announced, with ARA making a $1,320,000 loan on a $2,125,000 total cost project, and making a $98,000 public facility grant on a $196,000 bridge for access to the plant site, businesses and service activities in that community have been spurred to modernize and expand, as a spontaneous reaction.

A new optimism prevails. This is factually and picturesquely described in a news article, written by George Lawless, and published in the March 24, 1963, issue of the Charleston (W. Va.) Sunday Gazette-Mail. I briefly summarize developments in Gassaway, as noted in the account written by Mr. Lawless: A ladies' furnishings store is completely remodeling at a cost of approximately $6,000—that was not Federal money; it was an indirect benefit to the community; the Gassaway Hospital is building a $100,000 addition—this is not a direct result, but certainly it is an important indirect result; a new $19,000 restaurant is being constructed; a $20,000 wholesale parts store is being built; the Gassaway Bank is being renovated; and a 5- & 10-cent store is expanding into an addition which is estimated to cost $25,000. So, Mr. President, when we speak of the direct benefits of ARA, we should realize that there are also these important and valid indirect benefits which accrue.

And, Mr. President, it should be kept in mind that the Braxton County project is approved for a section 5(b) rural redevelopment area.

So that we may sense the new spirit which prevails in the Gassaway community, and so that we can visualize what ARA really can mean to many other similar areas, I request unanimous consent to have printed in the RECORD, at this point in my remarks, the news article from the March 24, 1963, issue of the Charleston (W. Va.) Sunday Gazette-Mail, to which I have referred.

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

[From the Charleston (W. Va.) Sunday Gazette-Mail, Mar. 24, 1963]

GASSAWAY GETS HELP, BOOTSTRAP TAKES OVER

(By George Lawless)

GASSAWAY, W. VA.—To many West Virginians, this little Braxton County town is known as a convenient stop en route to Morgantown.

But in the months ahead the almost rustic face of Gassaway's main street will acquire a shining new look. Behind this facade lies a dramatic story of local bootstrapism spurred by State and Federal aid.

Less than 2 years ago, Gassaway (population 1,223) was a town with no industry and little future. The Baltimore & Ohio Railroad had moved its division shops to Cowen, leaving Gassaway a waystop for coal trains.

That spurred the Braxton County Redevelopment Corp., an interested group of business and community leaders, into action.

One day in October of 1961, N. B. Hamric, president of the Bank of Gassaway and civic primemover, received a telephone call. It was from Ray DePaulo, senior field coordinator in West Virginia for the Area Redevelopment Administration. DePaulo had been approached by a group interested in establishing a plant to make flakeboard, plywood, and veneer. He asked Hamric if he could arrange a meeting with a few of the town's citizens.

More than 250 of the town's residents showed up for the meeting, and out of it grew the West Virginia Forest Products Co. The $2.4 million plant doesn't exist yet. But in a few short months, here's what the citizens of Braxton County did to assure its existence:

Within 2 weeks, 891 residents pledged more than $400,000 toward the project.

BCRC officials obtained a $313,500 loan from the West Virginia Industrial Development Authority.

Raised another $149,000 in matching funds to secure a $1.3 million loan from ARA.

With financing assured, construction will start this spring on the plant to be located on a 10-acre tract midway between Gassaway and Sutton. When it gets into production there will be 350 employees within the facility, and another 150 jobs in timbering operations.

The real story of Gassaway is the effect the new plant's announcement has had on private enterprise. The multimillion-dollar venture has assured the entrepreneur. It served as a catalyst for economic revival and kicked off a modest wave of expansion and remodeling.

Here are some local projects underway:

Turnstall Co.: Ladies' Furnishings has completed a $6,000 remodeling of its store. Walter L. Boggess' Wholesale Parts Store is going up at a cost of $20,000. Walker's Drug Store spent $3,000 on remodeling. Dixie 5- & 10-Cent Store will tear down an old building adjoining its store and build a $25,000 addition.

On news of the new plant, Troy J. Carr and his wife marched across the street to Hamric's bank and applied for an $18,000 loan to build a new restaurant. Hamric himself made plans for a $150,000 remodeling and expansion of his bank and placed it in the hands of an architect. Incidentally, the bank's deposits jumped $1.1 million last year.

The private Gassaway Hospital announced a new $100,000 addition. Drs. Carl Fisher

and George Hoyleman explained that the addition had been tentatively planned previously, but the plant announcement removed all doubts.

So, in addition to the half-million dollars Braxton Countians raised to match Government loans for the plant, $190,000 in private money already has been ploughed into the business section of the community.

If U.S. Senator Henry Gassaway Davis was alive, the famed old entrepreneur for whom the town was named would be proud of the citizens today.

Mr. RANDOLPH. Mr. President, in this concluding minute I say to my colleagues that I believe there is a constituent conviction—not only in West Virginia, but also throughout the Nation, and especially in the areas to which this bill gives assistance—that it should be passed by the Senate.

I am not one who is prone to predict; but I feel sure that the necessary votes will be forthcoming in this body, and that, following affirmative action by the Senate, this measure will go to the House; that the House will reconsider what I believe it misguidedly did; and that we shall send to the President a measure providing the necessary funds to carry forward this work in the interest of communities of people now suffering from lack of employment.

Mr. DOUGLAS. Mr. President, I thank the distinguished Senator from West Virginia for the very able and moving speech he has made. He has been a tower of strength in the debates and discussions about this subject, and he was exceedingly helpful in obtaining passage of the original bill in 1961. I hope his prediction about an overwhelming victory will come true.

Mr. RANDOLPH. I did not say an overwhelming victory; I say a significant victory.

Mr. DOUGLAS. Mr. President, the Senator from West Virginia gives me heart which I had not previously possessed.

Mr. McNAMARA. Mr. President——

Mr. DOUGLAS. Mr. President, I yield to the distinguished Senator from Michigan

The PRESIDING OFFICER (Mr. BAYH in the chair). Without objection, the Senator from Michigan is recognized.

Mr. McNAMARA. I thank the Senator from Illinois.

Mr. President, I wish to speak briefly in support of S. 1163, the proposed amendment to the Area Redevelopment Act of 1961.

The bill before us proposes some minor technical changes in the ARA program, but deals principally with ARA authorizations for the next 2 years.

The bill has been reported by the Senate Committee on Banking and Currency, with a recommendation that it be passed.

In addition to the technical changes, it would increase the ARA authorizations in five separate programs by $455.5 million over 2 years. This compares with an original ARA authorization of $379.5 million, also for a 2-year period.

Under the provisions of this bill:

First. The ceiling on industrial and commercial loans for urban areas would be increased from $100 millions to $250 millions.

Second. The authorized ceiling for industrial and commercial loans in rural areas also would be increased from $100 millions to $250 millions.

Third. The ceiling on public facility loans would be increased from $100 millions to $150 millions.

Fourth. The ceiling on public facility grants would be increased from $75 millions to $175 millions, and

Fifth. The authorization for technical assistance programs would be increased from $4.5 millions to $10 millions.

What this all means is that we are being asked to more than double the authorization for the ARA program during the next 2 years.

Let me preface my remarks in support of this proposition with a candid admission that the ARA program, during the first 2 years of its life, has not been a complete and unqualified success.

At times, it has appeared to impatient observers that the ARA program was strangling in a welter of bureaucratic redtape. Approval of projects seemed to be exasperatingly slow.

In fairness, however, it must be noted that ARA's troubles have not been entirely of its own making. The law has required it to deal with several other Federal agencies. It had to assemble a staff, draft rules and regulations, and establish procedures.

The ARA Act specified that a number of preliminary conditions had to be met by the State and local governments before Federal assistance could be extended to distressed areas.

But there are now firm indications that the agency has completed its administrative "shakedown cruise," that it has learned from its mistakes, and that it is ready to move forward effectively on its assigned task—which is to help the economically distressed areas of the United States get back on their feet.

Let me detail briefly what the ARA program has meant to Michigan:

The State of Michigan at the present time has 53 areas designated as eligible for ARA assistance. This includes all of Michigan's Upper Peninsula, most of the northern part of the Lower Peninsula, and the Detroit metropolitan area.

Up to the present time, 10 industrial and commercial projects have been approved in Michigan, for a total investment of $5,960,000. This, in turn, translates into 1,070 direct new jobs.

In addition, public facility loans and grants, totaling $741,000 and accounting for another 390 jobs, have been approved.

Two technical assistance projects, in the amount of $406,000, with important, long-range economic impact, are underway.

And 1,254 Michigan workers have been trained, under 21 ARA-sponsored projects, in new work skills.

But even more important is the fact that there are pending at the present time, in the State of Michigan, an additional 19 industrial and commercial projects, worth $12,666,000; and three public facility grants and loans, totaling $624,000.

This means a total of 22 pending projects, totaling $13,290,000. And this, in turn, translates into 2,135 new jobs for the people of Michigan.

Much has been made of the fact that a large share of the ARA commitment in Michigan has been to finance motels, hotels, and tourist resorts. This criticism, I think, overlooks the fact that tourism is one of the most important growth industries in our State. It is an area where private investment is increasing—and seeks to increase even more with ARA assistance—because it is going to be profitable, and it will provide jobs.

There has been criticism of the fact that one of the largest ARA projects in Michigan involves a loan of $1,894,000 for construction of a new convention-type hotel on Detroit's waterfront civic center. The criticism overlooks the fact that private enterprise regards this new hotel as such a sound investment that it is putting up 80 percent of the $9 million total, and that ARA is participating only to the extent of 20 percent, instead of the 65-percent maximum allowed under the law.

As Mayor Cavanagh of Detroit pointed out recently:

> The tourist and convention industry is a growth industry in Detroit.
>
> It offers hope for the future of Detroit's economy to replace manufacturing jobs which have been lost.

The Detroit metropolitan area, despite a dramatic and recent improvement in employment, is in a state of transition that is recognized by all responsible observers.

The auto industry continues to automate and decentralize, with the resultant loss in job opportunities in Michigan.

Other areas of the Nation have experienced similar distress as the technological revolution continues to shatter conventional employment patterns.

The Area Redevelopment Act of 1961 was an affirmation by the Congress that the Federal Government has a direct responsibility to the many economically distressed areas of the Nation—both urban and rural.

In the bill before us today, we shall decide whether to continue to meet this responsibility through the ARA.

I hope our answer will be in the affirmative.

I thank the Senator from Illinois for yielding to me.

Mr. DOUGLAS. Mr. President, we are waiting for the junior Senator from Arkansas [Mr. FULBRIGHT], the distinguished chairman of the Foreign Relations Committee, to speak. Since he is not present, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that further proceedings under the quorum call be suspended.

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

Mr. DOUGLAS. Mr. President, I am glad to yield to the distinguished junior Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. President, first, I wish to express my appreciation to the Senator from Illinois for yielding to me. I could not be present to hear his statement because our committee was holding an executive meeting.

I will support the pending bill to expand the area redevelopment program. It happens that I was chairman of the Senate Committee on Banking and Currency when the first area redevelopment bill was considered in the Senate. The concept of aiding depressed areas has followed a long and tortuous path since that first bill but at long last the objectives sought then are now beginning to be realized.

At that time, and every time since, the Senator from Illinois has been one of the principal supporters and advocates of the program. I pay him a tribute for having lent his efforts and wisdom to the origination and passage of the proposed legislation.

I urge Senators to look behind the dollars-and-cents figures and statistics while considering this bill. This is actually a program to help people and I believe it is doing a good job in meeting that basic objective. I know that it is in my State. Through this program we are, of course, attempting to improve the economy in depressed areas of the Nation. But in the final analysis what we are doing is trying to create a little better way of life for the underprivileged people in these sections who are not enjoying their fair share of the fruits of our economy. So, we must consider this program in a spirit of compassion and with regard for the welfare of our fellow man. I do not want to imply that this is a program of charity. It makes sound economic sense—but to really appreciate its potential you must have faith in people and understand what they can do when given a little help.

In Arkansas the area redevelopment program has created a renewed spirit of pride and initiative in communities throughout the State. There are people working together to advance ARA projects who have never worked together before—on anything. This has been a good program for both the people and the economy of Arkansas.

ARA funds have been referred to as "seed money." I think this is a proper description of their purpose and effect. The development of projects financed through the ARA will result in most cases in substantial economic development which would not have occurred had the ARA not undertaken to sponsor the initial project. The Congress each year by a substantial margin supports this seed-money concept through the foreign aid program. If Congress recognizes the soundness of this approach in underdeveloped countries, it should not object to trying this technique in underprivileged areas in our own country. We realize, of course, that unless we help the underdeveloped nations to build up viable economies they will be ripe for Communist infiltration and subversion. Providing seed money through loans and grants for foreign economic development is in the national interest. Surely, the concept is just as valid here at home. I believe it is most important to our national economy, on which national security depends, to eliminate the many pockets of poverty in cities and rural areas throughout the land. No Senator could have received more complaints than I have along the lines of "Why don't you take care of folks here at home before you take care of those foreigners." Expansion of the ARA program is one good way we can help some of our people, who have had little opportunity to help themselves.

As the Senator with the responsibility for handling the foreign aid authorization bill for a number of years, I have some understanding of how criticism of individual projects, sometimes justified, but often not, can be used to cripple or destroy the effectiveness of an otherwise good program. There have been, and there will continue to be mistakes in both the ARA and the foreign aid program. It would be foolish for me or anyone to try to convince the Members of this body that the ARA program is perfect, and that every loan has been a sound investment of the taxpayers' money. There would be no need for the ARA program if it made only what are generally thought to be sound loans.

If no mistakes had been made in the 2 years the program has been in operation the organization would not be doing the job that Congress told it to do. By giving the ARA the task of helping to create new jobs in, and to improve the economies of, depressed areas, both urban and rural, we gave it a formidable task—calling for decisions on many questions never faced by a Government agency. Humans, being somewhat lesser than angels, may not always make the right decisions when confronted by a new problem.

I wish that the ARA had a nickel for every dollar that has been wasted in the last 10 years through mistakes, inefficiency, or duplication in the Department of Defense. If it did I believe we would have enough to finance this program adequately without having to be concerned about increasing its authorization. If we add the costs of developing nuclear airplanes that never get off the ground, supersonic bombers that soar only in the congressional imagination and all the other cases of misspent tax dollars in our defense program and put them into this effort it would finance a very substantial attack on the problem of rebuilding depressed areas. It always seems strange to me that very little is said in the Congress about billion dollar mistakes in the Defense Department, but we never hear the last of it when a bad loan, infinitesimal in comparison, is made under a program such as this.

If this Nation can afford to spend $53 billion on defense in the next fiscal year surely we can afford to advance—I do not say "spend"—$750 million over a 4-year period to create an opportunity and a better way of life for hundreds of thousands now living on the edge of poverty. We often forget that in this most prosperous nation of the world some 32 million people are living in, or close to, poverty. This program will provide the chance for many of these underprivileged to better their lot in life. Time will prove the wisdom of investing the taxpayers' money in this effort—because it makes good economic sense—without regard to the human factor which is basic to this approach. Through this program we are creating jobs for people who did not have jobs. Who can put a dollars-and-cents value on what this is worth to the thousands of individuals who have been given renewed hope and self-respect by a job made possible by ARA assistance.

I am not an expert on the nationwide ARA program, but I am familiar with the operation of it in Arkansas. I know the communities that have received help, the communities that have applications pending, and the people who have worked so hard to put these projects over. These communities are not looking for a Government handout. All they want is a chance—an opportunity to borrow the seed to start the first crop. If the ARA program throughout the country compares even closely with the program in Arkansas there is no doubt that the Congress original objectives will be achieved and that the taxpayer will have made a killing on his investment.

Arkansas had the distinction of having the first ARA project in the Nation—a combination loan and grant to help finance construction of a water system at Gassville to service a shirt factory which now provides employment for 700 people.

The Cooper Tire & Rubber Co. plant at Texarkana, which will ultimately employ 380 people, was the recipient of the largest loan—$7 million—made under the program. I might point out that although the plant is to be constructed in Arkansas, the loan, for administrative purposes, is chargeable to Texas. This project will not be included in the statistical analysis of the ARA program in Arkansas which I shall discuss a little later on. I mention these two projects to show that my State is a leader in using the tools for development made available under the Area Redevelopment Administration Act.

The Gassville loan has been singled out for criticism by the United States Chamber of Commerce as being an example of the wastefulness of the ARA program. In actuality this is one of the finest local development projects—from any standpoint—ever assisted by the Federal Government. With a combination loan and grant totaling $160,000, construction of an industrial plant was made possible resulting in jobs for 700 workers who did not have jobs before, thus pumping an annual payroll of $2 million into the economy of the area. The additional Federal taxes paid by these workers in one year alone will repay the Government for the entire cost of its investment in the project, and the cost will be repaid again and again in future years. Anyone who would criticize this project either does not know the facts or has no compassion for those who live in these underprivileged areas.

The ARA has approved public facility and industrial and commercial loans on Arkansas projects totaling approximately $8,400,000. This includes a $7 million loan for the Cooper Tire & Rubber Co. plant which I mentioned earlier. Technically, this is chargeable to Texas, not Arkansas. In addition, it has ap-

proved public facility grants of slightly more than $1 million. When all of these projects have been completed a few months from now they will have created nearly 3,200 new jobs and payrolls of over $10 million. This gives Arkansas' economy a big boost and we are happy to have these new industries and jobs.

This particular area is one of the poorest mountainous areas in the whole State, where there was literally nothing for the people of the area to do.

It is difficult to appreciate how much this means to an underdeveloped State like Arkansas, or what it means to those who now have or will soon have a job who did not have one before. For a State where more than 15 percent of the total population draws surplus commodities during the nonfarming months almost any type of new industry is welcome. But what these ARA projects mean in terms of total economic growth and as an investment of the taxpayers' money is even more impressive than the bare job and payroll statistics. I had an analysis made of the impact of these projects on the economy and the Federal budget which I believe will be of interest to other Senators. I ask unanimous consent to have this analysis printed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. FULBRIGHT. Mr. President, this analysis excludes from consideration the loan to the Cooper Tire & Rubber Co. in Texarkana which, as I said earlier, is chargeable to Texas. It is estimated that of the 10 Arkansas projects included in this analysis ultimately there will be total direct and indirect employment of 6,700, which amounts to an ARA investment per job of $340. The probable annual returns from the projects through reduction in unemployment compensation costs, reduction in relief costs, and creation of new Federal personal income taxes amounts to $3,120,000. New Federal personal income taxes alone generated by this additional economic activity is estimated at $1,540,000. It should be remembered that the total ARA investment in these 10 projects was less than $2,300,000, and 58 percent of this was in the form of loans. At this rate the total investment made by ARA in all of these projects will be returned to the public in the form of reduced welfare costs, or increased taxes, in only 9 months time. I doubt that any other Government program can show this rate of return on the taxpayer's investment.

Mr. President, I think that a good case has been made for expanding the ARA program to enable it to help in a more positive way in creating industrial growth in depressed areas, both rural and urban. I know that in my State the program has been well received, has made good loans and enjoys the cooperation and support of community leaders. We live today in an economy where a pocket of poverty in West Virginia, or Arkansas, ultimately affects the New Yorker or Californian just as the frustrations and pent-up tensions of a slum dweller in South Side Chicago, or Harlem, will eventually make their imprint on the most unconcerned suburbanite. We, as a nation, cannot afford to let prosperity bypass the hundreds of thousands of citizens in depressed areas who need only to be given a chance for a better way of life.

It does not make good sense from an economic or a humanitarian point of view to continue pouring in relief and unemployment funds without making a much more substantial effort to get at the underlying causes of this poverty.

The ARA program has proven to be one effective way that we can enable some of these underprivileged people to share in the fruits of our society and at the same time help create a more prosperous national economy. I hope that the bill will be approved by an overwhelming margin.

Again I pay tribute to the Senator from Illinois [Mr. DOUGLAS], who has been one of the principal sponsors of this program for many years, from the time some years ago when I was on the Committee on Banking and Currency. I recall for the record that at one point there was a difference of opinion between the Senator from Illinois and myself which, as he will recall, revolved primarily around whether the program might be extended to be of assistance to the rural areas, which provision has been of a special significance to my State. I am most happy that although there was some difference of opinion, the ultimate compromise—and I think that is the proper way to describe it—which was finally arrived at resulted in the enactment of this program, which has proved eminently satisfactory to my State, as I hope it has to the State of the Senator from Illinois and to other States.

The Senator from Illinois deserves most of the credit for the origination and passage of this legislation, and I also wish to thank him for yielding to me at this time.

EXHIBIT 1

ARA projects in Arkansas

Project	ARA loan or grant amount	Type of project	Estimated direct employment
1. Gassville, Baxter County (water works system)	$31,000 129,000	Sec. 7 loan Sec. 8 grant	700
2. Sevier County (Rubber Corp. of Arkansas)	331,500	Sec. 6 loan	240
3. Lincoln County (for a plant for National Wire Fabric Co.)	69,377	do	50
4. Clarksville, Johnson County	477,500	do	250
5. Independence, Izard, Stone, Sharp, Fulton, Cleburne, Van Buren Counties (land and buildings).	15,600	do	40
6. Cleburne County, Heber Springs sewer line extension, etc	72,000	Sec. 8 grant	350
7. Izard County, Calico Rock (city)	7,040	do	25
8. Conway County, Morrilton (city)	66,000 188,500	Sec. 7 loan Sec. 8 grant	770
9. Van Buren County, Clinton for road access, etc	191,000 284,000	Sec. 7 loan Sec. 8 grant	150
10. Independence County, Batesville	140,300 281,700	Sec. 7 loan Sec. 8 grant	105
Total			2,680

1. Economic impact of 10 ARA projects in Arkansas: Total ARA investment in 10 projects, $2,284,517; estimated total direct employment from 10 projects, 2,680; estimated total indirect employment stemming from 10 projects, 4,020; investment per direct job in 10 projects, $850; investment per job, direct and indirect, in 10 projects $340; investment per job in section 6 (industrial loan) projects only, direct employment, $1,540; employment, direct and indirect, $620.

2. Compilation of probable effects of 10 projects on public revenues and expenditures.

Effects from the creation of direct employment, only:

1. Probable annual reduction in unemployment compensation costs, $440,000.

2. Probable annual reduction in relief costs, $187,000.

3. New Federal personal income taxes, $620,000.

4. Total of foregoing cost reductions and new taxes, annually, $1,247,000.

5. Total ARA costs for 10 projects, $2,284,517 (58 percent loans).

Effects from employment created, direct and indirect:

1. Probable annual reduction in unemployment compensation costs, $1,110,000.

2. Probable annual reduction in relief costs, $470,000.

3. New Federal personal income taxes, $1,540,000.

4. Total of foregoing cost reductions and new taxes, annually, $3,120,000.

5. Total ARA costs for 10 projects, $2,284,517 (same as above).

Effects of four section 6 (industrial loan) projects, only, or total annual cost reductions and new taxes, from direct employment, $270,000; from employment, direct and indirect, $675,000; total section 6 project costs, $893,977 (all loans).

Thus, every dollar expended by ARA in the four section 6 Arkansas projects, is returned to the public in the form of reduced welfare costs or increased taxes by the effects of direct employment, only, in 3.3 years; by the effects of employment, direct and indirect, in 16 months; by the effects of all 10 Arkansas projects, direct employment only, in 22 months; direct and indirect, in 9 months.

Direct employment is that created at the project itself or created in support of a project (employment in the woods in support of a forest products industry, employment at industrial supply and maintenance services establishments, are examples).

Indirect employment is that created by the respending of the wages of direct employees, the "multiplier effect."

Other benefits derived from the 10 Arkansas projects, but not assigned a monetary value in these estimates, include: Greater return to Federal Government from corporate income tax; increase in State income sales tax (if any); increase in local property values and hence local tax receipts.

Mr. DOUGLAS. Mr. President, I thank the Senator from Arkansas for his very generous remarks. The whole country is indebted to him for his support of this program. I have always

believed that the bill would have the results which he has described for his particular State, and that faith gave me strength during the very difficult years we had in the Banking and Currency Committee and in the Senate. I am delighted that time has brought such a reconciliation of opinions and that experience has demonstrated the correctness of the original proposal.

Mr. President, I yield now to the distinguished senior Senator from Indiana [Mr. HARTKE].

Mr. HARTKE. Mr. President, I wish to make a short statement about the bill which is now under consideration.

In Indiana we are proud of the accomplishments of the Area Redevelopment Administration thus far. Frankly, I confess that when this act came into being, we had our misgivings about how much it could accomplish in some of our hard-hit areas. We have now found out, and we are proud.

We are proud that in the city of Evansville ARA made a loan to the city to help it with a sewer problem. This help made it possible to establish a modern shopping center which has now created over 500 new jobs, and this center is still growing with still more new jobs in the offing.

On April 6, 1962, the town of New Providence, which was formerly known as Borden, Ind., had a disastrous fire destroying its only industry. This fire destroyed the jobs of about 200 of its citizens. This fire was directly attributed to an inadequate water supply, which the citizens of Borden had struggled with for years. Thanks to the efforts of ARA, this plant has now been rebuilt, with about 40 additional jobs being created, and the plant now has an adequate water supply. How much did it cost? Under section 8 of the Area Redevelopment Act, the town of New Providence received a grant of $16,600 to provide water to this plant. Under section 6 of this act, Borden Cabinet Co. received a loan of $577,000 to help rebuild this plant, with the balance of the needed money coming from the citizens of Clark County and the Insurance Claim fund. We thus saved the jobs of about 200 people and created about 40 new ones.

I was told last week that the number of 40 new jobs will be lifted to 101 new jobs. So, instead of despair, and a destitute community, we have rekindled a new spirit, reviewed their faith in America, and these people are now moving ahead to further improve their community. We proudly say "Thanks to ARA."

In Corydon, Ind., the first capital of our great State, something new is happening. A new industry is about to be born. This industry will utilize the natural silica sand deposits which we all knew were there. Through the painstaking efforts of ARA and with the cooperation of the Bureau of Mines, the U.S. Department of Agriculture, and others, a plant is being built to beneficiate this sand for use in the glass manufacturing industry. Not too many jobs at the outset, only about 40, but a new economic base on which to build. Again, how much did it cost? A section 6 loan of $411,000. A loan which will be repaid with interest.

What effect can 600 new industrial jobs have on a low income agricultural area? We in Indiana are about to find out. Last Friday, June 21, 1962, a new plant was dedicated in Salem, Washington County, Ind. This is the Bata Shoe Co. plant, which will employ about 300 women and about 200 men. It is my understanding that average earnings for women will be about $65 per week and the men will earn about $85 per week.

Early in 1962, the Bata Shoe Co. decided that it had a great need to service its midwestern market with a plant in that section of the country to manufacture canvas shoes. It contacted State officials of various midwestern States and, after exploring various sites, decided to locate in Indiana. Responsible leaders of Washington County—Salem—convinced Bata that they had an ample labor supply, suitable plant sites and, with ARA assistance, could develop a successful venture for the community and the company. Applications were filed with ARA to help build the building and to provide the necessary facilities. ARA approved a loan of $441,923 to help with the building, with local banks and the community providing the balance of $277,987. ARA also made a loan to the city of Salem for $105,000 and a grant of $130,000 to provide needed public facilities. At the request of local committees, a training program was instituted. The cost of this training program is $35,204, plus $29,248 for subsistence pay.

There are now about 200 people working in this plant and within 1 year, Bata expects to employ 600 people.

I was there last week. In the crowd there was a 4-month-old baby. The employment which was being provided to this baby's father was directly the result of the work being done there in this field. At the same time, there was in the audience a 93-year-old man, Mr. Otto Zink. I was corrected and told that he was 93½ years old, and not 93 years old. He had lived in Salem all his life; and he wanted to say what a wonderful thing had been done for the town of Salem in Washington County, Ind.

I asked him specifically whether he had any interest in it. He said that as a citizen of Salem he was delighted that it would provide employment for his community. He said that this was the greatest thing that had happened to him. I asked him whether the people resented the fact that the Federal Government was involved in giving assistance to a community of this type. He said it was the greatest thing that had ever happened to them.

These are only four projects with a total of 1,378 jobs created or saved which might otherwise have been lost to Indiana. There are others either already approved or pending with ARA.

These are the tangible results. What about the intangibles?

There are now 20 counties in Indiana which have submitted an overall economic development program—OEDP—to ARA; programs which they fervently hope can be achieved. Programs which will help them out of the economic doldrums which they find themselves in, through no fault of their own. For the first time in their history, these people are working together—business, labor, farmers, educators, public officials, et cetera—to do some soul searching, taking inventory of their assets and liabilities to try and find out what needs to be done. The fact that these groups are working together is no accident. These groups were organized and assisted by ARA personnel. We feel certain that more worthwhile projects will be developed. Many of these projects may not need any assistance from ARA, but will have been born because of the work done by ARA.

Much has been said about the impact of the rapidly developing tourist industry on our economy. We in Indiana have our share of tourist attractions; Santa Claus Land, Lincoln Land, the Wabash Valley, Indianapolis Speedway, and so forth, just to mention a few. Much time and effort has been spent by various individuals to develop these attractions. Each of these has had its own degree of success. But we know there are many more. We know that, with a properly coordinated tourist program, we could attract more tourists. We would like to play host to many more of our neighbors. We want to play host not in a hit-or-miss haphazard manner, but, in a well-organized, efficient way. Here again ARA has taken the initiative, not by forcing a program on unwilling participants, but by getting together groups of people within our State interested in tourism. As a result of these discussions, ARA has before it a request to study the tourist potential of Indiana and out of this study, to come up with a coordinated program which will create additional jobs, particularly in those areas that need it most.

I point out that last week, while I was conducting a seminar with the Presiding Officer of the Senate [Mr. BAYH], at Anderson, Ind., where more than 70 communities were represented, I received a call from the former president of Indiana University, Mr. Herman B. Wells. He asked that we do everything possible to make it possible for the university to receive $75,000 so that it could help in developing recreational and tourist attractions in southern Indiana. The highest type of man would be put in charge of the project. He is an old friend of mine, who worked in the recreation department of the city of Evansville, and who is now on the staff of the university. He is recognized as one of the top recreational experts in Indiana. He is Dr. Garrett Epley.

Our people need this program, our unemployed will not be satisfied with meaningless rhetoric, our communities need assistance and while ARA may have made some mistakes, it has "created new permanent jobs" as Congress had intended that it should.

In Indiana we feel that ARA is just beginning to hit its stride, and it should be given additional funds to assist our citizens to fulfill the plans, to which so much time and effort has been devoted.

Two projects were brought to my attention while I was touring through my State. These are the things which affect one's heart and make him realize that doing a job in Congress is really worthwhile. First there is the Storrs Wood Products project in Troy, Perry County, Ind., which is still awaiting approval. The original loan requested was for $1,743,300. The plans have been revised, and it is hoped that the project will be approved.

The other project is the Howe Cabinet Plant, in Sellersburg, Ind., which recently burned down. The owners have said that unless they can get assistance for a loan they will not be able to go ahead. They can provide some money for a plant, but they will need additional money for equipment, because some of the facilities were not insured. They are looking to the Federal Government to work with the local community, and they have been working with the local banks. We need help to give these people an opportunity to develop projects.

At the dedication of an ARA project, the Bata Shoe Co. plant in Salem, Washington County, Ind., two noteworthy speeches were delivered. I feel that these speeches should be inserted in the RECORD so that those Senators who are interested in the discussion of the ARA authorization bill may read them.

The first is by Mr. Clyde William Goen, president of the Salem Redevelopment Corp. His remarks give a clearer picture of the worth of ARA to a community suffering from unemployment than could any number of statistics. They show a just and intense pride in his community in general and in the redevelopment corporation is specific for the part they have played in bringing this plant to Salem, and they indicate how grateful he and his community feel toward the ARA for supplying the capital which the community was unable to raise.

The second speech is an explanation of the role the ARA played in making this plant possible, by Mr. William L. Batt, Jr., Administrator of the ARA. On this occasion Mr. Batt made all of us present more fully aware of the great debt of gratitude which Indiana owes the ARA for the new industries which have been made possible through ARA loans and grants.

In addition to these two speeches, I would like to bring to the attention of my colleagues an excerpt from the papal encyclical, "Mater et Magistra." In his short reign Pope John XXIII gained the respect of people the world over, and in this statement he makes clear his view that the government of any country should make concerted efforts to minimize regional imbalances in its economy. I think everyone will realize the relevance of this excerpt to the issue we are discussing. The excerpt from "Mater et Magistra" was cited in an article from the May 25, 1963, issue of Ave Maria entitled "Mater et Magistra and Regional Imbalances." This article discusses the area redevelopment program.

I ask unanimous consent that these two speeches and the article from Ave Maria be inserted in the RECORD.

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

REMARKS OF CLYDE WILLIAM GOEN, PRESIDENT, SALEM REDEVELOPMENT CORP., AT DEDICATION OF BATA SHOE CO., SALEM, IND., JUNE 21, 1963

Thanks Mr. Brown, Mr. Batt, Senator Hartke, distinguished guests, ladies and gentlemen, this is indeed a memorable occasion for Salem and Washington County, as well as adjoining counties. This new industry along with our present industry will certainly raise the economic standard in our community and on behalf of the Salem Redevelopment Corp. of Salem and Washington County, we want to welcome you. This new industry, the Bata Shoe Co., locating here, was not by accident; it was the foresight of the leaders of Salem and Washington County the past several years.

It started by getting our community ready for industry. By this I mean improvement of county and State roads, swimming pool, a full-time recreation director, city street improvement, water and sewage expansion and buildings on the square being remodeled. All this was done through the cooperation of city and county officials as well as the civic leaders of this community. This was done by our local efforts.

When we heard about the ARA program in June 1961, we formed in Washington County a committee of some 54 members to formulate our OEDP and to the many members of this committee, we are deeply grateful for their untiring efforts.

Our first inquiry on the Bata Shoe Co. came about by a telephone call from Mr. Schulenberg of the State Department of Commerce. From this first call on April 10, 1962, until an agreement was signed on October 12, 1962, the local community combined their efforts to the fullest extent because we certainly were in competition with surrounding communities.

Now, when we were aware of the need of this industry as to training program, additional finances for the building, water and sewage expansion and knowing we had exhausted our finances, where could we turn? Naturally, as we were designated an ARA county, we applied for assistance.

This certainly was our answer, as a training program was set up; our local banks loaned what money they could (a portion coming from Bata Shoe Co.); and, of course, the balance came from the ARA. Not only did they assist in the building, but came through with a water and sewage grant and loan.

As I mentioned at first, this industry just didn't happen, but started on the local level of getting our community ready; and the cooperation of the people, local business and civic leaders all working together. After we did all we could locally, then joining in with the State and Federal Government for their assistance.

This ARA program has not only assisted us in securing industry but has taught us if we help ourselves first, we can secure help from the ARA.

The important objective we did accomplish is "working together." So, on behalf of Washington County and Salem Redevelopment Corp. we are very proud to have a part in this dedication and wish to extend to each person here an invitation to visit us again.

(By W. L. Batt, Jr.)

It is good to be out here where you can see the area redevelopment program at work, where you can see some of the results of what the program is trying to do, and where you can begin to appreciate what it can accomplish.

Two related projects are involved in this beautiful new plant, representing a joint local-Federal investment of $969,910. A total of 500 jobs will be created at this plant, where rubber-soled shoes will be manufactured. The projects are:

A $441,923 ARA industrial loan to help the Salem Redevelopment Corp. purchase land and erect a building for lease to Bata Shoe. In addition to the ARA financing, the State Bank of Salem and the Salem Building Loan Fund and Savings Association will participate in a loan of $170,000 and the Salem Redevelopment Corp. will put up $113,700 as equity, for a total project cost of $719,910.

$235,000 financial assistance for water and sewer facilities to serve the new shoe factory. The grant is for $130,000. The $105,000 loan will run for 40 years at 3½ percent a year. In addition, the city of Salem will put in $15,000 for a total project cost of $250,000.

$64,000 for training 3,423 boot and shoe workers for 2 or 3 weeks each. This is what I call cooperation and teamwork.

How has ARA helped Indiana?

Twenty-seven of Indiana's 92 counties—29 percent—have unemployment problems serious enough so that they qualify for assistance under the ARA program. Washington County is one of these. It was designated eligible to participate in the program because of substantial and persistent unemployment.

ARA has approved 15 projects in Indiana thus far, representing a Federal expenditure of almost $4 million, generating nearly 3,000 direct and indirect jobs and retraining 522 jobless workers for available jobs in their areas (project details attached).

That's not the whole story. ARA has applications for eight other Indiana projects. If and when these are approved, they will help create another 1,500 direct and indirect jobs at a Federal investment of $4.8 million.

Under the accelerated public works program, 63 projects have been approved for Indiana. These represent a Federal investment of $6,069,000 in the acceleration of needed public works and the generation of 8,425 man-months of direct, on-site employment—and about the same amount in supplier and service industries.

You have all probably read that the program suffered a setback last week by the margin of five votes in the House of Representatives. A switch of three votes could have given the program new life. One of them could have been your Congressman's. ARA comes before the Senate next Tuesday, and if they vote for it (and your two far-sighted Senators, HARTKE and BAYH, have pledged their support) the House may have another chance. Whether the program lives or dies may well depend on whether you people here today can persuade your Congressmen to switch their votes and support the act.

Let me explain why. The present ARA law places a ceiling on the amount of loans and grants that ARA can make. These are called authorizations and they amount to about $400 million. When the Congress set these authorized ceilings, nobody had a very accurate idea of what the demand would be for loan funds—in other words, how many new and expanded business enterprises these hard-hit communities could develop similar to Salem's Bata Shoe plant expansion. Now that we have been in operation for 2 years, people have become acquainted with the ARA program and how it makes investment money available for factory buildings and other facilities which will create jobs. Accordingly, people who want to establish factories and other businesses in redevelopment areas are sending to us a steady flow of applications for loan assistance. Based on our experience and the rate at which these investment proposals are submitted to us, we have estimated that to continue to do the job for the next several years we will need an additional authorization from Congress for $445 million. Even after

this money is authorized, there must be another step before we can begin to use it. Each year, after authorization, ARA must justify to the Appropriations Committees of Congress how much of this amount will be needed for that particular year. Next week, we will exhaust our grant funds, and we already have applications on hand which will more than use up our entire loan authorizations.

The fact that we will need more money is in itself proof that the program is working out as it was intended. The basic idea behind the ARA was that it makes more sense and costs far less to help put people back on the payrolls of private enterprise through investments, in growth industries, than it does to subsidize them endlessly in debilitating idleness through compensation on public assistance, as essential as both are. One ARA job means a Federal investment one time of $3,000. One family on relief or unemployment compensation costs $1,200 or more each year, to say nothing of the cost in self-respect. Furthermore, the Nation can ill afford to lose the wealth that the unemployed can produce if given the opportunity to engage in useful work. Every other country in the industrialized world, with the possible exception of Canada, is making fuller use of their labor force than we are. And Western Europe has found that no nation can have full employment until it meets and masters its chronic area unemployment.

Some people add up the figures contained in our legislation and then say ARA will spend this amount. Now I want to make clear that this is investment money we are talking about. The jobs it generates are not make-work, temporary jobs but private industry jobs that will go on year after year, like you will have here in Bata Shoe.

Now of the $455 million which we are asking the Senate to authorize, $350 million are for loan purposes; $100 million are in matching grants to help build an access road or a water supply or a sewer line in order to make a new factory possible in those areas which can't otherwise raise money for such public research purposes.

This is a modest program, and remember, 80 percent of this money will be ultimately returned directly to the U.S. Treasury with interest. If you count in additional benefits, like the taxes to be paid by the reemployed workers, the savings in unemployment insurance and public assistance, the gains in the Nation's economy as we gradually eliminate pockets of chronic unemployment in the country, the program more than pays for itself in dollars alone. Perhaps the greatest gain to the Nation cannot be measured in dollars. And this is the revolutionary improvement in the self-respect and the morale of a family when the husband and father gets a job and can go off of relief or U.C. Something like this is happening in 90,000 families in the United States, thanks to ARA. If the Senate supports ARA next week, and if the House reconsiders its action, and your Congressman and a handful of others reverse their negative votes of June 12 to hamstring ARA, we can help not just those 90,000 families, but some 300,000 more.

The benefits of the ARA program are not purely local. Everyone knows the value of local factory payrolls. The workers benefit, but so do the grocery stores, the filling station, the dentist and the bank. This Bata plant is going to mean increased sales to the businessmen of Salem and of the county. The town gets more tax money with which it can finance schools and other municipal services. But when Bata Shoe hires several hundred workers who hadn't been able to find a job before, the Nation as a whole makes a tremendous gain.

We measure national prosperity by the amount of goods and services we produce each year—this is called GNP, gross national product. Economists estimate that each new job adds $9,000 to $10,000 to this GNP figure. Five hundred jobs add $4,500,000 to our gross national product each year. The Department of Commerce estimates that if we could generate enough jobs to bring the unemployed and underemployed in our eligible areas down to 4 percent, we would be adding over $8 billion to national wealth each year.

I would like to close by quoting my boss, Secretary of Commerce, Luther H. Hodges who made these remarks at his press conference the other day when he was asked about the action of the House on ARA's requested authorizations. The Secretary said:

"I said at the time of the testimony for this bill—you remember it had been tried by previous administrations several times and was passed by the Congress and vetoed by previous Presidents, and I said—and people raised their eyebrows because I was supposed to be a conservative southern Governor coming to the national scene—that I favored this thing but wanted it run on a business like basis.

"I thought it a rather crazy idea to think we could spend $95 billion since the war to help everybody else on their depressed areas, and not spend a little bit of money to help the depressed areas of this country. I still feel that way."

Yes, my friends, we can wipe out chronic area unemployment in the United States. We can achieve full employment, which Sir William Beveridge once defined as "more jobs than men, rather than more men than jobs." Whether we do or not depends on the action of you and your Representatives in Congress.

MATER ET MAGISTRA AND REGIONAL IMBALANCES—AN INTERVIEW WITH THOMAS P. BERGIN, HEAD OF BUSINESS ORGANIZATION AND MANAGEMENT, UNIVERSITY OF NOTRE DAME

Question. Mr. Bergin, you are currently engaged in a study of regional economic imbalances in the United States. What do you mean by regional imbalances?

Answer. Simply this, and it is a paradox of our modern economic society, that technological advances and socioeconomic progress have, on the one hand, provided increased prosperity and a higher standard of living in some regions while, at the same time, other areas have remained stagnant or have actually declined. These areas have been plagued by economic conditions which are the by-product of progress, of changing times and changing technologies, of plant migration and the exhaustion of natural resources.

Question. America is considered an affluent country. Even where imbalances exists, aren't the people in the depressed areas still fairly well off, generally speaking, when compared to, say, the Latin-American peasant?

Answer. Yes, generally speaking this is true. However, by comparison with their fellow citizens, many people in the U.S. are living under submarginal conditions—conditions which are unwarranted and which impede our over-all economic progress.

Question. Obviously, to correct imbalance on a national level, it will take Federal action. Is the situation so bad that large programs should be undertaken?

Answer. There are today many areas and communities of the Nation suffering from substantial and persistent unemployment and underdevelopment. Such conditions cause severe hardship to many individuals and their families. This is a waste of vital human resources which detracts from our national welfare. Action has to be taken somewhere. If the community or State fails to act or is totally unable to meet the challenge, then Federal assistance becomes inevitable. These areas simply cannot be ignored.

Question. Do you have statistics to support your contention that this is, indeed, a most serious matter?

Answer. Yes, I have them with me today. At the present time, there are some 800 urban and rural areas, embracing more than 35 million people with a labor force of 13 million—1 million of whom are unemployed. These areas have 27 percent of the Nation's unemployment but only 18 percent of our national population and labor force. Average unemployment in these areas is 8.3 percent in contrast to 5.6-percent national unemployment rate. Joblessness runs as high as 20 and 30 percent in some of these areas. To these figures it is necessary to add the widespread underemployment which is prevalent.

It should also be kept in mind that this is not entirely an urban problem. These figures include 129 counties where the median farm-family income was less than 25 percent of the national median. The median family income—not the per capita income—in these rural areas is less than $1,170 a year.

Question. Is there a single cause for these pockets of poverty? What are a few concrete examples?

Answer. No, not really a single cause. In some areas there may be a major cause—such as the West Virginia and Appalachian area, or the southern Illinois area, where the coal-mining industry has all but disappeared. As a result, some grave economic problems have been created for the area.

For the most part, however, these imbalances have come about for a variety of reasons which relate to history, resources, people and geography. The South is a good example here.

Question. Isn't this a matter for these communities, for those States? In other words, why should I, as a citizen of this community, have to pay extra tax dollars to help people 1,000 miles away from me?

Answer. In appraising the problem of regional imbalances for any economy it is important to keep in mind that the regions under consideration do not somehow represent isolated parts of the Nation which can therefore be singled out and studied as separate problems. This is not the case at all.

It is essential that such areas be considered as vital representative parts of the total and that only as they grow and prosper will the nation itself progress. The desired equilibrium and further growth of the economy will come only when the prescription for such growth has been offered and administered to all segments of the nation.

Catholics should realize that Pope John makes this perfectly clear in Mater et Magistra.

Question. I notice you have a copy with you. Where does he say that?

Answer. In many places and in many ways, really. I have this particular passage in mind:

"It often happens that in one and the same country citizens enjoy different degrees of wealth and social advancement. This especially happens because they dwell in areas which, economically speaking, have grown at different rates. Where such is the case, justice and equity demand that the government make efforts either to remove or to minimize imbalances of this sort. Toward this end, efforts should be made, in areas where there has been less economic progress, to supply the principal public services, as indicated by circumstances of time and place and in accord with the general level of living."

Question. Now, it's one thing to tell me that I'm to be concerned as a Christian for others. But how can a Christian principle be translated into legislation affecting all the citizens of a country?

Answer. As individuals and as a nation, we have a traditional humanitarian concern for the welfare and well-being of people

everywhere. Legislation is simply the vehicle which accommodates the translating of the principles, ideas and desires of the citizenry into action.

As citizens, we have to do what is required in simple justice and equity on behalf of our fellow man. We must assess the realities of economic disorder in our own country as well as around the world. In looking at these hard historical facts of human suffering, we are compelled, as Christians, to design a program or course of action which will relieve this suffering and ultimately have meaning for the entire Nation.

Question. What is the principal legislation at the national level to solve this problem?

Answer. The Area Redevelopment Act.

Question. When was it passed?

Answer. 1961.

Question. Did this act create the Area Redevelopment Administration?

Answer. Yes. As a result of the act the ARA was set up.

Question. The ARA has been criticized as just another bureau in an immense bureaucracy, and as a vehicle for added patronage for the incumbent party. Taking the second objection first, is there any truth in it?

Answer. It would, indeed, be a difficult position to take and ultimately to defend the fact that another bureau does not create at least some additional bureaucracy. However, after having spent 6 months with ARA as a consultant, I honestly do not feel it is bureaucratic. There are a limited number of people devoting their time and productive effort in the administration of this program.

The law itself requires that, wherever possible, already existing agencies be used as the vehicles of implementation. Such agencies as the Department of Labor; of Health, Education, and Welfare; Small Business Administration, and others have been working very effectively with the Area Redevelopment Administration.

Question. Now for the first objection—it has been operating for only 2 years, so it might be difficult to determine with certainty. But, in your opinion, is the ARA worthwhile? That is, has it justified its formation?

Answer. With only 20 months of operation, I would say the ARA has been doing a good job in helping to solve the unemployment and underemployment problems of the depressed regions of the Nation. In some areas the progress has been first-rate; in others it has perhaps been slow and plodding. Yet, on balance, I feel it has been reasonably successful and provides us with considerable promise for the future.

Since President Kennedy signed the Area Redevelopment Act into law on May 1, 1961, more than 150 financial-assistance projects have been approved to create 43,000 direct and indirect jobs. During this period ARA also approved more than 125 technical-assistance contracts which could lead to the development of thousands of additional jobs. More than 250 job-retraining programs have been approved to help 14,500 worker-trainees gain new and marketable skills. This represents more than $67 million in Federal funds, most of which is in the form of loans, repayable, with interest, to the U.S. Treasury.

Question. What has it accomplished?

