with Poland's fate. He wanted his son to embrace his patriotism and show intense interest in national issues. Fortunately young Casimir showed remarkable aptitude in manly sports and as a leader. While in school he did not shy away from studies, he loved physical activity even more. As soon as his secondary schooling was over he became the courtier or the aid of a prince, and here his interest turned to matters concerned directly with warfare. Soon he became painfully aware that Poland's leaders were helpless against the powerful enemy forces of Russia. But by 1768 Pulaski had become a young man of action, and at the head of some 8,000 men he was fighting the Russians. During the next 4 years he led the best organized and bravest fighting guerrilla bands in Poland against the Russians, but outnumbered and overpowered, he was forced out of Poland in 1772, never to see it again.

Late in 1775 he arrived in Paris, penniless and without employment. Someone suggested that he go to America and fight in the Revolutionary War here. A year later he was in touch with Benjamin Franklin who on May 29 of 1777 in a letter recommended Pulaski's services to Washington. Pulaski arrived in Boston in July, and met Washington, who recommended him to the Continental Congress. On August 27 he was placed in command of all the cavalry, thus he became the father of our cavalry. In September he joined Washington and participated in the Battle of Brandywine with distinction. He commanded the cavalry during the winter of 1777 at Trenton, later at Flemington, and acted in unison with General Wayne in scouting for supplies for the famishing troops at Valley Forge.

In 1778 Congress gave Pulaski permission to organize an independent corps of cavalry. Having accomplished this task, finally he was sent in May of 1779 to Charleston, S.C. Then on October 9 at the siege of Savannah he bravely charged the enemy lines at the head of his cavalry and fell with a grapeshot in the loin. This was the last daring act of this great Polish patriot and soldier of freedom. He gave his life for the noble cause of our freedom and independence, and today on the 225th anniversary of his birth we honor him and pay tribute to his blessed memory.

HOUSE OF REPRESENTATIVES

THURSDAY, OCTOBER 3, 1963

The House met at 12 o'clock noon.

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

Colossians 3: 2: *Set your affection on things above.*

Almighty and ever-blessed God, may all our ambitions during this day be aspirations to gain a firmer hold upon that which is eternal and a longing to abound in the fruits of the spirit.

May we never become the victims of worldly desires with their supreme emphasis upon the temporal and that of gaining an accumulation of material things which we someday must leave behind.

Inspire us to be more scrupulous in the doing of Thy will and bless us with an increased measure of faith in order that we may have a greater measure of peace and power.

Grant that in these times of strained relations between men and nations we may be touched with feelings of sympathy and seek to exercise an influence that is healing and helpful, elevating and ennobling.

Hear us in Christ's name. 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. 1191. An act for the relief of Wilmer R. Bricker;

H.R. 1192. An act for the relief of William C. Doyle;

H.R. 1281. An act for the relief of Capt. Leon M. Gervin;

H.R. 1458. An act for the relief of Kathryn Marshall;

H.R. 1459. An act for the relief of Oliver Brown;

H.R. 1709. An act to establish a Federal commission on the disposition of Alcatraz Island;

H.R. 1726. An act for the relief of William H. Woodhouse;

H.R. 2256. An act for the relief of José Domenech;

H.R. 2751. An act for the relief of Mrs. Jesse Franklin White;

H.R. 2770. An act for the relief of Mrs. Justine M. Dubendorf;

H.R. 2845. An act to provide that the district courts shall be always open for certain purposes, to abolish terms of court and to regulate the sessions of the courts for transacting judicial business;

H.R. 3219. An act to provide for the payment of a reward as an expression of appreciation to Edwin and Bruce Bennett;

H.R. 3450. An act for the relief of Herbert B. Shorter, Sr.;

H.R. 3843. An act for the relief of Wallace J. Knerr;

H.R. 4965. An act for the relief of certain employees of the Foreign Service of the United States;

H.R. 5307. An act for the relief of Edward T. Hughes;

H.R. 5811. An act for the relief of L. C. Atkins & Son;

H.R. 5812. An act for the relief of Quality Seafood, Inc.;

H.R. 6373. An act for the relief of Robert L. Nolan; and

H.R. 6443. An act for the relief of Mrs. Margaret L. Moore.

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

H.R. 2268. An act for the relief of Mrs. Geneva H. Trisler;

H.R. 6377. An act for the relief of Sp5 Curtis Melton, Jr.;

H.R. 7195. An act to amend various sections of title 23 of the United States Code relating to the Federal-aid highway systems;

H.R. 7544. An act to amend the Social Security Act to assist States and communities in preventing and combating mental retardation through expansion and improvement of the maternal and child health and crippled children's programs, through provision of prenatal, maternity, and infant care for individuals with conditions associated with childbearing which may lead to mental retardation, and through planning for comprehensive action to combat mental retardation, and for other purposes; and

H.J. Res. 247. Joint resolution to suspend for the 1964 campaign the equal opportunity requirements of section 315 of the Communications Act of 1934 for legally qualified candidates for the offices of President and Vice President.