Answer. January 1, 1963, marked the beginning of ARA's 20th month of operation. On the books for that period were 161 approved financial-assistance projects, for a total of 26,864 direct new jobs and more than 18,000 indirect jobs. The last 6 months of 1962 showed nearly a 150 percent gain in ARA financial-assistance activity over the first half of the year. A total of 161 financial-assistance projects were approved for more than $57 million. These Federal funds were used for commercial-industrial loans and public-facility loans and grants. (Approximately four-fifths of these loans will be repaid to the Treasury with interest.)

Technical assistance and research projects rose to a total of 137 at year's end, with an investment of $4.9 million. A total of 261 training and subsistence projects were providing 14,915 worker-trainees with new skills, thereby permitting them to return to the country's working force.

The combined total of all ARA projects for this period was 559, involving more than $71 million.

Starting the new year, the pipeline held 381 projects which involve $193 million in Federal investments, and offer prospects of 52,000 direct new jobs and 36,500 indirect jobs.

AS CHRISTIANS, WE HAVE NO OTHER ALTERNATIVE—WE MUST HELP THOSE IN NEED

Question. As you suggested in a previous answer, we don't make laws because the Pope said so, but natural concern for human welfare precipitated the formation of the ARA. However, would you say that the ARA has acted in accord with the admonitions of the papal social encyclicals—although, of course, from another motivation?

Answer. ARA by its very design is intended to bring about new economic activity and thus relief of human suffering. It is this very type of program, it seems to me, which embraces the principles and concepts contained in the passage of Pope John's message which asserts that when this situation exists (that is, marked socio-economic inequalities among citizens of the same country) justice and equity demand that public authorities try to eliminate or reduce such inequality.

Question. So far we have stressed imbalances in economic affluence in a geographic sense. What about imbalances between the two major divisions in our society, the rural and urban areas?

Answer. While we have been speaking of these imbalances in a geographic sense, they also represent, to a large extent, the sharp dichotomy in standard of living. Hazarding a guess, I would say that probably at least 75 percent of the areas currently being assisted by ARA are outside the standard metropolitan areas.

Question. What is ARA's orientation in the rural areas? Does it encourage retraining of farmworkers for jobs in urban areas?

Answer. ARA has been, to a considerable degree, involved in rural areas. For example, there are vast regions in the South and Southwest (designated ARA areas) where technical advances have long been reducing the need for farmworkers. The ultimate effect of this has been the continual creation of a surplus labor supply in relation to the availability of capital.

In addition to this, birth rates in southern rural areas have consistently been the highest in the country. This naturally aggravates the situation and ultimately creates new problems of unemployment for the rural areas. It is in these same rural areas that the ARA has been attempting to generate new economic activity and thus help relieve this chronic problem of unemployment.

Question. In the funds used for ARA we have an example of diverting funds from consumer spending to public spending to improve the quality of the national community, a theme Arthur M. Schlesinger was writing on half a dozen years ago. John Galbraith has called for the same type of greater spending in the public sector. Do you think that more is still needed?

Answer. This, of course, is a very mercurial question and one on which we could spend a great deal of time. It is my opinion that the problem of regional imbalances within our own Nation is a very serious one and that we should spend the necessary money and effort to remedy the problem. I would not be as concerned with how much is to be spent as I would be with the problem of how effectively and judiciously the programs are carried out.

I do not necessarily think there will have to be more money spent and more people hired—but rather that the right people be selected and given the appropriate budget to carry out the program. People who possess the ability and imagination necessary to generate the economic activity the community so badly needs.

Question. How does this greater expenditure in the public sector of our economy help stimulate economic growth—in relation to the work that ARA is doing, that is?

Answer. Simply stated, such a program helps put people back to work and takes them off relief. It creates new purchasing power which ultimately stimulates new and additional production, and the Nation falls heir to these human resources and utilized capacities.

Question. This is, of course, one sign of what has been derisively called a "planned economy." Do you think that more planning is needed today, and will more be needed in the future?

Answer. To answer this briefly, I might say that as long as there are areas of unemployment and regions which are not able to utilize our natural resources and raw materials, the Nation is the loser. In such instance the Government has a real obligation to take the necessary remedial steps.

Question. How does a regular paycheck for an ex-miner now a retrained machinist in a mining town in West Virginia, affect the social and economic well-being of, say, a shipping clerk in Los Angeles?

Answer. Conceivably, the shipping clerk in Los Angeles may find he is paying lower taxes because the ex-miner in West Virginia is now paying taxes himself and is no longer receiving unemployment compensation.

The ex-miner will, perhaps, be producing a product which may affect the well-being of the shipping clerk in Los Angeles through, let us say, an increase in our gross national product.

The miner may, with his savings, conceivably take a trip to Los Angeles. He will spend money in Los Angeles. He might purchase some oranges—these might be sent back to West Virginia through this shipping clerk.

Question. Is it not demeaning to the coal miner in West Virginia—I hope I am not belaboring this one example—to beg for handouts from the Federal Government? I would not call this Christian——

Answer. First of all, he is not begging. He has been given an opportunity to contribute to his own livelihood and that of his community—and ultimately his country.

In many instances he finds himself in these dire economic conditions through no fault of his own. For example, the impact of natural gas upon the coal industry and the mechanization of coal mining has resulted in extensive unemployment in the coal-mining regions. In the true Christian spirit, we, as citizens, have no real alternative but to assist him in his hour of need and help him plan for the future through some sort of new economic activity.

BY STIMULATING NEW ECONOMIC ACTIVITY, ARA BRINGS RELIEF TO HUMAN SUFFERING

Question. You stated that now 568 areas have been under ARA's scrutiny since it was established. What are the concrete results?

Answer. We all agree there is no single yardstick with which to measure economic impact, for circumstances alter cases considerably. Much depends, for example, on the nature and size of the new industry, on the existing level and character of local economic activity, and on economic conditions in the neighboring region. However, useful estimates can be made of economic impact in individual cases.

Question. Can you give us an example?

Answer. Recently, the Area Redevelopment Administration made a $455,000 loan to the

Carbondale Industrial Development Corporation of Carbondale (Jackson County), Ill. This loan stimulated an additional local private and public investment of $2.6 million to enable a tape-manufacturing concern to open a midwestern branch in the community.

ARA has prepared a study of the impact that this project is expected to have on the Carbondale area in terms of new jobs, additional income, and reduced expenditures for unemployment insurance and public welfare payments—all of them key points of interest in an area long afflicted by excessive unemployment.

Employment in the tape firm, itself, is expected to include 700 permanent jobs and, for about 4 months each year, 300 part-time jobs——

Question. Isn't there a snowballing effect? That is, when one man is employed, doesn't this help create another job?

Answer. On the basis of 700 full-time workers, it was calculated that secondary employment would be provided for another 280 persons. Seventy-five of these secondary-employment jobs will be provided in the operations of two of the tape firm's suppliers that have already decided to open facilities in the Carbondale area. The remaining 205 workers would be engaged primarily in retailing, wholesaling and service activities.

The largest single benefit would be the $4.3 million each year in new payrolls: $3.2 million at the tape firm, $273,000 at the two suppliers, and $799,500 in other secondary employment.

Question. So individual workers are helped, the community benefits—what effect does this have on the State and Nation?

Answer. This payroll will produce annual Federal income taxes of $225,000, in addition to State and local tax revenues, and Federal tax revenues on the company's operations.

The new employment will help reduce the drain on the Illinois Unemployment Insurance Fund and on county welfare resources. The 980 new jobs will eliminate about 60 percent of Jackson County's total unemployment. Assuming a reduction in the same proportion of the unemployment insurance payments in the county, this would produce an annual saving of $363,000.

Local conditions suggest that as many as one-fourth of the 980 permanent new jobholders would each be receiving close to $400 yearly in welfare payments; creation of the new jobs would cut these expenditures by about $96,000 each year.

In addition, Carbondale will receive $30,000 a year in rental on the community-owned factory building being used by the tape concern—a building which has been empty for years—and the original loan will be repaid to the Federal Government over a 20-year period at 4 percent interest.

Question. How do you help out an area and, as Pope John says, get the residents of that area to "feel themselves to be the ones chiefly responsible for their own progress"? How is ARA help administered?

Answer. In those ARA-assisted areas which I have had some exposure to, I feel there is a genuine spirit of accomplishment and a sense of their own involvement in this bootstrap operation. I think the people in the communities have come to know and understand what has to be done.

The Government, in coming to their assistance, has asked them to take a long, hard look at the economic problems of their area. The communities seem to realize that the Federal help is simply to get them going again and that sustained progress and prosperity will be forthcoming only through their own determined, imaginative and unrelenting efforts.

IT'S NOT HOW MUCH IS SPENT—RATHER, IT IS A QUESTION OF HOW EFFECTIVELY IT'S SPENT

Question. Does ARA concern itself with migration from areas of high unemployment?

Answer. ARA's primary concern is to bring the resources of the Federal Government to bear on the economic problems of those areas suffering from substantial and persistent unemployment and underemployment. In some instances, this will involve encouraging workers in high unemployment areas to move or commute to new areas of employment. In other cases, where feasible, it will involve stimulating new activity in the area itself. Let me give you a specific illustration.

The ARA people met on January 10 in Texas with the leaders from Laredo and neighboring Eagle Pass, and announced details of a project designed to retrain 600 jobless workers with new skills for identifiable job opportunities in the area.

Emphasis will be placed on helping solve the unemployment and underemployment problems of migrant farm workers. Training will be given in the operation of all types of farm machines, because the more skills these workers have, the more readily they will be able to find year-round employment at substantially higher levels of income. Jobless workers in the Laredo area will receive training as machine-tool operators, automobile mechanics, clerk-stenographers and irrigators, as well as all-round farm-machine operators.

Employment of these newly trained workers will have considerable impact on the Laredo economy. Taking 600 workers off unemployment compensation and public-assistance rolls will make a sizeable dent in the 2,300 workers currently unemployed—more than 10 percent of the total work force.

Earlier ARA retraining projects—10 thus far in Texas—are providing nearly 200 jobless workers in redevelopment areas across the State with new and marketable skills, through a Federal investment of $138,151. Seven of these projects are in the Laredo area.

Question. This is a typical ARA activity?

Answer. Yes. ARA tries to create a working partnership with private enterprise, community leadership and State governments in attempting to get the job done.

Question. Will ARA seek a larger budget from the present Congress?

Answer. Yes, I would think so. In fact, I'm sure it will. Its problems persist, and it is continually being made responsible for additional programs designed to generate the economic growth we desire. For example, a good portion of the accelerated public works program is to be administered by ARA. This program alone will provide thousands of new jobs and increased purchasing power in many of the ARA-designated areas.

Question. What are its chances of getting more funds?

Answer. I think congressional attitude toward the ARA is, by and large, favorable. Although some feel it was slow in getting underway, I maintain the majority are reasonably happy with its success to date and feel it offers considerable promise.

Question. What forces are opposing ARA's wishes?

Answer. I suppose all those who oppose Government spending in the public sector—those who fear governmental bureaucracy, and those who still hope someday to return to the rugged individualism of, say, the twenties.

Seriously, all of us have to scrutinize the use and effect of such public moneys upon our national welfare. If this program is not bringing about the desired results with reasonable expenditures, then all of us must oppose it.

Question. Can we be complacent? That is, is ARA doing enough, or is there a great deal more to be done?

Answer. There is an immense amount of work to be done—and it cannot all be done by an Area Redevelopment Administration. In considerable measure, our present economic growth and advancement is being determined by local and regional programs for economic development. It is at the regional and local level where business actually operates, where people live and where the economic activity is initiated.

It is also at this same level that much of the drag on our economic progress can be traced.

Question. What is the effect of this drag?

Answer. It is because of this drag that pressure has been brought to bear upon the Federal Government. Pressure which has resulted in an Area Redevelopment Act, a $900-million accelerated public works program, and a manpower training program. These programs, while Federal in scope, are still subject to the initiation, planning and execution of State and local officials. The work to be done is still at the local and regional level and must be initiated there.

I think the stark realization of these facts and their significance upon economic activity is gradually forcing a new kind of leadership in these areas—a leadership which is willing to join forces with the local and regional authorities in looking at the basic economic problems of their area on a broader spectrum.

It is only through such effort that they will be able to design the most appropriate program for long-range corrective action.

Mr. DOUGLAS. Mr. President, I thank the senior Senator from Indiana for the very constructive speech he has made. He has spoken about specific projects in his State. What he has said will help very much to pile up evidence to show that the captious criticisms which have been made by Members of this body and by some members of the public are relatively ill-founded. I thank the Senator for his fine and constructive contribution.

Mr. HARTKE. I thank the Senator from Illinois. I wish some of those who are critical of the program would come with me to Indiana. I would be glad to go with them to observe what is being done. We have not solved all our problems. However, I will be glad to show what we have accomplished thus far, so that others may understand what the program means to a community.

Mr. DOUGLAS. I thank the Senator.

Mr. President, I am glad to yield now to the distinguished senior Senator from Wisconsin [Mr. PROXMIRE], who has been of valuable assistance in the passage of the existing legislation and in the framing of proposed amendments. The Senator from Wisconsin is an able member of the Committee on Banking and Currency, which has considered the proposed legislation. His support has been keen; his criticism has been sharp, yet friendly. He has been a most constructive force in the development of the proposed legislation.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Illinois. There are many reasons why I favor the bill, but there are two principal reasons. Before I mention them, I should like to say that I also am enthusiastically in support of the bill because the only professional economist in the Senate, the man who has by far the greatest competence in economic matters in the Senate, the distinguished Senator from Illinois [Mr. DOUGLAS], is the author of the legislation—not only this particular bill, but the basic legislation, as well. He fought hard for a number of years for this legislation, before he won its passage. He has drafted

a bill which, it seems to me, conforms with his own excellent record of fighting for full value for the taxpayer and, at the same time, achieving the human values and goals which we all so earnestly desire.

A FREE ENTERPRISE PROGRAM

I favor additional authorization for this program, and the program itself, first, because it is a free enterprise effort. It is not designed to build up a colossal Federal bureaucracy. It is not a bill which emphasizes public works. It is not a bill which would put people to work for the Federal Government. It is not a bill which would build great reclamation projects and dams of questionable value. It is not a bill which provides for centralized Washington control. It is not a bill which would provide for Government enterprise, tax-free enterprise, with advantage over private enterprise. It provides for positive reliance on individual free enterprise.

Furthermore, the bill primarily provides loan money. It provides loan money, money that will have to be repaid to the Government, to the taxpayers, with interest.

There is much criticism, and very thoughtful and proper criticism, of the danger of big government and of the possibility that government may become so powerful that individual citizens and individual lawmakers or administrators cannot really control it. I believe that such criticism is just, fair, and honorable. It is proper. It is criticism that we must be aware of.

The proposed legislation, it seems to me, would help us to encourage and develop our economy to provide jobs by building up the private sector of the economy. It would do so by encouraging individual businessmen to take advantage of favorable Government terms to borrow capital and to develop their enterprises or businesses in areas where surplus labor is available. It would do so by providing training for people who are out of work in those areas, who have very little skill, but who are looking for work.

SOUND LOCAL PLANNING REQUIRED

Above all it would do so—and this is the second reason why I favor the bill so enthusiastically—by requiring local communities and local businessmen to devise programs or plans that are sound.

For many years there have been complaints about depressed economic conditions in the northern part of my State of Wisconsin. I believe it is nationally known that northern Wisconsin has suffered from a cutover of our timber resources. For many years there has been a situation of underemployment, of the gradual degeneration of one community after another, of people without work, of people having inadequate incomes or part-time jobs, and looking for steady work. For years, proposals have been made to remedy the condition.

Democrats and Republicans, ranging in office from town board chairmen or side supervisors, to mayors, assemblymen, and State senators, to U.S. Senators and Representatives, and even candidates for the Presidency who have come to Wisconsin, have made proposals to improve the economy; but nothing really constructive and regionwide has been done until now.

Now, at long last, after years of waiting, there is action in northern Wisconsin. A number of projects are now being started, not leaf-raking or public-works proposals on the part of Washington to put people on the payroll, but individual, private enterprise, locally initiated efforts to build the communities and to establish local business.

The promises which were unfulfilled for so long are now slowly and gradually being realized.

There is no question that one of the weaknesses of a free enterprise economy, such as ours—and I believe the strengths greatly outweigh the weaknesses—is that there is less planning for local communities than many persons feel there should be. We oppose, and rightly so, rigid planning on a broad, national basis, a master plan. For then we may move into a controlled economy or into a socialized or even a communized economy.

The kind of proposal envisaged in the bill encourages local communities to do their own planning, to analyze their own resources, to determine what labor supplies are available, what transportation facilities can be utilized, and what other resources are available, and then to propose a program. The State university can be of assistance. That has been done under the ARA legislation.

In my State, experts from the University of Wisconsin have assisted in the planning. The State resources commission assisted in improving the programs and plans. These activities are necessary to provide long-term, sustainable growth, and permanent jobs.

We in Wisconsin are very proud that we have had local development programs in our State for many years. They antedate the proposed legislation. One such program is in Elkhorn, Walworth County, Wis., a politically conservative area. Their planning program has succeeded in providing a very diversified economy in the little city of Elkhorn. The local city planners have provided for industrial sites, railroad spurs, and utilities. They have built small factory spaces which are available for small firms, because they have found that when a big firm moves out, the vacant plant may be idle and the resulting unemployment serious for years. But when a small firm moves out, it is not difficult to secure a new enterprise to provide employment for 20 or 30 persons. That is the kind of program that we are trying to popularize in Wisconsin.

Until ARA came along, there was not that kind of practical basis in terms of available capital and training to make such a program work. Now we have such facilities. ARA has been able to make the Elkhorn type of program work well throughout the State of Wisconsin.

PROGRAM ONE-TENTH OF FOREIGN AID PROPOSAL

The bill is criticized because, it is said, it provides too much money—$450 million. That is a whale of a lot of money. Together with many other Members of the Senate, I believe we should not spend if it is not necessary to spend. But let us put the $450 million provided in the bill into perspective. The fact is that this amounts to about one-tenth—10 percent—of what the President is asking for foreign aid this year. It amounts to one-half the cost of one aircraft carrier. An aircraft carrier—its hull and its equipment, including planes and antiaircraft batteries—costs about $1 billion. This ARA authorization bill, which would stimulate the economy and, in my judgment, be a rifleshot at the really depressed parts of our economy, will cost one-tenth of 1 percent of our gross national product—much less.

It will cost one-half of 1 percent of our Federal budget. Furthermore, when I say "cost," I should make clear that I am referring to the fact that three-fourths of this program is made up of loans at 4 percent interest. There is some question as to whether 4 percent interest is a high enough charge against those who borrow from the Federal Government under this program. I hold in my hand a chart which shows the loans made by the Agency for International Development—AID—which is in charge of the foreign aid program; the chart is a summary of the loans authorized for the fiscal years 1962 and 1963. It shows a total, during those 2 years, of $1,954 million or loans, $1,799 million or 90 percent of these loans are made at three-fourths of 1 percent interest, not 4 percent.

Mr. President, Americans who wish to borrow money in order to build up their local communities under this bill pay back interest at a rate more than 5 times as high as the amount our Government provides for foreign governments which borrow from us. I repeat that it is a fact that 90 percent of the loans made under the foreign-aid program for development loan purposes in the last 2 years have been at three-fourths of 1 percent interest, whereas this area redevelopment program requires a taxpayer who borrows money under the Area Redevelopment Agency program to pay 4 percent interest.

This is not a spending program; it is a loan program, repayable with interest, and the Federal Government will get back what it loans, with the exception, of course, of approximately one-fourth of the authorization, which is provided as grants to local communities, to enable them to provide the facilities necessary for the industries which move there—to provide, for an industrial plant, the necessary sewer system, the water system, and so forth, all of which are necessary in order to encourage industry to take advantage of the local opportunities.

ARA CORRECTS MOST TRAGIC KIND OF UNEMPLOYMENT

Mr. President, yesterday the Washington Daily News published the first of a series of articles, by Samuel Lubell, which deal with the unemployment problem. I am chairman of the Economic Statistics Subcommittee of the Joint Economic Committee, and my subcommittee has made a series of studies of unemployment and what it really means. In the article Mr. Lubell asks

what I regard as some challenging and appropriate questions about unemployment. He, together with many other persons, would challenge the notion that our unemployment statistics, which include all those who are out of work, give a really valid picture. Apparently he has in mind the fact that when it is said that there are 4½ million unemployed, the reference is to 4½ million heads of families or to 4½ million persons who are on relief, because they are out of employment. I believe we should put this matter in its proper perspective. Mr. Lubell points out that in the depressed areas the people really suffer, but can do nothing about it. In short, the Federal Government must take action in these areas, because if it does not act, no action can be taken.

In the article, Mr. Lubell says that some of the unemployment involves teenagers living at home, who are looking for work. He says their situation is unfortunate, but not as tragic as that of whole families who are out of employment.

I quote from the article by Mr. Lubell:

> In contrast, in Wheeling, W. Va., where 12 percent of the work force was jobless, nearly a third of the persons I talked with had exhausted their unemployment benefits and were living on relief or hand-me-down jobs like apple picking or farm chores.

Mr. President, these are the people who need help, and deserve it. For months and for years they have been trying to find work. Through no fault of anyone in these communities, they are suffering and entire communities are dying.

In Minnesota and in northern Wisconsin the mining industry and the timber industry have sharply diminished. In West Virginia and in southern Illinois the coal-mining industry has largely disappeared from some areas; in others, it has dwindled so sharply or has been automated so completely that the jobs which were the support of many families no longer exist. These unemployed people have established their roots in these communities. Many of the unemployed have moved away; but those who wish to have wholesome lives in these communities surely should be given opportunities to borrow the needed money and to repay it with interest. Basically, that is what this program provides.

Mr. President, in conclusion, let me say that I enthusiastically support this program because it provides for individual local initiatives. It requires those concerned to provide sound, workable plans. I also support the program because it is based squarely on free enterprise, and it will enlarge and expand the free-enterprise sector of our economy.

Those who oppose the encroachments of socialism, and who say that under these circumstances the Government should not act, should propose an alternative program. But what do they want us to do, Mr. President? If they do not favor this program, what do they want? Do they suggest only relief? Do they want the people to sit around without work, and waste their lives? Of course, an economy based on such waste is insufferable.

Mr. President, I conclude by requesting the Senate to support this bill; and I commend the Senator from Illinois [Mr. DOUGLAS], who over the years has worked so hard for this program, which provides so wisely, and so thoughtful a basis, for our free enterprise system.

Mr. DOUGLAS. Mr. President, I thank the Senator from Wisconsin, who has presented some of the testimony which is pouring in this afternoon from all sections of the country about the concrete benefits of the Area Redevelopment Act and its administration.

I see in the Chamber at this time the distinguished junior Senator from Maine [Mr. MUSKIE] who comes from what is popularly termed "Down East"—an area which also has its problems. At this time I am very happy to yield to him.

Mr. MUSKIE. I thank the Senator from Illinois.

Mr. BARTLETT. Mr. President——

Mr. MUSKIE. Mr. President, if I may do so, I should like to yield now to the Senator from Alaska.

Mr. DOUGLAS. I shall be glad to have that done; but if the remarks of the Senator from Alaska are on a subject other than the Area Redevelopment Act, I ask that they be printed in the RECORD following the remarks on this subject, because we are trying to keep the RECORD as coherent as possible in so incoherent a body.

Mr. BARTLETT. Mr. President, it so happens that the contrary is the case. I desire to speak—although briefly—precisely on the bill now before the Senate.

Mr. DOUGLAS. I am delighted to know that. To have Maine and Alaska join indicates that the common principles of this program operate in widely separate and disparate economic communities.

Mr. BARTLETT. That is true.

Mr. President, I join the Senator from Wisconsin in heaping praise upon the distinguished Senator from Illinois [Mr. DOUGLAS] for his original work in connection with this law, which has served so many useful purposes throughout the Nation.

Mr. DOUGLAS. Mr. President, I appreciate the courtesy of the Senator from Alaska; but let me say that he does not have to "lay it on with flowers."

Mr. BARTLETT. Mr. President, I insist upon it, because I mean it most sincerely. We are greatly indebted to the Senator from Illinois for bringing before the Senate the bill we are now considering.

Mr. President, the Area Redevelopment Administration is now an inseparable part of Alaska's growth and development. It is helping to make a reality the dreams Alaskans shared through the long years as a territory. Alaskans waited for many years for the chance to develop their own industries by themselves. The Area Redevelopment Administration, created in 1961, has been able to step in immediately with the kind of assistance which the people of Alaska have long needed, but which had never been made available to them.

Mr. President, it is vitally necessary that the programs instituted by the Area Redevelopment Administration be allowed to continue, not only for Alaska's sake, but also for the sake of all of the areas in the other 49 States which, for one reason or another, are unable to build their economies alone.

Let me give a few examples of the kind of basic and necessary work the Area Redevelopment Administration is doing in Alaska.

The State spent $15 million to develop a marine highway from Ketchikan to Haines and Skagway. The ferry system carries freight, passengers, and automobiles. In the short time it has been in service it has operated at a capacity well beyond expectations.

Not only will it bring into Alaska thousands of people as tourists and visitors, but also it will open up new possibilities for new business and industry. However, we need to be sure that the industrial development is of a kind best suited to the needs of the State, and that accommodations built for the influx of new people traveling on the ferry and into Alaska are the right kind and in the right places.

The State and the ARA together are planning for a technical study to determine the economic impact of the new ferry system and the industrial growth possibilities that it will provide. Funds for this kind of study, if the request is approved, will be the seed out of which more business and more and new jobs will grow.

The State, Bureau of Commercial Fisheries, University of Alaska, private industry, and ARA are working together to provide a research institution that can study the best ways to utilize the fish resources that abound in the Alaska seas, rivers, and lakes; markets, transportation costs, methods of harvesting, processing, and packaging, species not now widely used are all matters which require study and research before we can make full use of our potential, and provide new wealth and jobs for our people.

The ARA program for loans and growth can provide a part of the funds that are not available from private and State sources, and a segment of our State population can be put to work in year-round employment.

The city of Kodiak will be well on its way out of the classification of "persistent and substantial unemployment" because of the impetus from the expansion of the Alaska Ice & Cold Storage plant through an ARA loan of $260,000. The plant can now receive many tons more of fish than it has been able to. This means that fishermen can unload at Kodiak and return to the fishing grounds, without having to travel days to find facilities in which to unload and store their catch.

This development has required the expansion of Alvine's Marine Repair with an ARA loan of $86,665, and local investment of $133,333. Ten new jobs are created and repairs can be made without long trips to the next nearest repair yard.

The prospects of new jobs and new income into this area have caused one of the Alaskan banks to establish a branch in Kodiak, and the direct bene-

fits to trades and services in the area will be great.

The combination of local planning and interested private operators, with funds provided by Kodiak people, an Alaska bank, and the ARA, will give new life to the Kodiak area.

Seldovia, located in the Cook Inlet area of Alaska, is entirely dependent upon the fishing and seafood industries for support of its people.

The most vital necessity for seafood processing is a safe and abundant supply of water.

The town faced a critical water problem when pressure dropped and waterlines broke. The four plants canning shrimp, crabs, and salmon were faced with closing or removal to other places unless they could be assured of adequate water and water pressure. Two additional plants which planned to come into the area could not come without a proper water supply.

Local funds were not sufficient to bear the total cost of the additions and improvements required. An ARA loan for $168,000 which will be repaid from revenues, and a grant of $75,000 will save the canneries and will bring in two new ones. This means jobs now existing will be saved, and from 75 to 100 new jobs in canneries and the fishing fleet will be created.

The city of Wrangell has a wornout and inadequate power system. It is not eligible for any loan from REA nor from other traditional loan sources.

A new mill is to be built in Wrangell which will require power during its construction and from time to time afterwards. Other demands on the power system will grow from the logging operations that will be needed to supply the mill.

The city's funds on hand, and expected revenues from the power system will pay part of the cost of expansion but the city will still be short $20,500 of sufficient funds.

The ARA public facility loan and grant program is fulfilling this need, by a loan of $77,000 repayable from revenues, and a grant of $20,500 for the part that cannot be obtained from any other source.

The development of Wrangell and the neighboring area will have taken a big step forward because of the ARA assistance in financing the mill and the power system.

Saxman, a small native village near Ketchikan, will become a major wholesale distribution point for southeastern Alaska through the assistance of the Area Redevelopment Administration.

The cost of living in Alaska is well known to be higher than in any of the other States. One of the major reasons for this is that Seattle acted as the wholesale warehouse for almost all of Alaska. Shipments were made up for individual cities and because the population was small and facilities unavailable, Alaskans were unable to take advantage of carload lots of various commodities. The installation of the Saxman facility, with its storage area, will permit shipment from southern points to a distribution point in Alaska. Commodities can then be transshipped on an "as needed" basis.

In addition to lowering the cost of living for all residents of southeastern Alaska, the Saxman project is providing year-around employment for the people of the community. People in the nearby Ketchikan area are now seeking ways to establish more industry in the area to take advantage of improved transportation.

This one installation at Saxman will be the base upon which a thriving, diversified economy can be built.

Mr. President, the Area Redevelopment Administration is doing an excellent job in Alaska, and it must be allowed to continue. It is my hope that the ARA will work itself out of a job, because if it does, it will have served the Nation well. It will have stimulated our economy, renewed our faith in new starts, and brought jobs and prosperity to all corners of our land.

I ask unanimous consent to have printed in the RECORD at the close of my remarks the text of a radiogram which I received a few days ago from Dr. George Rogers, an eminent Alaska economist, urging that the bill be passed, and likewise the text of a letter on the same subject and to the same effect which came to me only today from Mr. Walter Kraft, a businessman of Kodiak, Alaska.

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

JUNEAU, ALASKA,
June 21, 1963.

Senator E. L. BARTLETT,
U.S. Senate,
Washington, D.C.:

Continuation ARA program critical in Alaska's future. Realization anticipated major developments requires considerable time. Unless bolstered by intermediate and transition developments such as provided by ARA projects, present economy will fall during waiting period causing loss skilled labor and local capital and immediate hardship many Alaskans.

GEORGE W. ROGERS,
Economist.

O. KRAFT & SON, INC.,
Kodiak, Alaska, June 21, 1963.

Senator E. L. BARTLETT,
U.S. Senate,
Washington, D.C.:

DEAR SENATOR BARTLETT: Thank you for the copy of H.R. 4996 that you forwarded to me on May 8.

I was disappointed in the vote this week concerning the ARA program. Alaska really needs this type of program to develop its economy.

I sincerely hope that the Senate will vote in favor of this program.

The Governor's office phoned me today concerning the new project under our ARA program. This project would be a great step forward for Alaska and Kodiak. The project started with a Marine Science Institute for the University of Alaska. They were requesting a grant of $630,000. The State has added to this program a Fishery Research Center and they have raised the grant to $1,100,000. This project would really help the economy of Alaska, particularly the coastal areas.

I am sure that you can understand what this program would mean to the entire fishing industry in Alaska. This program could possibly help in getting the Russian and Japanese fishing fleets out of Alaska waters.

Any support that you can give us on this project will be greatly appreciated by the community and the State of Alaska.

With best wishes, I am,
Sincerely yours,

WALTER O. KRAFT,
Chairman, Kodiak OEDP Committee.

Mr. BARTLETT. I thank my friend from Maine for having yielded to me.

Mr. MUSKIE. I was happy to yield to my distinguished friend from Alaska.

Mr. President, I am happy to yield to the distinguished Senator from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. With the understanding that the Senator from Maine does not lose his right to the floor, and with the understanding that my remarks will come at the conclusion of his remarks.

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

Mr. SPARKMAN. Mr. President, I am grateful to the Senator from Maine for giving me this opportunity to say a very few words. I shall be brief. I must leave the Chamber soon. Therefore I am doubly indebted to him for letting me get in my word of testimony this afternoon.

I am pleased that the bill is before the Senate today for consideration. I hope that when it comes to a final vote, it will be passed by an overwhelming majority. The bill contains a continuation of a program that Congress passed previously. It has well proved itself, even in the short time that it has been in operation. Undoubtedly some mistakes have been made, but that is only to be expected in an agency that is carrying out a program in an uncharted field.

I commend the Senator from Illinois for the great interest he has shown in the program for many years. He worked hard on it before it ever became law. He has continued his interest in it. He performed a masterly job in making a record before the Banking and Currency Committee of the Senate, and is doing so now on the floor of the Senate.

The Senator from Illinois [Mr. DOUGLAS] started his interest in the program many years ago. He did not grow weary in well doing, but continued to work at it until the bill became law. I take some pleasure in the enactment of the measure because I supported it from the beginning.

As the Senator from Illinois may remember, back in 1950 and 1951, as chairman of the subcommittee of the Joint Economic Committee, I held hearings first on low income families and then on rural families. At that time I introduced a bill that would have established a nationwide program in the thousand counties of lowest income.

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

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. I wish to pay tribute to the Senator from Alabama, not only for his general excellence, but also for the fine specific work which he did in developing information as to the extent and depth of rural poverty, and the amount of time which is lost in the rural regions, and then proposing a constructive program. As I shall later show, the

program started primarily for the urban and industrial areas. The contributions of the Senator from Alabama helped us weld the rural problem to the urban industrial problem and produce an integrated program for the Nation as a whole.

So the Senator from Alabama is really a coauthor of the bill. He has been of great help in the difficult times which we had within the committee and on the floor, about which, in the interest of harmony, I shall not speak further.

Mr. SPARKMAN. Mr. President, I am indebted to the Senator from Illinois. I was not relating the fact for the purpose of gaining credit. I remember very well when the Senator from Illinois first suggested to me that he incorporate in his bill provisions related to the rural areas, in order that the program might be made universal. While my State is growing in industry, it is still primarily a rural, agricultural State. I have seen the program in operation in my State. I have seen it in some of the small rural areas. I have seen it in small towns. I have seen it in some sizable places. For example, I happen to think of one place in which a foundry that had formerly employed several hundred people had gone out of business. There was a great deal of unemployment in that area. It was one of our greatest labor surplus areas in the State of Alabama. By combining the program with the SBA program, through the cooperation of the banks and the people in that area we were able to work out a proposal that was adopted by the agencies concerned.

The plant was opened and has been doing a thriving business since that time, giving employment to several hundred people. When employment is given to several hundred people, that means that several hundred more persons benefit in a community. This means a great deal.

The program, in the short time it has been in existence, has well proved itself. I am glad to endorse its continuance and to express the hope that the Senate will approve it by an overwhelming vote.

I thank the Senator from Illinois and the Senator from Maine.

Mr. DOUGLAS. Mr. President, I thank the Senator from Alabama. He has been a great help, not only with the votes and with his moral presence on the Banking and Currency Committee, but also with his constructive suggestions, which, as I have said, were largely responsible for combining a rural program with an urban and industrial program.

This is a clear indication that the chamber of commerce was mistaken when it said it was never envisioned that this program would reach out into the countryside. The provision for a rural program, as well as an industrial program, has been in the law ever since 1957.

Mr. SPARKMAN. One has only to look at the list of projects approved to see how many are in rural areas or predominantly rural areas.

Mr. DOUGLAS. And how many of them are in southern areas. As Senators well know, many felt the program was going to be a Northern and Western program. I am very happy that it is a national program, helping the countryside, the cities, the small towns, and coal mining communities, as well as the rural regions.

Mr. SPARKMAN. The Senator is correct.

Mr. DOUGLAS. Helping the South as well as the North, the West as well as the East.

Mr. President, having heard from the State of Alabama and from the State of Alaska, we should hear from the State of Maine.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, will the Senator from Maine yield to me with the understanding that he will not lose his right to the floor, with the concurrence of the distinguished Senator in charge of the bill, so that I may make two unanimous-consent requests?

Mr. MUSKIE. Mr. President, I am happy to yield to the majority leader.

Mr. MANSFIELD. Mr. President, these requests have been cleared all around.

I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet at 10 o'clock tomorrow morning.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to 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; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. KING of California, Mr. O'BRIEN of Illinois, Mr. BYRNES of Wisconsin, and Mr. BAKER were appointed managers on the part of the House at the conference.

AREA REDEVELOPMENT ACT AMENDMENTS OF 1963

The Senate resumed the consideration of the bill (S. 1163) to amend certain provisions of the Area Redevelopment Act.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I have a proposed unanimous-consent agreement which I shall read myself, because it might be difficult for the clerk to decipher the writing:

Ordered, That, effective on June 26, 1963, at the conclusion of routine morning business and following a speech by the Senator from Utah [Mr. BENNETT] during the further consideration of the bill, S. 1163, to amend certain provisions of the Area Redevelopment Act, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to one-half hour in the case of the amendment to be offered by the Senator from Colorado [Mr. DOMINICK], to be divided 15 minutes to a side; 40 minutes in the case of the amendment to be offered by the Senator from Iowa [Mr. MILLER], to be divided 20 minutes to a side; 1 hour in the case of the amendment to be offered by the Senator from Pennsylvania [Mr. SCOTT], to be divided 30 minutes to a side; one-half hour on any other amendments, to be divided 15 minutes to a side; to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. President, I also ask that the time allocated to the majority leader be transferred to the control of the distinguished Senator from Illinois [Mr. DOUGLAS] who is in charge of consideration of the bill.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? The Chair hears none; and, without objection, the unanimous-consent agreement is entered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on June 26, 1963, at the conclusion of routine morning business, and following a speech by the Senator from Utah [Mr. BENNETT], during the further consideration of the bill (S. 1163) to amend certain provisions of the Area Redevelopment Act, debate on any amendment (except an amendment by the Senator from Iowa [Mr. MILLER] which will be limited to 40 minutes equally divided, and an amendment by the Senator from Pennsylvania [Mr. SCOTT] which will be limited to 1 hour to be equally divided), motion, or appeal, except a motion to lay on the table, shall be limited to one-half hour, to be equally divided and controlled by the mover of any such amendment or motion and the Senator from Illinois [Mr. DOUGLAS]: *Provided,* That in the event the Senator from Illinois is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Illinois [Mr. DOUGLAS] and the minority leader: *Provided,* That the Senator from Illinois [Mr. DOUGLAS] or the minority leader may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. MUSKIE. Mr. President, over the past two decades, we have witnessed one of the most remarkable—and almost unnoticed—revolutions in world history. That revolution—accomplished without barricades or bloodshed—continues today. It is the spectacular improvement in the American standard of living. Rising steadily to new and unprecedented heights, our standard of living dramatically demonstrates the success of our

democratic form of government and our economic system of free enterprise.

But in the midst of this affluence, we are repeatedly confronted with the paradox of unemployment, poverty and misery. As our prosperity has increased on a national scale, our unemployment patterns have become rigid, and certain areas have been chronically burdened with high levels of unemployment and economic stagnation. Frustrated in their efforts to share in the national prosperity, many Americans have watched their children leave to seek opportunity elsewhere, and have retreated into despair.

For some years, many States have recognized the uneven nature of economic development. In my own State, for example, in an effort to coordinate our development programs—industrial and recreational—we organized the department of economic development in 1955. This was followed by the Maine Industrial Building Authority, established in 1957, to guarantee industrial building loans. Both of these programs represent an effort by government to provide the means by which local communities can utilize local initiative and local resources to solve their economic problems. I am proud that both of these measures were enacted while I was Governor of Maine. Cooperation between local and State officials has been excellent, and some advances have been made.

But a great need remained. Thus, it seemed both logical and necessary that additional assistance be made available by the U.S. Government. This was forthcoming in the Area Redevelopment Act of 1961. In its 2 years of operation, ARA has been of immense assistance to large areas which need help. In Maine, six entire counties—Aroostook, Piscataquis, Washington, Hancock, Knox, and Lincoln—most of York County and part of Penobscot County have been designated as eligible for assistance from ARA. Those counties cover roughly one-half of the geographic area and contain over one-third of the population of the State. In each case, designation was requested by local citizens. This was not forced upon the people of Maine. They wanted it—they asked for it—they have used it—they need it if they are to continue to improve their economic condition.

Each of our eight counties eligible for assistance has submitted and obtained approval of an overall economic development plan. In itself, this is a positive and encouraging result, because it requires each area to appraise its resources and to channel its energies into those avenues which will best develop those resources. Some of our counties have not yet had a chance to implement their development plans, and curtailment of this program will be a cruel blow to the hopes which have been raised by this program. Others have already made significant strides.

One of these is Aroostook County, located at the extreme northern tip of Maine. As large in area as the combined States of Connecticut and Rhode Island and with a population of about 100,000, Aroostook County is a largely undeveloped area. It is rich in natural resources, but concentration on one source of income—potato farming—has made the county's economy subject to the violent fluctuations of the potato market. With the steady decline of that market in recent years, the economy of Aroostook County is in critical condition. Added to this was the loss in 1961 of the Presque Isle Air Force Base, which had been a major source of income to the city of Presque Isle, largest in the county.

Although it has not provided a solution to all of the county's problems, ARA has made a very substantial contribution to the economic recovery now taking place there. Three industrial loans, totaling $1,746,000, have been made. These loans, for expansion of a potato processing plant and two wood-products factories, are the kind of help needed in Aroostook County, for they are directed at development of the natural resources of the area. They will account for over 400 direct new jobs.

ARA was of direct assistance in meeting the problems created by the closing of the Air Force base at Presque Isle. Through its training program, some 300 workers are being retrained to meet the need for skilled workers to supply two industries moving into the former base.

ARA is also helping the potato farmers of Aroostook County to meet their problems. As I mentioned earlier, one industrial loan has already been approved for expansion of a potato-processing plant. More important, perhaps, is the help which can only be forthcoming if additional funds are made available to ARA.

A consensus is growing in Aroostook County that the first step toward solution of the problems of the potato industry is the establishment of centralized storage and packing plants. At this time, four applications are pending at ARA for construction of such plants. Yesterday, I received a letter from the executive vice president of the Maine Potato Council, which represents the potato farmers of Aroostook County. He said:

At a meeting of the board of directors, Maine Potato Council, held last evening, the board requested management of the council to contact our congressional delegation urging them to support any bills that would provide for additional funds for the Area Redevelopment Administration.

The board wishes to point out to our congressional delegation that the whole concept of the development of centralized storage and packing plants in Aroostook County, believed by the council to be one of the prime needs for correcting the potato situation, revolves around the use of ARA funds for the construction of such plants. At the present time, four groups in Aroostook County have applications for loans pending with the ARA. Already ARA funds have been extremely beneficial to the self-help program of the potato industry.

We urge your support of this legislation that has proven most beneficial to the Maine potato industry.

HAROLD E. BRYANT,
Executive Vice President,
Maine Potato Council.

The chairman of the Aroostook County Rural Area Development Committee wired me as follows:

On behalf of the Aroostook County Rural Area Development Committee, I would like to express my deep concern over the possibility that the ARA program may not be extended beyond this year. Although I realize that you are acutely aware of Aroostook County's problems, I will refer to them for background.

The recent closing of the Presque Isle Air Force Base accentuated the lack of industrial payroll for the area and created some temporary unemployment. The decline of the market for potatoes and the deterioration of the price for this product has resulted in severe under employment and marginal wages in the area.

The rural area development programs in conjunction with the assistance provided through ARA has made significant progress in changing this picture. The initiative of local businessmen has been stimulated by the availability of Federal money resulting in many applications for loans for some lumber mills such as cedar and planing mills, as well as one of the largest proposed long lumber mills in the area. Although the agricultural picture in potatoes has not significantly changed, many farmers have been given new incentive to try to solve the marketing program through the use of ARA funds in providing central packing and processing plants, potato services in Presque Isle have used ARA funds to increase the size of their operation and expect to double their employment up to a figure of 500 or 600.

Events such as these have given our area a more optimistic outlook on the future. I strongly urge on behalf of Aroostook County that you urge your fellow Senators to consider the good that has been accomplished by ARA and the many opportunities for more effort in these fields that are still available. We are very grateful for your assistance in the past and wish you good fortune in your present efforts."

JOHN TIERNAN,
Chairman, Aroostook County Rural Area Development Committee.

Perhaps of even greater significance to the economy of the county—and of the State—is a possible technical assistance grant. For some time, I have been working closely with local citizens in an effort to determine the feasibility of developing the sugarbeet industry in Aroostook County. This requires extensive sample planting, and an analysis of the crop once harvested. The State of Maine has already made some funds available, and the people of Aroostook County have contributed to their limit. However, additional funds are necessary, and an application for a technical assistance grant will be filed with ARA shortly. Such a grant would make it possible to make a proper analysis of the sugarbeet potential.

It should be made clear that these people are not running to the Federal Government for a handout. They have worked diligently and have raised locally and through the State over half of the total study cost. But their resources are limited. With just a very modest assist from ARA, this project may become a reality.

And it is of the utmost significance. It can provide the answer to the problems which have beset Aroostook County farmers because of their concentration in one crop.

The importance of this project to the long-range economic growth of Aroostook County—and indeed the entire State of Maine—cannot possibly be overstated. And yet, it will be stillborn if this measure is defeated, and no grant funds are available. Today, I received

a telegram from the chairman of the local committee organized to move this project, and it reads as follows:

We urge your help toward the establishment of a technical assistance grant for the sugarbeet program in Aroostook County. A supplemental crop is imperative to the economy of this area and sugarbeets fill this category excellently. Success of this venture would mean capital expenditures of $20 million plus substantial annual net income to the county's business and farmers. The 260 acres of beets now growing are being financed by local contributions and the Maine Department of Agriculture. Technical assistance grant is urgently needed to complete crop harvest and economic feasibility study for hearings late this fall. Your continued support on additional authority for area redevelopment program for coming fiscal year is requested. The program has done much in helping people of Maine to improve their economic status and its continuation will be of great value to this county. May we have your continued help toward the extended ARA program and in establishment of a grant for the sugarbeet project. Thank you.

J. ROGER ERSKINE,
Chairman, Sugarbeet Committee.

It seems to me that this technical assistance grant—which will probably be for less than $50,000—if approved, will be doing precisely what we intended should be done when ARA was created in 1961. It will provide the means by which a major industry may be located in an undeveloped area where it is badly needed. This will be the establishment of a new industry, creating new jobs—the internal growth so necessary to support our expanding population.

My reference to Aroostook County as an undeveloped area leads me to recall other programs designed to assist undeveloped areas. In 1862—over 100 years ago—President Lincoln signed the Railroad Land-Grant Act. The purpose of the law was to encourage private railroad corporations to extend their operations into then undeveloped areas of the West, in an effort to stimulate their development. Under that act, the U.S. Government, in the midst of a great Civil War, operating at a fiscal deficit, gave away—free—130 million acres of public lands to private companies. That is roughly equivalent to the total land area of 12 Northeastern States—Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, Delaware, Maryland and most of Virginia. I want to emphasize that this land was given away, while 75 percent of the funds distributed by ARA are loans, repayable with interest.

Mr. President, we can imagine the field day our present-day prophets of doom would have had attacking the Railroad Land-Grant Act. Socialism—giveaways—Government control—the charges would fly fast and free. And yet, I submit that that law, enacted by a Republican Congress and a Republican President, was one of the most visionary and farsighted pieces of legislation ever enacted by any Congress. No other single factor played as important a role in the development of the great West, which has contributed so much to our national development since then.

And yet, was this not a giveaway of Federal funds—for who can begin to calculate the value of those 130 million acres of land? Was this not giving the railroads receiving land an unfair advantage over those that did not? Was this not legislation helping the people in one section of the country at the expense of those in another?

The arguments are familiar, and they should be, for these very same arguments are being used today against ARA. They represent a negative, shortsighted view, which demonstrates a lack of confidence in America. And they deny to large numbers of Americans the helping hand needed if they are to help themselves. They say to those Americans in undeveloped areas like Aroostook County: "You have your problems and you are stuck with them; it is up to you to solve them; you can't expect any outside help." What could be more shortsighted, more out of keeping with the American tradition?

The failure of the Articles of Confederation proved conclusively that this country is not a series of separate economic units, each independent and concerned only with its own problems. Ours is a national economy; economic stagnation and poverty in one area adversely affect us all. Our obligation to our fellow Americans is thus more than moral; it is economic, and in our own self-interest.

Mr. President, this Chamber will hear the voices of opposition to this measure. We will hear predictions of dire results if we approve this measure. We heard similar predictions 2 years ago when we were considering founding this program. I would like to recall just one such prediction, which may serve to place in perspective some of the statements we shall hear now.