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

S. 573. An act for the relief of Elmer Royal Fay, Sr.;

S. 721. An act to amend section 124 of title 28, United States Code, to transfer Austin, Fort Bend, and Wharton Counties from the Galveston division to the Houston division of the southern district of Texas;

S. 1006. To amend the act of June 12, 1960, for the correction of inequities in the construction of fishing vessels, and for other purposes;

S. 1206. An act for the relief of Georgie Lou Rader; and

S. 1269. An act for the relief of the Arizona Milling Co. of Phoenix, Ariz.

SALE OF SURPLUS WHEAT TO RUSSIA

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

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

There was no objection.

Mr. LEGGETT. Mr. Speaker, based partially on the theory that fewer wars are declared between nations with substantial trade relations than otherwise, it is the opinion of this Representative that the executive branch of Government should proceed and consummate the proffered sale of American surplus wheat to the Soviet Union for hard currency—at least in a 1963–64 trial sale.

Political thought has ranged far and wide on Capitol Hill over the past week concerning the current political intentions of the Soviets—some suspecting the Russians of the best intentions and some of the worst. The Capitol is always full of doubting Thomases who never take a position until after the fact and spend a lifetime as a Monday morning quarterback.

The administration appeared before Members of both Houses of Congress during the last few days asking for direction respecting a commercial transaction with Russia. I think it fair to conclude that though substantial bipartisan sentiment was expressed favoring a sale, the direction sought was not forthcoming. Perhaps the inability of 535 Representatives and Senators to coordinate

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their thinking on this issue points up the need for the requirement of an executive branch. Action is obviously required.

What are the factors this Nation must consider respecting this transaction?

First. Do we have the wheat and do we want to get rid of it? In 1954 we had on hand in CCC stocks a modest 470 million bushels of wheat valued at $1.089 billion. Under Eisenhower this surplus climbed substantially to the billion bushel level, reaching a high point of 1.2 billion bushels last year for a $2.484 billion investment. Our 1963 volume is slightly down but a bumper crop is projected. Our current inventory is sufficient to cover two-thirds of our CCC dispositions for the last 10 years. On a first in, first out basis, this year we will dispose of wheat purchased in 1957. Carrying charges for wheat alone since 1954 amount to $2.147 billion. Annual average storage charges for the past 10 years on basic crops, excluding peanuts and tobacco, is $466.8 million—better than a million dollars a day. The taxpayers of my district find it difficult to forget that we have got this wheat and they want to sell it.

Second. Can we use the hard currency offered in return for the wheat? Again, the taxpayers of my district have complained and expressed themselves. In 1958 we lost $3.5 billion, balance payment, including $2.3 billion gold loss; in 1959 $3.8 billion including $1.1 billion gold; in 1960 $3.8 billion, including $1.7 billion gold; in 1961 $2.4 billion and $851 million gold; in 1962 $2.2 billion and $890 million gold; this year $2.2 billion in the first half alone with gold loss at $423 million through August 31. I stated a few weeks ago that it would be tragic if the United States contracted its worldwide interests because of a dogmatic gold policy. I reiterate this statement; however, hard currency is desirable.

The issue, therefore, seems simple: "Do we get rid of a plentiful item, to-wit, wheat, for a scarce item, to-wit, hard currency?" The simple answer is that we do unless there are good reasons not to.

I do not believe Congress has furnished such reasons to date. Midwestern bipartisans are presuming a sale with their only interest being to firm up or raise the price of wheat by opening up Russian markets to commercial sales. I believe the American taxpayers should receive the primary consideration here. If sales are to be made I would strongly encourage a sale under existing law of wheat entirely out of Commodity Credit Corporation stocks to the European commercial trade at world prices without an export payment by the United States of any kind. This type of action, I believe, would discourage a demand for a massive wheat allotment increase next year anticipating a continuing Russian demand. The general authority in the Commodity Credit Corporation charter legislation empowers this agency to dispose of surplus commodities without disruption of commerce and I personally can think of no less disruptive action.

Third. Is there precedent for commercial transactions with the Soviets? There is. I review periodically the Quarterly Report under the Export Control Act. For the second quarter 1963 there are listed $9.2 million worth of materials exported to the Soviets, including $4 million worth of fertilizer and nearly 100 other commodities, including the following: radio receivers, air conditioners, machine parts and valves, farm wagons, harvester machines, aluminum, alcohol, cotton, antibiotics, chemical sprays, and wood pulp—total quarterly sales to the Soviet bloc—$16.5 million.