As we know, the U.S. Chamber of Commerce opposes S. 1163 as it opposed establishment of ARA in 1961. As part of that opposition, in the March 1961 issue of its Monthly Activities Report, the Maine State Chamber of Commerce published an article entitled "Area Redevelopment Bill Would Create One New Job in Maine." The article asserted that the cost of the program to Maine would be $430,000, while the State could expect in return a total of $10,000, which would create one job in the one area eligible for assistance. Well, I have seen bad guesses in my day, but I have rarely seen anything like this. The facts are—2 years later—that 8 areas in Maine have been designated as eligible, not 1 as predicted; that approval has already been given to over 25 projects—including 9 industrial loans—calling for an investment by ARA of over $3 million, not $10,000, as predicted; that this investment will result in the creation of approximately 1,000 direct new jobs, not 1 as predicted.

But, in many areas, we are just beginning to move. For example, there are presently pending 18 projects which will result in the creation of 915 more new jobs. And I am advised by the ARA representative in Maine, that within 30 days, it is expected that 14 more applications, calling for the creation of 860 new jobs, will be filed. The chairman of the redevelopment committee for the Biddeford-Sanford area, a hard-hit former textile area located at the southern end of Maine, said in a wire to me this morning:

We are greatly concerned over Congress' apparent failure to provide ARA with the additional funds needed to assist our local organizations in continuing to provide new facilities, equipment and training needed to replace our former textile businesses with modern industries. As you know, an economic study of this area originally started under ARA to cover only the 22 towns designated in 1961 as the Biddeford-Sanford redevelopment area is now receiving official local support from all 28 towns in the country. It is being supervised by a committee serving entirely without compensation. The study has already shown new ways of improving business in agriculture and in clam and lobster fisheries. Other constructive findings are indicated in subjects still in process. Biddeford-Sanford and other smaller communities have already benefited greatly through increased employment and physical improvements accelerated by ARA grants and loans which supplement local investments in new industries. It seems clear that this ARA program is just beginning to be of real assistance in improving the economy here as well as in other depressed areas of the State. It would be most unfortunate to have it seriously curtailed at this time. In view of your continuing interest, we are taking the liberty of calling it to your attention hoping that reconsideration of the recent action may be possible.

LEWIS K. MARSHALL,
Chairman, Biddeford-Sanford Area Redevelopment Committee.

To reject this bill will be to cut short the recovery which ARA is helping to bring about. But of even greater concern to me is the psychological impact which will inevitably result. For many people in many parts of the United States, ARA's most valuable contribution has been the infusion of a sense of vitality, of awakening local initiative, of a sense of purpose and achievement. With its heavy emphasis on local planning, local initiative, local contribution, ARA provides assistance for those willing to help themselves.

Testifying on S. 1163, before the Production and Stabilization Subcommittee of the Banking and Currency Committee, the president of the Northern National Bank—by far the largest bank in northern Maine and serving an area designated under ARA—said:

ARA has provided the opportunity and the stimulus for the citizens of this county to forge ahead to help create a bright future for themselves and their children, and they have done so with tremendous local initiative and cooperation. It certainly has had a positive and encouraging effect upon our area.

ARA has widespread support throughout Maine, as evidenced by recent newspaper articles.

I submit for insertion in the RECORD at this point, and ask unanimous consent to have printed, an editorial, a newspaper article, a letter, and several telegrams received in my office supporting this bill.

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

[From the Portland Sunday Telegram, June 16, 1963]

THE WRONG DIRECTION

Walter Lippmann last week, in probing for a meaning in the social upheaval that is taking place in the heavily Negro sections of the country, saw it as a manifestation of the broad problems that face the Nation as a whole. These are the problems of low income and poverty, unemployment, lack of education, inadequate housing, and the lack of many other amenities of civilized life. And looking into his crystal ball, Mr. Lippmann saw dimly in the future a massive attack on these problems. If the need is to be met, among the whites as among the Negroes, the remedy will have to be massive, for millions of American citizens are involved. The aim will have to be to increase economic opportunity for them, so that they can become the consumers who will, in turn, keep the American economic machine running in high gear.

But the massive attack has not been mounted yet. What remedies are at hand are a kind of patchwork, but they are the best available. In the forefront is the Area Redevelopment Administration, with its aid to depressed areas, sections with chronic unemployment. This program is of special import to Maine because half the State is eligible for its aid.

For that reason, the vote of the U.S. House last week rejecting the President's request for an additional $450 million to extend the ARA program is to be regretted. Desertion of some southern Democrats from the administration fold was apparently a kind of punishment for the President's stronger stand on desegregation. Their vindictive action made it the more unfortunate that northen Republicans like Congressman MCINTIRE, of Maine, could not find their way clear to vote for the measure, which, according to one estimate, might have created more than 1,000 jobs here in this State. Maine's GOP Congressman TUPPER, be it noted, was for the bill.

Another attempt to get funds for the program's extension may yet be made, with more favorable results. Otherwise the massive attack may be launched in the wrong direction.

[From the Christian Science Monitor, May 23, 1963]

AID TO BUSINESS FIGHTS JOBLESSNESS

(By David G. Mutch)

Private enterprise in high-unemployment areas in the United States is getting a boost from a mixture of two Federal agencies.

The mixture is the Area Redevelopment Administration (ARA) and the Small Business Administration (SBA)—or, more specifically, it is their joint effort to carry out the goal of the Area Redevelopment Act, passed by Congress early in 1961.

The purpose of this act is to help create new jobs in areas with continuing serious unemployment.

The work is carried out with the cooperation of local banks, local business groups, and the private businessmen who take advantage of the SBA's and the ARA's loan and technical assistance program.

ECONOMY STRENGTHENED

Fort Kent, Maine, now has a privately owned and privately operated company making cedar fences. Without the help of the ARA and the SBA, this community probably would not have had this company, which has strengthened the area's economy greatly.

The story of the Dumond Cedar Co., Inc., illustrates the results of the Area Redevelopment Act. Fort Kent is in an area of severe unemployment. The natural resources of the area, which borders Canada, are largely undeveloped.

The ARA, established under the Department of Commerce in 1961, worked with the Department of Labor and reckoned that underemployment in the Fort Kent area was serious enough to designate it as a "redevelopment area."

PROGRAM PREPARED

To qualify for ARA assistance, a group of local business leaders, including bankers, prepared an overall economic development program. This program described the area's current economic situation, surveyed its potentials for economic growth, analyzed the resources, and spelled out a program for action that would create employment opportunities.

Such programs must be approved by a State agency appointed to coordinate State participation. Once the State and the ARA have approved an economic plan, individuals in the area are eligible to submit requests for assistance on specific projects.

The ARA assists redevelopment areas in five ways: First, with loans to help businesses get started or to expand; second, loans or grants to finance new public facilities necessary to new industries; third, programs to train or retrain workers, usually in connection with a new industry coming in the area; fourth, subsistence payments, supplementing the State's unemployment compensation benefits, to workers receiving training; fifth, technical assistance from personnel in Federal agencies to help an area plan its program of economic development.

CAPITAL NEEDED

The idea of starting a cedar-fence company in Fort Kent had its roots in the needs and potentials of the area. The major need of the individual who started the company was capital.

To qualify for ARA and SBA loans under the Area Redevelopment Act the business, or proposed business, must have been refused the necessary loan from local capital sources. This was the case of the company in Fort Kent.

The Dumond Cedar Co., employs more than 40 people. Although this sounds like a small amount, the population of Fort Kent is only 5,000, and the company's payroll is the largest the town has ever had.

As in all such cases, the Federal Government supplied only 65 percent of the necessary capital, which totaled over $98,000. A local bank in Fort Kent supplied 20 percent of the capital, the local businessmen supplied 10 percent, and the owner provided 5 percent. The bank gets an exclusive first mortgage in these arrangements.

LOCAL RESPONSIBILITY

Because of the percentage of local capital required by the ARA program, the brunt of responsibility lies with the locality and not with the Federal Government.

The SBA provides loans for working capital, while the ARA provides loans for the fixed assets. It is the SBA which does the credit check and processes both their loans and those from the ARA. This is because the SBA had necessary facilities for credit work existing prior to the Area Redevelopment Act, which obviated duplication of such facilities as already existed in other Federal agencies.

Every attempt is made to fit the new industries into the economic possibilities of the particular area. Care is taken not to create unfair competition in an area by duplicating existing industries.

BEGINNING MADE

The work of the Area Redevelopment Act is just getting off the ground, says Edward J. Stewart, director of the SBA office in Boston. The beginning that has been made, he continues, is strong and indicates further progress.

One problem, he says, is that the usually scarce capital put into projects by the local businessmen is tied up, under present regulations, for the life of the loan. Mr. Stewart says he hopes that the act can be amended this year so that this money can be returned more quickly to be used in further investments.

If the work of the ARA were not so successful already, he explains, there would be no attempt to make this amendment, which in effect liberalizes the plan, allowing for more loans and quicker progress in redevelopment areas.

MAINE POTATO COUNCIL,
Presque Isle, Maine, June 20, 1963.

Hon. EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.:

DEAR ED: At a meeting of the board of directors, Maine Potato Council, held last evening, the board requested management of the council to contact our congressional delegation urging them to support any bills that would provide for additional funds for the Area Redevelopment Administration.

The board wishes to point out to our congressional delegation that the whole concept of the development of centralized storage and packing plants in Aroostook County, believed by the council to be one of the prime needs for correcting the potato situation, revolves around the use of ARA funds for the construction of such plants. At the present time four groups in Aroostook County have applications for loans pending with the ARA. Already ARA funds have been extremely beneficial to the self-help program of the potato industry.

We urge your support of this legislation that has proven most beneficial to the Maine potato industry.

Cordially yours,

HAROLD E. BRYANT,
Executive Vice President.

CARIBOU, MAINE,
June 25, 1963.

Senator EDMUND S. MUSKIE,
Senate Office Building,
Washington, D.C.:

Continuation of ARA activities extremely vital to northern Maine due to low agricultural returns on potatoes during past few years and need of more industrial activities.

JAMES H. PAGE.

PRESQUE ISLE, MAINE,
June 25, 1963.

Senator EDMUND S. MUSKIE,
Senate Office Building,
Washington, D.C.:

We urge your help toward the establishment of a technical assistance grant for the sugarbeet program in Aroostook County. A supplemental crop is imperative to the economy of this area and sugarbeets fill this category excellently. Success of this venture would mean capital expenditures of 20 million plus substantial annual net income to the county's business and farmers. The 260 acres of beets now growing are being financed by local contributions and the Maine Department of Agriculture. Technical assistance grant is urgently needed to complete crop harvest and economic feasibility study for hearings late this fall. Your continued support on additional authority for area redevelopment program for coming fiscal year is requested. The program has done much in helping people of Maine to improve their economic status and its continuation will be of great value to this county. May we have your continued help

toward the extended ARA program and in establishment of a grant for the sugarbeet project.

Thank you.

J. ROGER ERSKINE,
Chairman, Sugarbeet Committee.

PRESQUE ISLE, MAINE, *June 24, 1963.*

Senator EDMUND S. MUSKIE,
Washington, D.C.:

On behalf of the Aroostook County Rural Area Development Committee, I would like to express my deep concern over the possibility that the ARA program may not be extended beyond this year. Although I realize that you are acutely aware of Aroostook County's problems I will refer to them for background.

The recent closing of the Presque Isle Air Force Base accentuated the lack of industrial payroll for the area and created some temporary unemployment. The decline of the market for potatoes and the deterioration of the price for this product has resulted in severe underemployment and marginal wages in the area.

The rural area development programs in conjunction with the assistance provided through ARA has made significant progress in changing this picture. The initiative of local businessmen has been stimulated by the availability of Federal money resulting in many applications for loans for some lumber mills such as cedar and planing mills, as well as one of the largest proposed long lumber mills in the area. Although the agricultural picture in potatoes has not significantly changed, many farmers have been given new incentive to try to solve the marketing program through the use of ARA funds in providing central packing and processing plants. In addition to the many small processing plants, potato services in Presque Isle have used ARA funds to increase the size of their operation and expect to double their employment up to a figure of 500 or 600.

Events such as these have given our area a more optimistic outlook on the future. I strongly urge on behalf of Aroostook County that you urge your fellow Senators to consider the good that has been accomplished by ARA and the many opportunities for more effort in these fields that are still available. We are very grateful for your assistance in the past and wish you good fortune in your present efforts.

Respectfully,

JOHN TIERNAN,
Chairman, Aroostook County Rural Area Development Committee.

PRESQUE ISLE, MAINE,
June 24, 1963.

SENATOR EDMUND S. MUSKIE,
Washington, D.C.:

ARA program has been of great benefit to Central Aroostook. Potato service real asset to us. Give ARA your 100 percent endorsement.

HARRY B. HEDRICH,
President,
Greater Presque Isle Development Corp.

TENANTS HARBOR, MAINE,
June 23, 1963

EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.:

We respectfully request that you earnestly address yourself to the successful passage of bill S. 1163 covering increased authorization for ARA funds for the area redevelopment administration program. Our letter follows.

KENNETH F. WILSON,
Chairman,
Knox County Regional Planning.

JONESPORT, MAINE,
June 25, 1963.

Senator EDMUND MUSKIE,
U.S. Senate,
Washington, D.C.:

We urge your support of bill S. 1163, ARA amendments of 1963. Washington County has four areas attempting to improve economic conditions and such funds are needed to add to local support.

VERN MCFADDEN.

PRESQUE ISLE, MAINE,
June 24, 1963.

Senator EDMUND S. MUSKIE,
Washington, D.C.:

ARA has aided us in turning our former military base into stable industrial community. Please give ARA your full endorsement.

WENDELL PHILLIPS,
President,
Presque Isle Industrial Council.

VAN BUREN, MAINE,
June 21, 1963.

Hon. EDMUND S. MUSKIE,
U.S. Senate,
Washington, D.C.:

Van Buren Industrial Development Committee urges full support for additional ARA funds vital to economic rehabilitation and industrial potential this area.

ROBERT MARQUIS,
Chairman, Van Buren Industrial Development Committee.

ROCKLAND, MAINE,
June 26, 1963.

Senator EDMUND S. MUSKIE,
Senate Office Building,
Washington, D.C.:

Rockland Chamber of Commerce and citizens of Rockland, Maine, strongly urge your support of Senate Document S. 1163 relative to funds for allocations to the Area Redevelopment Administration. On June 14, 1963, the city of Rockland filed an application to the ARA for a deepwater pier terminal on a 50-percent grant and loan basis for $2,570,000 the approval of this project would be a tremendous boost to the economy of Rockland and would bring substantial new employment to the area. Your support of this program will help us to help ourselves to improve the economy of Rockland, Maine.

THOMAS LAPOINTE,
City Manager.

JEROME H. BARNETT,
Executive Secretary,
Rockland Chamber of Commerce.

KENNEBUNKPORT, MAINE,
June 24, 1963.

Senator EDMUND S. MUSKIE,
Senate Office Building,
Washington, D.C.:

We are greatly concerned over Congress apparent failure to provide ARA with the additional funds needed to assist our local organizations in continuing to provide the new facilities, equipment, and training needed to replace our former textile businesses with modern industries. As you know, an economic study of this area originally started under ARA to cover only the 22 towns designated in 1961 as the Biddeford-Sanford Redevelopment Area is now receiving official local support from all 28 towns in the county. It is being supervised by a committee serving entirely without compensation. The study has already shown new ways of improving business in agriculture and in clam and lobster fisheries. Other constructive findings are indicated in subjects still in process. Biddeford-Sanford and other smaller communities have already benefited greatly through increased employment and physical improvements accelerated by ARA grants and loans which supplement local investments in new industries. It seems clear that this ARA program is just beginning to be of real assistance in improving the economy here as well as in other depressed areas of the State. It would be most unfortunate to have it seriously curtailed at this time. In view of your continuing interest we are taking the liberty of calling it to your attention hoping that reconsideration of the recent action may be possible.

LEWIS K. MARSHALL,
Chairman, Biddeford-Sanford Area Redevelopment Committee.

Mr. MUSKIE. Mr. President, nothing could be more damaging to the spirit which this program has created than rejection of S. 1163. This is a good program; it has not and will not work miracles, but it has and will make a positive and substantial contribution toward meeting the economic problems of our undeveloped areas. I strongly urge its favorable enactment.

Mr. DOUGLAS. Mr. President, I commend the Senator from Maine not only on his eloquent testimony as to the need of ARA, but for the constructive work which he has accomplished in promoting it. I only hope the contrast between the predictions of the Maine Chamber of Commerce and the realizations may be borne home to everyone, from Kennebunkport east.

Mr. MUSKIE. I thank the Senator. It has been a privilege for me to work under his leadership in developing and pushing this measure to its enactment 2 years ago and now. The program was well started before I came to the Senate. It has been a pleasure to follow the leadership of the Senator from Illinois.

Mr. DOUGLAS. The distinguished Senator from Maine has been a member of the Banking and Currency Committee ever since he joined this body. He has been of great help to us in the formulation of the legislation and very constructive plans. I am glad he has urged the cause of the Old Town Indians so that the needs of those on the Penobscot may be well cared for.

I am now glad to yield to the junior Senator from Michigan [Mr. HART].

Mr. HART. Mr. President, passage of the Area Redevelopment Act in 1961 was the effort of Congress to answer in part one of the paradoxes of our modern society: the existence, in the midst of plenty, of geographic pockets of chronic joblessness or pitifully low family income. These are areas that, irrespective of the national rhythm of recession and recovery, have been unable to develop sufficient local economic strength to keep pace with the rest of the Nation. They are the victims of changing times, changing consumer tastes, and changing technologies—the victims of inadequate or exhausted resources—the victims of overreliance on a single declining industry.

Regardless of the cause of the economic plight of any particular area, there are actions which can be taken to alleviate this condition. Potential economic growth resides in all of these areas. None are doomed to lasting deprivation.

The economies of these areas did not deteriorate overnight, and obviously

they are not going to be regenerated overnight. The Area Redevelopment Administration offers aid which is unique in assisting these areas to recognize the potential they have and to reach enduring solutions to their longstanding problems. By stimulating community analysis of their economic assets and liabilities, by lending risk capital on a participating basis with private enterprise and local development groups, by providing funds to determine the feasibility of locally conceived projects, the ARA makes it possible for these areas to reenter the mainstream of American economic life.

The accomplishments of the ARA in Michigan have been real and valuable. They have not realized all the hopes of those of us who have supported the legislation, but clearly the value of the program has been established.

The popular image of Michigan is that of a wealthy, highly industrialized State. Yet in both the Lower Peninsula and throughout the Upper Peninsula we have counties which have experienced severe and prolonged unemployment extending over several decades. All 15 counties of the Upper Peninsula qualify for assistance under the Area Redevelopment Act. Recognizing that their prospects for economic improvement would be enhanced by cooperative planning and action, 14 of the counties formed a regional organization and applied to ARA for technical assistance in developing and executing a program for economic improvement. ARA provided the assistance requested and through it the counties of the Upper Peninsula are being helped to organize for self-help and are being mobilized to participate in regional economic programs. County planning groups are initiating projects designed to create employment. Industry groups are cooperating to improve the utilization of available resources.

As in so many redevelopment areas, the principal bases for growth lie in the further exploitation of forest products, minerals, and the recreation potential. As an area of declining employment in the deep iron ore mines, the future in mining is largely dependent upon developing technologies in beneficiating the low grade ores of the area and in upgrading the production of the deep mines. Stimulated by the ARA, programs to achieve the necessary breakthroughs are underway. The cut-over forest lands of the Upper Peninsula have now achieved a substantial level of regrowth, and their exploitation holds great promise of expanded employment. The ARA has provided funds for a photographic survey of the Upper Peninsula from which the Forest Service will prepare a current inventory of forest resources. This is a necessary preliminary to attracting timber-using industry to the region.

As a result of economic analysis undertaken by the ARA technical assistance project in the Upper Peninsula, a private company with large forest holdings has recently developed a portion of its land as a summer home colony. The response to its initial advertisement in the Chicago press has been startling. An ARA loan to assist in the purchase of an abandoned railroad spur to be operated as a tourist attraction, near Marquette, has resulted in the plan for an enormous vacationland development which will use the railroad and its right-of-way as the heart of a tourist complex.

With ARA financial assistance the Northern Michigan Development Council and Central Michigan University are developing an economic center to serve 28 counties of Michigan's Lower Peninsula in expanding tourism, business, and industry. Here, as in these other efforts, local leadership of high quality has pointed the way. These men and women are rewarded only in the satisfying and rich knowledge that they are making their region stronger and sounder.

The recreation potential of the Upper Peninsula constitutes one of its greatest and most readily exploitable resources. This resource appears to have been derided in the debate in the House of Representatives as a dubious source of economic benefit. I would like to point out that recreation is the basis for one of the great growth industries of the next three decades. Responsible sources have forecast a doubling of recreation demand in Michigan by 1970. Tourism resulting from this demand can be expected to bring enormous economic gains to those areas which are geared to meet it; indeed, tourism is now close being Michigan's No. 2 industry. Tourists will spend their dollars in areas which provide prime recreational opportunities only if these are supported by attractive modern accommodations and good food in attractive surroundings.

For this reason I do not find myself in complete agreement with the comments regarding hotel and motel projects incorporated in the Senate committee report on the amendments to the Area Redevelopment Act.

Every redevelopment area in the country has aspirations to attract manufacturing industries. For many of these areas, however, disadvantages of distance from markets or inadequacy of resources and technical services make it unlikely that any substantial industrial base can be developed. Often the only resource on which an area can build is its recreation potential. Without attractive facilities for the housing and feeding of tourists, exploitation of this potential is impossible. The jobs produced by tourist accommodations are a very small part of the benefits which tourism brings to an area. While experience can suggest improved safeguards and standards, I feel the basic policy which ARA has pursued with respect to this category of loan is prudent, and I urge that they continue to assist in the establishment of well-conceived motel and hotel projects for which a need can be established. Be it remembered, the local community leadership has the clearest view and is given the strongest voice in determining the need and soundness of any loan project.

A region which can provide a complex of these facilities to support its natural surroundings, and which can in truth claim to be a vacationland with many types of recreational opportunities, will benefit. It is not just the jobs created in facilities which entertain the tourists. It means expanded trade activities and new businesses and industries geared to the expanded tourist advantage.

Without attempting to review all of the contributions which ARA has made to the regeneration of Michigan's areas of acute and protracted unemployment, I would like to comment on the attack made in the House on an ARA loan to the builders of the Pontchartrain Hotel in Detroit. The people of Detroit have invested $55 million in a unique, unexcelled convention complex. It is known as the Civic Center. It is situated along the riverfront and includes the facilities of the Ford Auditorium, the Veterans' Memorial Building, and Cobo Hall. All of these were undertaken in the hope of building a substantial convention and tourist industry, thus lessening the dependence of the city upon its great single industry.

Now to the ARA loan in question. By investing $1,894,000, ARA encouraged private investors to put in an additional $7 million to complete a modern hotel immediately adjacent to the new Civic Center convention hall. The investment of ARA in 432 new hotel rooms in a city where hotel occupancy is at present only 54 percent was cited as an example of maladministration.

My judgment might well be questioned by critics. Certainly, the new lodging facility can serve only a small portion of the visitors attracted to Detroit by a convention.

Certainly the critics would be far more reluctant to challenge and to indict the caliber of Michigan men who have been guiding, in large part, the ARA development program in that State.

As we recall, when we enacted the Area Redevelopment Act, we required local participation and direction. In the case of Detroit, there was organized the Detroit Metropolitan Industrial Development Corp. to assist in the implementation of the act. Who comprise the Detroit Metropolitan Industrial Development Corp.? Without exception, outstanding men of Michigan. The chairman of the board of directors is Walker L. Cisler. Mr. Cisler is the president of the Detroit Edison Co. He has served this Government in assignments overseas with respect to the rehabilitation of the power industry of many nations friendly to the United States.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a list of the officers and board of directors of the Detroit Metropolitan Industrial Development Corp. These men and their records are widely known in Michigan and in many cases will be recognized in any corner of the country.

It might also be well, as one analyzes the wisdom, prudence, and judgment of the ARA in advancing the construction of the Ponchartrain Hotel, to place in the RECORD a part of the letter dated June 21, 1963, which was transmitted to me by Walker L. Cisler and Oliver D. Marcks, who is president of the Detroit Metropolitan Industrial Development

Corp. I ask unanimous consent that the excerpt from the letter be printed at this point in my remarks.

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

LIST OF OFFICERS AND BOARD OF DIRECTORS, DETROIT METROPOLITAN INDUSTRIAL DEVELOPMENT CORP.

OFFICERS

Walker L. Cisler, chairman of the board; Oliver D. Marcks, president; Edward Cushman, vice president; Walter Reuther, vice president; W. Calvin Patterson, treasurer; Albert K. Jacoby, secretary.

BOARD OF DIRECTORS

Richard H. Austin, Richard H. Austin & Co.; Al Barbour, Wayne County AFL–CIO; Peter Bellanca, Detroit East Side Redevelopment Corp.; H. Glenn Bixby, Excello Corp.; Louis Blount, Great Lakes Mutual Life Insurance Co.; Irving Bluestone, UAW–AFL–CIO; Walker L. Cisler, Detroit Edison Co.; Edward L. Cushman, American Motors Corp.; E. H. Graham, Chrysler Corp.; James B. Grant, H. M. Seldon Co.; Willis Hall, Greater Detroit Board of Commerce.

C. Allen Harlan, Harlan Electric Co.; Raymond J. Hodgson, Sr., National Bank of Detroit; Joseph L. Hudson, Jr., J. L. Hudson Co.; Albert K. Jacoby, city of Detroit; Richard L. Johnson, Ford Motor Co.; Oscar A. Lundin, General Motors Corp.; Marion M. Cioci, Detroit Building Trades Council, AFL–CIO; Oliver D. Marcks, attorney and counselor; Ralph McElvenny, Michigan Consolidated Gas Co.; W. Calvin Patterson, Michigan Bell Telephone Co.; Walter Reuther, UAW–AFL–CIO; Craig Smith, Sullivan & Smith Realty Co.; Father Celestin Steiner, University of Detroit; Walter J. Williams, American Motors Corp.

EXCERPTS FROM LETTER WRITTEN BY WALKER L. CISLER AND OLIVER D. MARKS

The development of the civic center resulted in the creation of important and perfectly adequate facilities to accommodate exhibitions and conventions. These when properly conceived bring an influx of people into the community with all of the direct and incidental business benefits. One of the objections voiced against using Detroit as a convention and even tourist center was the inadequacy of hotel and motel facilities. To this end and in anticipation of this problem early in 1956 a group of outstanding citizens conceived the idea of erecting a hotel on a site contiguous to the civic center. These men did so at a land cost acquisition expense to them in excess of $2 million, but at all times construction was delayed because adequate financing was not available. This problem did not correct itself and construction would not have been possible except for the utilization of secondary financing which could be made possible only under the Area Redevelopment Act. Needless to say when completed, it will create many employment opportunities for the people represented in the most challenging labor surplus market. The records of the Pontchartrain application for such hotel as filed with the Area Redevelopment Administration establish by appropriate documentation the necessity and wisdom of the Pontchartrain Hotel as a business enterprise. This is so on a short- and most emphatically on a long-term basis. Of the $9,100,000 to be expended in the construction of the Pontchartrain Hotel only 20 percent of that amount will be represented by a loan made possible through the Area Redevelopment Administration, whereas the act permits a 65-percent Area Redevelopment Administration participation. Here again Demidco emphasizes not the most but the least possible use of public funds.

Demidco has carefully examined into many programs and none have been approved except after most careful scrutiny. This is our announced policy. We are fortunate in having identified with our organization those upon whom we may call for assistance in inquiring into the feasibility and economic soundness of the situations presented. We naturally want to know, in addition to the foregoing, that the operation of the facility will assist in alleviating the unemployment situation, and we are naturally at all times mindful that it will at the same time be a contribution to the general well-being of this community.

Mr. HART. Mr. President, this new hotel could serve only a small portion of the visitors attracted to Detroit by a major convention. Most of those attracted to Detroit for such a major convention would seek to find accommodations in the established hotels of our city. But this new hotel, this luxury Pontchartrain, as the critics would describe it, and which the ARA has made possible, serves as an additional attraction which may enable Detroit to bring to the city conventions of such size as will improve the occupancy rates of hotels in our area. Why blink at the fact? It is true enough that when conventions are not in attendance in Detroit, some of the existing hotel facilities, which would otherwise be used by visitors, will not be used, because those visitors will go to the new Ponchartrain.

But on balance, it is the judgment of these outstanding men of Michigan that both the short-term and long-term interests of Detroit and the economy of the country prudently are served by this kind of program, by this kind of investment, by this kind of economic stimulus.

It is my opinion, too, as I said at the outset, that the position of the men who are on the ground in Michigan can most properly be accepted. I am delighted that my judgment coincides with theirs. I regret the discomfort of my colleagues in the House who find themselves in disagreement with these outstanding men of Michigan.

Although appreciative of the accomplishments of the ARA in Michigan, I am not blind to the shortcomings of the program. The delegation of so many of the agency's responsibilities to other agencies has reduced the efficiency of the operation and occasioned serious delays in processing requests for assistance. Our experience in Michigan has been extremely unfortunate in this respect. Hence, I am in full accord with the report of the Committee on Banking and Currency, which urges the Area Redevelopment Administrator and the Secretary of Commerce "to carefully review the existing system for delegating functions of the Area Redevelopment Administration to see if there may not be ways of both simplifying and speeding up the processing of requests for assistance under the Area Redevelopment Act." To this I can only say "Amen, and let us get on with the job immediately."

Apart from the problems created by the delegate agencies, there does not seem to be a sufficiently clear and direct chain of command and decision within ARA itself. While this is not surprising in an agency which has had so short a time in which to gear itself to meet great and complex burdens, I would urgently recommend that the Administration take prompt steps to clarify lines of responsibility, a clarification which is necessary in order that the purpose of the act may be achieved.

In spite of these administrative problems, I do not share the criticism that ARA has accomplished little in its 2 years of existence. To the contrary, I believe it has done wonders in this short space of time. To equate its accomplishments to the number of jobs created to date would be little short of demagogery. To expect this or any other program to remedy in a matter of months the problems of years and often decades, is to ask for miracles. In the scant 2 years of its operation, more than 800 areas in this nation have established citizen committees which have given freely of their time to raise funds and to plan and prepare their communities for redevelopment, for new jobs, and for new industries. A momentum has been created. Now that a momentum has been achieved, it is only prudence that we extend and support the agency that is the key to the maintenance of this momentum. Indeed, the momentum has increased applications for assistance to a point where they outstrip by far the ceilings placed upon ARA disbursements. Are we to tell those communities and their unemployed citizens that Congress will not authorize additional funds which will help them to bring their plans and efforts to fruition?

Mr. President, I urge Senators to vote for the bill, a bill which will make it possible for the underprivileged areas of the country to help themselves.

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

First, a description of the Northern Michigan Economic Center; second, the June 18, 1963, statement by Mayor Jerome P. Cavanagh of Detroit; third, the letter addressed to me on June 21, 1963, by the Detroit Metropolitan Industrial Development Corp.—Demidco—signed by Walker L. Cisler and Oliver D. Marks; and, fourth, a letter from the Adrian Area Chamber of Commerce, urging favorable action on this legislation.

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

ECONOMIC CENTER, NORTHERN MICHIGAN

Eight years ago, a group of businessmen, industrialists, and educational leaders formed the Northern Michigan Development Council to look into the problems of the 33 counties lying to the west and north of Saginaw Bay. The basic problems weren't hard to find. Resource depletion—this was a cutover region—had led to large scale decrease in population. As forest-based industry declined, supporting business and agriculture also declined. The population and the general economy were consistently declining.

The basic answers were not hard to find: Attract new business and industry, strengthen existing enterprises, and expand tourist and resort development in the area. The question: How to do it?

The Northern Michigan Development Council and Central Michigan University found an answer. It was apparent from their experience that for business, industry, and tourism to become successful in the area, management practices had to be improved and a center for consulting services

had to be provided to assist in breaking bottlenecks in production, marketing, and customer service. There were no local resources to finance this activity.

This proposal was brought to ARA. Twenty-eight of the 33 counties have been designated as eligible for ARA assistance because of persistent and substantial unemployment.

With ARA financial assistance, the resources of Central Michigan University, the contributions of experts on management, marketing, production control, chemists, certified public accountants, legal specialists, and biological scientists can be focused on the problems of the area.

The center will have a small full-time expert staff to provide field guidance in tourism development, and industry and community development.

For an ARA expenditure of $100,000, resources of incalculable value are being made available to the region. Local talent and know-how are being harnessed to solve the immediate, as well as long-range, economic problems of upper Michigan.

STATEMENT BY JEROME P. CAVANAGH, MAYOR, CITY OF DETROIT, JUNE 18, 1963

Detroit's long-range plans for economic recovery have been dealt a harsh blow by the rejection by the House of Representatives of the extension of the Area Redevelopment Administration program.

From the outset, Detroit has supported the extension of ARA and the additional financing required to expand its role to meet the needs of America's distressed areas. As a member of the National Public Advisory Committee of the ARA, I have observed the work of ARA staff members and their dedication has been an inspiration to me. Detroit has also been directly involved in various benefits flowing from ARA programs. We have already had approved projects which were carefully screened and evaluated by the Detroit Metropolitan Industrial Corp.—Demidco—the local development corporation which must approve and participate in ARA loans. As a direct result of ARA loans, five new organizations have been formed, which will provide jobs for over 600 people. Research will be stimulated. Convention and tourist business will be aided by the construction of needed hotel and motel facilities. As a result of these few projects, more than $13 million has been put to work in Detroit. Even more important, projects which are awaiting our very thorough review process may eventually result in an additional $20 million invested in Detroit and more than 2,000 new jobs will be generated.

In order for Detroit to assure its future, it must strive to develop a diversified base for industrial and commercial activity. The people of the city of Detroit have invested over $55 million in a convention complex, but additional investments had to be made by the private sector of the economy.

There is wide agreement that additional hotel and motel accommodations were needed if Detroit were to be able to compete effectively for national conventions.

The ARA has helped us to encourage investment by providing the seed money to get the projects underway. For example, some criticism was voiced in Congress with regard to the $1,894,000 loan by the ARA for the Pontchartrain Hotel. This investment has encouraged private investors to put in an additional $7 million to complete this badly needed modern hotel immediately adjacent to Cobo Hall. The tourist and convention industry is a growth industry in Detroit. It offers hope for the future of Detroit's economy to replace manufacturing jobs which have been lost because facilities were outdated or companies were eliminated by the effects of fierce competition.

Soon a technical study of Detroit's waterfront needs, now and for the future, will be completed as a result of funds provided by the ARA for a technical assistance study. Similar studies are under review in other areas of local concern. For example, Detroit's Research Park is in need of very careful planning in order to encourage investors and scientists to set up shop there. Without the guidance which we hope to receive from specialists hired by the ARA to do this study, we will be proceeding on projections and estimations which are not backed by solid fact.

Another phase of the ARA program which has had a local impact is the retraining provision of that act. This gave us the experience and knowledge which has enabled us to move quickly into the massive retraining program available under the Manpower Development and Training Act.

There are a number of specific programs where ARA retraining can more nearly meet the needs of a manufacturer or a businessman who is establishing a new enterprise or expanding his activities.

The scope and variety of ARA programs is illustrated in the fact that among the pending applications for loan assistance are ventures in space research, aluminum extruding, jet propulsion for boats, tubing operations, and steelmaking. As a result of these efforts, Detroit will be able to chart many industrial and commercial activities and work toward the creation of the diversified economic base.

I have said before that the ARA program is a program for America. It not only has helped us to meet the special problems of an aging city based on a major industry, but it also works effectively and energetically in rural areas. The last field trip of the National Public Advisory Committee took the members through West Virginia and eastern Kentucky. Amazing things were happening. People were gaining new hope. Local investors with imaginative programing and determination were working toward the revival of an economy which has been beset with fundamental ills for too long. The special Appalachian task force established by President Kennedy in cooperation with the Governors of those States and Cabinet members is shaping an effective tool to resolve the ills of that area. Any new program needs time to get underway. We know from our own experience here in Detroit that community support can be mobilized for a worthwhile program and the ARA program is extremely worth while.

To allow the ARA legislation to end would be a disservice not only to the people of Detroit but to all the people of the United States. Illness in one section of the country inevitably will have its impact on other sections. The United States is a community and we must work together to solve the needs of the great American community. The ARA program is an important part of that great cooperative effort.

ADRIAN AREA CHAMBER OF COMMERCE,
Adrian, Mich., June 21, 1963.

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

MY DEAR SENATOR HART: By carefully reading the attached letter you will become aware of the possible damages that would accrue to the city of Adrian, Mich., if the Congress of the United States were to abruptly terminate the financial assistance programs now available to new industries in areas of high unemployment via the Area Redevelopment administration of the U.S. Department of Commerce.

While we thoroughly subscribe to appropriate economies in Government at all levels, the projects offered by our current industrial prospects are neither fatuous nor whimsical but designed to strengthen the economy of Adrian, the State of Michigan, and the Nation. We trust that you and your congressional colleagues, together with the administration, can devise a program to protect the interests of the industrial prospects with whom we are presently conducting negotiations. If necessary, we can divert subsequent prospects into other forms of financing. Meantime, we look forward to your reactions to this proposal.

Sincerely yours,

MERVYN V. PALLISTER,
Secretary-Manager.

ADRIAN AREA CHAMBER OF COMMERCE,
Adrian, Mich., June 20, 1963.

DON KOHLER, Esq.
Field Coordinator, Area Redevelopment Administration, U.S. Department of Commerce, Detroit, Mich.

DEAR KOHLER: This will confirm my telephone conversation last Friday morning, wherein I related to you the apprehensions of the city of Adrian, the Greater Adrian Industrial Development Corp., and the Adrian Area Chamber of Commerce over press reports that the House of Representatives had defeated the bill to authorize $450 million more in grants and loans to encourage jobmaking industries in high unemployment areas. We are especially alarmed at the remarks credited to Congressman WRIGHT PATMAN, chairman of the House Banking and Currency Committee, that "ARA must immediately stop accepting applications for new loans and grants and that ARA must stop before long, certainly within a year, unless another bill is passed."

As you know, since April 1 of this year, the Adrian Area Chamber of Commerce has placed emphasis upon industrial development. I am happy to report that we are currently servicing several industrial prospects, including three who have stuck with us because we sold them on the merits of the community and ARA financing.

The first prospect to reach the stage of formally presenting his project, is meeting this week with the Review Committee of the Greater Adrian Industrial Development Corp. If both the review committee and the board of directors approve this project, representatives of the Industrial Development Corp. will be on the streets of Adrian within 30 days to raise the community's share of the necessary funds. Even earlier, of course, our first client will seek your assistance and guidance in preparing his formal application for an ARA loan.

Rather than go to the public each time a project comes to the forefront, the Industrial Development Corp. plans to raise in excess of $100,000, so that it can move promptly on behalf of this and the other two or succeeding industrial prospects.

At present, our clients are unable to formally submit their applications for ARA assistance. Two may not come through before the end of this year. However, they are currently costing their proposed operations within the ARA framework, with the result that their prospects—and Adrian's—will go down the drain if the ARA financial assistance program becomes a closed door by congressional action.

We hope that you and your superiors can somehow find the means of leaving the door open to receiving the formal applications of our clients who are now depending upon ARA assistance, even though such applications may not reach your desk for several months.

There follows a brief rundown on our existing clients who are banking on ARA assistance. You will, I am sure, appreciate that our revelation of names at this time would only jeopardize this community's welfare and, possibly, that of the individuals involved. Moreover, for much the same reasons, we neither seek publicity for these clients nor the nature of their proposed undertakings.

Client A proposes to manufacture hard goods, consisting of agricultural spraying

machines, replacement and spare parts therefor, pumps for high pressure orchard spraying equipment, firefighting fog guns, and gears for transmissions used in lawn mowers, garden tractors, and similar machines. The total investment in mortgageable items, such as land, buildings and machinery, will be approximately $250,000. Apart from his investment of 5 percent or $12,500 in these items, our client's equity capital is to be used for inventory and operating expenses. Subject to its approval, the IDC will invest $25,000 in the mortgageable items, conventional banking institutions another $50,000, and the ARA, $162,500. Our client plans to utilize a number of local goods and services from the community. Initially, he expects to employ about 25 new industrial workers, mostly in the semiskilled category, and approximately 50–55 by the end of 1 year.

Client B proposes to manufacture hardwood particle or flake board for boxes, crates, pallets or flat boards that he will also fabricate. Happily, for the effective conservation of our Nation's natural resources, he will utilize wood-waste, such as sawmill residue, scrub growth, second growth timber, and wood shavings. The total investment in mortgageable items will be an estimated $500,000 or more, of which the local IDC will raise approximately $50,000. New employment figures vary but are certain to come within the ARA minimum of 50 workers.

Client C proposes to manufacture metal moldings and stampings utilized mainly in Michigan's automobile industry. The investment in mortgageable items will run to approximately $400,000, of which the Industrial Development Corp. will put up $40,000. Our client envisages as many as 140 workers within a year.

Your attention is invited to the fact that we have other prospects interested in Adrian for an industrial site. While they are considering the ARA approach to their financial problems, we cannot, in all conscientiousness, place them in the urgency category outlined above.

At the risk of boring you by the length of this letter, I feel obliged to mention that the industrial development campaign initiated by the Adrian Area Chamber of Commerce is having a salutary effect in knowledgeable sectors of the community. For example, the Industrial Development Corp. has taken a renewed interest in the industrial prosperity of Adrian. It is on the verge of spending much time and money to bring about improvements in the local industrial climate. The city of Adrian is also enthusiastic about the prospects of putting its long-dormant industrial park on the tax rolls and it is even seeking the means to enlarge this site. More significant to those of us who are devoted on a full-time basis to the welfare of our community, is the recent decision by the city commission to earmark a portion of tax revenues for industrial development. This move should produce $7,000 to $9,000 a year for such purposes. Little publicity has been given to our work thus far. However, with an open appeal for funds pending, we have every reason to expect the widest public support within a few days.

While my colleagues and I have no intention of entering the political arena, I am taking the liberty of sending copies of this letter to several Senators and Congressmen to alert them to our possible plight. Meantime, it would be reassuring to hear from you that some means will be devised by the ARA and the Congress to consider the applications of our current prospects as their plans mature.

Sincerely yours,

MERVYN V. PALLISTER,
Secretary-Manager.

Mr. HART. Mr. President, it would be insensitive for any of us who feel that this legislation represents sound progress for our economy to omit what sometimes we sense is expressed with tongue in cheek, namely, praise and appreciation of the Senator who is in charge of the bill, the distinguished senior Senator Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, I appreciate the comments of the Senator from Michigan; but I have already been grossly overpraised this afternoon. I must beg Senators to cease and desist, and let us save our efforts for getting the bill passed unabridged and unamended. Nonetheless, I am most grateful to the Senator from Michigan.

Mr. HART. I modify not a single word of my statement.

Mr. DOUGLAS. Mr. President, I am glad to yield briefly to the Senator from New Jersey [Mr. CASE], for I understand he wishes to submit an amendment which I shall probably accept.

Mr. CASE. Mr. President, I appreciate the courtesy of the Senator from Illinois. Despite his admonition to his colleagues, I join the Senator from Michigan [Mr. HART] and other Senators who have spoken this afternoon, expressing not only our high regard for the Senator from Illinois, but also appreciation for the generous manner in which he has dealt with all of us in connection with this bill.

Mr. DOUGLAS. I only wish that might be true.

Mr. CASE. Mr. President, on behalf of myself and Senators JAVITS, KEATING, and WILLIAMS of New Jersey, I submit the amendment which I send to the desk. I ask that the amendment be printed in full at this point in the RECORD, and that the reading of the amendment be dispensed with.

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

The amendment submitted by Mr. CASE, on behalf of himself, Mr. JAVITS, Mr. KEATING, and Mr. WILLIAMS of New Jersey, is as follows:

On page 6, after line 14, insert the following new section:

SEC. 9. Section 16 of the Area Redevelopment Act is amended by adding at the end thereof the following new subsection:

(g) No training or retraining authorized under this section shall be carried out in order to assist an establishment which itself would not be eligible for assistance under section 6 of the act by reason of relocating from one area to another. The Secretary of Labor shall not approve any training or retraining assistance unless he is satisfied, and unless the appropriate State employment or vocational training agency has certified, that such training (1) will not assist any company or its affiliate, subsidiary, or other business entity under its direct or indirect common control that has relocated from one area to another after the date of the enactment of this act, and within 2 years prior to the date of such approval, and (2) will not assist any business entity to expand in such a way as to cause the unemployment of its regular employees in any other area where the business entity conducts business operations.

And renumber succeeding sections.

Mr. CASE. Mr. President, I should like briefly to explain the amendment. I have discussed it with the chief sponsor of the bill, who is in charge of it on the floor. I am happy to state that he has indicated his feeling that the amendment makes sense, and that he will be willing to accept it.

The amendment deals with the part of the Area Redevelopment Act which provides for an occupational retraining program.

First, I should say that under another section of the act—section 6—there is also a program under which the Secretary is authorized to make loans to enterprises in redevelopment areas, and there is a provision that such loans may not be made if their effect will be to take business away from other areas. This is a rough paraphrase of the purpose. Apparently, so far as my experience goes, this provision has worked well. The reports I have received from New Jersey indicate that New Jersey has not suffered from pirating by reason of that section of the Redevelopment Act.

Unfortunately, the same is not true insofar as the retraining program is concerned. In several cases New Jersey has lost industry as a result of area redevelopment programs in other States under which people in those States were retrained to take jobs, with the results that jobs formerly provided to residents of New Jersey were moved to those States. The problem is general, and it also occurs under other acts. One of them is the Retraining Act, which most Senators support fully.

As to section 16, which provides for redevelopment training, it seemed to a number of us that there should be in it some provision comparable to section 6 which provides for the loan program. So in the amendment we provide as follows:

No training or retraining authorized under this section shall be carried out in order to assist an establishment which itself would not be eligible for assistance under section 6 of the Act by reason of relocating from one area to another. The Secretary of Labor shall not approve any training or retraining assistance unless he is satisfied, and unless the appropriate State employment or vocational training agency has certified, that such training (1) will not assist any company or its affiliate, subsidiary or other business entity under its direct or indirect common control that has relocated from one area to another after the date of the enactment of this Act, and within five years prior to the date of such approval, and (2) will not assist any such business entity to expand in such a way as to cause the unemployment of its regular employees in any other area where the business entity conducts business operations.

I have stated that in New Jersey there has been specific experience of this sort. I shall mention two instances. One involves the Mack Truck Co., which a year or so ago moved to Maryland. I am quite certain that at the time when the move was made, we were given assurances, from the Redevelopment Agency in Washington, that the act would not be used to assist in retraining people for work for the Mack Truck Co. in its new location. Certainly those who gave such assurances meant them, and I believe they tried to do what they could under the laws then existing. But retraining did occur by means of the funds made available under the Redevelopment Act; and jobs formerly held by people in

Plainfield, N.J., were taken by people in Maryland who were retrained under that act.

Another instance of this sort involves the RCA, in Camdem, N.J. The RCA has many plants throughout the country. Another of its plants is located in Cambridge, Ohio, where there is an area redevelopment program which includes a retraining program. Engineers employed by the RCA in New Jersey have made the very specific charge that area redevelopment retraining has produced new employees for RCA in the Cambridge, Ohio, area, to do work which the company formerly had done in Camden, N.J. It seems to me that this is unfortunate and is not intended. I mention this for the sake of the record, to explain that although we are not opposing this program and although I intend to vote for it, I believe this correction should be made. I am happy to state that, after conferences with the Senator from Illinois, I find him sympathetic to the amendment.

Mr. DOUGLAS. Mr. President, not only am I sympathetic toward the amendment; I most wholeheartedly agree with the amendment of the Senator from New Jersey. He has two real grievances about which to complain.

In the first place, the two retraining programs involved in the complaints he has presented did not come from the Area Redevelopment Administration. The section of the act under which those retraining programs were instituted is not under the control of the Area Redevelopment Administration. Instead, it is under the control of the Department of Labor and, to a lesser extent, it is under the control of the Department of Health, Education, and Welfare; and the local employment offices and local training officials and State authorities were responsible for training the workers at the Mack Truck plant in Hagerstown, Md.

I believe the same is true in the other instance the Senator from New Jersey has mentioned.

So I am very glad to accept this amendment, which is to be incorporated in the bill as section 16(g).

Mr. CASE. Mr. President, I am very grateful to the Senator from Illinois for his cooperation, his courtesy, and his willingness to accept the amendment to deal with this problem. That attitude on his part is not at all surprising, of course.

In this connection I ask unanimous consent to have a statement printed at this point in the RECORD.

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

STATEMENT BY SENATOR CASE IN OFFERING HIS AMENDMENT INCORPORATING AN ANTIPIRACY PROVISION FOR TRAINING PROJECTS UNDER THE AREA REDEVELOPMENT ACT

Like most members of this Chamber, I am interested in doing everything possible in a legislative way to reduce the heavy burden of unemployment in our Nation. The State which I have the honor to represent has been hard hit by substantial and persistent unemployment running almost steadily higher than the national average.

I have been troubled by the effect of the Area Redevelopment Act on urban States whose economic well-being is threatened by movements of industry and workloads to other States. In cases where the Area Redevelopment Act has assisted in providing trained employees for this relocated work, I feel that the interests of the working men and women of my State have been definitely harmed.

It is untenable for the taxes of a worker in Plainfield, N.J., out of work because of the decision of the Mack Truck Co. to move to Hagerstown, Md., or for the taxes of a worker who has lost his job in the RCA plant in Camden because much of its usual work is to be performed in another State, to help subsidize the exodus of such employment opportunities.

I mention these examples because in both cases, despite an existing antipiracy provision in the Area Redevelopment Act, these job shifts occurred. The language which I am offering now is intended to close a major gap in the workings of the Area Redevelopment Act. The amendment would forbid the use of funds to assist or encourage industry to move from one State to another or to assist industry which has moved to expand in such a way as to cause unemployment in its former location. The basic intent of the Area Redevelopment Act is to solve unemployment where it exists, not to create new unemployment by pirating jobs or plants from one State to another.

We who represent urban States have a particular reason to be sure that such provisions are incorporated in the law and are effectively administered. The impact of such moves out of State is substantial. In the case of Mack trucks, 3,200 workers, many of them older men who have found employment opportunities extremely limited, were thrown out of work. The city of Plainfield lost about $2,400,000 a year in local taxes, and the businessmen of Union County lost the business resulting from a payroll of about $300,000 a week. This has been a substantial loss to Plainfield, to Union County, and indeed to the State of New Jersey. It is painful, therefore, to learn that area redevelopment funds, contrary to the assurances at the highest levels of the Area Redevelopment Administration, have been used to train some workers for the new Maryland plant of the Mack Truck Co.

Similarly, in the southern part of our State, where unemployment has reached substantial levels and has persisted over many months, work on products which have been developed in the Camden plant of RCA, is now being done in part in a Cambridge, Ohio, plant of RCA. This plant has been the recipient of a grant for training of part of its work force. RCA employees have told me of the substantial and growing unemployment resulting from the shifting of production contracts on these products to the lower wage rate plant in Cambridge, Ohio.

The intent of my amendment is to block the use of ARA funds to assist in removal of plants and jobs from our State to other States.

Mr. DOUGLAS. Mr. President, I congratulate the Senator from New Jersey for being so alert to this national problem, as well as to the difficulties suffered by people in his own State.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey to the committee amendment.

The amendment to the amendment was agreed to.

Mr. DOUGLAS. Mr. President, at this time I am very glad to yield to the very eminent junior Senator from New Hampshire [Mr. McINTYRE], who in the few months he has been in the Senate has won our friendship, our admiration, and our respect, and has been of great help in the Banking and Currency Committee, both in connection with this bill and in connection with other bills.

Mr. McINTYRE. Mr. President, I thank my distinguished colleague from Illinois for his fine remarks. I am glad to join in the fight for the ARA. In defense of the program, and on its behalf, I should like to state that the bold program of area redevelopment launched by the Congress in 1961 is the object of a vicious and misleading rightwing propaganda barrage. It is becoming increasingly clear to me, however, that the people will not be misled, because the benefits to be expected from this program are so very basic and fundamental to all Americans. There is no political advantage in advocating economic depression. There are no political rewards in joblessness. And the repetitious drumfire from the right about economy and cutting expenditures is going to outrage the American public when the existence of depressed areas, the low rate of consumer demand, inadequate schools, declining tax revenues of local and State governments, and the other so-called benefits of this kind of so-called economy are brought home to a nation that puts a priority on progress.

I cannot speak as an expert about the difficult questions of industrial relocation, labor mobility, retraining, and economic development that are involved in this bill. I am a simple man, but I have not closed my eyes to experience. I am not an economist, but I cannot close my eyes to economic realities. I am not an expert on the labor market, but I have not turned away from the plight of the unemployed. Our national rate of functional illiteracy—those with less than five grades of primary school—is over 8 percent among those over 25 years of age. One-quarter of our people live in relative poverty. In some sections of the country children cannot attend school because they lack shoes. The area redevelopment program has as its principal object the provision of an opportunity to do useful work to those who ask nothing more than a chance to earn their living. This is the purpose that the rightwing attacks. This is the program that they seek to replace with "business as usual."

In New Hampshire, Mr. President, we have learned all too well what this negative outlook entails, because we have felt its effects. For almost 2 entire years the program was neglected. Two county applications languished as though local political officials considered it presumptuous on the part of civic leaders to entertain any thoughts of economic betterment. One county designated for redevelopment was blithely ignored by those in State and national office who might have been expected to take an interest. Over the last 9 months an area coordinator has been appointed and five project applications have already arrived. The prospect of low-interest, long-term for public projects and business developments has begun to exert a warming influence, dispelling the chill of distrust, neglect, and the brutish satisfaction with things as they are, which constitutes the central creed of rightwing

negativism. In the short space of time that we have had an effective area redevelopment program we have realized hidden benefits far in excess of what might be expected from the money that would be committed to actual projects.

THE HIDDEN BENEFITS OF AREA REDEVELOPMENT

The three northern counties of New Hampshire, Mr. President, have experienced drastic losses in employment, a declining market for lumber, and tragically falling expectations for careers among our youth. This is rugged country, where transportation presents awesome difficulties. Winter winds and subzero temperatures can make luxuries of even the necessities of life.

Communities are isolated from the busy commercial life of the southern part of the State. But despite these harsh natural conditions, our north country people have always combined hardihood and industry and made the most of every opportunity. Under the area redevelopment program, a $40,000 grant would have been made to find uses for low-grade hardwood. This is the kind of research that turns a handicap such as large tracts of poor second-growth timber into an opportunity for useful work. Five applications for loans have been submitted from the north country under the ARA program. Each represents new hope for the region. But what is most important is that the availability of area redevelopment loans has sparked a more hopeful attitude throughout the region and given a multitude of worthwhile civic plans a new lease on life. John Wilson, secretary of the White Mountains Region Association, who knows this country well, sums up this hidden benefit very well indeed. He said:

> For the first time in many years the north country has had an opportunity to move ahead. Never has there been so much local determination and work to improve the economy as there has been under the ARA program. We would have had finances available which would have made it attractive for industry and recreation to locate in the area. Without this help from the Federal Government, the job of raising our economy will be much harder.

I say, Mr. President, that nothing is more heartening than the growth of enthusiasm and a determined quality of optimism in our redevelopment areas. This makes hash out of the partisan contention that ARA is Government trying to do for people what they ought to do themselves. ARA is not preempting local initiative, but is instead setting off a whole chain reaction of local plans, rural area development committee work, and contributing to a revival of the intensity of civic spirit all across the Nation. I sympathize completely with Mr. Wilson, who concluded his statement:

> I am hopeful that the U.S. Congress will reconsider its actions.

I, too, Mr. President, hope that the unfortunate outcome of the vote in the House of Representatives may be reversed.

I want it made absolutely clear in the course of this debate that the despair lobby which opposes this bill is asking the American people to accept rural poverty, social deprivation, the bankruptcy of local governments, and a decline in civic spirit as uncontrollable facts of life. Have we really come to the point in our national life where counsels of complacency, stated in sterile copybook maxims about the need for self-help, can prevail over the promise of hope? Low tax yields, unemployment, and poverty do not add up to economy in any meaningful sense of the word. The people are not helpless before these problems, as we have seen through the successes of ARA to date, and the hidden benefits of initiative, hope, and civic action which have appeared in our own north country.

Without a program of redevelopment, what is to be the fate of these areas? I recently read some disturbing statements showing the outlook which gains ground when plans for economic betterment are frustrated. I am not going to cite the views of professors, government economists, or industrial planners. Let us go instead to the young people whose future concerns us most. For it is here that the effects of our action or inaction will really be felt. We are debating today not the future of some kind of economic development doctrine, but the very real hopes of our young people all across the Nation. Try to imagine how I feel, Mr. President, as the Senator from New Hampshire, when I read a comment like that of the valedictorian of this year's graduating class at Bishop Bradley High School in Manchester, N.H.:

> There's no future here in southern New Hampshire. Not enough opportunity for me to settle here permanently.

The salutatorian of Memorial High School told an interviewer:

> I doubt if I'll return here after college, as there seems to be so little opportunity here.

The valedictorian of St. Anthony's High School said:

> I'd like to return to Manchester after completing my education, but only if some new corporations come into the city which could provide me with a good career opportunity.

Well, Mr. President, if this is the attitude that the opponents to area redevelopment are trying to inspire, I can only report with sadness that they have met with success in my State.

I can say that nothing is more important to the people of a small town or a small city than their hopes for youth. A high school commencement in my home city is an occasion for the whole town to celebrate, and the good wishes of all merchants, employers, and townspeople flow out to the graduating class. I am sure that my colleagues in the Senate have seen this wonderful outflow of feeling all across the Nation this June. But without constantly rising levels of opportunity, these bright good wishes dry up like water in the sand as the graduates leave town to seek work elsewhere. Our New Hampshire communities want their young people to stay, but not at the price of an adequate life, which invariably means a decent chance for a job. Our young people do not ask for Federal handouts, and I resent the imputation by the opponents of this bill that they do. They ask only for a chance, and I am determined to try to fight for this important legislation to see that they get it.

ARA AND OUTDOOR RECREATION

There is one argument that seems to be the favorite of some opponents of this program. They have trained their fire on the fact that area redevelopment programs have been drawn up to support the recreation industry.

The principal point to be made about area redevelopment and recreation is that not every area in the country is suitable for industry. Lack of electricity, water, transportation facilities, and other disadvantages tell heavily against industrial prospects for every part of the Nation. In my own State of New Hampshire, the White Mountain Region and the North Country are not heavily industrialized but enjoy bright promise in recreation development. The expansion of our recreation industry bears a direct relation to the purposes of the area redevelopment program. I would like to make this point clear, in terms of employment and the contribution of recreation to aggregate consumer demand. I would then like to show that the national interest in the expansion of the private recreation industry cannot be fulfilled without the continuation of the area redevelopment program.

EMPLOYMENT AND OUTDOOR RECREATION

New Hampshire has but a small share of the $30 billion business that outdoor recreation has become in the postwar years, but it is an important and rapidly expanding sector of our economic life. Since 1946 that portion of the New Hampshire lodging business serving primarily vacationers has increased from 13,287 to 18,130 jobs, a growth of about 36 percent. The total number of tourist lodging establishments has grown by about 12 percent, from 1,975 to 2,205 in the same period. These jobs have been created in areas of the countryside and smaller towns where manufacturing employment is difficult to encourage. Not infrequently, the development of a genuine tourism potential is the only or decidedly the most promising hope of restoring economic health to an area of serious unemployment. Tourism offers the only handle that can be grasped to lift such an area out of an economic backwater.

It may be objected that lodging employment is so largely seasonal. This is certainly true in New Hampshire, where there are 2½ times as many jobs in summer as in winter. But this overlooks the fact that many summer jobs are taken by students and others who are financing their education. Under the surface of the broad seasonal swing, we can point to increasing winter employment in connection with skiing. Anyone who has lived in a recreation area knows that the slack periods between the summer and winter season are periods of high employment for general contractors and the recreation supply industry in preparing for each new wave of visitors.

A study of the vacation travel business in New Hampshire, prepared by the State's department of resources and eco-

nomic development, has revealed a very interesting statistic on the subject of seasonal employment. While 18,000 are employed by our lodging industry, some 9,000 are employed in vacation-travel serving businesses, such as restaurants. And in these supporting occupations, the seasonal fluctuations are much less violent, involving only 20 percent.

AGGREGATE DEMAND

We cannot overlook the fact, Mr. President, that the operation of private tourism facilities creates an immense demand for cameras, fishing tackle, camping equipment and other materials which support in turn thousands of workers. To the extent that we can provide facilities for the millions of tourists who will be using our national vacation sites, we shall contribute to this immense nationwide demand in a variety of important industries.

A PROPER ROLE FOR PRIVATE BUSINESS

Mr. President, the very significant study published by the Outdoor Recreation Resources Review Commission showed that the largest single problem faced by the private businesses in the outdoor recreation field today is a lack of capital. Any number of these businesses reported their difficulties in this field.

That report concludes, on page 143:

> Although few of the case-example operators mentioned financing as a limiting factor in their plans for the future, frequently, it is very important. Private bankers and governmental lending agencies alike apparently are reluctant to finance the recreation industry.

Mr. President, I think it is worth emphasizing that the immense demand we can foresee for recreational facilities in this country cannot be met without the flexibility of private enterprise. But private capital, quite understandably, is difficult to obtain for recreation. An outdoor business is so affected by year-to-year differences in weather that it is very difficult to devise a repayments schedule. The report "Outdoor Recreation for America" makes it plain that the population of the United States will virtually double, from about 180 million today to about 230 million by 1976, to 350 million by the end of the century. Population will probably be more concentrated, incomes will be higher, and the gross national product will multiply. People will have more free time, as the scheduled workweek drops down to perhaps 36 or even 32 hours. As America becomes more populous and more mobile, the demands on vacation travel businesses and our recreational resources as a whole will spiral. It is for this pressing human need for recreation that we should provide today.

Yet, a further point, Mr. President, is that the States and our local governments will be forced to undertake these needed recreational developments with public funds, unless we provide for the future of the area redevelopment program today. I think private industry has a legitimate and a very creative role to play in meeting our recreational needs. But in light of the evidence that has been discovered about the difficulties of financing, we simply cannot expect private sources of capital to meet the need without help.

It is worth noticing also, Mr. President, that the Department of Agriculture, through a variety of rural loan programs; the Department of Interior, Bureau of Outdoor Recreation; and the Small Business Administration loan programs all have concentrated on the ability of private industry to help this Nation meet its pressing needs for outdoor recreation facilities.

I simply cannot understand, Mr. President, how the opponents of this bill can argue that private recreation has no part to play in achieving the economic goals of our society. Far from being a weakness, the ARA plans for private recreational developments are a fortress of strength for the area redevelopment program as a whole. These programs extend the benefits of area redevelopment far beyond the limits of urban depressed areas to reach areas of rural stagnation. At the same time they help to meet a significant and spiraling national need for more outdoor recreation resources. And they meet that need by stimulating private industry to do the job.

I know I speak for New Hampshire, Mr. President, in laying great emphasis on the part to be played by private recreational industry in the area redevelopment program. It is a triumph of cooperation between our localities, private business, and the Federal Government. The bill deserves to pass, Mr. President, and our less developed counties desperately need the assistance it can provide.

Mr. DOUGLAS. Mr. President, I thank the very able junior Senator from New Hampshire for the excellent speech he has made, which I believe is his maiden effort in the Senate. I can only say it gives promise of a very distinguished and able career, for which we all rejoice.

Mr. McINTYRE. I thank the Senator from Illinois very much.

Mr. DOUGLAS. Mr. President, I am now very glad to yield to the junior Senator from West Virginia [Mr. BYRD]. Both Senators from West Virginia [Mr. RANDOLPH and Mr. BYRD] have been moving spirits in this legislation. They come from a State which perhaps has the most intense problem of unemployment of any area in the country. They have devoted themselves with energy, unselfishness, and imagination to dealing with this issue for their people and for the people of the country as a whole. I am frank to say that through them West Virginia has made contributions of great value to this whole program.

Mr. BYRD of West Virginia. Mr. President, I am grateful to the Senator from Illinois for yielding to me.

On behalf of my senior colleague the Senator from West Virginia [Mr. RANDOLPH], and myself, I express gratitude to the Senator from Illinois [Mr. DOUGLAS] for the kind remarks he has made on our behalf.

ARA IS BREATHING NEW LIFE INTO DISTRESSED AREAS

Mr. President, I rise in support of S. 1163, which authorizes an additional $455,500,000 in loan and grant moneys for use by the Area Redevelopment Administration. This is a vital piece of legislation, the enactment of which could continue and strengthen the good work that is being done to end economic distress in many areas of our country.

Shakespeare has said:

> The miserable hath no other medicine but only hope.

But if hope is a medicine, then I submit that the Area Redevelopment Administration has been the necessary prescription with the best possible ingredients for changing discouragement and despair to hope and encouragement.

As one who supported the Area Redevelopment Act, during my previous service as a member of the Senate Banking and Currency Committee, I have stated on several occasions that the legislation is not a panacea for the economic ills which beset my State of West Virginia. But I have also stated that the act extends the kinds of assistance which are stimulators of economic activity, and creators of employment opportunities.

During the 86th Congress, as a member of the Senate Banking and Currency Committee, I held hearings in West Virginia on area redevelopment legislation which was then pending before the Senate. At those hearings I was deeply impressed by the pleas of community leaders for some kind of Federal assistance which would afford them opportunities to undertake their own economic development.

While the 87th Congress was considering the Area Redevelopment Act—a measure which I cosponsored—I arranged a meeting with West Virginians in order to aid them in understanding the forms of assistance provided for in the act. The meeting was held on April 19, 1961, in the auditorium of the New Senate Office Building. Some 500 West Virginia State, county, and municipal officials attended that meeting, at which 27 Government officials representing many Federal agencies presented information regarding the kinds of assistance programs they were prepared to offer.

I followed up this meeting with one on June 16, 1961, at the Woodrow Wilson High School auditorium in Beckley, W. Va. That meeting was attended by more than 700 persons from all corners of my State. It was a workshop meeting, at which Government officials sat down with State, county, and local officials, as well as with business leaders and civic leaders, and explained what could or could not be undertaken in the way of economic development plans under the Area Redevelopment Act. Secretary of Commerce Hodges and William Batt, Jr., Administrator of the ARA, participated in the Beckley meeting.

These two meetings spurred local West Virginia communities to action, and overall economic development plans expressing the hopes and aspirations of localities began to take shape. A new spirit was evident in West Virginia. A friendly hand was brushing aside the darkness of despair.

There is too much at stake—too much hope, faith, time, and effort on the part of thousands of communities throughout the country which worked hard on formulating local development plans—to discard or curtail the assistance which the Area Redevelopment Administration has been providing our economically blighted areas.

As a new tool in the fight to alleviate unemployment and to stimulate local initiative, the Area Redevelopment Administration has been doing a noteworthy job. I have watched its work in West Virginia, and I can say that, without its timely assistance in many instances, locally financed projects would not have been able to proceed to completion and many new jobs would not have been effectuated.

One of the first projects which ARA approved was the National Seating & Dimensions plant in Mingo County. This was a woodworking plant in a coal-mining area. An ARA training program was established to retrain these men with new skills needed in the woodworking industry. Mature men traveled as far as 15 miles over poor roads and in bad weather to take this training. Many more applied than were needed and, unfortunately, many who did apply could not pass the basic qualifications, but other projects are under consideration for which they may qualify. National Seating & Dimensions currently employs 83 workers. In July, employment will increase to 103, and within a year, employment is expected to reach 200. These new jobs could not have been created without ARA financial assistance, both for the construction of the new plant and for training the workers needed in the plant. The establishment of this plant and the actual creation of new jobs have given hope to the people of that area.

ARA training has a far greater impact than the mere employment of those individuals who successfully complete their training courses. Training programs financed with ARA funds have proved to be a major factor in the establishment of the FMC Corp., in South Charleston. FMC officials have stated that 350 employees trained with ARA funds have made possible the jobs for 1,000 supporting employees. Their present plans indicate a need for 500 to 700 additional trained welders, machine tool operators, and assemblers during the calendar year of 1963 which would support 1,500 to 2,000 additional workers—all made possible through ARA.

In Logan County, ARA helped develop a project for a garment manufacturing company—a new industry for that area. During the initial processing of the request for ARA financial assistance in constructing the new plant, the community was able to raise sufficient funds without an ARA loan, and withdrew the request. However, after the building was completed and the garment company had started operations with approximately 100 new workers, it was discovered that there was a serious fire hazard due to the lack of a water storage tank. The company advised the city that it would have to curtail its plans for expanded employment, and another company which was planning to construct a new building on the same industrial tract, also advised the city that its expansion was dependent upon adequate fire protection. Due to the heavy indebtedness incurred in constructing the new plant for garment manufacturing, no additional funds could be obtained for providing the water storage facilities. ARA assistance was requested and a public facility grant was approved to provide these facilities. As a result of this grant, approximately 400 new jobs will be made possible.

A new building for the expansion of a health clinic was constructed on the outskirts of a small community in Wyoming County. In addition to increasing its professional staff, the clinic would employ eight new workers. The community's water line did not extend to the new building and it was essential to extend the line. The community, due to existing indebtedness, did not have the financial capability of providing the $10,000 needed for this project. ARA assistance was requested and a public facilities grant was approved. This not only resulted in eight new jobs and additions to the professional staff of the clinic, but it also helped to provide better health services to the people in that general area.

With technical assistance funds furnished by ARA, Concord College is establishing a center for economic development which will serve a 10-county area in southern West Virginia. The center will provide assistance to small businessmen in the area which they hope will lead to business expansion. Assistance will be provided in the field of manufacturing and production methods, personnel procedures, research and development of products, marketing, financial control and management, design improvement, preparation of cost estimates, and other related services. Without ARA assistance this center could not have been established.

One of the best examples of how ARA is benefiting our State is what is known as the Braxton County project. In this case, ARA is providing a section 6 loan to assist in the construction of a new plant and the purchase of machinery and equipment for the manufacture of particle board, veneer, and plywood. Good industrial sites are not too plentiful in West Virginia and, in many areas, they are practically nonexistent. In Braxton County, a suitable site was available near the town of Gassaway. However, in order to have access to the site, it was necessary to bridge the Elk River. The State road commission was unable to fund the entire cost of the bridge under its allocations for secondary roads and the new industry could not have been established had it not been for ARA. A public facilities grant to supplement the State's funds will insure access to the new plant. Based on the assurance of access, the company will start construction of its new plant on August 1, 1963. Machinery will be ready for installation on November 1. The plant will be in operation shortly after the first of the year and plans to employ 347 workers when it becomes fully operational.

Although construction of this plant will not actually begin for about another month, the announcement of its approval has already stimulated local action. Two stores are remodeling and a third is constructing a new building. The bank is completely remodeling; the hospital is building a $100,000 addition and a new restaurant is being constructed. These community improvements will all lead to increased employment. Without ARA, none of this would have taken place.

So, Mr. President, the ARA has stimulated local initiative in my State of West Virginia. It takes time to get the economy moving when it has been stagnant for many years—stagnant due to the absence of programs offering the type of assistance which can be afforded communities and businesses under the Area Redevelopment Act.

But with the ARA now extending a helping hand, our economically depressed areas have new hope and new incentive to prepare and support programs for economic progress. Apprehension and despair are giving way to optimism and activity in West Virginia.

The hills of West Virginia hold the promise of innumerable fulfillments, and with the assistance of the ARA these could be realized.

The needs of the economically depressed areas of our Nation cannot be ignored. The additional $455,500,000 authorization of loan and grant moneys to the Area Redevelopment Administration will assure these distressed areas that we intend for them to become economically healthy areas in an otherwise strong and sturdy America.

I wholeheartedly support the legislation before us today. I also salute and commend Senator DOUGLAS, the author of the original act.

His fight for this legislation over a long period of years has been rewarding to the people of my State and other States plagued with areas of faltering economies. My people have benefited from his vision and his determined leadership. On behalf of my people, I express gratitude to the senior Senator from Illinois.

Mr. DOUGLAS. I thank the Senator from West Virginia for his compliments, which are largely undeserved, but which I must admit are pleasant. I also want to thank him for the work he has done in behalf of this legislation, both in the Senate and in the House of Representatives, when the Senator was a distinguished Member of that body, and also across the country and back home in his State of West Virginia.

Mr. President, we are nearing the end of a long day. It is 20 minutes of 7 in the evening. This measure has been under consideration for approximately 3 hours. Many excellent speeches have been made. I think it is apparent that, in their short period of existence, the Area Redevelopment Act and the Area Redevelopment Administration have struck roots and have made great contributions to reducing unemployment, and that they give promise of still further improvements.

I suppose the thought necessarily occurs to the relatively few persons who

are in the Chamber as to why, after all this discussion, I should rise at so late an hour and attempt to deal with this subject.

Perhaps the handful of persons in the galleries and less than a handful of Senators on the floor, and the RECORD itself, deserve an explanation. The CONGRESSIONAL RECORD is an important document. It is read by most Senators and by all their staffs, by the clerks of committees, and by newspaper correspondents. It is the special favorite of the pundits who do not come on the Hill but get their knowledge for the most part by reading. It also has a circulation throughout the country of approximately 40,000 copies. It is read by the opinion makers in various communities. It is not only found in the libraries of the communities and of the colleges, but it also is read in many newspaper offices.

Thoughtful attorneys read it. The trade unions are reading it in ever-increasing number. Presidents and public relations experts of corporations are on the mailing list, as are trade associations. Schoolteachers read it. Members of the League of Women Voters, the Federation of Women's Clubs, and the American Association of University Women, and the like, are on the mailing list.

So, in a very real sense, the CONGRESSIONAL RECORD is an opinion maker. Of course, there is always history. We in Congress fondly believe that history will be interested in what we are doing. Sometimes I am inclined to believe that it is a false hope and an illusion; nevertheless, the printed word is the best means for one generation to communicate with another.

So in a sense I have no feeling of inferiority in taking the floor at this late hour to discuss the general aspects of the area redevelopment bill and the problems which created it.

If I had spoken earlier at great length and had prevented other Senators from speaking, I would have felt bad. However, since I do not imagine there will be any other Senators who will wish to speak on the area redevelopment program after I have concluded, I do not feel that I am displacing any of my colleagues.

Let me summarize very briefly the specific changes which the proposed amendment to the act would make.

In the first place, it would increase the amounts which are authorized to be outstanding for industrial or commercial loans for projects in urban areas from $100 to $250 million, and therefore, of course, is an additional authorization of $150 million.

It would increase the amount authorized to be outstanding for loans in rural areas of an industrial or commercial nature also from $100 million to $250 million, representing an increase of $150 million in the authorization for this purpose.

In the third place, it would increase the amount authorized for public facility loans from $100 million to $150 million, an addition of $50 million.

In the fourth place, it would increase the authorization for appropriations for public facility grants from $75 million to $175 million, or an addition of $100 million.

In the fifth place, it would increase the annual authorization for appropriations for technical assistance from $4.5 million to $10 million—an addition of $5.5 million.

If we add all of these increases together we get a total increase of $455.5 million.

I do not need to add for this sophisticated body, but perhaps I should do it for the RECORD, that of course these are authorizations or ceilings. They will have to be followed by appropriation bills, and the final amount may be different from the amounts in the bill, but cannot exceed them.

This explanation which I have made is particularly important in view of the fact that the Appropriations Committee has blocked the Treasury borrowing authority provision in the Area Redevelopment Act, and requires appropriations for what otherwise would have been Treasury financing. In this connection, it is ironical that yesterday the Senate passed the Export-Import Bank bill, which provided $2 billion in Treasury financing for loans made to countries and projects abroad. It was passed by a vote of 73 to 1. We provided an authorization for $2 billion of Treasury financing to benefit people abroad and big business at home. I am somewhat struck by the names of the Senators who oppose and thus far have been able to block any Treasury financing for poor communities and the unemployed at home. I do not believe in holding individuals up to too close scrutiny, but I am struck by the fact that if we look over the yea-and-nay vote on page 11374 of yesterday's CONGRESSIONAL RECORD, we find the names of every one of the Senators who signed the minority report denouncing the area redevelopment bill and the amounts of money contained therein. Billions of dollars may be drawn by Treasury financing to help American export concerns, but not 1 cent, it is said, for amounts to be spent at home.

I ask unanimous consent that the yea-and-nay vote to which I have referred be included in the RECORD at this point in my remarks.

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

The result was announced—yeas 73, nays 1, as follows:

Yeas—73: Aiken, Allott, Bartlett, Bayh, Bennett, Boggs, Burdick, Byrd of West Virginia, Carlson, Case, Clark, Cooper, Cotton, Curtis, Dirksen, Dodd, Dominick, Eastland, Edmondson, Ellender, Engle, Ervin, Fong, Gruening, Hartke, Hickenlooper, Hill, Holland, Jackson, Johnston, Jordan of North Carolina, Jordan of Idaho, Kefauver, Lausche, Long of Missouri, Magnuson, Mansfield, McGee, McGovern, McIntyre, McNamara, Mechem, Metcalf, Miller, Monroney, Morton, Moss, Mundt, Muskie, Nelson, Neuberger, Pastore, Pearson, Prouty, Proxmire, Randolph, Ribicoff, Robertson, Russell, Saltonstall, Simpson, Smathers, Smith, Sparkman, Stennis, Symington, Talmadge, Tower, Williams of New Jersey, Williams of Delaware, Yarborough, Young of North Dakota, Young of Ohio.

Nays—1: Thurmond.

Not voting—26: Anderson, Beall, Bible, Brewster, Byrd of Virginia, Cannon, Church, Douglas, Fulbright, Goldwater, Gore, Hart, Hayden, Hruska, Humphrey, Inouye, Javits, Keating, Kennedy, Kuchel, Long of Louisiana, McCarthy, McClellan, Morse, Pell, Scott.

So the bill (H.R. 3872) was passed.

Mr. DOUGLAS. There are other provisions in the ARA bill before the Senate.

There is a provision partly aimed to get away from some of the difficulties imposed by the elimination of Treasury financing. Funds appropriated for the area redevelopment program are to remain available until expended. If after having been appropriated they are not expended within a fiscal year, they may be carried over to subsequent years. This is a provision similar to the one for foreign aid. There is no reason why we should not have it for foreign aid and for technical assistance abroad. Similarly there is no reason why we should not have it for domestic aid.

S. 1163 also permits the required State or local contribution of 10 percent that is required for industrial or commercial projects to be repaid concurrently with the repayments of the financial assistance extended by the Area Redevelopment Administration. We require a minimum of a 10 percent contribution by State or local groups in addition to the amounts loaned by the Area Redevelopment Administration. But this 10 percent has always been at the bottom of the totem pole. Under the present act, it has to be repaid only after all other loans have been repaid. This provision was placed in the original act in order to require localities to take some risks. But I think that in its present form it is too stringent, too severe, because it gives to the local people the possibility of getting their money back only after 20 or 25 years. That is too long to wait. I think the repayment of the local contribution should be permitted to be made concurrently.

There are two other minor changes which S. 1163 would make in the Area Redevelopment Act.

One amendment, which was adopted unanimously—I heard no opposition from the Republican side of the committee—requires that construction workers on any private project financed by ARA are to be paid the prevailing wages as required by the Davis-Bacon Act.

The other minor but important change was made at the suggestion of the Senator from Maine [Mr. MUSKIE]. It provides that not only Federal Indian reservations would be eligible for designation as redevelopment areas, but also State Indian reservations. That means that the great Iroquois Nation in New York State would be eligible and, as I mentioned earlier in the debate, the Penobscot Indians and, I believe, the Passamaquoddy Indians in Maine will now become eligible.

I believe those are the main features of the bill, S. 1163, that is now before the Senate. But for the sake of the RECORD, I believe some concerted statement ought to be made as to why the Area Redevelopment Act was ever introduced and why it was passed in the first place.

It became obvious to many of us in the early 1950's, when the overall

employment in the country as a whole was at a low percentage rate, that there were certain areas of the country where unemployment was high and where—even then—it had existed for a considerable period of time. These pockets of unemployment became more and more marked as the 1950's wore on. There were periods of prosperity in 1955 and 1956, but unemployment was still high in those areas.

So it became apparent that there were causes of unemployment unconnected with general factors. There were, of course, overall causes of unemployment which at times produced business recessions and depressions, and which might in certain cases produce a form of more or less permanent stagnation. But these were not the sole causes for all unemployment. I do not wish to deprecate for one moment the importance of monopoly and imperfect competition in depressing and repressing production by charging higher prices than would be true under competitive conditions. Monopoly and imperfect competition necessarily restrict demand; and, in restricting demand, restrict production and employment, and hence either help to create unemployment or divert labor into areas where work is less productive. This is a very important factor in retarding growth and employment.

The failure of the monetary and banking system to expand the monetary medium as output increases—repressing a potential employment increase by failure to provide adequate credit or the charging of high interest rates, thus depressing business borrowing at a time when unemployment is high and industrial capacity is not fully utilized also brings about general unemployment. These are all causes; and frankly I think they are at work today.

But there are also specific causes that create structural unemployment—unemployment which weighs heavily on particular localities.

The most conspicuous case is in the coal-mining areas. There used to be half a million coal miners in the Nation. The great State of West Virginia had 150,000 coal miners. My State of Illinois had between 80,000 and 90,000 coal miners. But the number of coal miners has diminished very greatly everywhere. This is due to the coming into use of other fuels, such as oil and gas, and also to automation in cutting, the carrying of the coal through the mine to the shaft or slope and up to the mine mouth, and loading. The result is that in my State, which once had 90,000 coal miners, there are now about 9,000. Almost comparable reductions have been made in other States.

The output per man-day in a coal mine, which used to be between 3 and 4 tons, now averages 13 tons. In some mines, it is as high as 30, 40, or 50 tons. In a strip mine, it can run into well over 100 tons of coal per man-day.

This is not the fault of the workers who have been thrown out of work. It is due to the fact that other fuels have been substituted and the output per man-day has been increased. Thus fewer workers are needed. But the consequence of all this is unemployment. Coal-mining communities have been burdened with this heavy load of unemployment, which is not the fault of the people who live there, but is inevitably the consequence of improved industrial methods.

Consider the regions of the country where natural resources have been largely exhausted. This is true in the cutover regions of upper Michigan, Wisconsin, and Minnesota, and through sections of Maine and New Hampshire. These were formerly great forest areas, and the lumbering industry was a very important one. Trees were cut down, but new crops were not grown. Timber barrens were created, and the population was left stranded without hope of reemployment in the lumber industry.

Consider copper mining in Tennessee. It spread ruin over the countryside. That industry has closed down and no longer provides the employment which it did before.

Down East, due to the increase, for a time, of 3° or 4° in the temperature of the Atlantic Ocean, the fishing industry has deteriorated. This is not the fault of the fishermen. They did not heat up the Atlantic Ocean. They were hurt by the change in the type of fish which inhabited the nearby seas.

Then, of course, there are shifts in demand which can cause widespread and severe unemployment. I remember as a boy working in the twin cities of Gloversville and Johnstown, N.Y., a great glove center of the country. In a sense, gloves are now passé. But in the old days, women wore gloves up to their elbows. A man did not dare to go out and make a call without wearing a pair of gloves; or if he did not wear them, they must at least have been folded in his vest pocket. This is a fashion that has gone by the boards. Gloversville and Johnstown, N.Y., are no longer the great glove centers they once were.

Hats are going in much the same way. Danbury, Conn., which was the center of the hat industry, has been hit by the bareheaded fashion which has swept over the country—a fashion assisted by our Chief Executive. This has created unemployment in Danbury and other places. Probably it is good for health and has increased sturdiness, but it also increases unemployment.

Carpets, which formerly were essential for every middle-class home, also are passé.

The family piano, which previously was a requirement, and upon which the daughter would play and practice, and which she would use as a musical instrument to accompany her dulcet tones as she sang, is not going out the window, but it is going out of fashion. Therefore, the piano industry has suffered.

These are merely a few illustrations, which I take from the record of industrial change, and I cite them to indicate how people are thrown out of work by shifts and changes in demand, by the exhaustion of natural resources, and by improvements in technology and the development of substitute products.

Next to the coal-mining area, probably the textile regions of the country have been most severely hit. This is due to a variety of reasons, but is chiefly due to the decrease in the total demand for textiles. The American flapper played a great part in that development. The decrease in the length of skirts increased the demand for silk stockings, but diminished the demand for cotton and for wool. The heating of homes and apartments, and the use of closed automobiles diminished the necessity for warm clothing in the wintertime. As a result, the total demand for such products, particularly for wool, decreased. Then there were the substitutions for silk and cotton and wool of the synthetic fabrics made from cellulose.

One who travels through the Merrimack Valley, in Massachusetts and New Hampshire, sees the vacant mills along the Merrimack River, at Lowell, Lawrence, Nashua, and Manchester. These were abandoned for two reasons: The shift in demand and the movement of industry south. This change occurred not merely because of the lower wage scale in the South, although that was very real, and not merely because of the inducements the southern communities held out by their own redevelopment plans, by making loans to firms which would come there. They were pirating industry. But equally important the northern mills tended to use three-story, four-story, or five-story buildings, originally erected close to waterfalls, but extremely uneconomic and inefficient in terms of production layout. Raw materials had to pass back and forth and up and down, and the plant layouts were highly inefficient; whereas in the South the new plants could be located outside the towns, in single-story factories which could have straight-line processes, and could have the advantages which could not be had in the North, with the old mills and the obsolete construction and layouts.

So New England, in particular, suffered extremely from the shift in the textile industry. Many of the small woolen mills of Maine had to close. So did many other northern New England mills and the larger textile mills of Massachusetts. And the same decline in textile production come to pass in upper New York State, in New Jersey, and elsewhere.

Thus, coal mining and textile communities were the hardest hit.

Therefore it became apparent that there were structural causes of unemployment, unaffected by the broader determinants of unemployment such as monopoly pricing and inadequate banking, monetary, and fiscal policies.

Furthermore, in recent years another factor—automation—has been at work in the unemployment picture. There has been a great amount of automation on the farms. Tractors have displaced mules and horses. As a result, fewer people are needed to plow, to harrow, to harvest, and, in the case of cotton, to pick cotton; and also fewer are needed in connection with the production of other crops.

So there has been a great displacement of farm labor; and from the cotton fields and the tobacco fields of the South hundreds of thousands of Negroes and whites have poured into the cities of the South

and also into those of the North and the Midwest—for example, into St. Louis, Chicago, Detroit, Philadelphia, New York, and Washington. All of these cities have experienced this in-migration. Also, from the small farms of the Midwest and from the farms of the West which have grown feed grains, wheat, vegetables, and other crops, have also come millions of people. In the last number of years probably 2 million families have left the farm; 10 million people have come into the industrial and urban centers, seeking work. This created real problems in the cities, because the adjustment of those migrating was not immediate and automatic.

What was the answer of the dominant business groups in the country to these problems? What was the answer of the National Association of Manufacturers, of the Chamber of Commerce of the United States, and of the American Farm Bureau? Their answer was "Do nothing"—the modern equivalent of laissez faire, which meant just that—"Let nature take its course." They relied on automatic forces to solve the problem, which would drive down the standard of living in depressed and distressed areas, until millions of people would be forced to leave home and seek work elsewhere.

This assumption disregarded several important facts. In the first place, men are not machines. Men have attachments to their homes, to their families and relatives, to their neighbors and their friends, to their churches, and their lodges, and to their gardens and their communities. Are these to be entirely disregarded? Certainly they are not disregarded in practice, and I do not believe they should be disregarded. Man is not an automaton or a machine, thank God. Man has sentiments which attach him to the place of his birth.

Even the founder of laissez faire, Adam Smith, himself said, "Man of all commodities is the most difficult to be transported."

Secondly, a large proportion of the people in depressed and distressed areas owned their own homes. They had a financial as well as an emotional stake in their communities which made them reluctant to leave home and seek employment elsewhere. Men would have to give up their homes, sell them, and undergo great financial sacrifice.

In the third place, it was costly for the unemployed to go to centers of expanding employment. The costs of moving are high. It was by no means certain that one could obtain a job. The period of waiting created doubt and uncertainty, and was itself costly. Frankly, that was responsible for much of the frustration in our cities today. People have come North hoping and expecting to find jobs, and they have not found jobs. They feel frustrated. They want to lash out at the world. That is particularly true in the case of youth, and particularly Negro youths from the South and from the mountains.

I suppose people do leave the countryside, and there is no home left to which they can go back. Robert Frost has said that home is the place where they have to take one in when there is no place for one to go. But suppose the home itself has more or less disappeared? There is no place to which one could return. On humane grounds alone the facts would have justified an effort to bring some work to areas of high and persistent unemployment, rather than mercilessly forcing people out as they were forced in England under the enclosure acts.

But there was another factor to justify the Area Redevelopment Act from a purely materialistic and economic point of view, namely, that the depressed communities had social and individual capital which could be utilized if the population were stabilized, but it would have to be duplicated if that population were forced into other cities and other places. All those people had homes, and therefore housing.

If they journeyed elsewhere, they would have to have new housing provided for them, either in the form of houses themselves or additional apartment space or lodging space. The communities had schools already constructed to which their children could go, but, if they moved, schools would ultimately have to be duplicated in places to which they were going. Similarly new churches would have to be built to accommodate these masses of migrating unemployed.

Local communities have streets and sidewalks. Those would have to be duplicated if the people moved elsewhere. Communities have water systems, telephones, and electric light connections. They have parks and community halls. They have a system of retail stores already constructed and ready to serve the people.

I have sometimes tried to find out the amount of social capital which is attached, so to speak, to each person as compared to the per capita amount of industrial or production capital. It is my belief that it runs into many thousands of dollars per person, and that in all probability it is approximately as great as, if not greater than, the investment in factory buildings, machinery, and fixed capital required to provide a job inside a factory, a mine, a store, or an office. Therefore, if we can economically retain those people in their communities the great advantage, is that we would utilize the existing social capital, and it would not require duplication elsewhere, thus enabling the savings which are made to be used in productive enterprise, increasing the total flow of goods and services, and not merely duplicating what already exists.

Therefore, in the long run, attempts to bring work to the distressed areas were not only humane, but economical in dollars and cents.

This program of assistance to distressed areas was sneered at as being sentimental. It was derided by the hardboiled. But many of us have been greatly cheered by the recent words of the late noble pontiff of the Roman Catholic Church, Pope John XXIII, which were quoted earlier today by the Senator from Indiana [Mr. HARTKE]. I speak as a Protestant, so I think I can properly praise Pope John, not only for the two magnificent encyclicals which he sponsored, but also for the fact that his benign eye had noted that these problems exist all over the world. He looked upon the efforts being made here and elsewhere, and wanted to have work brought to the people, and not merely force people to go elsewhere for work.

I point out that we are not proposing to freeze the population. We are not proposing to keep every community intact. We know there are processes of growth and decay, and that such processes must go on. We merely say that it is inhumane and uneconomic to stand aside and allow mighty impersonal forces to throw farmers out of work and wreak destruction upon millions of persons.

HISTORY OF ARA

As far back as 1954 I asked a group of friends to set up a task force which would draft a bill to assist those areas of high and persistent unemployment. I pay tribute to those who have worked so faithfully and anonymously throughout the years. There is Mr. William Batt, who is now the Administrator, and Mr. John Edelman. There is Mr. Sol Barkin, the great former Senator from Michigan, and now president of the Detroit Edison Co.; Mr. Charles S. Murphy, now Under Secretary of Agriculture; and Mr. Frank McCullough, my former administrative assistant. For months we worked, and in 1955 the first bill was introduced. But we quickly became aware of the fact that that first venture was only a part of the problem. As was brought out today in colloquy with the junior Senator from Alabama [Mr. SPARKMAN], it became apparent that rural poverty was probably worse than urban poverty.

It also became apparent that there was a vast amount of underemployment among rural folk. After harvesting in the wintertime, farmers and their families had a great deal of time on their hands. In this day in which modern methods of harrowing, cutting and baling hay are used in the harvesting of crops, the number of hours the farmer must work has been greatly decreased. Milking machines have reduced the work required in attending dairies. Replacing the horse with the motor tractor has decreased the amount of work necessary to take care of the farm. The REA has brought light to houses, pumps for water, and motive power for the grinding of feed, which has saved a great deal of time heretofore consumed in such chores. All those factors, plus the displacement of the farm trained labor, resulted in loss to the farmers and members of the farm family. It was recognition of that fact which caused us relatively early in our struggle to include a program for rural rehabilitation on an equal basis to that which was provided for industrial and commercial areas.

The Appalachians, I suppose, are a prime example of economic distress in rural areas. The Appalachians are one of the most depressed areas in the country. Starting in Pennsylvania, going down through West Virginia and Kentucky, touching Virginia itself, moving down into the western slopes or northern slopes of North Carolina, South Carolina, and indeed even Georgia, there are from 4 to 5 million Americans

of complete Anglo-Saxon stock—the purest Anglo-Saxons in this country, if that is a recommendation—who live on one of the lowest standards of living in the Nation. They are mountaineers, retaining the language, the speech, and songs of Elizabethan England, whose incomes are extraordinarily low because their farms are not large enough to enable them to earn a decent living and because other industries have not been brought in to help them. With the decline of coal mining, their lot is even worse.

Southern Illinois and the lands of the Great Lakes region are other examples of the same tendency.

Let me emphasize that none of those who were sponsors of the area redevelopment bill ever claimed it was a cure-all for unemployment. I can truthfully testify that I constantly warned against such a belief. All we claimed was that the area redevelopment bill could be of some help in dealing with structural unemployment and that we should make a beginning, because this was a measurable program upon which we could work.

I shall not go into the tangled history of the long battle which we had to pass the bill. I prefer to let bygones be bygones. Suffice it to say that we got the bill through the Senate in 1956 in almost the concluding hours of the session, and the opposition party refused to allow it to be considered or brought up in the House.

We tried again in 1957, and at one time I was so discouraged that I was about to give up. Frankly, I thought that I ought to abandon the effort. Then the group of men whom I have named gave me such encouragement that I had renewed hope. We went to work. In 1957, the bill passed in the Senate. In 1958, after a struggle, it was passed through the House, in the concluding days of that Congress. It went to President Eisenhower, and he exercised a pocket veto.

Like the old game of going to Jerusalem, we had to go back to the start.

We tried again in 1959. The bill passed in the Senate. In 1960 it was passed by the House. This time President Eisenhower could not give it a pocket veto. Time did not permit him to do so. He could not kill the bill by silence. He killed it by an outright veto, in what I think was one of the most illogical, most incorrect, most hard-hearted presidential messages ever issued by a Chief Executive.

Along the way many things were developed that we realize were a part of a complete program. We did not want subsidies. We know the dangers that brings in. But we did believe that the Government could make low interest loans available to decent industries in areas of high and persistent unemployment.

So the program basically was founded on the principle of loans, at rates which we hoped would meet the cost of borrowing, but which we believed would be much lower than the ordinary commercial rate and therefore would help to stimulate industry and to reduce unemployment, with all its consequent by-products.

So a fund of $100 million was set up for the depressed, industrial and urban areas; and $100 million for the rural areas of high unemployment and low income.

Then we realized that a community should have some industrial facilities; that it was not sufficient merely to make a loan for a factory or for machinery, if a community did not have industrial water to attract new industry.

In many cases what are called industrial parks are advantageous, for thereby one can construct a series of interconnected small places which can be subdivided, where small industry can come in to take a given area, with common facilities in the form of access roads, water and sewer, electricity, light, and telephone service. Then a small industry can rent a certain amount of space without having the heavy initial cost, which otherwise would be crushing. In other words, the community can provide what the great English economist Alfred Marshall called "external economies." We provided $100 million for loans to communities for such public facilities.

We knew that some communities would not be able to borrow and repay, and so we provided for appropriations of $75 million for grants.

Of course, we realized that frequently these two forms of assistance—a loan and a grant—could be combined.