Clearly it should not be our national purpose to promote the success of communism. Neither, however, should it be to promote one Cuban crisis between atomic powers after another.

This Nation is going through a process of reappraising the possibilities of coexistence with the Soviets. The Soviets, I believe, have substantially cooperated. Missiles and many soldiers have been withdrawn from both Cuba and Turkey. Russia is allowing the free transmission of the Voice of America. A Russian fishing boat saved the life of an American flyer. Life magazine, Drew Pearson, and Agriculture Secretary Orville Freeman recently individually reported firsthand a de-Stalinized peaceful Russian people who appeared to be dedicated to a healthy economic competition—apparently, we are the winners this year.

We have also recently ratified with 81 percent support an international ban on atmospheric testing of atomic bombs. There is evidence with the Soviet split with China that communism is not necessarily international—this is healthy for the west. I believe the peace chasm opened up should be further probed.

Hungry people are nonetheless hungry because they are Russian. Perhaps not since Aladdin's time has such a deal been offered.

For further reference of the body, I include following my remarks a portion of the just issued quarterly report under the Export Control Act which sets forth the nature and volume of our trade with the Soviet bloc for the past several months.

The following is the 64th quarterly report by the Secretary of Commerce to the President, the Senate and House of Representatives:

SECURITY EXPORT CONTROLS

LICENSING TO EASTERN EUROPE [1]

During the second quarter 1963, the Department processed applications for export licenses to Eastern European destinations in the amount of $17,319,026. This was approximately 50 percent more than the value of applications processed in the first quarter 1963 ($11.3 million) and the second quarter 1962 ($12.0 million).

For the first half of 1963, the dollar volume of applications processed for these destinations totaled $28,577,110. This was almost 10 percent above the volume in the first half of 1962, which reached $26,065,277. Applications approved in the first half of 1963 totaled $26,454,835, compared with $24,176,178 in the same period 1962. Rejections for this half-year period totaled $2,122,275, compared with $1,889,099 for the first half of 1962.

APPLICATIONS APPROVED FOR EXPORT—SECOND QUARTER 1963

During the second quarter 1963, the Department approved applications for export to Eastern European destinations valued at $16,594,852. This compares with approvals in the preceding quarter ($9.9 million) and in the second quarter 1962 ($10.8 million). Of this volume, more than 60 percent constituted proposed shipments of agricultural commodities ($6.7 million) and an organic chemical ($4.0 million). The principal commodities approved were: Soybeans, $1,990,124, for Czechoslovakia and Hungary; rye, $1,700,000, to East Germany; wood pulp, $929,501, to the U.S.S.R.; cotton linter pulp, $596,200, to the U.S.S.R.; cotton linters, $440,924, to East Germany; gum and wood rosins, $213,434, to Czechoslovakia; dried beans and peas, $187,806, to Rumania; and Mexican-origin raw cotton, $664,118, to the U.S.S.R., which, although of non-U.S. origin, required a validated export license upon entry at a U.S. port to permit intransit shipment through the United States to its bloc destination; various industrial-type chemicals, $2,204,211, to Czechoslovakia, Rumania, and the U.S.S.R.; caprolactum monomer, $3,998,750, to the U.S.S.R. for the manufacture of nylon fibers; a chemical defoliant, $717,800, to the U.S.S.R. for agricultural use; polyethylene (synthetic resin), $435,078, to Czechoslovakia, and Hungary; crude sulfur, $430,200, to Czechoslovakia; synthetic rubber, $392,699, to Czechoslovakia, Hungary, and Rumania for the manufacture of rubber and chemical products; and gift parcels, $235,158, to the U.S.S.R.

Also included in the total value approved was various equipment, totaling $154,199, to be exhibited at trade fairs or used in connection with the East-West exchange program and either returned to the United States or delivered to another free world destination. (See footnote to table 2.)

TABLE 1.—*Dollar value of export license applications processed and issued and of actual exports, to U.S.S.R. and Eastern Europe, quarterly, 1954–63*

[Thousands of dollars]