As we went further along it became apparent that something else was needed. One cannot transform coal miners into textile workers without some training. One cannot transform farmers into sewing machine operators without training. So we provided a training program. In order to provide fully for this we provided not only for the cost of instruction, but also for subsistence during the period of training.

I am proud to say that this training feature, which was adopted in 1961, was the pilot project which stimulated the first manpower retraining program on a much larger general scale, which shortly followed.

CONDITIONS FOR ASSISTANCE

Those were some of the main features. Now, I wish to say a word or two about our attempts to protect the public Treasury.

We did not want these amounts given or loaned indiscriminately. We wanted them only in urban and industrial areas of high and persistent unemployment. I emphasize that. We tried to establish objective criteria which the administrators could use to determine whether a given locality was qualified.

First we provided that unemployment must be at least 6 percent. Then I concluded that this was not rigid enough, that great numbers of young people would come onto the labor market, and it was not certain that industry could absorb them, and therefore we should have a further qualification.

So we provided that in order for an urban area to be classified as eligible for area redevelopment it must have had 50 percent above the national average of unemployment for 3 of the preceding 4 calendar years, or 75 percent above the national average for 2 of the preceding 3 calendar years, or 100 percent above the national average for 1 of the preceding 2 calendar years. In other words we aimed to take in areas which, in comparison with the remainder of the country, were in the greatest of difficulty.

We had some trouble in establishing criteria for the rural areas. But there was a series of standards which we considered together—areas of low income, areas of low farm income, where the volume of production in terms of dollars was low, where there was substantial and persistent unemployment and underemployment, and where the Eisenhower administration itself had designated certain counties as being distressed and as needing assistance.

We also provided that the amount of Federal loans for industrial and commercial projects should never exceed 65 percent of the project cost. Loans could be used for buildings, and, in certain circumstances, for machinery and equipment, but never for working capital. The communities or States had to provide at least 10 percent. Five percent of the total cost, as a minimum, from nongovernmental cost was to be repayable only after the ARA loan had been repaid.

The emphasis was on trying to get local banks, local industries, the firms themselves, and the communities, to put in money to get the industries started, and the Federal Government was to give the basic help which would be a sort of seed which would enable other plants to grow.

Roughly, that is the program which was put into effect, and which the ARA has been carrying out. They have designated 142 urban and industrial areas as eligible for redevolpment.

This has been done only after there has been cooperation with the local communities. Eight hundred and seventy-nine rural areas have been designated. There is a total of approximately 1,021 of such regions. Fifty-four Indian reservations have been designated.

These areas are shown on the big map in the rear of the Chamber, the red being the industrial areas, the pink being the rural areas, and the blue being those which are teetering on the edge, which have high unemployment, but which have not passed the time test of persistent unemployment. The distribution can be seen. It is not confined to a few States. It extends over a large portion of the country.

There are approximately 37 million people living in these two groups of areas. That is 20 percent of the country. The people in these areas form one-sixth of the work force of the country, and they form one-third of the unemployed.

As the Senator from Wisconsin [Mr. PROXMIRE] mentioned earlier in the afternoon, it is in areas of persistently high unemployment that the problem is most intense.

It is estimated that there are 1,300,000 unemployed persons in these areas. If we take 4 percent as the minimum toward which we are at the moment working—and we hope it will go below that,

but this is our tentative target—there are approximately 700,000 unemployed in excess of the 4 percent point. We are trying to reduce that total of 700,000.

ARA PROGRESS

Now I wish to report the progress which ARA has been making. Congress did not enact the law until 2 years ago. Then there was a delay in making appropriations. The staff had to be assembled, and preliminary rules and regulations had to be established. The program probably has not been in force, effectively, for more than 18 months.

I ask unanimous consent to have printed in the RECORD at this point table No. 1, showing the financial assistance projects which have been approved.

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

U.S. DEPARTMENT OF COMMERCE, AREA REDEVELOPMENT ADMINISTRATION

TABLE 1.—*Financial assistance projects approved, as of June 15, 1963*

[Dollar amounts in thousands]

States	Industrial and commercial			Public facility loans/grants			Technical assistance		Training		
	Number	Investment	Jobs	Number	Investment	Jobs	Number	Investment	Number	Investment	Trainees
Alabama	7	$1,204	550	10	$1,450	851	1	$29	5	$242	638
Alaska	5	2,225	451	2	1,772	675	4	150	5	124	125
Arizona							5	86	2	59	60
Arkansas	4	895	523	6	1,449	2,365	3	93	16	446	637
California	1	126	21	1	458	100	1	7	1	44	24
Colorado							1	54	5	78	101
Connecticut	3	1,154	1,332				3	53	9	407	1,007
Delaware											
District of Columbia											
Florida	4	3,592	566	1	28		4	62	2	62	107
Georgia	5	1,988	890	6	2,457	810	9	243	3	90	220
Hawaii	1	351	36	1	437	300			1	2	20
Idaho	2	463	140				1	36	3	32	32
Illinois	7	1,540	820	2	786	750	5	921	20	584	1,244
Indiana	6	1,804	1,021	4	1,714	650			5	386	522
Iowa							1	50	1	21	20
Kansas	1	1	5						4	38	58
Kentucky	14	2,307	1,006	7	3,122	1,133	9	159	33	451	1,036
Louisiana	3	194	60				1	14			
Maine	8	2,571	672	1	165	11	5	81	9	126	176
Maryland	2	765	552	2	772	1,075	1	25	7	302	421
Massachusetts	6	756	330	2	587	500	5	244	14	376	407
Michigan	10	5,968	1,070	2	741	390	7	406	21	806	1,254
Minnesota	9	488	185	1	3,000	26	13	826	9	319	972
Mississippi	3	1,162	325	2	189	810	3	79			
Missouri	1	81	100	3	1,750	435	4	84	5	129	225
Montana	1	188	62	1	337	73	5	132	11	284	389
Nebraska											
Nevada				1	75	5	2	43	3	51	60
New Hampshire							1	5			
New Jersey	4	2,341	530				1	30	14	407	845
New Mexico	1	195	35				5	83	10	287	610
New York	7	3,381	573	2	375	183	4	227	2	44	92
North Carolina	3	697	360	2	235		3	42	19	263	541
North Dakota							1	10	8	124	185
Ohio	5	567	173				5	265	15	299	442
Oklahoma	12	5,446	1,191	5	11,907	1,325	8	166	24	657	1,339
Oregon	1	1,307	320	2	1,199	160	4	32	1	8	50
Pennsylvania	16	4,763	2,021	14	3,334	2,604	13	569	34	1,125	1,939
Rhode Island				2	1,257	1,300	1	37	6	660	751
South Carolina	5	2,690	463	2	405	650	1	24	3	75	57
South Dakota							1	41	4	49	96
Tennessee	2	455	130	9	2,126	3,276	4	161	5	331	379
Texas	12	9,115	1,334	2	664	607	11	260	18	235	325
Utah	4	1,889	516				3	41			
Vermont											
Virginia	1	30	50	1	25	125	5	52	1	12	96
Washington	4	773	202	1	146	6	10	193	3	35	150
West Virginia	9	3,838	1,462	9	2,503	522	12	227	29	1,049	2,314
Wisconsin	1	418	38	1	65	45	4	89	28	479	536
Wyoming	1	357	110				1	18			
American Samoa							2	14	1	35	20
Guam											
Puerto Rico	1	1,600	302				2	61	3	116	299
Virgin Islands											
Total	192	69,685	20,527	107	45,539	21,762	195	6,524	422	11,749	20,821

Mr. DOUGLAS. Mr. President, virtually every State is included—192 projects have been approved, which call for a total investment by the Government of $69,685,000, or approximately $70 million. They will create 20,527 jobs.

As to the public facility loans and/or grants, 107 of these have been approved. There is an investment of $45,539,000, with 21,762 jobs created, or a combination of about $115 million and a little more than 42,000 direct jobs.

If the figures are carried through, the average amount of capital per job is approximately $2,760.

These are only the direct jobs. When these persons are put to work, they will have more money in their pockets; they will buy more, which will put others to work in stores and elsewhere. They will contribute to their churches and charities. There will be a stimulative effect.

In our calculations on the banking, monetary, and tax policy of the country, we have used the basic multiplier of four. Thus, a $10 billion tax cut would result in a net increase in demand of $40 billion. I think that figure is relatively reliable. But we are not using any such multiplier as this for our purposes. We know that reduced employment has caused unemployment in local stores, and that there will not be the net stimulative effect that there would be in the case of a tax cut or a general program of public works. We have adopted the multiplier which the "right wing" says is true.

The Chamber of Commerce uses the multiplier of 1.65, the figure 1 being the direct employment, and the .65, or two-thirds, being the indirect. We shall adopt, for the sake of argument, the Chamber of Commerce's multiplier. If 42,000 jobs were created, 65 percent of those jobs would amount to a little more than 27,000. That is the indirect effect. There would be 70,000 jobs in all—42,000 plus 27,000, with spare hundreds.

We are trying to reduce or eliminate the 700,000 excess of unemployment in the distressed areas. Therefore, we are one-tenth on our way. But this is not all. These represent only the jobs and projects which have been approved. All of us who deal with Government agencies know there is a pipeline of projects which have been submitted, which have not yet been approved, but which are being examined.

I have in my hand a table—table 2—which I ask unanimous consent to have included in the RECORD at this point, on pending projects, classified by States, type, amounts, and jobs.

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

TABLE 2.—*Pending projects*

[Amounts in thousands]

State	Number eligible areas	Industrial and commercial		Public facility loans and grants		Total		Jobs
		Number	Amount	Number	Amount	Number	Amount	
Alabama	40	5	$5,325	3	$301	8	$5,626	1,373
Alaska	22	14	5,777	1	98	15	5,875	512
American Samoa	1	1	476			1	476	150
Arizona	13	1	217			1	217	25
Arkansas	48	2	1,044	10	3,421	12	4,465	878
California	10	9	6,429	2	1,799	11	8,228	1,180
Colorado	9	1	380			1	380	72
Connecticut	3	3	4,031			3	4,031	330
Delaware	2							
Florida	12	3	1,390			3	1,390	354
Georgia	73	10	10,804	3	520	13	11,324	1,867
Guam	1	1	728			1	728	61
Hawaii	1	3	3,452			3	3,452	287
Idaho	9	4	2,596			4	2,596	334
Illinois	18	8	1,468			8	1,468	539
Indiana	27	6	4,352	2	477	8	4,829	908
Iowa	2							
Kansas	2	1	40			1	40	10
Kentucky	54	13	6,734	11	14,979	24	21,713	5,251
Louisiana	25	12	20,408			12	20,408	1,915
Maine	11	13	1,722	1	40	14	1,762	701
Maryland	7	6	5,616			6	5,616	639
Massachusetts	10	2	1,917	1	149	3	2,066	630
Michigan	53	19	12,666	3	624	22	13,290	2,135
Minnesota	18	15	3,205	3	6,367	18	9,572	1,278
Mississippi	60	3	1,196	2	863	5	2,059	615
Missouri	23	6	3,284			6	3,284	540
Montana	16	1	429	1	51	2	480	38
Nebraska	13							
Nevada	3							
New Hampshire	3	3	$737			3	$737	89
New Jersey	6	4	1,888			4	1,888	385
New Mexico	23	4	6,950	1	$73	5	7,023	1,387
New York	13	3	14,929			3	14,929	549
North Carolina	34	13	12,396	3	702	16	13,098	1,765
North Dakota	5			1	50	1	50	4
Ohio	10	12	3,661	3	581	15	4,242	841
Oklahoma	33	15	5,523	4	1,717	19	7,240	2,228
Oregon	9	7	1,477	3	1,547	10	3,024	419
Pennsylvania	41	15	7,363	4	379	19	7,742	2,320
Puerto Rico	56	9	8,803			9	8,803	1,360
Rhode Island	1	0	0	1	45	1	45	10
South Carolina	24	4	4,754	2	823	6	5,577	1,426
South Dakota	7	2	1,033			2	1,033	161
Tennessee	45	10	5,866	3	152	13	6,108	800
Texas	54	16	26,962	2	190	18	27,152	2,638
Utah	11	3	738			3	738	108
Vermont	3	2	153			2	153	80
Virginia	15	3	182			3	182	181
Virgin Islands	1							
Washington	16	4	978	1	349	5	1,327	1,994
West Virginia	37	9	18,499	13	45,144	22	63,643	5,192
Wisconsin	21	9	4,032	2	211	11	4,243	1,087
Wyoming	4	2	2,894			2	2,894	219
Total	1,058	311	235,504	86	81,652	397	317,156	47,865

Mr. DOUGLAS. This table shows pending industrial and commercial projects numbering 311, amounting to $235,504,000. Public facility loans and grants, 86 pending, amounting to $81,652,000. The total number of projects is 397, and the total amount is $317,156,000; 47,865 additional jobs are involved.

Applying the same 65 percent ratio, we get about 30,000 additional jobs indirectly created—30,000 plus 47,000 is 77,000. We can be conservative, and say 75,000.

There is an additional 11 percent of unemployment above the 4 percent mark that we may reduce. Of course, not all of these ARA projects will be approved.

Those are the jobs in the Federal pipeline. However, out in the country there are projects incubating which will shortly be put into the pipeline by application and which will be passed upon during the coming 2 years.

I asked the Area Redevelopment Administration to give me some figures on the jobs which they knew about and projects being planned for submission to ARA. I have before me table 3. I ask unanimous consent that it may be printed in the RECORD at this point in my remarks.

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

TABLE 3.—*Potential projects being planned for submission to ARA*

[Amounts in thousands]

State	Secs. 6, 7, and 8				Sec. 11			Sec. 16	
	Number	Total amount	ARA amount	Jobs	Number	Amount	Jobs	Number	Jobs
REGION I									
Maine	8	$3,388	$1,882	420					
New Hampshire	13	7,423	4,678	300					
Vermont	5	1,125	732	175					
Massachusetts	47	16,652	9,952	3,102					
Rhode Island	4	587	467	105					
Connecticut	3	1,200	780	135					
New York	14	8,705	4,458	1,802					
New Jersey	1	350	228	350					
Delaware	4	1,450	935	250					
Pennsylvania	35	20,519	16,839	1,013	5	$195	300		
Maryland	14	10,787	5,982	2,640	1	49			
Puerto Rico and Virgin Islands	24	24,741	14,427	4,234					
REGION II									
Michigan	31	21,492	13,340	1,790				5	120
Ohio	32	8,544	5,263	688				3	65
Indiana	6	1,458	949	287					
Illinois	20	16,999	11,050	728					
Wisconsin	16	7,773	4,978	1,172					
Minnesota	13	3,387	2,223	532					
REGION III									
West Virginia	24	11,478	8,250	1,464					
Virginia	7	737	483	475					
Kentucky	14	3,118	2,031	321					
Tennessee	11	15,270	7,002	750					
REGION IV									
North Carolina	16	22,142	12,505	1,968	11	200			
South Carolina	6	7,090	4,080	1,065					
REGION IV—con.									
Georgia	9	$3,411	$1,991	985					
Florida	7	940	815	283					
Alabama	14	1,918	1,408	1,131					
Mississippi	27	20,093	13,143	3,870					
Arkansas	31	57,048	38,398	4,225	3	$90	195		
Louisiana	15	6,630	2,613	362					
REGION V									
Washington	22	8,100	5,326	336	2	51	50		
Oregon	10	5,982	3,881	553	1	12			
Montana	18	10,070	6,027	637					
Wyoming	5	6,690	3,478	266					
North Dakota	2	80	50	7				5	92
South Dakota	4	1,802	864	171				1	30
REGION VI									
California	6	2,960	1,914	568					
Nevada	1	1,000	650	150					
Utah	6	2,928	512	486					
Arizona	6	1,700	1,072	1,175					
Oklahoma	23	9,308	6,370	1,869					
New Mexico	11	5,930	3,855	825					
Kansas	2	475	271	100					
Texas	97	95,849	57,989	4,818					
Missouri	10	1,636	1,113	768					
Hawaii	4	3,500	2,455	268					
American Samoa	1	1,500	900						
Guam	1	150	100	20					
Colorado	12	5,117	1,141	295	1	40			
Total	712	471,232	289,855	49,934	24	637	545	14	307

Mr. DOUGLAS. In brief, this table shows the projects which are already known, and which are incubating but which have not been submitted to ARA, amounting to 712 in total and amounting to $471,232,000. The estimated ARA share is approximately $290 million. Approximately 50,000 jobs will be created if the plan is carried out, and if authorizations and appropriations are made. This means creation of an additional 50,000 jobs, plus 33,000 jobs, or 83,000 more jobs.

In short, we are on our way. It would be cruel to cut this program off or to seriously abridge it at this point.

I also have before me table No. 4, showing the distribution of jobs which could be created under increased funds authorization and jobs anticipated under current funds authorization, with a brief explanation of the method used.

I ask unanimous consent that this explanation and table be printed in the RECORD at this point.

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

EXPLANATION OF TABLE "DISTRIBUTION OF JOBS WHICH COULD BE CREATED UNDER INCREASED FUNDS AUTHORIZATION, AND JOBS ANTICIPATED UNDER CURRENT FUNDS AUTHORIZATION"

The table was prepared under the following assumptions:

1. Jobs are distributed proportionately by State according to the degree of unemployment and underemployment in each State.

2. It assumes equal and active participation by each State.

3. It assumes that the current authorization will be completely absorbed by projects already submitted—either approved or in process.

4. The number of jobs to be created are based on an estimate that each job will require an ARA expenditure of $3,000.

5. The numbers of indirect jobs generated are based on the factor of 0.65 for every direct job.

TABLE 4.—*Distribution of jobs which could be created under increased funds authorization and jobs anticipated under current funds authorization*

State	Jobs possible under $450 million increase			Jobs anticipated under current authorization		
	Direct	Indirect	Total	Approved	Pending	Total
Alabama	3,060	1,990	5,050	1,301	1,297	2,598
Alaska	510	330	840	1,146	537	1,683
Arizona	315	206	521			
Arkansas	3,285	2,135	5,420	2,888	1,013	3,901
California	1,215	791	2,006	121	1,223	1,344
Colorado	375	245	620		72	72
Connecticut	660	429	1,089	1,235	310	1,545
Delaware	480	312	792			
District of Columbia						
Florida	375	245	620	566	354	920
Georgia	3,000	1,950	4,950	1,650	1,625	3,275
Hawaii	210	138	348	336	205	541
Idaho	525	341	866	140	232	372
Illinois	4,385	2,850	7,235	1,570	430	2,000
Indiana	2,730	1,776	4,506	1,671	908	2,579
Iowa	120	78	198			
Kansas	195	128	323	5	16	21
Kentucky	8,450	5,494	13,944	1,939	2,853	4,792
Louisiana	2,580	1,677	4,257	66	1,358	1,424
Maine	630	411	1,041	631	353	984
Maryland	1,365	887	2,252	1,627	534	2,161
Massachusetts	2,115	1,376	3,491	730	660	1,390
Michigan	22,360	14,534	36,894	1,460	2,087	3,547
Minnesota	2,220	1,443	3,663	211	650	861
Mississippi	3,830	2,491	6,321	1,135	438	1,573
Missouri	1,365	887	2,252	535	540	1,075
Montana	885	575	1,460	135	38	173
Nebraska	375	245	620			
Nevada	15	11	26	5		5
New Hampshire	360	234	594		89	87
New Jersey	6,035	3,924	9,959	530	285	815
New Mexico	1,125	731	1,856	35	402	437
New York	3,420	2,223	5,643	756	612	1,368
North Carolina	2,880	1,872	4,752	360	1,702	2,062
North Dakota	285	185	470		4	4
Ohio	3,300	2,145	5,445	159	1,339	1,498
Oklahoma	2,940	1,911	4,851	1,944	2,957	4,901
Oregon	580	377	957	480	444	924
Pennsylvania	28,875	18,766	47,641	4,620	3,589	8,209
Rhode Island	1,650	1,074	2,724	1,300	154	1,454
South Carolina	2,610	1,698	4,308	1,113	510	1,623
South Dakota	285	185	470		161	161
Tennessee	3,075	2,000	5,075	3,181	1,400	4,581
Texas	3,225	2,096	5,321	1,941	2,362	4,303
Utah	285	185	470	516	41	557
Vermont	195	128	323		80	80
Virginia	930	606	1,536	175	342	517
Washington	1,935	1,259	3,194	186	1,957	2,143
West Virginia	10,337	6,719	17,056	1,984	4,600	6,584
Wisconsin	1,020	663	1,683	83	1,342	1,425
Wyoming	145	94	239	110	219	329
American Samoa	45	33	78		150	150
Guam	165	107	272		61	61
Puerto Rico	6,540	4,250	10,790	302	1,360	1,662
Virgin Islands	90	60	150			
Total	150,000	97,500	247,500	40,878	43,895	84,773

CRITICISMS OF ARA

Mr. DOUGLAS. Mr. President, the hour is late, and I know that the distinguished senior Senator from Oregon [Mr. MORSE] has been waiting for a long time to make his speech. I do not wish to delay him unduly. I have tried, by making my speech at the end of the day, to cause my colleagues the least possible embarrassment.

However, I wish to deal with a few criticisms, if the Senator from Oregon will permit me, so that we may have an answer in the RECORD to the criticisms. When the program was started the criticism was made that the administration would scatter money lavishly. Now the complaint is being made that the administration has been too slow in passing on projects. It is to the credit of Mr. Batt and his associates that they have moved cautiously, in the main.

I point out that not only have we been compelled to start late, but that a great amount of prior work is required before a project is approved by ARA.

First, other Federal and State agencies must provide the unemployment and income data which the Area Redevelopment Administration will use in designating areas eligible for Federal assistance. Although unemployment data were available for many urban areas, special studies were required to establish the eligibility of many other areas, particularly the rural areas, for assistance.

Second, after an area has been designated, the local community must establish a broadly based local organization representing a cross section of all elements of the community to assess the economic conditions of that area and to act as the local coordinator for redevelopment activities.

Third, the local development group must prepare an overall economic development program—OEDP—for that area: that is, a local plan of action for creating new jobs in that area.

The importance of this point has been stressed by a number of Senators this afternoon. There is a local plan for creating new jobs in the particular area.

The OEDP describes the economic characteristics of the area, assesses the problems which the area faces in generating new industrial and commercial activity, states the potential for economic growth in that area, and on the basis of that information maps out a program to regenerate economic growth and create new employment opportunities in the local community.

I cannot stress too much the fact that these plans are not produced from above; they come from below.

Fourth, the OEDP must be approved by the appropriate State redevelopment agency.

Fifth, the OEDP must be reviewed and approved by the Area Redevelopment Administration before any project can be approved for Federal financial assistance in that area.

Sixth, an application for assistance for a specific project must receive State or local approval prior to its submission to the Area Redevelopment Administration.

Seventh, a State or local agency must agree to supply the local 10 percent project cost contribution required by section 6(b)(9)(B) of the act.

Eighth, the Area Redevelopment Administration must review the project application for general compliance with the act prior to its submission to a "delegate" Federal agency for investigation.

I now come to a very important point. The Area Redevelopment Administration farms out specific investigations to

a series of agencies. The Small Business Administration makes the investigation and preliminary recommendation on industrial and commercial loans. The Department of Agriculture makes recommendations on rural projects. The Community Facilities Division of the Housing and Home Finance Administration passes on community facilities. The Department of Health, Education, and Welfare and the Department of Labor pass on the training projects. So a great deal of work is farmed out. While this is advantageous, it also slows down the process. Our committee, in its report, recommended that a study be made to see whether the administration of the ARA program can be simplified.

Ninth, after receipt by ARA of the delegate agency's recommendations in regard to the particular project, ARA must make the final determination either by approving or disapproving the assistance requested.

Tenth, if approved, the terms of the loan or grant agreement must be complied with before any ARA funds can be disbursed. For instance, any local fund-raising drives, bond issue referendums, or stock subscription efforts must have been completed, and in the case of business loans, adequate working capital must have been secured.

While things have moved somewhat slowly so far as disbursements are concerned, the record has been a good one.

Another complaint is that in many projects too much money has been spent for each job created. I would be the last to maintain that every project which has been approved is wise. There are some projects with respect to which the ratio of capital to jobs created is excessively high.

I fully appreciate the importance of tourism. I realize that it is important for the White Mountains, for New Hampshire, for the Upper Lake Region, and for the Appalachians; but I also know that motels represent one of the most expensive types of investment that can be made in terms of jobs created. They require a very high ratio of capital directly to jobs. So we included in our report a caution that the Area Redevelopment Administration should be careful in approving motel and hotel loans, and that, if possible, they hold them to somewhere near the average ratio of capital to jobs—somewhere near $3,000 per direct job. This may be an impossible goal. We are not insisting that it be followed in every instance, but we think it is a good general rule.

I shall leave for tomorrow a consideration of criticism the interest rate now being charged on loans by ARA. I merely remark that the Small Business Administration does not charge more than 4 percent. The Small Business Administration takes the better loans and gives the poorer economic loans to Area Redevelopment. Frequently applications will come to Area Redevelopment, and that agency will submit them to the Small Business Administration, which will approve them under their regular program and claim credit. Frequently Area Redevelopment flushes the bird and Small Business Administration bags the bird and leaves to ARA loan requests which, from a business standpoint, might be less attractive. The act requires that that be done.

I hope Congress will not increase the interest rate for area redevelopment loans above the rate for small business. The indirect effects should also be considered. When unemployment is reduced, relief payments are reduced, and local tax receipts are increased. The amount of surplus food that is given away is diminished. The crime rate is diminished. Community benefits are enormous. Such benefits should also be considered in fixing the interest rate.

I have spoken at length only because of what I regard as the importance of the CONGRESSIONAL RECORD. I still entertain the belief that people read the RECORD and that it is in the interest of a wise judgment and in the interest of a better writing of history that the RECORD should be made complete.

I deeply appreciate all the kind things that have been said about me this afternoon. I know that Senators are excessively courteous and friendly, but I appreciate it. I have completed what I wish to say today.

I ask unanimous consent that a table comparing the ARA program with the SBA program be inserted in the RECORD at this point.

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

	Small Business Administration	Area Redevelopment Administration
1. Term of loans	Sec. 7(a)—Business loans in urban rural development areas—10 years. Sec. 7(b)—Disaster loans—20 years. Sec. 501, Small Business Investment Act—State development companies—20 years. Sec. 502, Small Business Investment Act—State and local development companies—10 years (under certain conditions can be 20 years). No authority for public facility loans.	Sec. 6—Commercial and industrial loans—25 years. Sec. 7—Public facility loans—40 years.
2. Maximum amount of loan	Sec. 7(a)—$350,000 maximum on Federal Government's share of business loans to any one borrower. Sec. 7(b)—Disaster loans, actual tangible loss suffered as a result of disaster. Sec. 501—As much as development company's total outstanding borrowings from all other sources. Sec. 502—$250,000 for each identifiable small business to be assisted (also prerequisite to obtaining SBA financing, development company should be able to provide at least 20 percent of cost of project).	No limitation on amount of loan. Under sec. 6, ARA will finance not to exceed 65 percent of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of any qualified project. The remaining funds, or 35 percent, are to be available to pay aggregate cost. At least 10 percent of the aggregate cost must be supplied by the State or subdivision, community or area organization as a loan; and not less than 5 percent of the aggregate cost must be supplied by nongovernmental sources.
3. Loan purposes	Sec. 7(a)—For construction, conversion, or expansion, purchase of machinery and equipment, facilities, supplies or materials; and working capital. Sec. 7(b)—To restore a home, business, or nonprofit institution as nearly as possible to its predisaster condition. Sec. 501—To stimulate and supplement the flow of equity capital and long-term funds to small business concerns. Sec. 502—To help a development company buy land and build a new factory, or expand or convert an existing plant, provided the project will assist a specific small business.	Sec. 6—To finance any project within a redevelopment area; for the purchase or development of land and facilities (and in case of demonstrated need, machinery and equipment). For industrial and commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings. Area Redevelopment Act under sec. 6 prohibits loans for working capital. Also prohibits, under certain circumstances, to assist establishments relocating from one area to another.
4. Interest rate	Sec. 7(a)—Maximum of 5½ percent on SBA's share of regular business loans to small businesses not located in classified area of substantial or substantial and persistent labor surplus. 4 percent on SBA's share of regular business loans to small businesses located in areas of substantial or substantial and persistent labor surplus as classified by Department of Labor. Sec. 7(b)—3 percent on SBA's share of loan. Sec. 501—5 percent on SBA's share of loan to small businesses not located in classified area of substantial or substantial and persistent labor surplus. 4 percent on SBA's share of loan to small businesses located in areas of substantial or substantial and persistent labor surplus as classified by Department of Labor. Sec. 502—Maximum of 5½ percent on SBA's share of loan to small businesses not located in classified area of substantial or substantial and persistent labor surplus. 4 percent on SBA's share of loan to small businesses located in areas of substantial or substantial and persistent labor surplus as classified by Department of Labor.	Sec. 6—Interest rate shall be equal to rate of interest paid by the Secretary of the Treasury plus ½ of 1 percent to cover administrative expenses. Sec. 7—Interest rate shall be equal to the rate paid on funds obtained from U.S. Treasury plus ¼ of 1 percent per annum.
5. Eligibility	Independently owned and operated and nondominant in their fields; and they qualify as small under SBA's size standards which are generally based on dollar volume or business for wholesale or retail establishments, or number of employees for manufacturing establishments. Also, small businesses are eligible if they cannot obtain private financing on reasonable terms and are not eligible for financing from other Government agencies.	No limitation as to size of business. Applicant must show that financial assistance is not otherwise available from private lenders or other Federal Government agencies on reasonable terms. ARA may lend up to 65 percent of aggregate cost to applicant of the project under sec. 6. Under sec. 7 ARA can lend up to 100 percent of cost of project to applicant but no loans shall be made to any public facility which would compete with an existing privately owned public utility unless State regulatory body determines there is need for increase in service.

	Small Business Administration	Area Redevelopment Administration
6. Collateral	Sec. 7(a)—Real estate or chattel mortgage; assignment of certain types of contracts or warehouse receipts for marketable merchandise. In some instances assignment of current accounts receivable and inventories. Sec. 7(b)—No specific collateral requirement. Applicants must pledge whatever collateral they can provide. Sec. 501—Collateral shared equally on funds borrowed by development company from other sources. Sec. 502—Collateral that will reasonably assure repayment. 1st lien on the project.	Sec. 6—Loans to commercial and industrial projects secured by a mortgage or such other form of security agreement customary in the jurisdiction in which the project is located to secure real estate and equipment loans.
7. Grants for public facilities	Cannot make grants.	Sec. 8—Empowered to make grants for land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within a redevelopment area after certain findings are made by the Secretary of Commerce.
8. Technical and production assistance.	Sec. 8—Empowered to provide technical, production, and managerial assistance to small businesses. Gives guidance and counsel in connection with Government procurement, and property disposal and on policies, principles, and practices of good management. Makes a complete inventory of all production facilities of small business concerns. Ascertains the means by which productive capacity of small business concerns can be most effectively utilized. Consults with other Federal agencies and obtains appropriate technical and production information and reports concerning utilization of productive capacity of small business concerns.	Secs. 10 and 11—Furnishes to individuals, communities, industries, and enterprises in redevelopment areas and other areas, technical information, market research, information, or advice obtained from other Federal Government agencies which will be useful in alleviating or preventing excessive unemployment or underemployment in such areas. Provides technical assistance to redevelopment areas through studies evaluating needs of and developing potentialities for economic growth of such areas.
9. Urban renewal	Secs. 7(a), 501, and 502—Assists small business concerns affected by urban renewal projects and by federally supported highway relocation projects by (1) counseling on marketing, distribution, managerial, production, and financial problems; (2) assisting in the Government prime contracting and subcontracting fields; and (3) financial assistance on loans approved to small businesses because of urban renewal and Federal highway project loan terms and conditions provide for a moratorium on principal payments during the first year after disbursement and small amortization payments during the first few years with increased payments in later years. Priority established for processing loan applications in connection with urban renewal projects and Federal highway projects.	Sec. 14—Secretary certifies to Urban Renewal Administration any county, city, or municipality as a redevelopment area for purpose of assistance under ARA and for assistance under urban planning grants—Title I of Housing Act of 1949.
10. Occupational training	No authority.	Sec. 16—Secretary of Labor in consultation with Secretary of Commerce and Secretary of Agriculture determines the occupational training or retraining needs of unemployed and underemployed individuals residing in redevelopment areas. Secretary of Labor cooperates with Secretary of Health, Education, and Welfare on vocational training programs for such individuals.
11. Retraining subsistence payments.	No authority.	Sec. 17—Secretary of Labor in consultation with Secretary of Commerce and Secretary of Agriculture may enter into agreements with States in which redevelopment areas are located for Secretary of Labor to make payments to States for retraining payments to unemployed or underemployed in redevelopment areas who are undergoing occupational training or retraining.

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Mr. MORSE. Mr. President, I thank the distinguished Senator from Illinois for the able, scholarly analysis of the area redevelopment legislation that is pending before the Senate. Once again, the Senator from Illinois has been a great educator in the Senate, for he has taken a most difficult subject and has explained it in simple and understandable language. His explanation will be most helpful to Senators who recognize their obligation to read the RECORD tomorrow before they cast their votes on this important piece of proposed legislation.

The account given by the Senator from Illinois of the long, hard fight that extended over a period of years to pass area redevelopment legislation is a great lesson for young people to read these days, because it teaches again the lesson of perseverance and also a great lesson that those in political life and in the legislative process must never forget; that is, that more often than not great pieces of legislation are finally passed on the basis of platforms of repeated defeats. But finally the public takes note, as the public did in connection with the area redevelopment program, and makes its will known. Then Congress is inclined to follow the will of the public.

During the course of his remarks, the Senator from Illinois paid deserved tribute to Mr. William Batt, Director of the Area Redevelopment Agency. I know Mr. Batt very well and consider him to be an outstanding, dedicated public servant.

I am proud that at the very beginning of the area redevelopment program two able Oregonians were in on the ground floor, so to speak, to help to develop the policies of the area redevelopment organization, policies which, in my judgment, have stood all the tests of criticism and have proved to be sound procedures. I refer to Mr. Daniel L. Goldy, who is no longer with the Area Redevelopment Administration, but is now with the Department of Commerce; and to a former student of mine, an able lawyer, Mrs. Cecelia Galey, who has done remarkable work in analyzing the various project application proposals that have been submitted.

Before I turn to the subject I rose to discuss, I point out that my State, as the map posted in the Senate Chamber shows, includes a rather large area of serious economic disruption. For some time it has had a great amount of unemployment. I know that pending at the Area Redevelopment Administration are some applications for assistance under the program. Our State has one area which, in my opinion, is unquestionably the most depressed area in the Nation.

We hear much about the Appalachian region. It certainly is a seriously depressed area; and I shall do everything I can, as I have in the past, to bring to it all the assistance that any Government program, such as the area redevelopment program, makes available to it. I shall support new and additional programs to relieve this depressed area.

But my own State of Oregon is not without serious depressed areas, too. One of them is the Astoria area. I do not intend to let this opportunity pass, in view of the fact that Senators are discussing the area redevelopment program, without pointing out that the present administration, as was the case with the previous one, continues to have a great responsibility to do what Government should do to come to the aid of the people in the Astoria area.

The Government has caused that depression; the Government is responsible for the exceedingly large number of vacant stores on the main streets of Astoria; the Government is responsible for the moving out of that area of many hundreds of families; and the Government is responsible for the frantic pleas which the Oregon congressional delegation receive week in and week out from the people of this area for assistance from the Federal Government—not for assistance by way of charity or by way of aid they do not deserve, but by way of asking the Federal Government to do something to correct a situation which the Federal Government itself has caused, for in recent years the growth of the economy of this part of the State was caused by the Federal Government when it located at Astoria a naval base known as Tongue Point. This base cost the Federal Government more than $14 million. It has family housing units which will accommodate more than 500 families. It has many houses which I

would love to own and to live in, for ranking naval personnel know how to see to it that adequate homes for their use are built. That is particularly true of admirals. These are permanent homes. They are spacious; some of them are luxurious. The buildings on the base are as permanent as the Government buildings along Constitution Avenue in Washington, D.C. They are magnificent buildings. But the base is now vacant. Various manipulations in an attempt to junk it are under way, while this administration, through its various departments, is calling for new installations, elsewhere, for new Government activities, the building of which will cost the American taxpayers huge sums of money.

In all fairness to the President of the United States, I wish to say he has come to recognize this problem. On numerous occasions the Oregon congressional delegation has impressed upon him the unfairness of the Federal Government itself in its handling of the Tongue Point base. In fairness to the President, I wish to say that he appointed Mr. Ralph Dungan, one of his aids at the White House, to do everything he could to see whether a Federal use for this property could be found. Also in fairness to the President, I wish to say that when we presented to him incontrovertible evidence that the General Services Administration seemed to be bound, determined, and bent upon junking this property for a small fraction of its value, the President issued an order to stop that until at least further opportunity was given the White House and the administration to find a Federal use for the property.

Mr. President, I have been very unhappy, and still am, about the handling of this matter by the General Services Administration, for although we have been able to stop the General Services Administration from practically giving away the property—from selling it for a small fraction of its true worth, while using the alibi, which invariably is used by Government agencies which want to dispose of so-called surplus property—namely, that there is a high cost of maintenance—I repeat that it would be better for the Federal Government to pay the maintenance cost—in other words, the cost of heating the buildings and keeping supervisory personnel there—for another year or more, until a Federal use for the property is found, rather than sell the property for only a fraction of its true value.

Let me say, Mr. President, that in Oregon this became a heated political issue, as well as a very serious economic issue. Some Oregon business interests sought to obtain the property for but a small fraction of its true value; but thus far I have succeeded in persuading the President of the United States to intervene and to prevent the General Services Administration from disposing of the property at such a ridiculously low price—$950,000. In fact, I have called for an investigation of the true investment of the Federal Government in the property, for although the figures given to me show that the Federal Government invested in excess of $14 million in the property, recently I have been advised by former Government officials, who were in on the building of Tongue Point in the first place, that stored in some Federal depository are records which will show that the Tongue Point base cost at least twice that much, and may have cost as much as $40 million.

So I shall do all I can to run down those allegations and to ascertain the extent to which they are factual.

A few days ago the Governor of Oregon was in my office in the Senate Office Building. He came to this city at the invitation of the President, to attend the luncheon the President gave for a group of Governors, for the purpose of discussing with them some of the problems in connection with civil rights. The Governor came to see me in advance of that meeting with the President. The Governor and I cooperate on all matters involving Federal-State problems. Although he is a member of the opposite political party, I have never permitted partisanship to enter into the situation—and I am pleased to say he has followed a similar course of action in our relationships—when it comes to doing all we can for our State on the basis of the merits and the facts in connection with all Federal-State matters. The Governor told me that he thought it was of the greatest importance that we try to work out a satisfactory solution of the Tongue Point issue which would be to the economic benefit of our State; and he expressed to me appreciation for the work which I and my colleagues on the Oregon congressional delegation have been doing in connection with the attempt to get a Federal use assigned to the Federal installation at Tongue Point.

I was advised that it was subsequently made clear to the President of the United States that the representations I had made with regard to the importance of Tongue Point to the economic welfare of my State, and particularly the depressed area in Astoria, were completely accurate. I understand that the President gave assurances that he so understood, and that he was urging his aids to do everything possible to find a Federal use for Tongue Point.

Subsequently, I received a letter from Mr. Ralph Dungan, who is the aid to the President assigned to the task of doing everything possible to find a Federal use for Tongue Point, assuring me of the President's continued interest in and concern about Tongue Point and its relationship to the economy of Oregon, and the effect that Federal use of the installation would have on resolving some of the economic depressed problems that confront the people of the Astoria area.

Mr. President, some weeks ago GSA publicly announced that bids would be received on June 24 from concerns, individuals, or industries that might be interested in buying the Tongue Point property. Speaking for a unanimous Oregon delegation, including the Democrats and the Republican in the delegation, I protested that procedure of the GSA. I was afraid that it would create a false impression and arouse false hopes, because GSA was asking for bids on the property and it was feared GSA would sell the property to the highest bidder.

As I read the advertisements issued by GSA, I felt that that would be a justifiable interpretation that the average citizen who did not read the fine print of the Surplus Property Act might very well assume. On the basis of the vigorous protestation of the Oregon delegation, a meeting of the delegation was held in my office several weeks ago with Mr. Dungan and Mr. Boutin, the head of GSA. We were given assurance, first, that under the law GSA was under no obligation to accept any bid, including the highest bid, to sell property merely because bids had been called for. Second, we were assured that under no circumstances would Tongue Point be disposed of at sale until late next fall, and that there was no assurance that it would be sold then. Third, in the meantime, Mr. Dungan, representing the White House, made it very clear to the Oregon delegation that every possible effort would be made for the Government to find a Federal use for this very excellent installation, which is sorely needed in order to do economic justice to the people of this area.

I make these statements because I think they are very apropos to the area redevelopment debate. I make them because we continue to receive telegrams, letters, and some telephone calls expressing great concern on the part of the people in the area who fear that because these bids are being taken, it means the fight for Federal use of Tongue Point has been lost.

On the floor of the Senate tonight I assure the people of my State that it has not been lost. I assure the people of my State that the taking of these bids creates no right whatsoever in the high bidder that he will automatically be awarded the property because he made a high bid. If it should come to pass that no Federal use of the property is found by the Federal Government, the property, of course, will be sold at what is referred to as a private sale or to a private individual or company. The senior Senator from Oregon and his colleagues in the Oregon delegation at such a time, in crossing that bridge, if we must take that fork in the road, will do our very best to see to it that the property goes to some private purchaser that can make available to the economy of our State the greatest possible employment flowing from a private use of the property.

But no proposal for private use of the property has been submitted yet that would come anywhere near benefiting the State as would Federal use of the property for a needed Federal installation.

This morning I listened to Commissioner Keppel testify before the Subcommittee on Education, of which I happen to be chairman, about the great need for a mass vocational training program in this country. If we are going to meet the crisis being created by automation and if we are going to do the job of retraining people to acquire new skills so that the unemployed can be reemployed, we must act. As was pointed out by the Senator from Illinois [Mr. DOUGLAS] a

few minutes ago, a large percentage of those people are not employable for the reason, as he said—and I paraphrase him correctly—that we cannot make textile workers out of farmers until they are retrained, and we cannot make mechanics out of coal miners unless they are retrained. It is very difficult to say that this problem in education is more important than some other problem in education, because they are also important. But I am not sure that if anyone should put me on the spot and say, "All right, now, we will give you just one program by way of an education bill this year," I am not sure that I might not answer that request by proposing that we adopt Commissioner Keppel's recommendations for a mass vocational training program, because we must put people to work.

The area redevelopment program, of which I have been an ardent supporter from the beginning, seeks to do that. A vocational training program likewise would do it.

So when Commissioner Keppel was making this plea for substantial appropriations for the establishment of a major vocational training center, I asked him if he would permit me to interrupt for a "commercial" for a moment. I said:

> I not only heartily endorse the Commissioner's proposal, but I wish to state there is one such program in being. There is one which, with a small expenditure for a little refurbishing, would give you that vocational training center; and that is the Tongue Point installation.

As I said at the hearings this morning, I have also suggested, as a member of the Committee on Foreign Relations, that one of the greatest foreign aid programs we could indulge in, rather than the many wasteful features of foreign aid on which I have been commenting daily on the floor of the Senate in short speeches—as I shall continue to do until the final vote is taken on foreign aid—would be to carry out the recommendation of the chairman of the board of International House at the University of Pennsylvania in Philadelphia who, some months ago, appeared before the State Department and pleaded for the establishment of a vocational training center on the west coast, of one in the Middle West, and of one on the east coast; urging, on the east coast, the expansion of a pilot program that was started a year ago this summer at Lincoln University. His name is Mr. Frederick Rarig, general counsel of Rohm and Haas, of Philadelphia, who is one of the most brilliant lawyers whose mind I have ever seen work. He pointed out that our foreign exchange student program is a fine thing, but misses its mark in many, many instances, and that what is needed is to go into Africa, into Latin America, and into southeast Asia, into the villages and hamlets, and bring from them to the United States able young men and women.

These young men and women, we know, are not trained or prepared to go to college, but they possess the capacity, the intellect, and the ability for training themselves in vocational fields in various skills. They could go back to their hamlets and villages both as teachers and as doers, to teach others in underdeveloped areas the skills they learned in the United States and to take positions of economic leadership in their communities, also carrying with them the prestige and the good feeling and understanding of the American way of life that such a sojourn of 6 to 9 months or a year in such vocational training centers would bring.

I am keenly disappointed that there is such a lack of imagination in the State Department with respect to such a proposal as that which Mr. Rarig has made. I think what the State Department needs in connection with the whole foreign aid program is some vision, some imagination, and some determination to see to it that we do something for the benefit of people and get away from so much government-to-government relationships.

There are such facilities as Tongue Point made to order, which should not be wasted, which could be used for a combination of a vocational training center for young men and women taken from the underdeveloped areas of the world, as well as for a vocational retraining center for many of the unemployed in our own country and for many of the school dropouts whom Commissioner Keppel was talking about this morning.

We cannot run away from the school dropout problem. If my colleagues in the Senate will take a look at the cold, hard, ugly statistics which Commissioner Keppel presented to the committee this morning—and I shall discuss them later this week or next week, to show their relationship to unemployment problems in this country—they will see that there is no answer other than the answer Commissioner Keppel suggested. We must provide the necessary facilities and means for taking care of the school dropout problem.

I relate that to my President, and to Mr. Dungan—to the Tongue Point issue, also—because it gives another opportunity, if we put the recommendations of Mr. Keppel to work, to find a productive use for Tongue Point.

Mr. President, I shall now turn to the subject I rose to discuss. The comments of the Senator from Illinois inspired me to present the subject matter that I have presented on this whole problem of the Federal Government's responsibility to see to it that we get on with the program of doing something about retraining the presently unemployables in this country, who are made unemployable because of the great forward march of automation.

CONTINUANCE OF EXISTING REDUCTION OF EXEMPTION FROM DUTY ENJOYED BY RETURNING RESIDENTS

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreements to the amendments of the Senate to 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, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. DOUGLAS. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agree to; and the Presiding Officer appointed Mr. BYRD of Virginia, Mr. LONG of Louisiana, Mr. SMATHERS, Mr. WILLIAMS of Delaware, and Mr. CARLSON conferees on the part of the Senate.

WELCOME TO ATLANTIC CITY IN 1964

Mr. WILLIAMS of New Jersey. Mr. President, today the Democratic National Committee selected Atlantic City, N.J., as the site of the next Democratic Convention. We of the Garden State are looking forward to our welcome responsibilities as hosts to the convention delegates, the working press, and the many thousands of other persons who will come to our fine seaside resort next year.

Atlantic City has already proved to be a splendid site for some of the greatest conventions held anywhere. Now, for the first time, it will become the scene of a national political convention. No better choice could have been made. Anyone who has been to Atlantic City knows that it offers excellent facilities for the hard work of a convention, as well as attractions for relaxation, too.

The convention hall itself, recently modernized at a cost of $3.5 million, offers 320,000 square feet of space, 34 meeting rooms seating 125 to 35,000, a new weather-protected traffic tunnel, escalators serving 3 levels, and personnel who know how to help make a convention pleasant and productive.

Motels and hotels are close to the convention hall; and they are close, too, to the famous sea, sand, and surf of Atlantic City. The Atlantic Ocean is one of the best assets that a convention could have, and the Democrats will have it in 1964.

Next year had already promised to be a memorable year for the Garden State because we will celebrate the 300th anniversary of our State. The welcome mat was already out for tercentenary visitors and for those who will stop in New Jersey when they visit the New York World's Fair of 1964–65. Those who come to the convention can thus make their trip serve three memorable purposes.

New Jersey will be ready to greet all visitors in 1964. Governor Hughes and all those who worked to bring the convention to New Jersey are proud that our invitation has been accepted. We will be looking for our guests on the boardwalk of Atlantic City.