Quarter	Total processed	Licenses issued	Actual exports (including reexports)
1954:			
1st quarter	[1] 42,142	4,011	330
2d quarter	4,472	3,097	463
3d quarter	3,661	1,340	850
4th quarter	17,987	[2] 10,355	[3] 4,478
1955:			
1st quarter	[1] 30,911	4,968	[4] 2,979
2d quarter	4,203	4,006	2,065
3d quarter	4,839	2,778	1,051
4th quarter	1,809	1,625	948
1956:			
1st quarter	8,915	8,582	3,186
2d quarter	4,301	4,116	3,615
3d quarter	19,555	[5] 9,983	2,016
4th quarter	7,650	6,350	2,428
1957:			
1st quarter	20,499	[6] 16,435	5,718
2d quarter	21,637	[7] 19,435	5,190
3d quarter	25,932	25,109	29,779
4th quarter	16,067	6,442	45,408
1958:			
1st quarter	19,132	5,153	21,419
2d quarter	5,909	5,563	25,490
3d quarter	13,135	12,939	44,702
4th quarter	16,005	10,213	21,514
1959:			
1st quarter	21,800	6,627	18,863
2d quarter	18,325	7,247	9,961
3d quarter	28,168	[8] 11,446	40,322
4th quarter	31,968	30,540	20,123

See footnotes at end of table.

[1] The term "Eastern Europe" as used throughout this report is employed in a special sense, and is defined to include the following countries: Albania, Bulgaria, Czechoslovakia, East Germany (including the Soviet sector of Berlin), Estonia, Hungary, Latvia, Lithuania, Poland (including Danzig), Rumania and the U.S.S.R.

TABLE 1.—*Dollar value of export license applications processed and issued and of actual exports, to U.S.S.R. and Eastern Europe, quarterly, 1954–63*—Continued

[Thousands of dollars]

Quarter	Total processed	Licenses issued	Actual exports (including reexports)
1960:			
1st quarter	42,595	35,420	26,875
2d quarter	27,430	24,473	43,863
3d quarter	22,969	19,536	48,584
4th quarter	26,223	15,596	74,531
1961:			
1st quarter	48,742	23,825	60,383
2d quarter	[9] 15,734	12,905	40,136
3d quarter	15,916	13,167	17,731
4th quarter	13,573	7,871	15,074
1962:			
1st quarter	14,046	13,340	45,466
2d quarter	12,019	10,836	42,076
3d quarter	[10] 61,475	16,859	21,389
4th quarter	10,896	8,530	16,205
1963:			
1st quarter	11,258	9,860	21,365
2d quarter	17,319	16,595	(11)

[1] See "Thirty-first Quarterly Report," pp. 7–8, for an explanation of the sharp rise in the value of license applications received in the 1st quarters of 1954 and 1955.

[2] Includes $5,152,000 of food grains, medicinals, and insecticides licensed under the President's flood relief program for the Danube Basin.

[3] Includes $3,227,000 of food grains and agricultural insecticides shipped to Hungary, Czechoslovakia, and East Germany under the President's flood relief program for the Danube Basin.

[4] Includes $1,511,000 of corn and $5,000 of aureomycin shipped to Czechoslovakia and Hungary in January 1955 under the President's flood relief program for the Danube Basin.

[5] Includes $3,200,000 of butter, beans, corn, and wheat licensed to Hungary in July 1956, under the President's relief program to relieve distress in Eastern Europe caused by severe winter weather.

[6] Includes $4,075,645 of relief shipments licensed to Hungary under U.S. Government International Cooperation Administration programs, and $632,400 of relief shipments under auspices of the American Red Cross and other nongovernmental relief organizations and private individuals.

[7] Includes $1,392,975 of relief shipments licensed to Hungary under U.S. Government International Cooperation Administration programs, and $113,859 of relief shipments under auspices of the American Red Cross and other nongovernmental relief organizations and private individuals.

[8] Includes $1,447,679 of goods and equipment licensed for the U.S. national exhibition in Moscow.

[9] Covers cases with total value of $46,000 approved in 2d quarter but actual licenses issued in 3d quarter.

[10] Includes cases approximating $47,000,000 which have been held by the Department over a substantial period of time. (See the "61st Quarterly Report," p. 12.)

[11] Not available.

TABLE 2.—*Commodities licensed for export to Eastern European destinations in the 2d quarter 1963*

Country and commodity	*Value in dollars*
All Eastern European countries	16,594,852
Bulgaria:	
Pine oil	9,086
Soybeans	7,900
Drugs and medicinal preparations, n.e.s	101
Glandular products	154
Medicinal chemicals	4
Sulfonamide drugs	2,340
Herbicides	48
Styrene molding compound	3
Flasks (research laboratory equipment)	180
Electromagnetic separator	1,075
Rotary pumps	290
Magnetic tapes (for voice and music)	1,073
Magnetic tape recorder-reproducer (voice and music)	4,829
Sound spectrograph (waveform measuring instrument) and accessories	3,492
Automotive replacement parts	211
Auto shock absorbers	108

TABLE 2.—*Commodities licensed for export to Eastern European destinations in the 2d quarter 1963*—Continued

Country and commodity	*Value in dollars*
Bulgaria—Continued	
Auto, starting, lighting and ignition equipment	56
Total	30,950
Czechoslovakia:	
Gum rosin (naval stores)	108,000
Soybeans	846,000
Wood rosin (naval stores)	105,434
Antibiotics	77,711
Asthma, catarrh, and hay fever preparations	1
Compounds and mixtures containing antibiotics	2,393
Culture media	5,337
Drugs and medicinal preparations, n.e.s	3,757
Glandular products	1,464
Medicinal chemicals	116
Parenteral solutions	35
Sulfonamide drugs	170
Surgical and medical instruments)	1,789
Vaccines, serums	353
Vitamin preparations	40
Caprolactum monomer (industrial chemical)	159,950
Carbon black, channel	28,886
Celulose acetate buytrate (industrial chemical)	10,600
Cellulose acetate phthalate (coal tar product)	4,400
Coal tar dyes	206
Ethylene diamine (industrial chemical)	53,599
Ethyl hexal alcohol (industrial chemical)	148,810
Fungicides	59
Isobutyl alcohol (industrial chemical)	68,800
Lactic acid (industrial chemical)	1
Monoethylene glycol (industrial chemical)	7,350
Natrium pyruvicum (industrial chemical)	120
Photo developer (photographic chemical)	8,400
Polyethylene (synthetic resin)	210,030
Polystyrene (synthetic resin)	13,500
Rubber antioxidant (rubber compounding agent)	65
Silica gel (chemical specialty compound)	9
Synthetic rubber	298,675
Tertiary butyl alcoholic (industrial chemical)	4,497
Parts for optical measuring instruments	36
Parts for ultracentrifuges (research laboratory apparatus)	455
Air conditioners and parts	882
Ball bearing (for electric saw)	6
Brushes (parts for industrial instruments)	1,032
Electric motor	76
Humidity controller	9
Industrial sewing machines, parts and accessories	3,011
Parts for electronic industrial process control instruments	642
Parts for nonmilitary industrial tractor	137
Parts for weatherometer (physical properties testing machinery)	22
Pipe valves	116
Pneumatic consotrol computing station	178

TABLE 2.—*Commodities licensed for export to Eastern European destinations in the 2d quarter 1963*—Continued

Country and commodity	*Value in dollars*
Czechoslovakia—Continued	
Pressure controllers, flame detectors and parts (indicating, recording, and controlling instruments and parts)	362
Rotary pumps, hydraulic	162
Shoe machinery replacement parts	1,336
Tire vulcanizer	578
Electron tubes	11
Recorder (electrical quantity recording instrument)	2,475
Auto parts	10
Silo unloaders (agricultural machines)	2,695
Ammonium metavanadate	6,600
Crude sulfur	430,200
Wire cloth mill	1,456
Motion picture projector	186
Animal products (inedible)	52
Casamino acid (dairy product)	90
Casein, purified (bacteriological reagent)	3
Hearing aid batteries	9
Used clothing (gift)	1,000
Wearing apparel	81
Total	2,624,465
East Germany:	
Lactalbin hydrolysate (dairy product)	323
Raw cotton linters	440,924
Rye	1,700,000
Wood rosin	6,063
Antibiotics	2,250
Culture media	5,930
Medicinal chemicals	173
Parenteral solutions	1,050
Veterinary biological products	27
Veterinary medicinals and preparations, n.e.s	28
Vitamin A	25,594
Agricultural insecticide	23
Glass polishing compound	3
Hydrated silicon dioxide (industrial chemical)	1
Hydrogenated methyl ester of rosin (synthetic resin)	543
Cases for optical tonometers	1
Microscope lenses	1,200
Spectral energy recording attachments for spectrophotometer	790
Potentiometers (electronic equipment)	350
Total	2,185,273
Hungary:	
Cotton linter pulp	13,779
Dairy products	52
Hybrid grain sorghum seed	113
Safflower seed	110
Soybeans	1,144,124
Winter wheat	14
Antibiotics	66,552
Antibiotic feed supplements	79
Compounds or mixtures containing antibiotics	11,992
Culture media	62
Drugs and medicinal preparations, n.e.s	5,506
Glandular products	1,390
Medicinal chemicals	82
Parenteral solutions	935
Surgical and medical instruments	6,100
Vaccines and serums	6,291
Veterinary biological products	8
Veterinary medicinals and preparations, n.e.s	22

TABLE 2.—*Commodities licensed for export to Eastern European destinations in the 2d quarter 1963*—Continued