THE EXPANSION OF THE PEACE CORPS

Mr. HUMPHREY. Mr. President, on June 24 the President participated in the official inauguration of the West German

Peace Corps, which is called the German Development Service. The new Peace Corps unit, which is patterned on the American Peace Corps, will in the near future place 1,000 volunteers in the underdeveloped countries of Africa, Asia, and Latin America. Commenting on the achievements of our own Peace Corps, the President eloquently stated:

> It has given us an opportunity to harness the idealism which is I think in all free people, has given us an opportunity to be of assistance, not merely in the cold field of economic help, but in the human relations which must exist for a happy understanding between people.

The establishment of the Peace Corps program in other countries is, I believe, a great tribute to the remarkable success of our own Peace Corps program. In addition to the German Peace Corps, others will soon be launched in the Netherlands, Denmark, Norway, and Argentina. As the first phase of its new program, Argentina next year will supply several hundred teachers to other Latin American countries. This is but the first stage of a long-range program to provide large-scale assistance in the educational field to other Latin American countries where an acute shortage of teachers exists.

I would like once again to congratulate the international Peace Corps movement and those responsible for the success of our own Peace Corps. The Peace Corps in the United States is now 2 years old and the Director, Mr. Sargeant Shriver, has recently given us an excellent account of the first 2 years' work. In an article in the current issue of Foreign Affairs entitled "Two Years of the Peace Corps," Mr. Shriver describes the achievements and problems encountered and surmounted in establishing this bold new program, truly one of the pioneering programs of the New Frontier.

Mr. President, I am honored to have had a part in the development of this program. I recommend this article and ask unanimous consent that it be inserted in the RECORD at the conclusion of my remarks. I also ask unanimous consent that an article appearing in today's New York Times giving the President's remarks at the inauguration of the Peace Corps in Germany be included at this point in the RECORD.

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

TWO YEARS OF THE PEACE CORPS

(By Sargent Shriver)

Oscar Wilde is said to have observed that America really was discovered by a dozen people before Columbus, but it was always successfully hushed up. I am tempted to feel that way about the Peace Corps; the idea of a national effort of this type had been proposed many times in past years. But in 1960 and 1961 for the first time the idea was joined with the power and the desire to implement it. On November 2, 1960, Senator John F. Kennedy proposed a Peace Corps in a campaign speech at the Cow Palace in San Francisco. Thirty thousand Americans wrote immediately to support the idea; thousands volunteered to join.

The early days of the Peace Corps were like the campaign days of 1960, but with no election in sight. My colleagues were volunteer workers and a few key officials loaned from other agencies. "I use not only all the brains I have, but all I can borrow," Woodrow Wilson said. So did we. Letters cascaded in from all over the country in what one writer described as "paper tornadoes at the Peace Corps." The elevators to our original two-room office disgorged constant sorties of interested persons, newspaper reporters, job seekers, academic figures, and generous citizens offering advice. Everywhere, it seemed, were cameras, coils of cable, and commentators with questions.

An organization, we know, gains life through hard decisions, so we hammered out basic policies in long, detailed discussions in which we sought to face up to the practical problems and reach specific solutions before we actually started operations. We knew that a few wrong judgments in the early hours of a new organization's life, especially a controversial Government agency, can completely thwart its purposes—even as a margin of error of a thousandth of an inch in the launching of a rocket can send it thousands of miles off course. And we knew the Peace Corps would have only one chance to work. As with the parachute jumper, the chute had to open the first time. We knew, too, that a thousand suspicious eyes were peering over our shoulders. Some were the eyes of friendly critics, but many belonged to unfriendly skeptics. The youthfulness of the new administration, particularly the President, enhanced the risk; an older leadership would have had greater immunity from charges of "sophomorism."

Even the choice of a name took on serious overtones. The phrase "Peace Corps" was used in the original San Francisco speech, but many of our advisers disliked it. "Peace," they claimed, was a word the Communists had preempted, and "Corps" carried undesirable military connotations. We did not want a name contrived out of initials which a public relations firm might have devised; nor did we want to restrict participation in the program by calling it a youth corps. What we did want was a name which the public at large could grasp emotionally as well as intellectually. Whatever name we did choose, we would give it content by our acts and programs. We wanted it, also, to reflect the seriousness of our objectives. We studied dozens of other names and finally came back to the original. Peace is the fundamental goal of our times. We believed the Peace Corps could contribute to its attainment, for while armaments can deter war, only men can create peace.

The ambitiousness of the name, of course, was only one reason for early skepticism about the Peace Corps. Fears were voiced that it might be a "second children's crusade." I was astonished that a nation so young had become so suspicious of its youth. We had forgotten that Thomas Jefferson drafted the Declaration of Independence at age 33. Forgotten also was the fact that more than half of the world's population is under 26, the age of the average Peace Corps volunteer. Sixteen of the nations in Africa have heads of state under 45; five have leaders in their thirties.

Of course, youthful enthusiasm and noble purposes were not enough. They had to be combined with hardheaded pragmatism and realistic administration. In the early days of the Peace Corps we were looking for a formula for practical idealism. The formula worked out by experience has the sweet smell of success today, but it was far less clear 2 years ago.

Would enough qualified Americans be willing to serve? Even if they started, would they be able to continue on the job despite frustration, dysentery and boredom? Could Americans survive overseas without special foods and privileges, special housing, automobiles, television and air conditioners? Many Americans thought not. The Washington correspondent of the respected Times of India agreed with them in these words:

"When you have ascertained a felt local need, you would need to find an American who can exactly help in meeting it. This implies not only the wherewithal (or what you inelegantly call the know-how) but also a psychological affinity with a strange new people who may be illiterate and yet not lack wisdom, who may live in hovels and yet dwell in spiritual splendor, who may be poor in worldly wealth and yet enjoy a wealth of intangibles and a capacity to be happy. Would an American young man be in tune with this world he has never experienced before? I doubt it.

"One also wonders whether American young men and tender young girls, reared in air-conditioned houses at a constant temperature, knowing little about the severities of nature (except when they pop in and out of cars or buses) will be able to suffer the Indian summer smilingly and, if they go into an Indian village, whether they will be able to sleep on unsprung beds under the canopy of the bejeweled sky or indoors in mud huts, without writing home about it."

At a time when many were saying that Americans had gone soft and were interested mainly in security, pensions, and suburbia, the Peace Corps could have been timorous. Possible ways of hedging against an anticipated shortage of applicants could have included low qualification standards, generous inducements to service, cautious programing, a period of duty shorter than 2 years, an enforced period of enlistment such as the "hitch" in the Armed Forces, or draft exemption for volunteer service in the Peace Corps. We deliberately chose the risk rather than the hedge in each case and created an obstacle course. The applicant could remove himself any time he realized his motive was less than a true desire for service. This method of self-selection has by now saved us from compounded difficulties abroad.

Our optimism about sufficient recruits was justified. More than 50,000 Americans have applied for the Peace Corps. In the first 3 months of this year, more Americans applied for the Peace Corps than were drafted for military service. This happened notwithstanding the fact that young men who volunteer for the Peace Corps are liable to service on their return.

Selection was made rigorous. The process was fashioned to include a searchingly thorough application form, placement tests to measure useful skills, language aptitude exams, 6 to 12 reference inquiries, a suitability investigation and systematic observation of performance during the training program of approximately 10 weeks. We invite about one in six applicants to enter training, and about five out of six trainees are finally selected for oversea service.

We debated hotly the question of age, and whether or not older people should be eligible. We listened to proposals for an age limit in the 30's and then in the 60's and finally decided to set no upper age limit at all. Our oldest volunteer today happens to be 76, and we have more grandparents than teenagers in the Peace Corps. Some older volunteers have turned out to be rigid and cantankerous in adapting to a standard of living their parents took for granted, but the majority of them make a lot of us in the New Frontier look like stodgy old settlers.

From the beginning we decided that effective volunteers abroad would need systematic administration support and direction. Leaders of several developing nations, eager to have the assistance of trained manpower, warned against repeating the experiences of other highly motivated volunteer workers who had failed abroad for lack of cohesive leadership. A good program would need good people—not only as Peace Corps volunteers but as Peace Corps staff members abroad. There was no counterpart in the U.S. Government of civilian leaders serving abroad on a volunteer basis. There was no

precedent for what these men would have to do in programing, logistics and personal support for the volunteers in their charge. We needed the ablest of leaders in each position. Could we attract them even though we did not offer post differentials, cost-of-living allowances, commissary or diplomatic privileges?

Fortunately, the answer has been a continuing "Yes." The Peace Corps has attracted intelligent and dedicated men to all positions on its oversea team. Ironically, the same critics who once complained that we would unleash hordes of uninstructed adolescents on the world are now complaining that we spend substantial sums to provide instruction and adequate direction.

Some of my colleagues proposed that Peace Corps volunteers act as technical helpers to ICA technicians, "extra hands" for the more experienced older men. Peace Corps practice has moved in another direction. A natural distinction between the AID adviser at a high level in Government and the Peace Corps volunteer making his contribution as a "doer" or "worker" at the grassroots soon became apparent. It also became clear that the Peace Corps volunteer had a new and perhaps unique contribution to make as a person who entered fully into host-country life and institutions, with a host-country national working beside him, and another directing his work. This feature of the Peace Corps contributed substantially to its early support abroad.

Discussion of the possibility that the Peace Corps might be affiliated with the ICA led into the question of its relationship to U.S. political and information establishments overseas. The Peace Corps in Washington is responsible to the Secretary of State. Volunteers and staff abroad are responsible to the American Ambassador.

Nevertheless, the Peace Corps maintains a distinction between its functions and those of embassies, AID and USIA offices. There was a design to this which Secretary Rusk has aptly described: "The Peace Corps is not an instrument of foreign policy, because to make it so would rob it of its contribution to foreign policy." Peace Corps volunteers are not trained diplomats; they are not propagandists; they are not technical experts. They represent our society by what they are, what they do, and the spirit in which they do it. They steer clear of intelligence activity and stay out of local politics. Our strict adherence to these principles has been a crucial factor in the decision of politically uncommitted countries to invite American volunteers into their midst, into their homes, and even into their classrooms and schoolyards to teach future generations of national leaders. In an era of sabotage and espionage, intelligence and counterintelligence, the Peace Corps and its volunteers have earned a priceless yet simple renown: they are trustworthy.

Another contested issue in the early days of the Peace Corps concerned private organizations and universities. We were advised by many to make grants to these institutions, then to leave recruitment, selection, training, and oversea programing in their hands. That road would have led to an organization operating very much like the National Science Foundation. For better or worse, the Peace Corps chose not to become a grantmaking organization and those decisions which give character to our operations—selection, training, programing, field leadership, and so on—are still in our possession.

Nevertheless, the involvement of private organizations and universities has been crucial to the Peace Corps success. America is a pluralistic society and the Peace Corps expresses its diversity abroad by demonstrating that the public and private sectors can work cooperatively and effectively. We consciously seek contracts with private organizations, colleges and universities to administer our programs. We gain the advantage of expert knowledge, long experience, tested working relationships and often even private material resources. For example, CARE has contributed more than $100,000 worth of equipment to the Peace Corps in Colombia. Initially, there was suspicion by some of these agencies that the Peace Corps, with the resources of the U.S. taxpayer behind it, would preempt their own work abroad. Suspicion has turned into understanding, however, as the U.S. Government, through the Peace Corps, has facilitated the work of private organizations and has focused new attention on the needs and opportunities for service abroad.

In our talent search we went to government, academic life, business, the bar, the medical profession and every other walk of life where leadership was available. We deliberately recruited as many Negroes and representatives of other minority groups as possible for jobs in every echelon. We knew that Negroes would not ordinarily apply for high-level policy jobs, so we decided to seek them out. Today 7.4 percent of our higher echelon positions are filled by Negroes as compared to 0.8 percent for other Government agencies in similar grades; 24 percent of our other positions are filled by Negroes, compared to a figure for Government agencies in general of 5.5 percent.

How big should the Peace Corps be? Everyone was asking this question and everyone had an answer. Advice ranged from 500 to 1 million. There were strong voices raised in support of tentative pilot projects, looking to a Peace Corps of less than 1,000. However, Warren W. Wiggins, an experienced foreign aid expert, took a broader view. He pointed out that ultracautious programing might produce prohibitive per capita costs, fail even to engage the attention of responsible foreign officials (let alone have an impact) and fail to attract the necessary American talent and commitment. Furthermore, when the need was insatiable why should we try to meet it with a pittance?

There were also arguments in those early days about saturation of the foreign country, either in terms of jobs or the psychological impact of the American presence. I have since noticed that the same arguments made about a 500- to 1,000-man program in 1961 were also made about our plans to expand to 5,000 volunteers (March 1963), to 10,000 volunteers (March 1964) and to 13,000 (September 1964). I am not suggesting that the Peace Corps should continue to grow indefinitely. But I am proposing that much time and energy are wasted in theoretical musings, introspections and worries about the future. Peace Corps volunteers are a new type of oversea American. Who is to say now how many of them will be welcome abroad next year, or in the next decade? Our country and our times have had plenty of experience with programs that were too little, too late.

The question of the health of the volunteers concerned us from the beginning. The Peace Corps represents the largest group of Americans who have ever tried to live abroad "up country." Even in World War II our troops were generally in organized units where safe food and water could be provided and medical care was at hand. This would not be the case for the Peace Corps. And an incapacitated volunteer would probably be worse than no volunteer at all. How could we reduce the risks to a rational level? The Surgeon General studied the problem at our request. We then worked out a solution by which preventive health measures are provided by public health doctors assigned to the Peace Corps, while much of the actual medical care is handled by doctors of the host country. Of the first 117 volunteers returned to the United States, only 20 came back for medical reasons (21 returned for compassionate reasons, 71 failed to adjust to oversea living and 5 died or were killed in accidents). Our medical division's work is already showing up in the pages of scientific and medical journals. As an example, we recently decided to use large injections of gamma globulin as a preventive for hepatitis, which has presented one of the worst health problems for Americans overseas. Since then, there has not been a single case of infectious hepatitis reported among those who received the large injection in time.

II

Many of the original doubts and criticisms of the Peace Corps have not materialized. On the other hand, substantive problems have emerged which were little discussed or expected 2 years ago. One of the most difficult is the provision of adequate language training. This was foreseen, but most observers thought that the exotic languages such as Thai, Urdu, Bengali, and Twi would give us our main problem, while Spanish and French speakers could be easily recruited or quickly trained. The opposite has been true. The first volunteers who arrived in Thailand in January 1962 made a great impression with what observers described as "fluent" Thai. As the volunteers were the first to point out, their Thai was not actually fluent, but their modest achievement was tremendously appreciated. Since then, of course, a large proportion of the volunteers there have become truly fluent.

On the other hand, a considerable number of volunteers going to Latin America and to French Africa have been criticized for their mediocre language fluency. Expectations are high in these countries and halting Spanish or French is not enough. We have learned that America contains rather few French-speaking bus mechanics, Spanish-speaking hydrologists or math-science teachers who can exegete theorems in a Latin American classroom. Can we devise more effective and intensive language training, particularly for farmers, craftsmen, construction foremen, well drillers, and other Americans who never before have needed a second language? Should we take skilled people and teach them languages, or take people with language abilities and teach them skills?

We still need more volunteers, especially those who combine motivation and special skills. The person with a ready motivation for Peace Corps service tends to be the liberal arts student in college, the social scientist, the person with "human relations" interests. The developing countries need and want a great many Americans with this background, but they also want engineers, agronomists, lathe operators and geologists. We cannot make our maximum contribution if we turn down requests for skills which we have difficulty finding. There are presently 61 engineers in the Peace Corps, 30 geologists and 236 nurses, respectable numbers considering the ready availability of generously paying jobs in the domestic economy. But requests still far outnumber the supply.

Other industrialized countries may soon supplement our efforts by providing volunteers to developing countries with languages and skills we lack. The motivation to serve is not distinctively American, and half a dozen industrialized nations have established equivalents of the Peace Corps within the past few months. These programs grew out of an International Conference on Human Skills organized by the Peace Corps and held in Puerto Rico last October. The 43 countries represented at the meeting voted unanimously to establish an International Peace Corps Secretariat to help spread the concept of voluntarism as a tool of economic and social transformation. The response to this initiative is a reflection of the innate vitality of the Peace Corps idea.

We face increasingly difficult choices as we grow. Should we concentrate in the future on the countries where we now have programs and resist expanding to new areas? We are already committed to programs in 47

nations. Should we favor a program where there are relatively stable social conditions, good organization and effective leadership? Or should we take greater risks and commit our resources in a more fluid and disorganized situation, usually in a poorer country, where the Peace Corps might make a crucial difference or find a great opportunity? Where should we draw the line between adequate material support to the volunteers and the perils of providing them with too many material goods? Where is the equilibrium between safeguarding the volunteer's health and morale and protecting the Peace Corps' declared purpose that he should live as does his co-worker in the host country, without special luxury or advantage?

When is a particular program completed? In Nigeria the answer is relatively easy. The country's coordinated educational development plan projects a need for 815 foreign teachers in 1965, 640 in 1966, 215 in 1968, and none in 1970. By then enough Nigerians will have been trained to fill their own classrooms. Progress may not follow so fine a plan, but the Peace Corps can look ahead to a day when its academic, teaching work in Nigeria will be done.

The answer is not so simple in Colombia, where volunteers are working on community development in 92 rural towns. There is no lack of change and progress: the Colombian Government has trebled its own commitment of resources and staff to this progressive community development program. Scores of individual communities have already learned how to organize to transform their future. When volunteer John Arango organized the first town meeting in Cutaru almost 2 years ago, for example, not one soul showed up. Twenty months later almost every citizen turns out for these meetings. The townsmen have changed an old jail into a health clinic; they have drained the nearby swamps; they have rebuilt wharves on the river; they have cleared stumps out of the channel to make it navigable; and they are now building the first 18 of 72 do-it-yourself houses designed by the volunteer.

John Arango's Colombian coworker is equally responsible for the results in Cutaru. In community development, particularly, the ability of the host organization to provide able counterparts is crucial to a program's success. I might also mention that most countries have in every case made voluntary contributions to the Peace Corps programs. In Africa alone, they have supported the program to the value of $2,500,000. During and after the Puerto Rico conference, three countries in Latin America announced plans to establish home-grown Peace Corps organizations; when implemented these will help solve the shortage of counterparts. We believe North American and Latin American volunteers will complement one another and increase the total effectiveness.

The first replacement group in the Peace Corps is about to complete training for service in Colombia. Should we send these volunteers to fill the shoes of their predecessors in the villages which are now moving ahead, albeit shakily? Or should we send the volunteers to new communities where nothing has been done? We know that more is needed than 2 years of work by a North American and his Colombian coworkers to effect self-perpetuating change. On the other hand, we do not want the volunteer to become a crutch in a community's life. Some of the new volunteers in Colombia will, therefore, try to follow through with their predecessor's work, but others will take on villages where no American has served. In the meantime we are planning to study what happens in those towns where volunteers are not replaced.

Earlier I mentioned there has been a change in the nature of comment and criticism about the Peace Corps. In the beginning, the doubters worried about the callowness of youth and the ability of mortals to make any good idea work. The more recent criticism is more sophisticated and more substantive. Eric Sevareid recently observed: "While the Corps has something to do with spot benefits in a few isolated places, whether in sanitizing drinking water or building culverts, its work has, and can have, very little to do with the fundamental investments, reorganizations and reforms upon which the true and long-term economic development of backward countries depends." Mr. Sevareid acknowledges that "giving frustrated American youth a sense of mission and adding to our supply of comprehension of other societies fatten the credit side of the ledger." He adds: "If fringe benefits were all the Corps' originators had in mind, then this should be made clear to the country." I do not agree with him that the second and third purposes of the Peace Corps Act—representing America abroad in the best sense and giving Americans an opportunity to learn about other societies—are fringe benefits.

Fulton Freeman, the U.S. Ambassador in Colombia, believes the whole Peace Corps program could be justified by its creation of a new American resource in the volunteers who are acquiring language skills and intensive understanding of a foreign society. Former volunteers will be entering Government service (150 have already applied to join USIA), United Nations agencies, academic life, international business concerns and a host of other institutions which carry on the business of the United States throughout the world. Others will return to their homes, capable of exerting an enlightened influence in the communities where they settle. Many trite euphemisms of the ignorant and ready panaceas of the uninformed will clash immediately with the harsh facts that volunteers have learned to live with abroad.

Is the second purpose of the Peace Corps Act—to be a good representative of our society—a fringe benefit? Peace Corps volunteers are reaching the people of foreign countries on an individual basis at a different level from the influence of most Americans abroad. The Peace Corps volunteer lives under local laws, buys his supplies at local stores and makes his friends among local people. He leaves to the diplomat and the technicians the complex tools which are peculiarly their own while he sets out to work in the local environment as he finds it.

I am not suggesting that life for the volunteer is always hard. A visiting Ghanaian said: "The Peace Corps teachers in my country don't live so badly. After all, they live as well as we do." I agree that this is not so bad; nor is our objective discomfort for discomfort's sake, but rather a willingness to share the life of another people, to accept sacrifice when sacrifice is necessary and to show that material privilege has not become the central and indispensable ingredient in an American's life. It is interesting to note that the happiest volunteers are usually those with the most difficult living conditions.

Although I disagree with Mr. Sevareid's emphasis in dismissing two of the three purposes of the Peace Corps Act as fringe benefits, he does get to the heart of an important question when he compares the direct economic impact of the Peace Corps to fundamental investments, reorganizations and economic development. The Peace Corps' contribution has been less in direct economic development than in social development—health, education, construction and community organization. We are convinced that economic development directly depends on social development. In his valedictory report this past April as head of the Economic Commission for Latin America, Raul Prebisch observed that there are not "grounds for expecting that economic development will take place first and be followed in the natural course of events by social development. Both social and economic development must be achieved in measures that require the exercise of rational and deliberate action. There can be no speed-up in economic development without a change in the social structure." While they have their differences, Theodore W. Schultz and J. Kenneth Galbraith have no disagreement on the essential role of social development in economic progress. In contrast, some who argue from the European-North American experience overlook the vital need for social development which had already been substantially achieved in the countries of the Atlantic community. This is the basic difference between the problem of the Marshall plan, which was concerned with economic reconstruction in societies with abundant social resources, and the problem of forced-draft economic development in much of Asia, Africa, and Latin America.

Notwithstanding the Peace Corps' primary emphasis on social development, volunteers are making a direct economic contribution in a variety of situations. They are helping to organize farmers' cooperatives in Chile, Ecuador, and Pakistan; credit unions and savings and loan associations in Latin America; demonstration farms in the Near East. A group of volunteers in the Punjab sparked the creation of a poultry industry of some economic significance (using ground termite mounds for protein feed). These are grass roots projects. More of them will someday cause us to look back and wonder why it took so long to discover that people—human hands and enthusiasms—are an essential part of the relationship of mutual assistance which we must establish with our neighbors abroad.

The Peace Corps is not a foreign aid agency. Two of the three purposes of the Peace Corps as defined in the act deal with understanding, not economic assistance. Moreover, our financial investment is in the volunteer who brings his skills and knowledge home with him. Seventy-five percent of the Peace Corps' appropriated funds enters the economy of the United States; of the remaining 25 percent, more than half (57 percent) is spent on American citizens, the Peace Corps Volunteers themselves.

A Jamaican radio commentator recently asserted that "a great distance between people is the best creator of good will. Jumble people up together on a sort of temporary basis of gratitude on one side and condescension on the other, and you'll have everyone at each other's throat in no time." If I believed this were inevitable, regardless of the attitude, preparation and mode of life of volunteers, I would advocate disbanding the Peace Corps—as well as most other programs oversea. But I have greater faith in the universality of men's aspirations and of men's ability to respect each other when they know each other. It is the American who lives abroad in isolation and the thoughtless tourist who create distrust and dislike.

I believe the Peace Corps is also having more impact than we may realize on our own society and among our own people. To take an example of the Peace Corps' impact on an institution, the president of the State University of Iowa, Virgil M. Hancher, recently observed:

"The Peace Corps project—training volunteers for Indonesia—is already having salutary effects upon this university, and these seem likely to be residual. The members of our faculty are having to come together across disciplines. They are having to think through old problems of education freshly and to tackle new ones. Along with the trainees, they are learning—learning how to teach languages in the new method, how to teach new languages, how to teach area studies better, and how to adapt old and test new methods. The project is deepening the in-

ternational dimension of the State University of Iowa. This international dimension is being shared in various ways, with the people of the State, the eastern area in particular."

American schools and students may soon benefit from the Peace Corps' initiative in another fashion. Two countries, Ghana and Argentina, have expressed interest in making the Peace Corps a two-way street by sending volunteer teachers of special competence to interested American high schools or colleges. Ghana would provide experts in African history and Argentina teachers of Spanish. Other countries may follow suit.

Our own Peace Corps volunteers are being changed in other ways in the acquisition of languages and expertise. They will be coming home more mature, with a new outlook toward life and work. Like many other Americans, I have wondered whether our contemporary society, with its emphasis on the organizational man and the easy life, can continue to produce the self-reliance, initiative and independence that we consider to be part of our heritage. We have been in danger of losing ourselves among the motorized toothbrushes, tranquilizers, and television commercials. Will Durant once observed that nations are born stoic and die epicurean; we have been in danger of this happening to us.

The Peace Corps is truly a new frontier in the sense that it provides the challenge to self-reliance and independent action which the vanished frontier once provided on our own continent. Sharing in the progress of other countries helps us to rediscover ourselves at home.

The influence of the Peace Corps idea might be described as a series of widening circles, like the expanding rings from a stone thrown into a pond. The inner, most sharply defined circle represents the immediate effect of the program—accomplishments abroad in social and economic developments, skills, knowledge, understanding, institution-building, a framework for cooperative effort with private organizations, research and experiment in oversea Americanship, language training, and improvements in health.

The second ring moving outward on the water might be the Peace Corps' influence on our society, on institutions, and people on the creation of a new sense of participation in world events, an influence on the national sense of purpose, self-reliance and an expanded concept of volunteer service in time of peace.

There is still a wider circle and, being farthest from the splash, the hardest to make out clearly. Perhaps, I can explain it by describing the relationships I see between the Peace Corps and our American Revolution. The Revolution placed on our citizens the responsibility for reordering their own social structure. It was a triumph over the idea that man is incompetent or incapable of shaping his destiny. It was our declaration of the irresistible strength of a universal idea connected with human dignity, hope, compassion, and freedom. The idea was not simply American, of course, but arose from a confluence of history, geography, and the genius of a resolute few at Philadelphia.

We still have our vision, but our society has been drifting away from the world's majority: the young and raw, the colored, the hungry, and the oppressed. The Peace Corps is helping to put us again where we belong. It is our newest hope for rejoining the majority of the world without at the same time betraying our cultural, historic, political, and spiritual ancestors and allies. As Pablo Casals, the renowned cellist and democrat, said of the Peace Corps last year: "This is new, and it is also very old. We have come from the tyranny of the enormous, awesome, discordant machine, back to a realization that the beginning and the end are man—that it is man who is important, not the machine; and that it is man who accounts for growth, not just dollars and factories. Above all, that it is man who is the object of all our efforts."

PRESIDENT URGES WEST GERMANS TO AID LESS DEVELOPED NATIONS—ASKS FOR GREATER EFFORTS AT INAUGURATION BY BONN OF ITS OWN PEACE CORPS—AIM IS TO LIGHTEN BURDEN ON UNITED STATES

(By Gerd Wilcke)

BONN, June 24.—President Kennedy made a vigorous plea to West Germans today to share their wealth and knowledge with people in the less developed nations.

"I cannot think of any people that can serve this cause with greater success and more devotion than the German people," he said. "I believe that you are greatly needed."

He said the Germans would "find your greatest reward in a service in these very difficult times."

The President made the appeal during ceremonies marking the official inauguration of a West German peace corps. The ceremonies were held while the President was visiting President Heinrich Lübke at the latter's official residence, the Villa Hammerschmidt in Bonn.

The President's words reflected his concern over the fact that the United States bears the major burden, financial and otherwise, of helping less developed nations in Asia, Africa and Latin America.

The United States has prodded West Germany to expand its foreign aid programs.

Mr. Kennedy said he hoped that the United States Peace Corps and its West German equivalent would be joined by "representatives of dozens of other free countries in a great international effort in the 1960's for peace."

According to present Government planning, the German peace corps, officially known as the Oversea Teaching and Aid Development Service, will eventually consist of 1,000 volunteers. The first group of 250 young men and women is to be ready by late next year. The service will cost the Government the equivalent of about $6,250,000 annually.

However repugnant the Communist system is, the President continued, "it nevertheless has been able to enlist the devotion of a good many people all around the globe. I hope it is possible for us to demonstrate an even greater devotion in the free society."

He recalled that the U.S. Peace Corps was founded in 1961 and said that 9,000 Americans would be serving overseas in the Corps by the end of this year.

"I believe it (the Peace Corps) has given us an opportunity to harness the idealism which is, I think, in all free people, has given us an opportunity to be of assistance not merely in the cold field of economic help, but in the human relations which must exist for a happy understanding between people," Mr. Kennedy said.

The President added that he was confident and hopeful that German youth and older citizens "will find their greatest reward not here, pursuing merely their private pursuit, but in some far-off country."

TEXT OF AID SPEECH BY PRESIDENT KENNEDY

Mr. President (Heinrich Lübke), Chancellor (Adenauer), Mr. Ministers, I want to express our warm congratulations to the Federal Republic, to the people of the Federal Republic, for the effort that they are now undertaking.

The U.S. Peace Corps commenced in 1961, and I believe it has given us an opportunity to harness the idealism which is, I think, in all free people, and has given us an opportunity to be of assistance not merely in the cold field of economic help, but in the human relations which must exist for a happy understanding between people.

Western Europe and the United States really are islands of prosperity in a sea of poverty. South of us live hundreds of millions of people on the edge of starvation, and I think it essential that we demonstrate, we in the United States, we in the Atlantic community, that we demonstrate our concern for their welfare. However repugnant the Communist system is to all of us, it nevertheless has been able to enlist the devotion of a good many people all around the globe. I hope it is possible for us to demonstrate an even greater devotion in the free society.

GERMAN ABILITY PRAISED

Nine thousand Americans will be serving overseas by the end of this year. In some countries of Africa, nearly half of the high-school students are being taught by Peace Corpsmen. I cannot think of any people that can serve this cause with greater success and more devotion than the German people. High-skilled and understanding of the great issues which tear the world apart, I believe that you are greatly needed and that you will, as the (West German) President said, find your greatest reward in a service in these very difficult times. Dante once said that the hottest places in hell are reserved for those who in a period of moral crisis maintain their neutrality. This is a moral crisis. This is an opportunity, and I am confident that the German youth will find their greatest reward not here, pursuing merely their private pursuit, but in some far-off country. In some small village they will lay a seed which will bring a rich harvest for us all in later days.

I hope that these Peace Corpsmen of America and the members of the German Development Service will be joined by representatives of dozens of other free countries in a great international effort in the 1960's for peace. I congratulate the people of Germany on their commitment to this cause.

A TALENTED AND ABLE DIPLOMAT: MRS. EUGENIE ANDERSON

Mr. HUMPHREY. Mr. President, the United States is fortunate to have as its Minister to Bulgaria the talented and gracious Eugenie Anderson. Mrs. Anderson has been my close friend and associate for many years. A native and leading citizen of Minnesota, she has displayed an extraordinary grasp of international problems, including the human problems that lie at the bottom of all weighty matters of state.

I was gratified when my good friend Eugenie Anderson was appointed American Minister to Bulgaria. In her brief term of office she has repaid the confidence of her well wishers many times over. The proof of this, I believe, can be seen in the text of her address of June 14 at the commencement exercises of Carleton College in Northfield, Minn. Without in any way condoning totalitarian rule in Eastern Europe, Mrs. Anderson shows that she can recognize change when it occurs.

Contrary to popular belief—

She says—

Eastern Europe today is characterized not by homogeneity but by disparity, not by identity of policy but by contrast. In fact, reality today in Eastern Europe underscores Moscow's loss of its former claims to monolithic unity.

Later in her address, Mrs. Anderson observes:

Few of us at the time of Stalin's death could have predicted that 10 years later, the

Soviet Union itself would be involved in a raging ideological dispute over freedom for the writer and artist, that Poland would have all but abandoned agricultural collectivization, that a Hungarian Premier could declare that "whoever is not against us is with us," and that Albania would side with Communist China against the Kremlin.

* * * * *

The peoples of Eastern Europe are aware of the disarray in the Communist world. And whether they know it or not, they have contributed to their own welfare by the pressure they have brought against their governments. Whether by passive resistance or occasional overt action, the people themselves have forced changes and concessions from their governments.

Mrs. Anderson's words reemphasize the bond between the American people and the spiritually unconquered peoples of Eastern Europe. They constitute a pledge that the welfare of our Eastern European brothers have not been, and never will be, forgotten by the American Government.

I salute Mrs. Anderson for her realism, for her humanity, and for the skill with which she is doing her job in Sofia. She has been home with us too briefly. She returns to her post with our warm thanks and our continued good wishes.

Mr. President, I ask unanimous consent that excerpts from Ambassador Anderson's speech of June 14 be printed at this point in the RECORD.

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

EXCERPTS FROM A COMMENCEMENT ADDRESS BY THE HONORABLE EUGENIE ANDERSON, AMERICAN MINISTER TO BULGARIA, AT CARLETON COLLEGE, NORTHFIELD, MINN., JUNE 14, 1963

Now I want to talk for a few minutes about that part of Europe where I am serving. It seems fitting to discuss developments in Eastern Europe within the context of our rapidly changing times, because that area today is in transition. Most Americans have tended to think of the Iron Curtain countries in static terms. Such assumptions do not apply today to Eastern Europe. Significant changes have occurred, and will continue. U.S. policy, too, has become more flexible and active, vis-à-vis the Soviet bloc.

Until recently, the United States avoided a close involvement in European political affairs. We tried to remain only as interested observers in the gradual process by which European states fought for, and gained, their freedom and independence. Yet our heritage inevitably led the United States to give its encouragement to Eastern European peoples striving for freedom from foreign rule. Whether in freedom or in subjugation to a foreign power, they have retained their national memories and pride in their traditions; they have created, defended and developed a rich, cultural background; they have cherished their past successes and suffered from their failures; and they still maintain their failures; and they still maintain their faith in individual freedom and national independence.

Contrary to popular belief, Eastern Europe today is characterized not by homogeneity but by disparity, not by identity of policy but by contrasts. In fact, reality today in Eastern Europe underscores Moscow's loss of its former claims to monolithic unity.

Of course, the countries of the eastern European bloc are still, in the last resort, subject to the ultimate control of Soviet military power. The bloc leaders adhere to Soviet foreign policy and ideology. They are working out with varying degrees of divergence their internal and economic development.

For example, Poland permitted in 1956–57 a reversal of the collectivization process in agriculture. Today only about 10 percent of Polish agricultural land is collectivized, while in Bulgaria the figure is 90 percent. So also in Poland, and to some extent in Hungary, consumers have fared better as a result of the events of 1956 and of conscious government policy. Throughout the bloc, including Bulgaria, some liberalization of internal rule has occurred. Poland, more than other countries in the area, shows the benefits of increased freedom. But there is mounting dissension in Czechoslovakia these days. Rumania seems to be reluctant to subordinate its economy to the planning decisions of the Soviet bloc. By way of contrast, look at Stalinist Albania's anomalous position. It supports Communist China in its conflict with Moscow. It defies the Soviet Union and has no diplomatic relations with it, yet it maintains relations with the eastern European countries.

Great economic progress has been claimed by all the eastern European regimes during the past years. The governments proclaim that they have over-fulfilled their gross industrial production plans. Clearly, the successful fulfillment of economic plans is an attractive subject to Communist propagandists. Yet, at the same time, severe, persistent, and chronic food shortages haunt most of these countries.

U.S. policy has been and remains consistent in its desire to see governments in eastern European countries—as elsewhere—which will promote the full independence of their nations. We wish to see governments which will guarantee and promote all the essential internal freedoms and which will work peacefully for normal and constructive relations with all countries.

At the end of the last war when Stalin brought down the Iron Curtain, he tried to reduce or eliminate all contacts between East and West. He hoped thus to simplify his assimilation of the nations of Eastern Europe into the Communist system. United States policy has always encouraged the drawing aside of this barrier. We want Eastern European countries to associate with us on equal terms.

We should seek new ways to remind the peoples of Eastern Europe, Communists or not, that they are a part of the West and that we look forward to a day of even closer association. We want them to know how well the West has prospered with free systems. We want them to be able to see for themselves that the West is strong, dynamic, and united. We want them to know that we are completely dedicated to world peace, but to understand, too, that the West is also capable of defending itself.

We want them to see how our agriculture is flourishing. We want them to compare our farm system with that of collectivization.

We want them, Communists and non-Communists, to see for themselves that our people work hard because our incentive under a democratic system is always before us: the opportunity for a higher standard of living, a better education for their children, more leisure and a richer life.

It is heartening that today, increasing numbers of Americans are visiting eastern European countries. Some go as tourists out of curiosity; others to see their families and friends; still others go to exchange knowledge in professional fields under private or official arrangements. We support these contacts. They help people to understand the problems of bridging our differences. These scientific, cultural, and educational exchanges also help to keep the eastern European intelligentsia in touch with important developments in the United States. I have found in Bulgaria a profound hunger for communication with Americans.

We, too, welcome the chance to visit with people everywhere in the world. The more Americans the world meets, the greater will be the understanding of American principles. The more we know of others, the richer we will be.

And what about our economic relations?

The United States permits trade in nonstrategic goods with Eastern European countries. At present it is limited but we look forward to the day when our relations with these countries will allow such trade to be more significant. We want these people to share the benefits of our industrial and agricultural wealth and know-how. Cultural influences invariably accompany and follow trade between nations.

Our policy toward Eastern Europe has drawn a distinction between those countries which are independent and are striving for independence and those which subordinate their interests to Moscow. Yugoslavia, while a Communist country, is not alined with the Soviet bloc despite Khrushchev's wooing and the policies it follows are those which it believes best meet its national interests. I have already mentioned some ways in which Poland has liberalized its internal rule. As a result of the distinctive developments in these two countries, both have most-favored-nation tariff treatment for the goods they export to the United States—that is to say, the tariff duties levied on their goods are as low as those on goods coming from any other country.

Under a provision of the Trade Expansion Act of 1962, Congress required the President to withdraw "as soon as practicable" most-favored-nation treatment from all Communist countries, in effect, from Yugoslavia and Poland since they were the only ones enjoying this status. This requirement goes completely against the policy toward Eastern Europe followed by President Kennedy and his predecessors. It would slam the door in the face of those two countries which have most emphatically rejected Stalinist-type rule and have tried to evolve policies according to their national interests. It would mean lumping them together with all the other Communist countries as if there were no differences among them. It would mean discouraging all Eastern European countries from developing meaningful associations with the United States. It would ignore our vital interests in the area, since it would prevent us from pursuing a constructive policy. Instead it would have the effect of reducing our relations to purely formal diplomatic contacts of the least effective kind. Instead of demonstrating our interest in the welfare of the peoples of Eastern Europe, we would appear to be writing them off.

The President has already indicated his wish to see this provision of the Trade Expansion Act amended so that he might have flexible authority to continue most-favored-nation treatment for Yugoslavia and Poland. Our vital interests in Eastern Europe require this authority for the President.

Few of us at the time of Stalin's death could have predicted that 10 years later, the Soviet Union itself would be involved in a raging ideological dispute over freedom for the writer and artist, that Poland would have all but abandoned agricultural collectivization, that a Hungarian Premier could declare that "whoever is not against us is with us," and that Albania would side with Communist China against the Kremlin. Of greatest moment, however, is the impact which the Sino-Soviet conflict will have on the loyalties of eastern European parties.

The people of Eastern Europe are aware of the disarray in the Communist world. And whether they know it or not, they have contributed to their own welfare by the

pressure they have brought against their governments. Whether by passive resistance or occasional overt action, the people themselves have forced changes and concessions from their governments.

We believe that Eastern Europe is today in a State of flux. No one can predict what will evolve. Meanwhile we intend to maintain an active policy which will expand our contacts with Eastern Europeans. We persistently wish to demonstrate that we are concerned with the welfare of these people. We are interested in their national aspirations for independence. We want to keep them informed about Western thought in all areas of science and culture.

The process of change in Eastern Europe is bound to continue. The ideological rift between the Soviet Union and Communist China must necessarily have a strong impact on the Communist world. The Common Market factor in European and world trade will add some hardship to the eastern European countries. Already they are trying to avoid the anticipated disequilibrium by integrating their own economies. At the same time they continue to be fascinated by the possibilities of trade contacts with the West. In the light of all these shifting forces, the United States must pursue a complex policy which can take account of the area's new dynamics.

We wish to respond to the aspirations of the Eastern European peoples, which are basically akin to our own revolutionary ideals. They, too, dream of being able to enrich their lives, to enjoy the responsibility of liberty and to pursue the goal of happiness. They too believe in the dignity of man.

Let us maintain our confidence in these peoples, who through the centuries have endured so much. The tides of change which now encompass the globe are at work in Eastern Europe, too. Meanwhile the present phase of ferment throughout the Communist world requires imaginative, active U.S. policies. These can be effective only if understood and supported by the American people.

And what of your own personal role in these years of unremitting change? For ultimately, the carrying forward of American ideals depends on individual Americans: What kind of ideas move us; what values we cherish; whether a humane morality guides us; with what courage we act; what kind of children we raise; what sort of schools and communities we sustain; what quality of arts, literature, theater and music we create; how we nourish the sciences; what standards of excellence inspire us; whether we relate ourselves as friends and brothers, regardless of color, religion or nationality; how we resolve our personal and national crises; and finally, whether we as individuals accept America's responsibility to the world.

There are, of course, many ways in which you can work for the triumph of American ideals. But underlying any life course you may choose must be an enduring commitment to the cause of freedom.

I would hope that many of you will discover that politics are the central means we Americans have for preserving freedom, for continuing our unfinished revolution.

We can surmount our enormous difficulties at home and abroad, but only if enough educated men and women engage themselves in the struggle of politics. It does not matter which party you choose. It is imperative to infuse a new responsibility in both parties. Recently a national survey showed that only 4 percent of Americans belong to any political organization. How can we hope to improve our democracy if our political parties are run by such a few?

There are many explosive and compelling needs and conflicts in America. Indeed the present confrontation in race relations is of epic proportions—certainly sharper, deeper, and broader than any since the Civil War. Now we must achieve full racial equality not only in civil rights but in all areas including education, housing, and employment. Progress must be accelerated in all sections of our country—North and South, East, West, and Middle West, too. Resolving this major crisis without further violence now—not tomorrow—today—is an imperative for us all. Our consciences, as individual Americans, cannot continue to carry the burden of indifference, brutality, and wrong against our fellow man. Our Nation—as the leader of the free world—cannot afford more tragedies like Birmingham and Little Rock. I should add that many Americans are now working hard to eliminate segregation in those areas, as elsewhere.

Finally, I submit that American foreign policy also depends on American politics. It is important that some of you will enter the American Foreign Service, the Peace Corps, AID. Indeed I would urge you to consider giving several years of your lives to serving your country abroad.

But fully as urgent is the need for inspired, courageous men and women at home to help shape American politics, which in turn molds our foreign policy.

American politics needs more young leaders who know the times into which you have been born. Our country needs more young men and women who understand the infinite worth of the individual and his freedom. We need more young Americans who want to share our liberties, our abundance, our dreams with others. For it is the unfinished American Revolution which is still the hope of mankind.

As Lincoln said so well, when pondering the meaning of our Revolution:

"It was not the mere matter of separation of the colonies from the motherland—but something in that Declaration giving liberty, not alone to the people of this country, but hope to the world for all future time."

COLLECTIVE BARGAINING DOES WORK—STEELWORKERS AND STEEL COMPANIES REACH FULL ACCORD

Mr. HUMPHREY. Mr. President, the institution of collective bargaining has become the established method of insuring industrial peace between management and labor. However, lately there have been repeated attacks upon collective bargaining with regard to its ability to perform this function in the face of the increased pace of automation and heavy unemployment. At times the union movement itself has been criticized for the breakdown. It is for that reason that I wish to call to the attention of the Senate the recently negotiated agreement between the United Steelworkers of America and the steel industry. This agreement is unprecedented not only because of the terms of the agreement but because of the manner through which it was derived.

The Steelworkers Union has been pioneering in the field of collective bargaining with a human relations committee, a labor-management committee built into the contract for the purpose of continuous contact between the union and the companies. Bargaining was not left to the feverish activity of the last few weeks prior to the termination of the agreement. Issues were discussed many months prior to the reopening date of the contract. The union and the industry were so far advanced in preliminary discussions that it was not felt necessary to file for an official reopening. Hence the negotiations which were taking place in the last few weeks in Pittsburgh, were not conducted under a deadline of a threatened strike.

The Steelworkers Union and the steel industry are to be congratulated for developing this new method of collective bargaining. It is indicative of the statesmanship of Union President David J. McDonald and the executive officers of the major steel companies. It also ushers in a new era of mature relationship in labor-management affairs. It strengthens the role of free private collective bargaining in our society without reliance upon or interference by government. I praise this union and the industry for devising this method of perfecting collective bargaining; it should reassure the American people that the public interest is best served by free and independent bargaining. I ask unanimous consent to insert in the RECORD a copy of the statement passed by the wage policy committee of the United Steelworkers of America in regard to the recent accomplishments of the human relations committee.

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

STATEMENT OF INTERNATIONAL WAGE POLICY COMMITTEE, UNITED STEELWORKERS OF AMERICA, JUNE 20, 1963

I

After the great steel strike of 1959, the United Steelworkers of America and the major steel companies came to realize that a drastic change would have to be made in the nature of their relationship if a repetition of that experience was to be avoided. Accordingly, it was agreed that a joint study committee would be established, to be known as the human relations research committee, which would attempt during the term of the agreement to study the mutual problems of the parties and to arrive at mutually satisfactory solutions. It was hoped that this device would make possible a more thorough exploration of problems in a more cooperative atmosphere, free of the pressure of imminent deadlines. The wage policy committee wholeheartedly endorsed this effort to find a new approach to collective bargaining.

This imaginative experiment bore its first fruits in 1962. In that year the United Steelworkers of America and the 11 major steel companies made a historic agreement—months in advance of the expiration date of the 1959 agreement—which was based in large part upon the work which had been done by the human relations research committee.

Not surprisingly, the 1962 agreements provided for the continuation of the human relations research committee, under the name of human relations committee, on a greatly expanded basis. A number of very broad, difficult, and important problems were specifically referred to that committee for study.

Since the principal problem facing our members is the problem of unemployment, most of the issues which were referred to the human relations committee were issues affecting job and income security. These included the following:

1. The creation of employment opportunities through vacations of longer duration.

2. The contracting out of work which could be performed by bargaining unit employees.

3. The scheduling of overtime work for some employees while others are on layoff or working less than a full 40-hour week.

4. The performance by supervisors of work normally performed by bargaining unit employees.

5. The assignment to employees outside the bargaining unit of work which has been or could be performed by bargaining unit employees.

Closely related to the problem of job security—which of course is largely attributable to the rapidly changing technology of the industry—is the problem of preserving income security by adapting the job classification system to the new technology. Both sides agreed in 1962 that an updated and uniform job classification manual had to be developed, in the 10 companies which have the cooperative wage study manual, for production and maintenance as well as office and technical employees, in order to preserve the integrity of the wage and salary structure of the industry and to eliminate inequities and obsolete provisions. This monumental task also was referred to the human relations committee.

The agreement directed the human relations committee to study these problems and to attempt to arrive at mutually acceptable solutions. It was further agreed that if the human relations committee was unable to find answers to these problems, either party could formally reopen negotiations on these matters by written notice any time after May 1, 1963, with the right to strike or lockout 90 days after such reopening.

Almost as soon as the ink on the 1962 agreements was dry, the human relations committee began working o the subjects listed above, as well as the others which had been referred to it for study. Each issue was studied in depth by a separate subcommittee of experts, in consultation with local union representatives, and each subcommittee reported regularly to the top-ranking members of the human relations committee on the progress that was being made.

The problems, however, were not easy of solution. Despite a good faith effort on both sides, by the time May 1, 1963, arrived there were still wide areas of differences on every issue. The international officers and executive board, however, decided to continue the work of the human relations committee for a few more weeks, in the hope that recommended solutions might be found which, if accepted by the parties, would make reopening of the agreement unnecessary.