Country and commodity	Value in dollars
Hungary—Continued	
Amino acids (industrial chemicals)	15
Carbon black, furnace	199
Cellulose acetate molding composition	10
Cellulose acetate phthalate (coal tar product)	931
Chlordane wettable powder	18
Coal tar products	26
Diallyl maleate monomer (industrial chemical)	1
Methylcellulose (industrial chemical)	9,000
Orthocresol (coal tar product)	23,750
Plastic sheeting (synthetic resin)	37
Phenol (coal tar product)	55,500
Polyethylene (synthetic resin)	225,048
Reagent chemicals for laboratory use	322
Surface acting agent	9
Synthetic rubber	54,424
Triethyl phosphate (industrial chemical)	16,530
Vinilsilm (waste) cuttings (plastic products)	1
Burets (research laboratory equipment)	393
Flowmeters (research laboratory equipment)	108
Heating mantels (research laboratory equipment)	53
Opacity standard for vaccine (research laboratory equipment)	1
Parts for spectrophotometer	500
Peroxide bomb (research laboratory equipment)	102
Photometer (optical measuring instrument) and parts	3,400
Steromicroscopes (optical instruments)	805
Micro surface tension apparatus	10
Parts and accessories for air-conditioners	85
Pneumatic motorized sequency water valves	45
Time switches (indicating measuring instruments)	54
X-ray thickness and infrared width gages, parts and accessories (steel mill equipment)	38,057
Crystal diodes	46
Electron tubes	1,523
Electronic equipment, n.e.s	177
Magnetic recording tape (voice and music)	23
Paper condensers	4
Resistors	6
Voltmeters (electrical quantity indicating instruments)	58
Accounting machines	[1] 40,950
Cutting oil and compound	160
Heat transfer oil	235
Automotive replacement parts	28
Outboard motor	115
Passenger car	3,000
Seed cleaning machines and parts	2,480
Cotton sewing thread	2,147
Crimping tool (hand tool)	57
Filament electric bulbs	11
Geographic maps	30
Hearing aid batteries	12
Micro switches and accessories (electrical machinery)	349
Metal caps for whisk brooms	3,110
Used clothing (relief)	1,656
Total	1,742,822

See footnote at end of table.

TABLE 2.—*Commodities licensed for export to Eastern European destinations in the 2d quarter 1963*—Continued

Country and commodity	Value in dollars
Poland:	
Synthetic rubber	173
Densitometer and parts	4,046
Spectrophotometer with parts and accessories	2,858
Dual directional coupler (accessory for electrical testing instrument)	160
Electron tubes	1,221
Oscilloscope with plug-in units	[1] 900
Transistors	8,780
Electronic integrators (industrial process control instruments)	647
Gear generator and parts	56,640
Parts for electronic industrial process control instruments	450
Parts for electrolytic tinning line (metalworking machine parts)	195
Physical properties testing instrument	125
Rotary rock drill bits	3,310
Electrical steel sheets	82,673
Nickel alloy rods	150
Automotive engine lubricating oil	48
Automotive gear oil	7
Lubricating oil (petroleum product)	5
Marine diesel bunker fuel	5,681
Electronic computer system and accessories	[1] 87,500
Aircraft tail wheel (part for landing gear)	21
Total	255,500
Rumania:	
Dairy products	217
Dried beans	95,650
Pea beans	92,156
Antibiotics	119,655
Antipyretics and analgesics	194
Asthma, catarrh and hay fever preparation	1
Compounds and mixtures containing antibiotics	827
Culture media	10,206
Drugs and medicinal preparations, n.e.s	7,347
Glandular products	2,997
Medicinal chemicals	2,510
Parenteral solutions	910
Salves and ointments	360
Sulfonamide drug	2,377
Surgical and medical diagnostic instruments	1,610
Vaccines and serums	1,287
Veterinary biological products	69
Veterinary medicinals and preparations, n.e.s	3
Vitamin preparations	466
Ethylene carbonate (industrial chemical)	86,698
Fungicides	65
Itaconic acid (industrial chemical)	101
Reagent chemicals for laboratory use	1
Styrene molding compound (synthetic resin)	3
Synthetic resins, n.e.s	3,742
Synthetic rubber	39,600
Air conditioners	4,167
Book jacketing machine	21,180
Dielectric heating unit generator	7,150
Diesel engine generator sets	12,565
Parts and accessories for generators	172
Flame detectors (industrial instruments)	800

See footnote at end of table.