II

Today, President McDonald has reported to us that the human relations committee has arrived at joint recommendations on all of the issues referred to above, as well as certain other issues to which the committee directed its attention. These recommendations are as follows:

1. Extended vacations: We have finally achieved our long-held goal of expanding employment opportunities by giving senior employees periodic 3-month vacations. The human relations committee has recommended a dramatic expansion of the existing savings and vacation plan, in order to provide employees in the top half of the continuous service roster at each company (the senior group) a 13-week extended vacation once every 5 years. Employees in the lower half of the continuous service roster (the junior group) would continue to receive the benefits of the existing plan, on an accelerated basis, until such time as they join the senior group. Employees in the senior group would also receive their regular vacation in the years in which they do not receive the 13-week extended vacation, and will receive 1 additional week of vacation benefit under the savings and vacation plan each 5 years, to be deferred, however, until retirement.

The plan would be financed by increasing the present 3-cent-per-hour contribution to the financial availability account to 12.5 cents per hour, beginning January 1, 1964. The additional money will not only finance the new benefits but will also speed up the operation of the cycle under the old plan so as more nearly to approach the objective of 1 additional week of vacation every other year for the junior group.

The revised plan would operate in the following manner: On January 1 the work force will be divided into the senior group and the junior group. During the following 5 years, 5 percent of the members of the senior group will become entitled to the 13-week extended vacation benefit every 3 months, to the extent that there are sufficient funds in the account, so that at the end of 5 years (20 quarters) each eligible employee will have become entitled to one extended vacation benefit. Unless the employment situation becomes drastically worse, the amounts to be contributed should be sufficient to finance the benefits as they come due.

All employees in the top half of the continuous service roster who retire after June 1, 1963, will be eligible for the benefit. The portion which is in excess of the present savings and vacation plan benefit will be payable to them on January 1, 1964.

After January 1, 1964, senior group employees who retire on pension will become entitled to the benefit immediately upon retirement. As of each quarterly calculation date under the plan, an additional number of senior group employees, sufficient to complete the 5-percent quota for that quarter, will become entitled to their 13-week vacation, which will be scheduled for some time before the end of the following calendar year, subject to operating requirements. Employees who are eligible for pension when they become entitled to the 13-week benefit will receive the benefit only upon retirement.

An employee who becomes eligible for pension after having become entitled to an extended vacation will, upon retirement, receive an additional partial benefit on the basis of 1 week for each 6 months of service since his entitlement date, up to a maximum of 9 weeks. Accrual of partial benefits will stop upon attainment of full pension eligibility (age 65, 15 years of service).

As under the existing plan, any employee in the senior group who is age 65 or over and who does not retire upon becoming eligible for a pension will have any benefit which is payable only upon retirement under the plan reduced by 10 percent for every 3 months by which he delays retirement.

Employees who are age 63 or over at the time they become entitled to an extended vacation will have the option of taking the vacation in the normal course, taking it just prior to retirement, or taking it in the form of a lump-sum payment upon retirement.

Employees in the junior group will continue to receive benefits as under the existing savings and vacation plan. It is expected that sufficient funds will be available to provide this group with 1 week of vacation every 2 years.

The plan contains a provision insuring that the full 12.5 cents per hour (and, in addition, any spillover from the sub plan up to 25 percent of the cost of the new plan) will be used to pay benefits. If more money is available than is needed to pay the benefits described above, junior group employees will be moved into the senior group to make up for employees who have not received an extended vacation benefit and have left the work force, and to expand the size of the senior group in proportion to any increases in the size of the total work force. Beyond this, additional weeks of vacation pay will be provided for all employees under the plan so long as funds are available.

The pay for that part of the 13-week extended vacation which is in addition to regular vacation will be based upon a 40-hour week. Extended vacation pay will be payable weekly or in a lump sum at the employee's option.

At the end of the 5-year period, the then existing work force will again be divided into a senior group and a junior group and the entire process will begin again.

2. Insurance: In addition to the substantial economic improvements described above, the human relations committee, as the result of its study of medical care and insurance, has recommended that the present insurance program be greatly improved by increasing hospitalization protection under our insurance agreements from 120 to 365 days, increasing sickness and accident benefits by $10 per week, and increasing the life insurance benefits by $500. The committee has further recommended that in companies which have a different pattern of insurance benefits the parties should make equivalent improvements by mutual agreement.

3. Experimental agreement: In an effort to work out a fair accommodation of the interests of the parties with respect to the other job security issues, the human relations committee has recommended the adoption of the following new contract provisions, on an experimental basis, for the period August 1, 1963, through December 31, 1964.

(a) With respect to the contracting out of bargaining unit work, the committee has drafted a provision which, in addition to preserving all existing protections, spells out certain specific restrictions in order to improve or clarify, as the case may be, the existing protections for bargaining unit employees. The new provision would provide, among other things, the following:

(1) Production, service, and day-to-day maintenance and repair work which by established practice has been performed by bargaining unit employees will not be contracted out for performance within the plant except by mutual agreement.

(2) Production, service and day-to-day maintenance and repair work which has in the past been performed by bargaining unit employees in some circumstances and outside contractors in other circumstances will not be contracted out for performance within the plant except in accordance with existing practice, except by mutual agreement.

(3) Intermittent maintenance and repair work not falling in the above categories, and installation, replacement, and reconstruction of equipment and productive facilities which do not involve major new construction, replacement, or reconstruction may not be contracted out for performance within the plant unless the company demonstrates that to do so is more reasonable than performing the work with bargaining unit employees, taking into account all the relevant factors.

(4) A special joint committee on contracting out will be established at each plant to resolve problems in connection with the operation and application of the agreement, as well as any other problems relating to contracting out. In addition, the committee will be notified before any work is contracted out within the plant, and at the request of the union members the matter will be discussed in an effort to reach agreement before action is taken. In the absence of agreement in such a situation, the matter may be processed as a grievance under the grievance and arbitration procedure.

(b) With respect to the matter of supervisors performing bargaining unit work, the committee has recommended contract language which would flatly prohibit such conduct unless the work is experimental, is performed in connection with a demonstration for the purpose of instructing and training employees, is required by emergency conditions, or is negligible in amount and, under

the existing circumstances, cannot reasonably be assigned to a bargaining unit employee. The prohibition would not apply to work which is incidental to supervisory duties on a job normally performed by the supervisor.

(c) With respect to the matter of the assignment of bargaining unit work to nonbargaining unit employees, the committee has recommended an adoption of a provision designed to assure that new or changed jobs will not be excluded from the bargaining unit, when they involve a significant amount of bargaining unit duties, even though they may also involve duties not normally performed within the bargaining unit.

(d) With respect to the overtime problems, the committee has recommended adoption of a provision that if qualified laid-off employees are available and it can reasonably be foreseen that those employees could be recalled for a period of 2 or more weeks to perform the work in question, overtime will not be assigned unless management first notifies the union and upon request discusses its decision, and any suggested alternatives, with the appropriate grievance committeeman.

The recommendations as to the experimental provisions are applicable to the units covered by the basic steel labor agreements. As to units covered by separate agreements, the committee recommends that serious consideration be given to the adoption of these provisions, so as to permit recognition of the circumstances applicable in the particular situation.

4. Job classification manual: Although the committee has not completed the job of developing a uniform, updated job classification manual, great progress has been made and an agreed-upon procedure has been worked out for finishing the job by June 30, 1963. The updated manual shall be applied to the description and classification of all jobs newly established or changed since January 1, 1963. Claims for retroactive pay in connection with any pending grievance dealing with a job established or changed after January 1 shall be determined on the basis of the April 6, 1962, agreement, with respect to the period prior to June 30, and on the basis of the new manual for any subsequent period.

5. Vacation scheduling: The human relations committee has recommended the addition of a new provision to the 1962 agreement concerning scheduling of the extra week of vacation for an employee having 10 but less than 15 years, or 25 or more years of continuous service. Under the 1962 agreement such weeks could be scheduled throughout the calendar year. The recommended provision makes it clear that the intention of this scheduling provision was to remove any time limitation as to the scheduling of these vacations without affecting the other rules, including seniority preference, which are applicable to all vacation weeks.

6. Human relations committee: The committee has recommended that it be continued in effect during the term of the agreement and has added to the committee functions a study to determine the problems of fabricating, manufacturing, and warehousing operations in relation to basic steel collective bargaining. The committee has further recommended modification of the human relations sections of the agreements so as to provide for review of experience under the recommended experimental agreement.

7. Clerical and technical units: The committee has recommended experimental provisions covering contracting out, overtime, supervisors working and scope of the bargaining unit applicable to clerical and technical units. The committee also recommends that the savings and vacation plans for such units be revised in the same manner as the plans for production and maintenance units, except as may be otherwise mutually agreed.

8. Term: The committee has recommended that the above terms constitute a settlement of all issues which shall be reopenable in 1963 and that the agreement as amended should be extended so that they may be reopened on 120 days notice served on or after January 1, 1965. The committee has also recommended that those manufacturing, fabricating, and warehousing operations which in the past have had contracts with delayed expiration dates should provide for an equivalent delay in the termination provisions of their new agreements.

9. Other recommendations: On several issues the human relations committee has recommended that settlements be worked out by the respective negotiating committees. The committee has not recommended that the entire settlement be made contingent upon resolution of these issues but it has urged that every possible effort be made by the negotiating committees to reach agreement on the following issues.

(a) Certain contracts contain provisions on the subjects covered by the recommended experimental agreement. In some cases these provisions place restrictions on the companies which are more strict than those contained in the proposed experimental agreement. The human relations committee has urged that the respective negotiating committees at the companies where this situation exists make every effort to conform their contractual provisions to those contained in the experimental agreement so that a uniform basis for further progress in those areas can be obtained.

(b) The committee has recommended that the negotiating committees at fabricating, manufacturing and warehousing operations whose agreements now expire at the same time as the basic steel agreements shall give serious consideration to the question of whether delayed expiration dates, similar to those found in other nonbasic steel operations, should be provided in their new agreements.

(c) The establishment of the new 13-week extended vacation so affects the vacation scheduling situation that the committee has recommended that each negotiating committee seriously consider the desirability of enlarging the period for regular vacations to the entire calendar year, so as to permit the scheduling of extended vacations for senior employees in the more desirable months.

III

The recommendations of the human relations committee have already been reported to the steel companies coordinating committee, which has the authority to negotiate agreements on behalf of the 11 companies. President McDonald has reported to us that the companies are willing to accept these recommendations as a basis for the settlement of all issues which are reopenable in 1963.

As the elected representatives of the members of the United Steelworkers of America, charged with the responsibility of establishing the union's collective bargaining policy, this wage policy committee enthusiastically endorses this proposed settlement, which represents enormous progress in meeting the needs of steelworkers.

The new extended vacation plan, long a goal of our union, will create at least 15,000 new jobs in the basic steel operations of these 11 companies alone, and many more thousands when applied throughout our jurisdiction. At the same time, it will reward long-service employees with a periodic extended vacation for rest, recreation, and self-improvement. It will also provide employees with greater opportunities for training and promotion, and will encourage the voluntary retirement of older employees. This plan will be living proof to the world that free collective bargaining, while unable to solve all the economic problems of our society, can make substantial contributions toward achievement of the national goal of full employment for all.

The improved insurance program will provide significantly greater financial security to steelworkers during periods of serious illness, and greater security to their families upon the death of the breadwinner.

The new experimental agreement represents real progress toward a fair solution of the problems created by contracting out, supervisors working, loss of jobs through erosion of the bargaining unit, and the assignment of overtime while employees are on layoff.

The revised, uniform job classification manual will, when completed, help assure achievement of our goal of equal pay for equal work, under a fair and equitable wage structure which is adapted to the changing technology of the industry.

We take great pride, not only in the substantive achievements of the human relations committee, but in the human relations committee itself. This concept, developed by this union and the steel industry, has now been adopted in many other companies and industries, and holds great promise for the achievement of greater industrial peace and more productive collective bargaining. It is a resounding answer to those who say that collective bargaining has lost its creativity, or is unable to meet the needs of the times.

We salute the international officers and the executive board, who had the vision to realize that the human relations committee could produce results, without formal reopening, and who had the skill and perseverance needed to bring those results about.

We direct the international officers to instruct the negotiating committees at these 11 companies to meet with their respective managements for the purpose of revising their agreements in accordance with the human relations committee recommendations.

The human relations committee recommendations are, of course, applicable only to the 11 major steel companies represented on the committee. The international officers and the chairmen of the negotiating committees at other basic steel companies should make the necessary arrangements for implementing these recommendations, to the extent applicable, at those companies.

Steps should also be taken to achieve the same benefits, where appropriate, or equivalent improvements, at other companies within our jurisdiction whose contracts have similar reopening provisions.

At those companies where the entire collective-bargaining agreement is to expire this year, an effort should also be made to implement the goals set forth in prior wage policy statements. These goals include, in addition to the ones set forth above: the achievement of high living standards and greater economic security through higher wages and improved pension and insurance, the establishment of a shorter workweek, the establishment or improvement of subplans, the improvement of seniority provisions to provide maximum security to longer-service employees, the elimination of racial and religious discrimination, the improvement of grievance and arbitration procedures, the establishment or improvement of training and apprenticeship programs, the full union shop, increased premiums for holiday and weekend work and overtime, increased shift premiums, severance pay, jury pay and supplemental workmen's compensation. We reiterate the necessity of eliminating all remaining wage, salary, and fringe benefit differentials, of negotiating a

master agreement for each multiunit company, and providing for automatic incorporation under the agreement of newly certified or recognized plants.

Eash negotiating committee at those companies shall review all the provisions of its agreement, to the extent contractually appropriate, for the purpose of making progress toward the attainment of these objectives and in order to remedy deficiencies which have been disclosed by experience or arbitration awards.

Every effort should be made to incorporate in the new agreements beneficial provisions previously made part of some of the basic agreements and those set forth in prior wage policies.

OVERSEA DEPENDENTS SCHOOLS

Mr. MORSE. Mr. President, in our concern for the crisis in which our schools find themselves at the present time, we may overlook a group of these schools because they are removed from our everyday contacts. I refer to the oversea dependents schools operated for the children of service personnel by the Department of Defense. Inasmuch as this body will soon be giving consideration to appropriations for their maintenance during the next fiscal year, I think the remarks of William J. Davis, president of the European Congress of American Parents & Teachers, before the National PTA convention in Miami Beach recently, are especially pertinent at this time.

I ask unanimous consent to insert the remarks in the RECORD.

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

STATEMENT OF WILLIAM J. DAVIS, PRESIDENT OF EUROPEAN CONGRESS OF AMERICAN PARENTS AND TEACHERS (ECAPT)

I am W.J.D., the J.F.K. of the PTA in Europe, the Middle East and North Africa, an area of American children overseas extending 4,000 miles south from Iceland to Ethiopia and 2,000 miles east from Spain to Turkey, a mere 2,500,000 square miles, or the size of the Roman Empire at its peak in A.D. 117.

Here is our basic problem area: We are entirely dependent on Federal aid for the education of our children overseas. I represent the PTA; the Congress of the United States is our school board, located some 5,000 miles away. In effect, except for one or two trips a year like this, the National Congress of Parents and Teachers is our only means of contacting the Congress of the United States.

Here are our six basic problems:

1. Do you have kindergartens in your school system? We don't.

2. Do you have an adequate number of classrooms for your children (which are not located, in some instances, in old quonset huts, office buildings, officers' clubs, etc.)? We don't.

3. Do you have teachers who consider their salaries to be adequate, and as stated in a Public Law (86–91) which keep them in consonance with those salaries earned in the previous year in certain portions of the United States? We don't.

4. Do you have adequate specialists, especially in the fields of guidance counseling and remedial reading (which is extremely important to children who average one move per year)? We don't.

5. Do you have adequate physical education facilities, where your children can attempt to carry out the dicta of the President's Council on Youth Fitness? We don't.

6. Do you have a continuing health program in school for your children? We don't.

If your answer to any of these questions is yes, then you know the basic flaws in our system, which contains 160,000 children who are actually ambassadors to all of our United Nations today, not just a dream of tomorrow.

We in the European Congress are not standing still while awaiting solutions. We are extemporizing. We are using field expedients. Local PTA's hire school nurses, counseling, reading and language specialists; buy playground equipment and use NATO gyms for outside school activities; have our own ECAPT scholarship fund which will give 11 scholarships of $500 each this month; improve classroom facilities and such.

But, physical environment itself is not the key to oversea schools. The key is, and always will be, whether in civilian education or military training, the teacher. If the teacher is not adequate to the task, the latest in stateside model schools would be of little use to us out here on the periphery of the area falling within my purview. Professional or not, teachers require, desire and deserve a reasonable standard of living, be they in the middle of metropolitan London, or on the outskirts of centuries-old Izmir (Turkey).

Americans appeal to oversea countries for exchange students on the university level, yet our elementary and secondary school program overseas is so limited that, in addition to offering less than the best in education to our own children, we are obliged to turn away the English-speaking children of NATO officials who would welcome the opportunity to learn the doings of democracy and its educational system at this age. This is in sharp contrast to the local Communists who welcome every opportunity to teach them at this tender age, rather than when they have reached manhood or womanhood.

Your part is basic: for this congress to request the Congress of the United States not to miss this tremendous opportunity for true international relations, to gain better teachers through higher salaries, and then to insist on constant improvement of our entire oversea school system. Let us emphasize education today—peace tomorrow.

This is the place to begin. This is the time.

ADDRESS BY THE HONORABLE FRANCIS KEPPEL, U.S. COMMISSIONER OF EDUCATION

Mr. MORSE. Mr. President, Mr. Edmund J. Gleazer, Jr., executive director of the American Association of Junior Colleges, has kindly drawn to my attention an excellent speech by the Commissioner of Education before the Midwest Junior College Conference on June 17.

Hearings on S. 580 and related bills before the Education Subcommittee are rapidly being completed. Today the subcommittee was privileged to hear from the Commissioner on all phases of the President's education bill. Included in it, as Senators are aware, are provisions for strengthening the public junior and community colleges of our Nation's educational system. In view of this, it is my judgment that Senators will find Commissioner Keppel's timely remarks of great interest.

Mr. President, I ask unanimous consent that the address, entitled "Standards of Excellence in the Junior College," which was delivered by the Commissioner on that occasion be printed at this point in my remarks.

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

STANDARDS OF EXCELLENCE IN THE JUNIOR COLLEGE

(By Francis Keppel, U.S. Commissioner of Education, Department of Health, Education, and Welfare)

The junior college, this 20th-century phenomenon in American education, is a result of man's inventive genius in devising ways to meet society's increasing demand for accessible and appropriate education beyond the high school. In speaking of the dimensions of the junior colleges, I am referring to the various standards of excellence by which society judges success in education for today's and tomorrow's world.

Junior colleges have a role and integrity of their own; and society has imposed upon them a challenge and a responsibility to provide both broad and specific educational opportunities for those who can benefit from them.

The unique characteristic of the junior college is its contribution to the community in particular and to society in general. Excellence in certain academic programs is one measure of success. But from the community viewpoint, the junior college provides an upgrading of skilled personnel, and improves the educational, cultural, and artistic climate of the area. Success is measured in terms of responsiveness to local needs.

The junior college stands as a cooperating institution between the high school and the 4-year college. Students may speed up progress by taking certain courses simultaneously with completion of high school programs. "Late bloomers" may find opportunity to repair certain academic deficiencies before taking bachelor's programs. The junior college also has within it the potential for removing geographic, financial, and motivation barriers to post-high school education.

The junior college creates its own self-identity by providing terminal and adult programs of greater depth and requiring greater maturity than can be offered in high school. Its programs can be coordinated with local needs to a greater degree than is usually possible for 4-year institutions serving larger geographic areas.

Faculty influence standards of excellence. Study and research by faculty is likely to be oriented toward relationships between the educational needs of a community and the programs to meet these needs. Follow-up studies and efforts to improve teaching are likely to be related to student success in higher education institutions, to occupational success in local industries or service agencies, or to evidence of local social and cultural growth. Guidance of students is likely to be more practical than in institutions serving broader geographic areas. The extent to which the junior college faculty can help students make realistic decisions and prepare for appropriate and satisfying careers is a measure of the institution's success.

Most important is the extent to which the college serves students and contributes to their success. Excellence for the students is measured by the institution's contribution to the maximum development of personal abilities and talents, within the context of the student's aptitudes, interests, and motivations.

The student perceives the junior college as somewhat less selective in admissions than the typical 4-year college; he judges its standards of excellence on how far its program can take him toward realization of his potentialities. Selectivity in the junior college, therefore, is likely to be in programs rather than in initial admission of students, and evaluation of success is likely to be on individual growth.

The accelerating expansion of knowledge, the growing complexity of the world, and the rapid advance of technology provide phenomenal demand for persons with high levels of education. There has been a consistent upgrading of jobs, and the increasing use of the products of scientific technology clearly calls for a higher degree of education and technical skill.

Education for the future must fit the individual for the world of change he will inherit and help to shape. It must be appropriate not just for the job he hopes to take next year or for the community in which he plans to live, but for other jobs and other places at other times.

The degree to which the junior college develops this kind of climate for learning is an important element in its drive to reach high standards of excellence.

Today, with the spread of junior colleges, we may be on the brink of another educational revolution, one which brings appropriate educational opportunities within the financial and geographic reach of the many at the same time that it supplements and strengthens the programs of 4-year institutions and advanced professional schools. The spread of such a zest for learning can contribute to consistently rising standards of excellence, in society as well as in schools.

Good education demands that we recognize differences in individuals and that we accommodate those differences and apply our standards of excellence in terms of individual growth. It is the sheerest kind of folly to expect every student to progress at exactly the same rate and depth as every other student. Standards of excellence demand a climate for learning in which intellectual capacities are viewed objectively and in which each student is encouraged and expected to do the best of which he is capable.

While education must first of all serve individuals, educational standards of excellence and methods of reporting student competence must be such that, with our highly mobile society, students can move from one level of education to another and from one geographic area to another without detriment of their total learning program. The standards of excellence the junior college is able to achieve depend upon quality in schools at lower levels. The quality of education offered by junior colleges affects standards at 4-year institutions. Weak schools at one level or in one area are a drag on all levels and all areas.

For that reason, if for no other, it is imperative that the American public find a way to provide resources for education so opportunity will be unlimited. There is a need for urgency in improving educational opportunity.

The junior colleges of our Nation have a position of growing importance in our educational enterprise. For them, as for all educational institutions, standards of excellence must be such that what the student learns and the way he learns it can meet every test of tomorrow's world. And we cannot wait until tomorrow to educate for tomorrow's needs.

NATIONAL FOREST ACCESS REGULATIONS

Mr. MORSE. Mr. President, on June 10, Secretary of Agriculture Freeman signed road access regulations which will measurably assist in the application of the policy of multiple use on the national forests. The Secretary is to be commended for this action.

On February 1, 1962, the Attorney General issued an opinion which told the Department that it did not have to let lumber companies cross national forest lands when the companies denied the Government access to public lands.

Draft regulations to implement this decision were published in August 1962. Comments were sought and a revised draft was published in March 1963. Assistant Secretary of Agriculture Baker held open public hearings during April of this year—one in Washington and one in Portland. Dr. George Selke, Secretary Freeman's personal consultant, made a further field review and report to the Secretary in May. The final regulations contain further modifications reflecting points raised at these hearings and Dr. Selke's observations.

Obviously, a great deal of study and deliberation have been undertaken on the access problems subsequent to the issuance of the Attorney General's opinion.

My review of the regulations as signed, taken together with Secretary Freeman's letter of instructions to the Chief of the Forest Service, Mr. Cliff, leads me to believe that the policy expressed is sound and the regulations are workable.

The results will make more national forest resources, such as timber and recreation, available for public use and enjoyment by providing better access to the national forests.

The regulations bring into close harmony the policy of the Departments of Agriculture and Interior on forest access. While some timber spokesmen objected to the regulations, the fact is that many of them have operated under similar regulations on Interior Department land since 1950. I am confident they will operate successfully with the Agriculture Department.

When the Attorney General's opinion was issued the Forest Service had reported that about 50 billion board feet of timber was unavailable for public use due to a lack of access. These were major case areas with more than 50 million board feet each.

The policy decision contained in the Attorney General's opinion, the special appropriations which provide additional access funds, and increases in the regular forest road authorization acts have brought about voluntary access agreements for almost half of this 50 billion feet of timber, according to the Forest Service. This alone will bring great economic benefits to the lumber industry.

Mr. President, I ask unanimous consent that a copy of the Department's statement on the regulations and Secretary Freeman's letter of June 10 to the Chief of the Forest Service and a copy of the final regulations be printed at this point in the RECORD.

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

U.S. DEPARTMENT OF AGRICULTURE,
Washington, June 10, 1963.

SECRETARY OF AGRICULTURE APPROVES NEW NATIONAL FOREST ROAD REGULATIONS

Secretary of Agriculture Orville L. Freeman today approved revised regulations governing the management of national forest development roads and providing for access to the national forests by users consistent with an opinion of the Attorney General and decisions of the Comptroller General.

"The rapidly increasing use of the national forests have placed increased demands on the road systems by recreationists, hunters, fishermen, commercial haulers and others," the Secretary said. "The regulations governing the national forest development road system will help open up the publicly owned areas to meet the increasing demands and provide more efficient protection and administration of the national forest lands."

The regulations provide for cooperation with landowners where national forest land is intermingled with non-Federal land. They broaden and improve the basis for mutually satisfactory arrangements for sharing use and the cost of developing a single road system to serve the cooperating landowners and users of the national forest resources and facilities.

Hearings were held on the regulations proposed in April in Washington, D.C., and Portland, Oreg. Written and oral testimony for and against the regulations was recorded.

Major points of objection expressed were that the regulations do not provide completely reciprocal conditions by the United States to those required from the applicant owner who needs to cross national forest lands to reach and use his property; that the easements provided by the Government might not be permanent; that increased costs might result to private road owners and commercial haulers; and that full control of private roads might be taken over by the Forest Service.

Major support for the regulations voiced was that through provisions requiring easements which grant permanent unrestricted access to national forest lands, the various uses provided under the multiple use law of 1960 would become real to increasing numbers of national forest users, including hunters, fishermen, and other recreationists.

"Before approving the regulations," Secretary Freeman said, "I carefully considered the record of the hearings and a special report made to me by a departmental consultant, Dr. George A. Selke, who reviewed several road systems in the West suggested by the forest products industry.

"I am adopting the regulations as proposed at the hearings, with some changes resulting from suggestions made during and after the hearings.

"I am keenly interested in providing the Forest Service with the means of obtaining the best possible management of the many resources dependent on the national forest development road system," the Secretary said, "in conformity with the several basic authorities and interpretations of law including the multiple use law of 1960, the Attorney General's Opinion of February 1, 1962, and the several Comptroller General decisions on road programs."

NOTICE: FOREST SERVICE, DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.
JUNE 10, 1963.

Enclosed for your information are:

1. The National Forest access regulations directed toward management of the forest development road system serving the National Forests. These regulations were approved for publication in the Federal Register by Secretary Freeman on June 10, 1963.

2. Secretary Freeman's letter of June 10 concerning administration of the regulations to the Chief of the Forest Service.

3. News release concerning the regulations.

The regulations in draft form were distributed initially for review in August 1962. A new draft was sent you in March 1963.

Hearings were held on April 23, 1963, in Washington and April 29, 1963, in Portland, Oreg.

A. W. GREELEY,
Acting Chief, Forest Service.

TITLE 36—PARKS, FORESTS, AND MEMORIALS

CHAPTER II—FOREST SERVICE, DEPARTMENT OF AGRICULTURE

Part 212—Administration of the Forest Development Transportation System

Section 212.7 is revoked and part 212 is amended by adding the following sections:

"§ 212.7 Road system management

"(a) Traffic rules

"(1) General: Traffic on roads under the jurisdiction of the Forest Service other than "special service roads" shall be subject to State traffic laws where applicable: Provided that use of such roads shall be subject to rules prescribed by the Chief, notice of which has been given by publication in a newspaper having general circulation in the locality and posting at the entrances to the roads, covering uses of or operations on the road as to which the State laws and rules are not applicable or are not deemed adequate for the safety and protection of users of the roads and the national forests.

"(2) Special service roads: The Chief shall issue traffic rules governing the use of "special service roads" or adopt in lieu thereof traffic rules promulgated for comparable roads of the State in which the road or segment of road is located, provided that where local traffic rules are adopted they shall be supplemented by him to the extent necessary to adequately govern special traffic uses and conditions, including but not limited to load weights and widths, size of vehicles, speed limits and provisions for the safety and protection of users and the national forests. Notice of such rules shall be given in the manner prescribed in section 212.7(a)(1).

"(b) Special service roads: The Chief may designate a forest development road or a segment thereof a "special service road" and control or regulate the use of the road as necessary in the public interest and safety: Provided, that the road is not a part of the highway system of a State, county, or other public road authority: Provided further, that the United States controls the right-of-way.

"(c) Cost recovery on special service roads: Where the Chief determines that a share of the cost of acquisition, construction, reconstruction, improvement, or maintenance of a "special service road," or a segment thereof, used or to be used for commercial hauling of non-Federal forest products and other non-Federal products, commodities and materials should be borne by the owners or haulers thereof and where such owners or haulers have not shared in the cost of acquisition, construction, reconstruction or improvement and have not made contributions to pay their proportionate cost shares, the Chief may condition the permission to use the particular "special service road" or segment thereof upon payment to the United States of the proportionate share of such cost and bearing proportionate maintenance as has been determined by him to be attributable to such owner's or hauler's use in accordance with section 212.11.

"§ 212.8 Ingress and egress

"(a) Actual settlers and other persons residing within the boundaries of national forests: Actual settlers and other persons residing within the boundaries of national forests shall be permitted ingress and egress over the national forests and use of existing roads and trails in order to reach their homes and to utilize their property: Provided such ingress and egress or use shall conform to rules and regulations governing the protection and administration of the national forests and the roads or trails to be used.

"(b) Others: Entering upon the national forests and use of existing roads and trails shall be permitted for all proper and lawful purposes, subject to compliance with rules and regulations governing the national forests and the roads or trails to be used.

"§ 212.9 Access procurement by the United States

"(a) Policy: The Chief shall obtain as promptly as is feasible needed road and trail access to national forest land to assure effective protection, management and utilization of such land and its resources and for the use and development of the resources upon which communities within or adjacent to the national forests are dependent. Such access shall include procurement of interests in existing non-Federal roads and road systems, as well as rights-of-way for roads and trails over non-Federal land. Consideration shall be given in each case to the needs of the owners to use the existing roads in the protection, management, and utilization of their lands and industries.

"(b) Existing or proposed forest development roads which are or will be part of a system of a State, county, or other local subdivision: Forest development roads which are or will be parts of a system of a State, county, or other local subdivision road system and are on rights-of-way held in the name of the State, county, or other local subdivision may be constructed, reconstructed, improved, or maintained by the Forest Service when there is an appropriate agreement with the State, county, or other local subdivision under authority of 23 U.S.C. 205; provided such construction, reconstruction, improvement, or maintenance is essential to provide safe and economic access to national forest land.

"(c) Acquisition of easements and rights of use: Except as otherwise provided in these regulations, easements for road and trail construction across non-Federal lands and easements or rights of use over non-Federal roads and trails will be acquired in the name of the United States of America and its assigns. The easements or rights of use may be acquired by purchase, condemnation, donation, or as a reciprocal for permits or easements for rights-of-way for roads or trails to be constructed or for easements over or permits to use existing roads or trails.

"(d) Methods of compensation for easements and rights of use acquired by the United States: Compensation in negotiated acquisitions may be: (1) by payment from appropriated funds; (2) pursuant to reservation in the grant of easement to the United States whereby the grantor reserves the right to require haulers of Federal timber or other Federal products over the road conveyed or thereafter constructed by the grantor to make payments to the grantor in accordance with the terms of the reservation; (3) by granting reciprocal rights; or (4) by a combination of these methods. Compensation will be limited to the fair market value of the easement or right of use."

"(e) Cooperative construction and use agreements: Where areas, partly National Forest and partly private or other ownership, are undeveloped or inadequately developed by roads, the Chief will, to the extent feasible and advantageous to the United States, join in planning, constructing, reconstructing, improving, maintaining, and using an adequate road system on the basis of each party bearing the proportion of the cost attributable to the anticipated benefits as set forth under 212.11.

"(f) Condemnation: Where access across non-Federal land or over a non-Federal road or trail cannot be obtained through negotiations with reasonable promptness, condemnation will be undertaken when: (1) such action is necessary or advantageous to the United States; and (2) funds are available for payment of the anticipated award.

"(g) Access over non-Federal land and use of non-Federal roads or trails on a temporary basis: The Chief may negotiate a temporary agreement for access over non-Federal land and for use of an existing non-Federal road or trail where there is immediate need for temporary access for limited purposes that can be economically met by such procedure, or where the foreseeable need does not justify the expenditures necessary to provide a permanent road or trail.

"(h) Use and control of interests in roads, trails and easements acquired by the United States: Interests in roads, trails and easements acquired by the United States shall be under the control of the United States, subject to approved reservations, limitations and other provisions set forth in the deed, permit or other indenture. This control by the United States may include restricting or conditioning the use of the interest owned by the United States in the road, trail or easement where necessary.

"§ 212.10 Permission to cross National Forest land and assignable rights-of-way owned by the United States

"(a) Permission to construct and use roads across National Forest land and assignable rights-of-way owned by the United States: If a reciprocal benefit is needed by the United States, permission to construct and use a road across National Forest land and across assignable rights-of-way owned by the United States and administered by the Forest Service will be conditioned, except as provided in this subsection, for any applicant who seeks a permit to construct and use a road across the same, upon the grant to the United States of a reciprocal benefit. Such benefit shall bear: (1) a reasonable relation to the management of the National Forests; and (2) a value substantially similar to the value of the permission to cross National Forest land or right-of-way applied for. In those instances where the values of the interests needed by the United States exceed those applied for by the applicant, the additional interests required by the United States will be acquired as provided in sections 212.9 (c) and (d). Where values needed by the applicant exceed those needed by the United States, the difference in values will be determined under principles set forth below and in sections 212.7(c) and 212.11. If a reciprocal benefit is not needed by the United States, or the applicant shows good cause why the reciprocal benefit needed by the United States cannot or should not be granted by him, or the applicant declines to grant the reciprocal benefit requested by the United States or if a bona fide emergency exists, permission to construct and use a road across lands owned by the United States may be conditioned for any applicant upon reasonable charges and all other terms and conditions required by the Chief to protect the interest of the United States. Permits for road construction and use will be nonexclusive and will be conditioned upon compliance with their terms and conditions and with the rules and regulations governing the protection and administration of the National Forests and those applicable to such roads.

"(b) Permits for commercial hauling on special service roads: Except for minor or occasional use, permits will be required for commercial hauling on "Special Service Roads" of non-Federal forest products, and other non-Federal products, commodities, and materials when the Chief determines that such owners or haulers should provide: (1) proportionate maintenance; (2) an equitable and reasonable needed reciprocal benefit to the United States; (3) a share of the cost of construction, reconstruction or improvement of such road or segment thereof; or (4) any combination of these. When such owners or haulers have not provided to the United States the needed re-

ciprocal benefit, or borne their share of the cost, permission to use a road will be conditioned for any applicant upon the terms and requirements and subject to the like conditions and changes as prescribed in sections 212.7(c), 212.10(a) and 212.11(d) for permission to construct or use such roads.

"(c) Easements and stipulations for roads crossing national forest land having the status of land reserved from the public domain: Applications for easements over national forest land having the status of land reserved from the public domain, and over roads thereon, with appropriate stipulations will be approved by the Chief for those applicants who have conveyed or provided permanent multiple-use easements over roads and lands owned or controlled, directly or indirectly, by them to the United States of America and its assigns and who have already constructed, or will, as scheduled by the agreements, construct their proportionate share of the road or road system concerned. Such applications for easements shall be approved by the Chief only when they are for nonexclusive easements which retain in the United States all rights in the road or road system except the rights of the applicant to use and maintain the road or road system in the administration, protection, and utilization of lands and the resources thereof owned or controlled by the applicant, and when the rights applied for are limited to the share of use commensurate with the applicant's contribution to, or performance of, a share of construction or other improvement as set forth in the cooperative agreement or cooperative understanding covering the road or road system. Applications for easements in appropriate form, together with required plats showing the national forest land having the status of land reserved from the public domain to be crossed, shall be forwarded to the Forest Service. When the Chief has determined that the applicant has satisfactorily constructed his determined share of the related road or road system, or is committed by appropriate agreement to deposit funds or construct his share of the road or road system, and has granted or provided the easements or other interest required by the United States under such agreement, the Chief after approval of the application, will attach thereto the stipulations agreed to by the applicant and the Chief covering the use of the easement applied for, and forward the same to the designated officer of the Department of the Interior for the purpose of obtaining the required easement under the authority of the Secretary of the Interior. When the easement is approved and returned by the officer of the Department of the Interior to the Forest Service for entry in its records, it will be entered and thereafter delivered to the applicant pursuant to agreement.

"§ 212.11 Principles for sharing use of roads

"The use of roads under arrangements for sharing costs or performance shall be in accordance with the following:

"(a) Road improvement: Use of a road for commercial hauling, except occasional or minor amounts, will be conditioned upon improvement or supplemental construction of the road to safely and economically serve the contemplated use, unless the Chief determines that the safety and economy of the established and foreseeable use by the United States, its users and cooperators will not be impaired by the use for which application is being made. With the consent of the Chief the applicant may deposit funds in the estimated amount required for the improvements or supplemental construction in lieu of performance. Such funds will be used by the Forest Service to do the planned work. The cost of the improvements or supplemental construction will be taken into account in determining any otherwise required contribution to cover the proportionate share of the cost of road acquisition, construction, reconstruction or improvement attributable to the use.

"(b) Corresponding benefits: Corresponding benefits which may be accepted by the Chief for sharing road use will be those which bear a reasonable relation to the management of the national forests. They may be in the form of: (1) deposit of funds with the Forest Service for use in paying the cost of road construction, reconstruction or improvement to be borne by the user; (2) the grant of a reciprocal right of substantially similar value to the road use sought; (3) construction over applicant's property of a new road needed for access to and use of national forest land and the conveyance to the United States of America and its assigns of the needed rights in such road; or (4) any combination of these.

"(c) Cost determinations for roads cooperatively constructed under agreements: When roads are constructed under cooperative agreements to meet mutual needs of the United States and others for access, determinations of the shares of costs to be borne by the United States and the cooperating parties will include consideration of: (1) the standard of road required for the planned hauling; (2) the share of planned use; (3) the location and volume of tributary timber owned by each party and expected to be hauled over the road or roads; (4) the tributary areas owned or controlled by each party; (5) expected use by the public; and (6) other appropriate considerations.

"(d) Cost recovery by the United States from others on special service roads: When roads designated as 'special service roads' are used under permit for commercial hauling instead of under cooperative agreement any cost to be recovered by the United States will be calculated in proportion to the planned use of the road. The road cost used in such calculation will be the amount or estimated amount expended in the acquisition, construction, reconstruction, and improvement of that capacity of the road required to serve the use needs of all parties that are or reasonably can be expected to use the road. Such road share cost payments will be through deposits in advance of use unless the user provides a payment bond satisfactory to the Chief guaranteeing that payments will be made promptly upon billing by the Forest Service.

"(e) Cost sharing with a cooperator: The costs to achieve the agreed upon road or road system may be met by: (1) use of appropriated funds; (2) construction, reconstruction, or improvement of roads or segments of roads by timber purchasers or other users; (3) use of deposits made by cooperator with the Forest Service to cover cooperator's agreed share; (4) agreement with cooperator pursuant to which cooperator does more than his agreed share of constructing, reconstructing, or improving a road and recovers costs incurred in excess of his agreed share by charging national forest timber purchasers and other commercial haulers using the road an equitable amount within the limits and to the total amount specified in the agreement; or (5) a combination of the aforementioned methods.

"(f) Road maintenance and resurfacing: Cooperators, and permittees using 'special service roads' will share the road maintenance and resurfacing costs under suitable agreements to perform, arrange for performance by others, or by making deposits with the Forest Service which will be used to pay the costs of work performed for efficient use and for the preservation and protection of such roads from all elements, and to prevent erosion to adjacent lands: *Provided*, That purchasers of national forest timber shall perform an agreed upon amount of maintenance work representing their proportionate share of necessary maintenance, or at their election in lieu of actual performance thereof, make payments to a specified maintainer of the agreed amounts for maintenance.

"(g) Interests to be acquired by the United States in roads or easements therefor: Where the United States is to bear or share the cost of constructing, improving, or acquiring a road system, a road, or a segment thereof, or acquires an easement therefor, the interest acquired will: (1) be for perpetual use unless the road use falls within the limited classes where temporary roads or roads for limited periods are acceptable; (2) provide adequately for foreseeable national forest management, protection, and utilization needs; and for the use and development of the resources upon which communities within or adjacent to the national forests are dependent; and (3) not be subject to conditions, reservations, or covenants unrelated to the road use, or which seek or might tend to direct or limit national forest management policies and procedures."

Regulation U-14 (36 CFR 251.5) is superseded insofar as it conflicts with the above. (26 Stat. 1103, 16 U.S.C. 471; 30 Stat. 35-36, 16 U.S.C. 478, 551; 30 Stat. 1233, 16 U.S.C. 525; 72 Stat. 885 as amended, 23 U.S.C. 101, 205; 38 Stat. 430, 16 U.S.C. 498; 25 Stat. 357, 40 U.S.C. 257; 46 Stat. 1421, 40 U.S.C. 258a et seq.; 64 Stat. 82, 16 U.S.C. 572; 74 Stat. 215, 16 U.S.C. 528-531; 42 Atty. Gen. Op. No. 7; Comp. Gen. B-65972, May 19, 1947; 40 Comp. Gen. 372; 41 Comp. Gen. 1; 41 Comp. Gen. 576, and Comp. Gen. B-150239, April 24, 1963, 42 Comp. Gen. —.)

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 10, 1963.

Mr. EDWARD P. CLIFF,
Chief, Forest Service,
Department of Agriculture.

DEAR MR. CLIFF: I have approved the proposed national forest access regulations which have been carefully considered in conjunction with the record of the hearings held on April 23 and 29, the analysis of the testimony, and a special report made to me by Dr. Selke after reviewing some selected road systems in the West.

In framing the regulations much weight has been given to the Attorney General's opinion of February 1, 1962, the several Comptroller General's decisions which bear on cost recovery and cooperation, and to the Multiple Use Act of June 12, 1960. This, of course, is proper.

It is evident in virtually every case that multiple use access to national forest lands is needed for the proper protection, administration, and utilization of the national forests or, where necessary, for the use and development of the resources upon which communities within or adjacent to the national forests are dependent. Only where there is immediate need for temporary access for limited purposes that can be economically met by such procedure, or where the foreseeable need of the United States does not justify the expenditure necessary to provide a permanent road or trail, will use of temporary agreements or rental arrangements be considered.

Much road construction in the national forests has been and will continue to be by national forest timber purchasers and, therefore, is presently limited to the prudent operator concept. Such roads will later require improvement to meet multiple-use needs for management of all the land resources and to better serve all the people who use the national forests now and in the years to come. Therefore, nonrestrictive permanent easements are initially necessary to meet the foreseeable use. This includes use of recreationists, hunters, and fishermen as well as haulers of timber and other products and meeting the attendant needs of other permittees such as stockmen, water users,

and miners. Since the long-time purpose of national forest roads is to accommodate mixed traffic or all anticipated kinds of traffic at various times, it is essential that the Government be in a position to regulate the traffic it plans to accommodate.

Whenever possible and feasible, the Forest Service should avoid duplicating existing roads and road systems as a land and timber-growing conservation policy by making a single road system serve all tributary ownerships.

Under these principles the guiding objective will be to work cooperatively with forest users, neighboring landowners, and other agencies of Government, including States, counties and local subdivisions for the mutual benefit of them and the Federal Government.

Some forest landowners have expressed concern over the possibility they may be unwilling to agree with decisions made by the Forest Service involving the value of private road rights and the rules of use under which the road will be operated. Within the framework of these regulations, local issues should be settled on local grounds so far as practicable. Where agreement cannot be arrived at in the field with reasonable dispatch, the chief's office should review the issues and propose a solution. Until an appropriate body of experience has been accumulated in conducting these negotiations, I stand ready to arrange for review at the departmental level of those individual case decisions which cannot be resolved between the Forest Service and the other party. This will be an informal, administrative review requested by a party willing to enter into a cooperative agreement but unwilling to agree to the value proposed by the Forest Service to be used in the agreement or the rules proposed for use of a road. It would not replace existing formal appeal procedures.

A person who feels aggrieved by an administrative action or decision of an officer of the Forest Service relating to the administration of these regulations is entitled to understanding consideration and prompt action on an appeal.

When negotiations to acquire access fail, the issues should be judicially settled by prompt use of condemnation.

The Forest Service has several obligations in administering these regulations. One is to protect the resources and productivity of the national forests. Another is to develop and extend the use of national forest land resources to the fullest extent consistent with sustained productivity. A third is to recognize the rights and privileges of the owners of the intermingled and related lands in private and other ownerships. Consistent with laws and regulations, the Forest Service will be expected to assist and cooperate with the private owners in development and use of access for their lands and property.

Reasonable application and interpretation of these access regulations are important steps in meeting these obligations. Unless a particular owner wants to negotiate on a different basis, road systems for which reciprocal benefits will be sought should be limited to roads within or adjacent to one national forest. Where charges for recovery of road costs are to be made, rates of collections should be reasonable for the circumstances and fair in comparison with amounts generally being charged by other road owners under similar circumstances for road use in the area. It is important to recognize the vital interest which other users of a road have in the way the road is maintained and in the way traffic is kept moving. Obligations assumed by the Forest Service under these regulations for road maintenance or for traffic control and movement must conscientiously be met.

As part of normal handling of public and private business, I expect the Forest Service to reach prompt decisions as to action to be taken on applications to use roads or occupy national forest lands under these regulations.

Problems involving use of these roads by the public must be met in a realistic manner. Roads having a legal status permitting it, are to be available for use by the public unless you or an official to whom you delegate this responsibility determine that use by the public must be restricted for public safety, or to comply with the terms of the easement under which the United States may use the road.

Administering these regulations will require special attention to careful selection and development of skilled personnel to effectively meet the varied technical requirements involved in working out agreements and in managing roads with equally effective attention to human relations.

It is recognized that more detailed instructions under these regulations will be necessary to provide guidance to field officers and to users of the national forests. These will have to be updated and improved as experience and further knowledge is gained in developing and managing the forest development road system. However, the regulations as now approved should go a long way in providing the framework for effective, efficient, and safe management and use of the national forest development road system. I want you to seek the suggestions of affected users when major changes in policy or procedures are indicated.

The rapidly increasing use of the national forests has placed increased demands on the road systems by recreationists, hunters, fishermen, commercial haulers, and other users. These regulations will be of significant benefit in helping in an orderly way to meet these increasing needs. They are approved with full confidence that their use will assure for future Americans continuing optimum benefits from the resources of the national forests.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

LUMBER IMPORTS FROM RUSSIA

Mr. MORSE. Mr. President, on May 23 the junior Senator from Idaho [Mr. JORDAN] discussed lumber problems and included in his statement a letter from Mr. R. E. Broderick on the subject of possible lumber imports from the U.S.S.R.

On May 24 I made an inquiry of the Honorable Christian A. Herter, the President's Special Representative for Trade Negotiations, on this subject.

I ask unanimous consent that my letter of May 24 and Mr. Herter's reply, dated May 31, be printed in the RECORD.

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

MAY 24, 1963.

Hon. CHRISTIAN A. HERTER,
Special Representative for Trade Negotiations, Office of the Special Representative for Trade Negotiations, Washington, D.C.

DEAR MR. HERTER: On page 9295 through 9297 of the CONGRESSIONAL RECORD for May 23, Senator JORDAN of Idaho discussed certain lumber problems. Included in his discussion was a letter from Mr. R. E. Broderick in which he made two points. First, he asserted he has seen sample shipments of lumber from the U.S.S.R. and, second, that the Russians may decide to export their lumber to this country.