TABLE 2.—*Commodities licensed for export to Eastern European destinations in the 2d quarter 1963*—Continued

Country and commodity	Value in dollars
Rumania—Continued	
Switchboard control panel and parts	2,083
Volt-ohm-milliammeter (electrical quantity indicating instrument)	49
Passenger car	5,456
Canvas tents, tent bag and cover	150
Carbon brushes	92
Incandescent mantle lanterns and parts	20
Plaques or shields (plastic products)	800
Plastic air mattresses	26
Wearing apparel	195
Total	523,957
U.S.S.R.:	
Cotton linter pulp	596,200
Raw cotton (Mexican origin)	664,118
Tobacco	224
Wood pulp	929,501
Antibiotics	1,823
Compounds and mixtures containing antibiotics	445
Culture media	41
Drugs and medicinal preparations, n.e.s	8,050
Gas anaylzer amplifier (surgical equipment)	1,988
Glandular products	4,530
Medicinal chemicals	3,689
Parenteral solutions	1,221
Sulfonamide drug	85
Surgical and medical diagnostic instruments, n.e.s	15,814
Vitamin preparations	63
Butyl acetate (industrial chemical)	231,650
Butyl alcohol (industrial chemical)	78,000
Caprolactam monomer (organic chemical)	3,998,750
Cellulose acetate sheets (cellulose plastics)	67
Diamethylacetamide (industrial chemical)	217
Dibasic lead thalite (industrial chemical)	4
Rubber compounding agents	36
Herbicides	760
Insecticides	910
Isobutyl alcohol (industrial chemical)	573,300
Itaconic acid (industrial chemical)	53,070
Lead silicate	1
Methyl bromide (industrial chemical)	183,600
Monoethanolamine (industrial chemical)	35,274
Monoethylene glycol (industrial chemical)	322,500
Para phenetidine (coal tar intermediate)	53,548
Perchloroethylene (industrial chemical)	94,500
Polyethylene (synthetic resin)	240
Propylene oxide (industrial chemical)	72
Polyvinyl chloride compound (synthetic resin)	18
Sodium chlorite (industrial chemical)	952
Synthetic resin sheets	34
Tributyl phosphorotrithioite (chemical defoliant)	717,800
Trichloroethylene (industrial chemical)	65,000
Amino acid analyzer	16,244
Densitometer (research laboratory equipment)	1,770
Fluorometers (spectrum measuring instruments)	6,945
Infusion withdrawal pump	530

TABLE 2.—*Commodities licensed for export to Eastern European destinations in the 2d quarter 1963*—Continued

Country and commodity	Value in dollars
U.S.S.R.—Continued	
Research laboratory centrifuges	11,687
Research laboratory shaker and accessories	37
Batteries for TV sets	210
Capacitor (electronic equipment)	3
Magnetic tape recorder and reels (voice and music)	192
Radio receiver	[1] 6,814
Radio transmitters	[1] 14,630
Recording instruments and accessories	[1] 3,405
Television sets	660
Air-conditioners and parts	11,714
Electric motor and timer motor	28
Dicing machines (industrial equipment)	63,000
Junction boxes (parts for industrial process instruments)	260
Parts for plastics processing machines	984
Parts for mining machine loaders	4,057
Parts for shuttle cars	58
Parts for (textile) viscose staple fiber cutting machines	350
Pipe valve	460
Transmission chains	1,253
Warp sizing machine (textile machine)	35,170
Welding wire	24
Farm wagons	12,000
Forage harvesters (agricultural machines)	43,015
Calcined petroleum coke	75,000
Diesel engine lubricating oil (petroleum product)	435
Residue fuel oil (petroleum product)	1,713
Copyflex machine (photocopying equipment)	12,147
Motion picture projector and accessories	525
Photographic film (unexposed)	265
Photographic paper, sensitized	5,518
Automotive replacement parts	70
Sale for racing yacht	250
Passenger car	9,300
Watch batteries	17,000
Gift parcels, containing food, linens, and clothing	235,158
Aluminum ladder	9
Office staples	498
Tracetate staple fiber	117
Live virus	100
Wearing apparel	95
Total	9,231,795

[1] To be returned to United States or delivered to another free world destination.

APPLICATIONS REJECTED FOR EXPORT—SECOND QUARTER 1963

Applications rejected during the second quarter 1963 for export to Eastern European destinations fell mainly in the chemical and industrial equipment categories and totaled $724,174. These two categories, comprised mainly of many kinds of commodities of unexceptional value, accounted for about 97 percent of rejected applications. The principal commodities, by value, were: antiozonants (rubber compounding agent), $154,480, and hexachlorobutadiene (industrial chemical), $136,000, both for the U.S.S.R.

LICENSING TO OUTER MONGOLIA

During this quarter, an application was approved for this destination covering camping equipment, valued at $354, for use by American personnel in connection with a field study.

LICENSING TO COMMUNIST CHINA AND NORTH VEITNAM

Notwithstanding the general policy of total embargo in effect on all U.S. exports to Communist China and other Far Eastern Communist-controlled areas, the Department's policy provides for the approval of license applications where the consignee is a diplomatic mission of a friendly foreign country located in these areas, provided there is reasonable assurance that the commodities involved will not enter the economies of these areas.