I would appreciate your advice on these points: (1) Whether or not lumber from Russia has entered the United States and if so, the quantities; (2) whether marking the country of origin on lumber which might be imported from Russia is required by Federal law, and (3) whether, under our current trade policy, lumber may be imported from Russia.

Your early advice on these matters would be deeply appreciated.

With kindest regards,

Sincerely,

WAYNE MORSE.

THE WHITE HOUSE,
Washington, D.C., May 31, 1963.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: This letter is merely to confirm the information that Addison Parris of our office conveyed to your assistant May 29 by telephone. The answers to the questions you raised in your letter of May 24 are as follows:

1. There were no imports of lumber from the U.S.S.R. in calendar years 1960, 1961, and 1962. There is no information available at present on lumber imports so far in 1963 by country of origin.

2. By law, marks of origin are not required on lumber or logs from any country, including the U.S.S.R.

3. Under our current trade policy lumber may be imported from Russia. It is my understanding that raw logs enter the United States mostly duty free. Sawed logs, however, are almost all dutiable. On dutiable items generally the U.S.S.R. and other Soviet bloc countries, except Poland, have a higher rate of duty imposed on their exports to the United States than other countries. This applies to dutiable lumber products as well as to many other items. As you know, the U.S.S.R. and other Soviet bloc countries have been denied most-favored-nation treatment by the United States since 1951.

Most sincerely yours,

CHRISTIAN A. HERTER,
Special Representative for Trade Negotiations.

AUTHORITY OF THE FEDERAL POWER COMMISSION TO LICENSE

Mr. MORSE. Mr. President, I wish to discuss very briefly the authority of the Federal Power Commission to license.

Recent developments in an important proceeding before the Federal Power Commission cause me concern that the Commission may feel inhibited from doing what it is supposed to do under the Federal Power Act—provide for comprehensive development of the Nation's waterways and, at the same time, give qualified public bodies preference to carry out such development.

Pending before the Commission is a controversy involving the middle Snake River, a river reach that offers the last remaining huge potential for low-cost hydroelectric power in the Pacific Northwest. Competing for a license before the Commission are, first, the Washington Public Power Supply System, a municipal corporation of the State of Washington, comprised of 16 public utility districts of that State and supported in this undertaking by some 30 additional nonprofit utilities of the Pacific Northwest, and, second, the Pacific Northwest Power Co., a private utility subsidiary of the four major utility companies in the region. The Supply System has applied for a license for the Nez Perce project which would fully develop the entire undeveloped stretch of the middle Snake, harnessing both the Snake and the Salmon Rivers, and has alternatively applied for a license to build the High

Mountain Sheep project a lesser project which would develop solely the waters of the Snake but which would have a lesser impact on the anadromous fish runs using the Salmon River for spawning. Pacific Northwest Power Co. has applied for a license solely for the High Mountain Sheep project. These competing applications have been pending for over 3 years; they have been subjected to an exhaustive hearing lasting close to a year, and have now been submitted to the Commission for its technical determination as to which project qualifies for licensing under the standards of the Federal Power Act, and which applicant shall be licensed to build it.

What concerns me is not the choice of the project so much as the impact of collateral events in the courts upon the Commission's choice of a licensee. The choice of the project is entirely within the technical competence of the Commission, and it will make this choice in due course. But, during the final stages of this controversy, a legal concept has arisen that could interfere with the proper choice of a licensee and, hence, with the proper administration of the Federal Power Act.

A Federal district court in Oregon has issued a declaratory judgment, stating in effect, that the public body involved in the Commission proceeding—the Washington Public Power Supply System—is not authorized under its Washington State enabling legislation—RCW 43.52.260; RCW 43.52.300(1), (2), (3), (4), (5), and (9); RCW 43.52.391—to go outside the State to build either of the projects proposed. (*Washington Public Power Supply System* v. *Pacific Northwest Power Company*, Civil No. 62-110 (District Court, District of Oregon, Mar. 18, 1963)). But the Federal Power Act has a very special statutory scheme of its own. Its framers did not intend the Commission to be bound by court proceedings to which it was not a party and which are outside the specific administrative and appellate procedures established by the act. Thus, I fear if misinterpreted by the Commission, this declaratory judgment could have the effect I have mentioned of inhibiting the Commission from doing what this Congress meant it to do: Provide for comprehensive development and for its achievement preferably through public bodies.

So that there may be no doubt on the part of the Commission as to what position the senior Senator from Oregon takes in regard to this subject matter, I say most respectfully that, in the opinion of the senior Senator from Oregon, the decision of the District Court of Oregon has no bearing whatsoever, no relevancy whatsoever, upon the obligation of the Federal Power Commission to carry out its obligations under the act passed by the Congress.

It is not my purpose here to say that the Oregon Federal district court is wrong in its view of Washington law, although I have read the Washington statute and it seems completely logical to conclude that this statute permits construction by the Supply System outside of Washington, in Oregon and Idaho, where either project would be located—indeed, even in Canada if the occasion arose. The language and intent of the statute are manifest on its face; the Oregon court was far too restrictive in its view of what the Washington Legislature intended by this enactment. But the point is that the Federal Power Commission must not allow this pronouncement by the Federal district court to interfere with the powers that the Congress has given to it as an independent instrumentality of the Congress, for over those powers the court has no jurisdiction.

Under sections 4(e), 7(a), and 10(a) of the Federal Power Act—title 16, United States Code, sections 797(e), 800(a), and 803(a)—Congress has given the Commission plenary authority to select the project and the licensee who would implement the policies of the act. And no Federal court could stop the Commission from exercising that congressional mandate.

Congress has made clear, and the courts have confirmed, the Commission's independent jurisdiction to determine the qualifications of license applicants to carry out the purposes of the act. To be sure, section 9(b)—title 16, United States Code, section 802(b)—of the act requires that applicants file with the Commission such information as the Commission requires to show compliance with State laws. But beginning with *First Iowa Hydroelectric* v. *FPC* (328 U.S. 1152 (1946)); and, most compelling, in *City of Tacoma* v. *Taxpayers of Tacoma*, (357 U.S. 320 (1958)), the courts and the Commission have asserted; first, that the Commission can independently determine whether an applicant is adequately qualified under local law, and, second, that neither the Commission's choice of a project nor of an applicant can be defeated by bars imposed by State law.

That is why the senior Senator from Oregon seeks in this speech tonight to make perfectly clear to the Federal Power Commission that no Federal court decision, such as the one I have referred to, can possibly impinge upon the power of the Federal Power Commission acting under this congressional act.

But the possibility that the Oregon decision might be misinterpreted to allow the upsetting of one of the other of these principles in the present controversy gives me much concern.

If we examine the statutory scheme of the Federal Power Act, the conclusion is inescapable that the Commission has full, independent jurisdiction to determine whether a public body meets the very limited qualifications established by the act for preference applicants. Sections 3(7) and 7(a) make it clear that the sole qualifications under State law that the Commission need consider is whether the public body is a municipality and whether, as such, it is empowered to generate and distribute electric power. If it qualifies in these respects, it is entitled to preference as a licensee under the Federal Power Act, and no artificial bars that the States may put down—whether explicit or implicit—can interfere with the Commission's grant of a license.

But the applicant competing with the Washington Public Power Supply System has taken the decision of the Oregon court and has gone to the Commission and said in effect, "You cannot license the supply system at all because, although it is a municipality and generally authorized to generate and distribute electric power, it is not expressly authorized to build outside of Washington and this should be dispositive of its application." This argument means that the Commission should be bound by a holding in litigation to which it was not a party, should be bound to forgo the licensing of a public body in defiance of the policies of the Federal Power Act, and should be forced to turn its back on the consistent line of cases which recognize the Commission's constitutional right to provide for waterway development without interference from the States.

I am convinced that the Commission, if it wishes to be conservative in the use of its powers, can at the very least assert its independent jurisdiction to look at the Washington statute and make up its own mind as to whether the Legislature of Washington intended as narrow and restrictive a view of the supply system's powers as that adopted by the Oregon court.

This is the independent power and jurisdiction of the Federal Power Commission, granted to it by the Congress of the United States in the Federal Power Act.

That is one of the crucial elements involved in this situation: The Commission's recognition of its coordinate jurisdiction with the courts where the courts have acted without the Commission being a party to the litigation and in proceedings outside those provided by Congress as the exclusive means of settling legal issues arising under the Federal Power Act. For the Commission not to recognize this coordinate jurisdiction would be to harness itself to the limitations that local courts anywhere might impose upon its powers to implement the statutory scheme entrusted to it. In any event, if the Commission should determine on its own that the supply system has not been granted extraterritorial authority under Washington State law, it should and must apply the principle of supersedure that the U.S. Supreme Court has so wisely brought into play to insure that the will of Congress will not be defeated. I have examined the authorities available on the question and find it inconceivable that there should be the slightest doubt of the right of Congress—and hence the Commission—to supersede State bars in picking either its agent or the project necessary to accomplish full water resources development.

Apparently a good deal of semantics has been invoked in an attempt to take the present case out of the rule laid down in First Iowa case, supra, and City of Tacoma against Taxpayers of Tacoma, supra. Those cases, which I had assumed to be settled law and dispositive of attempts of the States to inhibit the Commission's delegation of Federal rights to construct dams on navigable

waterways, make it clear that no prohibitions by the States can impede the licensing of the project or the applicant found eligible and qualified by the Commission under the Federal Power Act. Now, however, it is argued that the Commission is faced not with a bar or prohibition imposed by the States—such as was struck down in First Iowa and Tacoma—but rather with a lack of capacity or lack of corporate authority on the part of an applicant under its local enabling legislation. If we assume that this argument correctly interprets Washington law—this point is open to debate—but if we make this assumption, anyway, then the cases already decided and binding on the Commission make it quite clear that this very distinction has been repeatedly urged upon the Commission and the courts in the past and has been just as repeatedly rejected. I perceived the insidious nature of this artificial distinction when it was first asserted in this case and felt that it involved an attempt to lure the Commission away from settled law. To be entirely assured, I then examined the proceedings before the Commission and before the courts in the Tacoma litigation and found that every one of the distinctions now being argued to the Commission in the present case was submitted to the Commission and the courts in that case and rejected.

Therefore, on the floor of the Senate tonight, I say to the Federal Power Commission, "Read the Tacoma case over and over again if you entertain the slightest doubt of your independent authority to select the vehicle that shall be used by you as the entity to carry out the objective of Congress, namely, the maximum development of the river resource of this country.

The city of Tacoma, faced with a State fish sanctuary law, was disabled—or so the State argued—from building its proposed Cowlitz project because, as a municipal corporation, it is a mere creature of the State, disabled from acting in defiance of State laws; and the FPC cannot, by granting a license to a municipality to build a dam, enlarge the powers of that corporation or remove its disability to act in opposition to the will of the State. The Commission rejected that argument, found specifically that Tacoma was a municipality—or preference body under the act—and issued it its Cowlitz project license. Again, on appeal to the Ninth Circuit, the State attempted to have the license set aside by arguing that the Commission could not license Tacoma to proceed in violation of the laws of the State of Washington. But the court of appeals held otherwise and confirmed the binding affect of earlier decisions by ruling that "consistent with first Iowa, supra, we conclude that the State laws cannot prevent the FPC from issuing the license or bar the licensee from acting under the license to build a dam on a navigable stream since the stream is under the domination of the United States" (*State of Washington Department of Game* v. *FPC*, 207 F(2d) 391, and 396 (1953)).

Undoubtedly the decision of the district Federal court in Oregon will go through the various appeal procedures. However, the point I wish to stress is that the Federal Power Commission has the independent authority and jurisdiction to select its licensees to carry out the mandate entrusted to it by Congress in the Federal Power Act, irrespective of the decision of the Federal district court in regard to a matter which is irrelevant to the issue before the Federal Power Commission, and a decision which in effect says that the particular applicant in that case did not have the authority to do what it would do under the law of the State of Washington.

It is a legal entity, and the Federal Power Commission, if it decides that this entity is competent and capable to carry out the purposes of a licensee under the Federal Power Act, has the independent authority to grant the license, the argument of the private utilities to the contrary notwithstanding. The senior Senator from Oregon rests his legal position on the Tacoma case and on the decision I have just cited, that of *State of Washington Department of Game* v. *Federal Power Commission* (207 F(2d) 391).

Not satisfied with the repeated and consistent assertions of this principle, the State carried parallel litigation against Tacoma's Cowlitz project from the Washington State Supreme Court to the U.S. Supreme Court.

The highest court of Washington had held that another bar against Tacoma's construction of its project—this time, a bar against condemnation of a State hatchery—precluded the city from proceeding with construction under its Federal license. The holding of the Washington State Supreme Court could not be closer to that now being argued to the Commission in the present attempt to oust the supply system. The State court held, at 307 P2d 567, 577:

> The subject matter—the inherent ability of the city to condemn lands dedicated to public use—does not present a question of State statutory prohibitions; it presents a question of lack of State statutory power in the city. It does not present a Federal question; it presents a question peculiarly within the jurisdiction of the State of Washington. The Federal Government may not confer corporate capacity upon local units of government beyond the capacity given them by their creator, and the Federal Power Act, as we read it, does not purport to do so. If it be held that the Federal Government may endow a State-created municipality with power greater than those given it by its creator, the State legislature, a momentous and novel theory of constitutional government has been evolved that will eventually relegate a sovereign State to a position of impotence never contemplated by the framers of our Constitutions, State and Federal.

Mr. President, I quote the language of the Washington court in order to make it clear beyond any doubt that the question now before the Commission was posed by the holding of the Washington Supreme Court in Tacoma. Rather than bow to these alleged threats of Federal inroads into State powers, the U.S. Supreme Court recognized that something far different was involved; namely, Federal control of navigable waterways, and wholly rejected the position adopted by the Washington State Supreme Court. It did so by quoting, with approval, the language of the ninth circuit which I have already cited.

Let us not forget that the issue involved is the issue of Federal control over navigable streams. Let us not forget, and let the Federal Power Commission not forget, that under the Federal Power Act the Federal Power Commission was directed by Congress to exercise independent jurisdiction in carrying out the purposes of Congress in respect to the use of navigable streams. That is what the U.S. Supreme Court sustained in the case I now discuss, citing the decision of the Ninth Circuit Court of Appeals in the Tacoma case.

So I say again to the Federal Power Commission: The decision of the Federal district court in Oregon is completely irrelevant to the issue that is before the Federal Power Commission in the determination of what legal entity shall be selected as a licensee to carry out the intent of Congress in respect to the maximum development of the navigable streams of this country in accordance with the objectives of the Federal Power Act.

In passing, I should note that the Commission itself filed a brief before the U.S. Supreme Court in which it took the position—in forceful and sweeping terms, that its jurisdiction to pick and choose the recipients of Federal licenses to construct dams on waterways reserved to Federal control was plenary and totally independent of any powers that the States might confer—or attempt to withhold. The Commission would be well served to follow in the present case the position it asserted in Tacoma—a position which, incidentally, was subsequently clearly upheld by the U.S. Supreme Court. But it may be said, "Senator, in view of that precedent and that decision, why are you concerned?" I will say why I am concerned. We are not talking about the same Federal Power Commission. It is as simple as that. But we are talking about the same law. We are talking about the same mandate of Congress. We are talking about the same inherent power of the Federal Government over navigable streams. I would have the present Federal Power Commission never forget those legal realities.

Finally, I think the significance of what is occurring before the Federal Power Commission in this case involving the Middle Snake should be evaluated so that the importance of independent action on the part of the Commission—consistent with the settled law—can be clearly seen by Congress. The Commission has before it the question whether it will license a vast project—larger in size and capacity than any now existent in this country. It must decide this question in the public interest. Beyond the question of maximum development, beyond the question of the economic future of the Pacific Northwest, both of which will be inextricably involved in what the Commission does, are policies lying at the heart of our national water resources policy.

In recent years, a tragic blunder was committed by Congress. Some who were the participants of the blunder at

the time already recognize it. They gave little heed to the warning of those of us who said, "Do not scuttle the greatest remaining hydroelectric damsite in the Nation—Hells Canyon."

The Senate passed the Hells Canyon bill. The bill was scuttled in the House. The loss to the United States is almost impossible of calculation in terms of the longtime loss that we suffer, because in place of the high Hells Canyon dam there was subsequently authorized the building of three puny dams by Idaho Power Co.

What happened? There was a surrender of a great multiple-purpose damsite to scuttling by a private utility. The time will come, and in the not too distant future—for 35 to 40 years is not long in the history of the Nation—when those dams will have to be torn down and Hells Canyon dam built. Serious proposals are already being made that we should not wait 35 years; that we should act much sooner; that the country take the loss that was suffered or created by this shocking mistake; and that we get on with the job of developing to the maximum extent possible the hydroelectric potential of this country.

The same problem is involved in this case. I am discussing it tonight for the record because I well know that what I say on this subject will be a matter of discussion in many important places in this country among utility groups, public power groups, and industries that need increased quantities of low-cost power if we are to expand the economy; and also there will be a discussion of it in certain Government offices. I would have the record show tonight that we cannot afford another major mistake in regard to hydroelectric power development. For the time being, the potential of Hells Canyon Dam has gone. But we are talking now about the remaining greatest hydroelectric power area in the country. There must not be another surrender to the private utilities, for here we must proceed with a program of hydroelectric power development that will afford the maximum use of the area. It can be done and must be done without irreparable injury to fisheries and the fishing industry; although one of the ironies and paradoxes of the great Hells Canyon Dam blunder was that after Hells Canyon Dam had been scuttled and the program of the Idaho Power Co. was approved, some conservation groups became very much alarmed, fearing that the Idaho Power Co. dams might do great damage to the salmon industry.

That was denied. Assurances were given that they would be able to build the dams, the fishways, and the fish ladders in a way which would not harm the fisheries industry. But the expert advice was to the contrary. Of course, Mr. President, the construction of Hells Canyon Dam would not have involved a single fish. But the three puny low-head dams, which ultimately were awarded to the Idaho Power Co., were in a stretch of the river that did affect fish. The Idaho Power Co. entered into commitments, in the form of assurances that it would follow an engineering course of action which would protect the fish. But, Mr. President, lo and behold, recently there has been conducted in Portland, Oreg., a hearing on what amounts to a request by the Idaho Power Co. to be relieved from its commitments to protect the fish, because the policy it has followed has killed millions of fish, and now the Idaho Power Co. has the audacity to seek to be entirely relieved of that responsibility and obligation. There is no limit to the selfishness and greed of the private utilities of the country when their selfish interests come into conflict with the public interest; and in the future, when the findings of these fish hearings are issued, I shall be speaking in the Senate on this particular subject. Tonight, I utter these words of caveat because I want the Federal officials concerned to know that we have our eyes on them; and I will not remain silent if they follow a course of action which does a wrong to the public interest in connection with this issue—just as I want the Federal Power Commission to know we have our eyes on them in regard to the course of action they follow in connection with the problems of the Middle Snake which I am discussing tonight.

Mr. AIKEN rose.

Mr. MORSE. Mr. President, I yield to my friend, the Senator from Vermont.

Mr. AIKEN. Mr. President, I have been listening to the frequent references by the Senator from Oregon to the Idaho Power Co. I am afraid some persons may get the idea that that company was organized by the people of Idaho.

Mr. MORSE. Oh, no; it is a private company.

Mr. AIKEN. That is true. Is it not a fact that the majority of the stock of the Idaho Power Co. is held by Boston and New York investment companies?

Mr. MORSE. Yes. It is an eastern financial mart utility.

Mr. AIKEN. And it is controlled by the same people who for a generation have been trying to get complete control of the water resources of New England.

Mr. MORSE. The Senator from Vermont is correct. The problems I am discussing in regard to the Pacific Northwest concern the attempted control by eastern private-utility forces—the group that has been trying to do the same thing in the Senator's part of the country.

Mr. AIKEN. I may advise the Senator from Oregon that they have added a new project, insofar as New England is concerned; not only do they want to control the water resources, but they also want to control the related land resources—which means every acre in my State and in the other northern New England States.

Mr. MORSE. I have never discovered the limits of their appetite for avarice. It is simply shocking.

Mr. AIKEN. Mr. President, I am enjoying the speech being made tonight by the Senator from Oregon. Sometime in the not too distant future I intend to elaborate considerably on what is occurring in the northeastern part of the country.

Mr. MORSE. I want the Senator from Vermont to be sure that I am notified in time to be present when he makes his speech, because I wish to hear all of it.

Mr. President, by way of sincere tribute, I wish to say that I am greatly honored to have the Senator from Vermont [Mr. AIKEN] listen to this discussion of utility and power problems. I have served for many years with him in the Senate. He has been one of the great crusaders in this body for the protection of the public interest in the entire field of power development. The Senator from Vermont has been among those who could always be counted upon to take the position that the private utilities should be treated fairly and with justice, but that we should see to it that they were checked whenever they sought to lay claim to advantages to which they were not entitled. I have always appreciated the great support the Senator from Vermont gave me during the historic fight on Hells Canyon Dam. On a great many occasions the Senator from Vermont has insisted on the proposition that although we will do what we can to help them in their objectives to build low-head dams, we will oppose any effort by them to scuttle the construction of multiple-purpose dams, with the result that areas along the rivers cannot be used to serve their best purposes.

In making this speech tonight, my purpose is to guarantee to the American people that the navigable streams of the Nation which fall under the jurisdiction of the Federal Government will be developed in such ways that their maximum potential will be made available to the people of the Nation. However, the sad fact is that too frequently the private utilities have sought to prevent the attainment of that objective. I am making this speech tonight because I want the Federal Power Commission to know that I think it would be tragic if that principle and purpose of the Federal Power Act were not carried out by the present Federal Power Commission, as they were carried out by the Federal Power Commission which was in office when the great Tacoma case was decided and when the principle I am discussing was sustained by the U.S. Supreme Court, as I have set forth in the course of this speech.

Mr. President, the Congress has acted to foster development of our navigable waterways, preferably by public bodies. Section 7(a) of the Federal Power Act is an unmistakable mandate to that effect. This is a very meaningful legislative policy. It means the utilization of a national resource, navigable waterways, so that the resulting hydroelectric benefits will be available at the lowest possible cost to the Nation's consumers of electric power.

That is what the public-body preference in the Federal Power Act means—preference in favor of low-cost, low-interest-rate-financed projects so that the consumers may be fully benefited.

I shall always be proud of the fact that a great Senator from Oregon, Senator Charles McNary, was one of the leaders in the historic battle that finally resulted in the enactment of the Federal Power Act.

This congressionally established preference is not to be defeated by artifice

or confusion. It is not to be defeated by a lack of understanding of the Commission's full independent jurisdiction to insure its effectuation. That is what is involved in the pending proceeding before the Federal Power Commission.

I have followed this proceeding with interest from its outset. There have been many efforts to obscure the relatively simple but basic matters of Federal policy which are involved. However complicated and technical the determination of the Commission may be, however complex the litigation before it may have become, the essentials of what Congress has entrusted to the Commission must not be obscured when the Commission makes up its mind. It would be a disservice to the Congress, to the people of the Pacific Northwest and to the Nation if the Commission were to be led mistakenly into abandoning the congressional insistence upon the public-body preference. Such an aberration, of monumental damage to the Pacific Northwest in this case, would become an ingrained burden on our national power policy if it flowed from a misconception of the Commission's independent, unfettered legal authority to act consistently with its own and judicial precedents in evaluating the applicants and the projects now before it for licensing. The Pacific Northwest and the resources of the country simply cannot afford the luxury of agency error with so much at stake.

I am not urging that a case sub judice before the courts has been wrongly decided. What I am urging is that an instrumentality of the Congress do what the Congress intended it should do: assert its own jurisdiction and powers and grant a license to the public body applicant before it—Washington public power supply system—so that the essential policies of the Federal Power Act may be fully and properly implemented and the legal precedents so carefully enunciated by our highest court sustained.

A great deal is at stake in this case. The economic expansion of the Pacific Northwest is involved, and the economic expansion of the Pacific Northwest is of value to every other section of the country, as economic expansion of the Northeast is of vital importance to the Northwest. Thus I could mention every section of the country. We cannot afford to waste a single potential kilowatt-hour of electric power.

I close by saying that Russia would not make such a mistake. Russia is not making such a mistake. Russia recognizes that the maximum development of her hydroelectric power is vital to her security. Thus a few months ago we had a report from a group of our distinguished colleagues that traveled through Russia and inspected those hydroelectric power developments that Communist Russia would let them see. Read their report. They came back and reported to us that Russia is proceeding with a hydroelectric power development far in excess of plans for future hydroelectric power development in this country.

Therefore, as a representative of one of the great States and one of the great areas of our country where there is so much hydroelectric power that can be developed, I have raised my voice tonight urging that the Federal Power Commission recognize the economic potential that is involved in the problem that it has been called upon to decide—the selection of a licensee, authorizing it to carry out the mandate of the Congress under the Federal Power Act consonant with independent jurisdiction that the Federal Power Commission has granted to it by the Federal Power Act over the navigable streams of our country that belong, not to any State, not to any private utility, but to all the population of our country, east to west, north to south.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MORSE. Mr. President, if there is no further business to come before the Senate, I move, pursuant to the order previously entered, that the Senate adjourn until 10 a.m. tomorrow.

The motion was agreed to; and (at 9 o'clock and 16 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Wednesday, June 26, 1963, at 10 o'clock a.m.

EXTENSIONS OF REMARKS

The 200th Anniversary of Warwick, Mass.

EXTENSION OF REMARKS

OF

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1963

Mr. CONTE. Mr. Speaker, it is my pleasure today to call the attention of my colleagues to a birthday of considerable significance that is being celebrated this year, 1963—the 200th anniversary of the founding of the town of Warwick, Mass. The celebration of the anniversary of any birthday is a noteworthy event, yet the anniversary of the incorporation of this outstanding Massachusetts community commands special consideration for Warwick's record of civic achievement extends back into history to pre-Revolutionary days.

The original territory of Warwick consisted of a tract of land granted in 1735 to the descendants of 39 soldiers who took part in the Canadian expedition of 1690. The men were under the command of Capt. Andrew Gardner. All of them except Samuel Newell perished on the expedition. The grant was known as Roxbury Canada and Gardner's Canada until the incorporation of the tract as the town of Warwick.

The first meeting of the proprietors was held at the house of James Jarvis in Roxbury on September 22, 1736. A committee was chosen to lay out the house lots, each lot to contain not less than 50 nor more than 60 acres.

Although the lots were laid out as early as 1737, they remained unsettled until shortly before 1744. The exact date of the first settlement is not known because the proprietors' records were lost for several years. Among the first settlers were Joseph Goodell, Samuel Bennett, Deacon James Ball, Amos Marsh, Solomon Eager, Thomas Rich, Moses Leonard, Col. Samuel Williams, Deacon Silas Towne, Col. Joseph Mayo, Caleb Mayo, Capt. John Goldsbury, Mark Moore, and Jonathan Moore.

It can be assumed that the settlement did not proceed rapidly because in 1749 the proprietors offered a bounty of £20 to each settler, £10 to be paid in advance, £5 after 1 year, and £5 at the end of the second year. In 1751 the bounty was increase to £30. This action resulted in an increase in the number of inhabitants, and in 1753 the proprietors raised £50 to build a sawmill, chose a committee to build a meeting house, and named another committee to lay out and clear a road to Pequeage.

The sawmill committee contracted with Ebenezer Locke to erect the structure but was dissuaded from the undertaking by reports of Indian depredations. A second attempt to build the mill was successful and it was put in operation in 1759. In the same year £26 13s. 4d. was appropriated to build a gristmill. It was located on Black Brook, and was completed in 1761.

On July 6, 1757, the proprietors appropriated £8 "to fortify Mr. Samuel Scott's house, by making a good, picketed fort, encompassing the same 4 rods square, for the safety of the inhabitants." This fort was the only one ever built in Warwick.

On December 3, 1760, the First Congregational Church was organized with 26 members. On the same day, the Reverend Lemuel Hedge, a graduate of Harvard in 1759, was ordained as the first pastor. Suspected of Tory sympathies during the Revolution, he was persecuted relentlessly and died in 1777. His successor, the Reverend Samuel Reed, settled in 1779 and served as pastor until his death in 1812. After Mr. Reed's death the church became Unitarian and the Reverend Preserved Smith was pastor from 1814 until 1844. The Second Congregational Church was organized in 1829 with 30 members. The Baptist Church was set off from Royalston and organized as a separate church in 1843.

On December 27, 1762, the proprietors of the tract joined with the inhabitants in petitioning the General Court to desig-

nate the plantation as a town, and on February 17, 1763, the town was incorporated. The name of the town has been ascribed to a desire to honor Warwick, England, or Guy, Earl of Warwick, but there is no record to establish definitely the origin of the name. The first town meeting was held on May 9, 1763, with Seth Field as moderator.

When the tract was granted to the original owners in 1735, 1 of the 63 equal shares of land was ordered set apart for schools. The first move made by the town toward the support of education was in 1768, when £10 was appropriated for that purpose. It was decided to have a moving school, with a master in the winter and a mistress in the summer. The first teacher seems to have been Mrs. Hannah Rawson, who was employed to teach the summer school at 4s. 6d. per week.

Warwick took an active part in our revolutionary struggle. In September 1774 the town meeting voted to procure for the town a stock of powder and lead, and "to adhere strictly to our chartered rights and privileges and to defend them to the utmost of our capacity, and that we will be in readiness to afford relief forthwith should our brethren in Boston or elsewhere be distressed by troops sent to enforce a compliance with the unconstitutional and oppressive acts of the British Parliament."

In the autumn of the same year, 25 Warwick men joined a company of Minutemen organized at Northfield under the command of Capt. Eldad Wright. They marched to Cambridge with the company soon after the clash at Lexington and Concord.

The majority of the people of Warwick were opposed to the War of 1812, but the town sent a number of volunteers into the armed service. Warwick furnished 79 soldiers in the Civil War, 26 of whom died in the service.

Warwick is largely an agricultural area. However it has had various industrial enterprises at different times throughout its history. Among those industries were sawmills, shops for the processing of wooden articles, a boot factory, and a short-lived glass plant.

This year Warwick pauses to review its past with pride. Patriotic devotion to American ideals is not measured by size alone. In the two centuries that have passed, Warwick has exemplified much that is best in our American heritage.

Law Observance

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Tuesday, June 25, 1963

Mr. KEFAUVER. Mr. President, the distinguished chairman of the Judiciary Committee of the House of Representatives, the Honorable EMANUEL CELLER, delivered a very excellent brief address at Exhibition Hall, Rockefeller Center, during the ceremonies attendant upon "Law Observance" by the Federal Bar Association. I ask unanimous consent that his very excellent and inspirational speech be printed in the RECORD.

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

LAW OBSERVANCE

(By Hon. EMANUEL CELLER, of New York)

The history of civilizations is the history of law. The obverse is equally true. What is law, after all, but sensitivity to the rights of others—civil rights, civil liberties, personal and property rights. Where there is a wrong, there must be a remedy, and it is this search for the remedy that distinguishes civilized man from man who embraces the law of the jungle.

The Ten Commandments, the Golden Rule, the Magna Carta, the Bill of Rights in our Constitution are fundamental laws that propelled man forward.

Robert Frost said, "Good fences make good neighbors." The law is the fence that defines the rights and privileges and immunities of each of us so that we can live securely in understanding of our own rights as well as those of our neighbors. Every infraction of the law injures the fabric of society, which means it injures you as an integral part of that fabric.

To many, the concept of anarchy is attractive. Unfortunately, the facts of life belie that concept every day, if not every hour. Man has not reached that degree of perfectability. For the anarchist himself this may be an ideal state but what if his next door neighbor turns anarchist on him?

Law is the resolution of conflicting interests. Where there is a lawlessness, there is chaos, confusion, lack of definition, and more often than not, the letting of blood—indeed war.

Thus, as civilized people, we pursue the ideal, some day to realize a world of law and order where adjusting claims are achieved through the due process of law and not by way of the dust of an exploded atom bomb.

The law would be useless unless observed—as useless as whispering into the ear of a corpse. It would only be a pious declaration.

We are a government of law—not of men. All men, high or low, must respect and observe the law. No Governor like a Wallace can be above the law. As Lord Coke informed King James, there is a law above the King.

"Equal justice under the law" is the ringing slogan on the facade of the U.S. Supreme Court Building. The law must be color blind. Black and white alike must observe it. All are equal under the law.

House Resolution 14: Special Committee on Captive Nations

EXTENSION OF REMARKS

OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1963

Mr. FLOOD. Mr. Speaker, on March 8, 1961, I introduced a measure calling for the establishment of a Special Committee on Captive Nations in the House of Representatives. During the 87th Congress it was known as House Resolution 211, and earlier this year I reintroduced it and in the present 88th Congress it is known as House Resolution 14.

Mr. Speaker, there are not sufficient words to express my profound gratitude and personal delight to the more than 20 Members of the House who joined with me in that most stimulating and very enlightening discussion which took place on the subject of the captive nations—CONGRESSIONAL RECORD, volume 107, part 3, pages 3518–3544, "Russian Colonialism and the Necessity of a Special Captive Nations Committee."

The popular response to House Resolution 211, now House Resolution 14, has been so enthusiastic and impressive that I feel dutybound to disclose the thoughts and feelings of many Americans who have taken the time to write me on this subject. These citizens are cognizant of the basic reasons underlying the necessity of the proposed committee. They understand clearly the vital contribution that such a committee could make to our national security interests. In many cases, they know that no public or private body is in existence today which is devoted to the task of studying continuously, systematically, and objectively all of the captive nations, those in Eastern Europe and Asia, including the numerous captive nations in the Soviet Union itself.

Because their thoughts and sentiments are expensive and valuable, I include the following responses of our citizens to House Resolution 14 in the RECORD:

SPRINGFIELD, ILL., *June 14, 1963*

Hon. HOWARD W. SMITH,
Chairman, Committee on Rules,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE SMITH: It is our understanding that several measures have been introduced in the House of Representatives to authorize the establishment of a Special Committee on Captive Nations.

We urge you to take quick action on House Resolution 14 and to support any measure which would enable the United States to aid captive nations.

Sincerely,

STANLEY SIDLAUSKAS.

RACINE, WIS., *May 29, 1963.*

Congressman DANIEL J. FLOOD,
House of Representatives Office Building,
Washington, D.C.

DEAR MR. CONGRESSMAN: The Racine chapter of the Armenian Revolutionary Federation informs you that a resolution has been passed by our unit supporting passage of House Resolution 14, submitted by you, which calls for the formation of a Special Committee on Captive Nations.

Recent developments worldwide and in Washington make the formation of such a committee imperative to the security and welfare of the United States, and will bring added hope to the tyrannized peoples of the once free nations today in Soviet bondage.

We are, in addition to this letter, contacting our Congressman as well as Congressman HOWARD W. SMITH, head of the Rules Committee, urging him to release your resolution to the House floor for quick debate and passage.

May I take this opportunity to commend you for your stand in this regard, and to assure you of our every support of your measure?

Sincerely,

JACK KAMALIAN,
President.

DOUGLAS, MICH., *June 15, 1963.*

Representative DANIEL J. FLOOD,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE FLOOD: I heard you on the "Manion Forum," June 2, 1963, and what you said startled me. As you suggested I wrote my Congressmen, and told them of this situation.

I am interested in the bill you have introduced to create a Captive Nations Committee. I think that such a committee would give great hope to the people of these nations. Also it could inform the American people of what is happening in the captive countries.

Would you please send me a copy of this resolution, and several of the speeches you have given on the floor explaining it?

Keep up the good work in keeping our Republic free.

Yours truly,

PETER R. CHASE.

SUPREME COMMITTEE FOR
LIBERATION OF LITHUANIA,
New York, N.Y., June 15, 1963.

Hon. HOWARD W. SMITH,
Chairman, Committee on Rules, House of Representatives, Washington D.C.

DEAR CHAIRMAN: The Soviet Government knows well that the colonial rule under which it holds Lithuania and other captive European nations oppressed and exploited cannot last forever. The world movement for abolition of colonial systems will sooner or later compel the U.S.S.R. to restore the rights of self-determination to the nations which Soviet Russia has enslaved during the last decades. Moscow leaders also are aware that the captive nations are struggling for their liberation from the Soviet colonial system.

The Kremlin is therefore very sensitive to the official steps taken by the free countries in favor of freedom to men and nations. Under pressure of such steps, the Soviet Union already has brought certain changes in its empire of slaves. Moscow would do more in this sense if demanded by the United States and other Western Powers.

In this conjunction the House Resolution 14, if passed, appears of paramount importance. The Special Committee on Captive Nations will be able both to keep the House informed on the developments within the Communist camp as well as to promote the cause of freedom.

I, therefore, respectfully request your authoritative support of the House Resolution 14 to establish a Special Committee on Captive Nations, which will witness for years to come of the American interest in the restoration of the inalienable right of men and nations to live under governments of their own free choice.

Respectfully yours,

Dr. A. TRIMAKAS,
President.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 5, 1963.

Mr. WALTER TUSTANIWSKY,
Ukrainian Congress Committee of America, Inc., Detroit, Mich.

DEAR MR. TUSTANIWSKY: Thank you for your letter of May 25 regarding Congressman FLOOD'S House Resolution 14 which would create a Special Committee on the Captive Nations in the House of Representatives.

I am familiar with this resolution and believe that all the ethnic groups are in full accord with the purposes of it.

You may rest assured that when it is presented to the House of Representatives for action, it will have my fullest support.

It was a pleasure to learn of the interest and views of your fine organization concerning this matter.

Sincerely yours,

HAROLD M. RYAN,
Member of Congress.

Government Lotteries of Czechoslovakia, Denmark, the Dominican Republic, and Nepal

EXTENSION OF REMARKS
OF

HON. PAUL A. FINO

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 25, 1963

Mr. FINO. Mr. Speaker, today, I would like to tell the Members of this House about four more foreign countries which utilize government-run lotteries to not only yield high revenues but to control and regulate the normal human urge to gamble.

Out of 77 foreign countries Czechoslovakia, Denmark, Dominican Republic, and Nepal are included as those nations which recognize and accept the gambling spirit of its people and operate government-run lotteries for the people's welfare and the government's need.

Czechoslovakia is one of the few Communist nations to operate a lottery and has found it very productive as far as profits are concerned. Last year, the gross receipts came to over $8⅓ million. After payment of prizes and expenses of running the lottery, the net income to the government was about $2½ million. The profits are used for construction of new factories, and hospitals, and cultural purposes.

Denmark, like the other countries where government controlled and operated lotteries are legal and proper, has reduced gambling to an orderly minimum by state control. They have no underworld problems and illegal betting is not the source of difficulty to the police as it is here in the United States.

The gross receipts for 1962 were $7,812,000. After prizes, the net income to the government was $652,000. The above figures are higher than the previous year. The profits to the government were applied to the general fund of the treasury.

Dominican Republic is a small nation but derives monetary benefit from its recognition of the fact that people like to gamble.

In 1962, the gross receipts came to over $34¼ million. The government's income, some $6⅓ million, was not earmarked for any particular project but was rather applied to the general fund of the treasury.

Nepal, although a small and poor country, has two privately-run lotteries which are supervised by the government. The gross receipts from running both lotteries were $53,288. The net income came to about $20,000 which was earmarked for the Tuberculosis Association of Nepal and Funeral Association.

Mr. Speaker, we can derive a tremendous revenue here in the United States if we copied a page from the story of these foreign countries. We can, through a national lottery in the United States bring into the coffers of our Treasury over $10 billion a year in needed additional funds. Only a national lottery can provide us with added moneys to give a tax cut to our hard-pressed taxpayers and start reducing our national debt.

Mr. Speaker, why can we not follow the wisdom of our foreign friends? Why cannot we even follow the example of New Hampshire?

The Pennsylvania Dutch

EXTENSION OF REMARKS
OF

HON. GEORGE M. RHODES

OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 25, 1963

Mr. RHODES of Pennsylvania. Mr. Speaker, the homeland of the Pennsylvania Dutch will be visited over the July 4 holidays by people from all over the United States. They will come for the annual Pennsylvania Dutch festival in little Kutztown, in the heart of the Dutch country near Reading, Pa.

From foreign lands too, they will come. Ambassadors and representatives of foreign nations have planned to participate in the festivities. The visiting guests will share the hospitality of the Dutch community and will visit farms and historic shrines.

The folk festival will begin next Saturday, June 29. It will run from June 29 through July 6. Last year more than 175,000 persons came from all over the country to sample the famous Pennsylvania Dutch cooking, to observe skilled craftsmen at work and to take part in such distinctive Pennsylvania Dutch customs as jigging, hoe-downing and free-for-all square dancing.

The Pennsylvania Dutch Folk Festival is the only one of its kind in America, where the traditions of the forefathers are presented as they were more than 250 years ago when these "Dutchmen" came from Switzerland and the Palatinate areas in search of religious and political freedom.

In view of the historic importance of the Dutch country in Pennsylvania as the place where the Americanization process had its initial beginning and as a glowing example of the nonconformist tolerance characterizing our free Nation, I am pleased to extend invitations to all my colleagues and their constituents to attend the 14th annual Pennsylvania Dutch folk festival.

Many of my colleagues have asked for information about Pennsylvania Dutch folks, where they live, and how to get to the Dutch country from Washington.

The heart of the Pennsylvania Dutch country is 150 miles from Washington. One route is the Baltimore-Washington Parkway to the Baltimore Beltway exit. North on the Beltway to the exit for Interstate 83. North on Interstate 83 to exit for U.S. 30 on the York, Pa., bypass. Route 30 east into Lancaster. Kutztown is 58 miles from Lancaster on Route 222.

Another route is by way of the Baltimore-Washington Parkway to Route 40; east on 40 to Route 222 through Lancaster and Reading to Kutztown.

WHO ARE THE PENNSYLVANIA DUTCH?

First of all, they are not Holland-Dutch. They have no connection with Holland-Dutch culture. They are the descendants of the 18th century German and Swiss wave of migration across the Atlantic, with a few German-dialect-speaking Alsatians and Lorrainers in the bargain. In most cases the ancestors of the present Dutch were prerevolutionary Americans, colonial German dialect-speaking immigrants.

After 200 years in America there can be no question of pure Dutch strains. Intermarriage with the Quaker, the Scotch-Irish, and other strains began in the colonial period, and in areas where the German dialect known as Pennsylvania Dutch predominated—as for instance the Eisenhower country of Lykens Valley in Dauphin County—the Scotch-Irish and English minority was absorbed into the Dutch majority and adopted the Dutch tongue.

Hence in that valley, northward of Harrisburg, we have in 1956 Dutch-speaking families of Dunleavy (Scotch-Irish name), Davis (Welsh name), and Buffington (English Quaker name) all as Dutch as sauerkraut—an expression which in the Dutch country is an affectionate rather than a derogatory one—but with family names and family heritages that go back to the British Isles.

Radically more important than blood in a definition of Dutchness is culture. Pennsylvania Dutch is not a blood-based, DAR-type, restricted-membership organization. Pennsylvania Dutch is—or better, was—a culture, a curious mixture of continental and British Isles folkways that was created here in the Dutch country and is to some extent still preserved in the cultural aspic of the dialect.

Actually the elements of the culture which we today call "Pennsylvania Dutch" are very much of a mixture. Pennsylvania was never a "Little Germany" where pipesmoking and beer-drinking peasants transplanted their entire homeland way of life. There was always, from the very beginning, the interplay of culture with the Scotch-Irish and Quaker neighbors, an interplay which spread both ways.

The typical "Pennsylvania barn"—the Swiss or bank barn—that two-story affair with stables on the ground floor and the threshing floors and mows approached from a drive-in entrance from a higher level—is a Continental adaptation. The Quakers and Scotch-Irish borrowed this barn pattern, and Pennsylvanians spread it as far west as Iowa. On the other hand, the typical Pennsylvania farmhouse was English Georgian in pattern—and the Dutchman borrowed it from his English-speaking neighbors. It was an even trade.

Through migration from Pennsylvania, these mixed patterns, American rather than European, were transplanted elsewhere. There was from Pennsylvania, beginning before the Revolution and continuing throughout the 19th century, a three-fold migration. Southward the Conestoga Wagons rolled into Maryland and Virginia—the western parts, which therefore became different in culture from the slavebound tidewater areas—and Dutch-speaking Pennsylvanians got as far south as the Carolinas by Revolutionary times.

Westward they went into Ohio—whose rural culture is half Pennsylvanian—straight through the Middle West, reaching Kansas by Civil War times. Northward they went too—into the Genesee country of western New York, and across the King's border into Ontario. While the Dutch dialect was spoken for years in these secondary settlements, it is (except for the Amish settlements of the West) defunct in West and South, but in Ontario, through cultural lag fostered by religious difference (again among "plain" Mennonites) it is still very much alive.

Hence the term "Dutch country," as we use it, means basically the dialect-speaking areas of Pennsylvania. Within Pennsylvania the Dutch country is roughly southeastern Pennsylvania—the triangle you can draw yourself by connecting Stroudsburg with Somerset. It overlaps however into parts of central Pennsylvania—Centre and Clinton, Union and Snyder Counties—and spilled over originally into the counties of western Maryland and the upper Shenandoah Valley of Virginia which were until 1850 culturally part of the Dutch country, the Mason and Dixon line notwithstanding. It was this area where the "Pennsylvania Dutch dialect was spoken and where the Dutch culture developed—all by 1800."

The Dutch culture was transplanted southward, westward, northward, into isolated areas where the Dutch dialect lasted for a time and then—with the exception of Amish and conservative Mennonite communities—disappeared.

Two Pennsylvania Dutch customs are now part of the national heritage—the Christmas tree and the Easter bunny. But without the 19th century German emigration—which came to all parts of the country—it is difficult to say whether these customs would have won their way into general acceptance from the colonial emigration to Pennsylvania alone.

The nearest claimants to national renown are log architecture, which spread from the Delaware Basin to all of frontier America; the Conestoga wagon, which became the covered wagon of the moving frontier; and the Pennsylvania or Lancaster rifle, which, known popularly as the "Kentucky rifle," helped materially in making possible the westward expansion of the frontiersman.

The national renown of the Pennsylvania Dutch which is apparent today, inspired chiefly by tourist interest which has come principally since the Second World War, centers on three separate facets of the historic Dutch culture: Pennsylvania Dutch folk art, Pennsylvania Dutch cookery, and the Pennsylvania Dutch plain people.

Interest in the plain Dutch, is, basically, from the tourist standpoint, interest in a past way of life which has disappeared in other parts of the country. In areas or cultures isolated by geography, language, or religion, older patterns have a way of hanging on when they are dead elsewhere. This is what the sociologists call cultural lag—the survival of earlier ways into a changed situation—and this always interests the tourist, whether he finds it in isolated parts of Europe or in Pennsylvania Dutchland.

The most important fact of the present national interest in things Pennsylvania Dutch is that the plain Dutch have captured the imagination of the American outsider, and the Amish have become the symbol of everything Pennsylvanian.

The Pennsylvania Dutch timed their activities by almanac. The exhibit at the folk festival will show how the almanac—next to the Bible—was the most important book in Pennsylvania Dutch farm homes.

It hung then—and hangs today—on a peg in a prominent spot in the farm kitchen, and was the key to "moon farming."

The exhibit will also show farm activities and how their timing was determined by the phase of the moon or the sign of the Zodiac; from the proper moon phase for felling a tree, splitting it into rails, and setting the fence to the sign of the Zodiac indicating the time to sow grain, even to the time to put the meat in the smokehouse so it would not lose weight.

Exhibits will show laying 18th century tile; a dryhouse in operation; a village blacksmith at work; shaving shingles for roofing; linen making; preparing flax; hex sign painting; an old-fashioned country store; churning cream into butter; lye making; playing party games, and an old-time "lumpa" party.

Portrayal of horse-and-buggy travel in the Dutch country and of the life of the Amish and other plain people add to the interest of the pageant which illustrates the life and activities of the sturdy Pennsylvania Dutch and the role they played in the history of the State and Nation.

The visit of U.N. delegates from 30 different nations will add international interest and glamor to the event. The U.N. group will arrive at Kutztown on July 3. The Pennsylvania Dutch Society will be host to U.N. delegates and their wives. The U.N. group will appear for the July 4 program and activities which will be the highlight of the festival which will run from June 29 to July 6.