TECHNICAL DATA

The Soviet bloc maintained its interest in U.S. technical data during the second quarter 1963, particularly in connection with industrial equipment, processes, and plant technology. Firms in the United States continued to seek the view of the Government on the desirability of their licensees, affiliates, or subsidiaries abroad furnishing technical data and/or equipment and material for construction of facilities of strategic importance to Soviet bloc destinations.

During this period, the Department approved 15 export license applications and a partial application, covering shipments of technical data to Eastern European destinations. The majority of these applications were submitted in order to provide quotations or offers to inquiries received directly from the Soviet bloc countries, or from free world countries wishing to make quotations or offers based on the use of U.S.-origin technical data. These applications covered:

For Czechoslovakia: Technical data (assembly, erection, installation, and MRO) of a chemical recovery boiler for a sodium bisulphate pulp mill (reexport from United Kingdom).

Technical data (for quotation, erection and MRO) for a continuous annealing line for processing low carbon steel (reexport from France).

Technical data (for quotation, erection and MRO) for cold drawbenches for drawing welded steel pipe (reexport from France).

Technical data (for quotation, comprising plans and specifications) for the treatment of rayon and nylon tire cord fabric.

Technical data (for quotation, erection and MRO) for (a) one drawbench for cold drawing of steel tubes; (b) one cold tube reducing mill for simultaneously rolling and reducing a multiple number of steel tubes; and (c) one pipe galvanizing line for zinc coating pipes (reexport from United Kingdom). (This represents a partial application; the balance is reported under technical data denied.)

For East Germany: Technical data (for quotation, erection, and MRO) for a rotary flying hot saw for cutting steel pipes (reexport from Italy).

For Hungary: Technical data (process plant and equipment design, engineering, startup, and MRO) for carbon dioxide removal plant (part of a synthetic ammonia plant for the manufacture of urea fertilizer).

For Poland: Technical data relating to services of a consultant to assist in the startup operations of an electrolytic tinning line.

For Rumania: Technical data (for quotation, erection, and MRO) for one sheet galvanizing line and one hot dip tinning line (reexport from United Kingdom).

Technical data (equipment specifications, detailed process information, startup and MRO) for a dissolving wood pulp mill.

Technical data (for a quotation, process, erection, and MRO) for a granulation and pelletizing unit for a complex fertilizer plant (reexport from France).

Technical data for a proposal on a pulp mill evaporator to be shipped to Rumania and, if successful in obtaining the contract, technical data covering assembly, installation, and MRO of the evaporator in a kraftliner and fluting mill.

For the U.S.S.R.: Technical data (for quotation relating to process, erection, and MRO of two granulation and pelletizing units for installation in complex fertilizing units (reexport from France).

Technical data for a proposal on a pulp mill evaporator and, if successful in obtaining the contract, technical data covering assembly, installation, and MRO of the evaporator in a magnesium-base pulp mill.

Technical data (erection and MRO) for 4 Cottrell electrostatic precipitators which will be equipped with two 25 kv.-a. power supplies.

Technical data for quotations (published and typewritten data and schematics relating to installation, erection, and MRO) for yarn preparation, weaving, knitting, and finishing machinery for the textile industry.

In approving these applications, the Department, after careful evaluation, concluded that neither the military nor the economic contribution to the bloc's economy would be sufficient to be detrimental to the national security and welfare of the United States.

Three applications and a partial application, covering technical data to bloc destinations, were denied during this period. These covered:

Technical data (design and detail drawings) for heat-treating and forging furnaces for a rolled steel wheel and tire plant for Czechoslovakia.

Technical data (for a quotation, erection and MRO) for a cold tube reducing mill for simultaneous reduction of stainless steel tubes for Czechoslovakia. (Partial application.)

Plans and specifications for a passive tank stabilization system for installation in trawlers (reexport from France) for the U.S.S.R.

Technical data (assembly, installation, startup and MRO) for two electric dehydrators and two electric desalters of crude oil (reexport from United Kingdom) for the U.S.S.R.

In addition, licenses for the export of technical data were granted in 21 cases involving the filing of patent applications by U.S. firms with the Governments of Czechoslovakia, East Germany, Hungary, Poland, and Rumania.

It is extremely difficult to place a dollar value on exports of technical data, since eventual payment for the data, provided the contract were negotiated, would depend almost entirely on the extent to which the contract covered technical data (including training and operating instructions); design, engineering, and construction services; and materials and equipment.

PARTICIPATION OF COMMERCE FIELD OFFICES IN EXPORT CONTROL FUNCTIONS

The Department announced that effective April 25, 1963, its Phoenix, Ariz., field office was added to the list of those offices authorized to act on certain types of requests for amendment of export licenses, and requests for certification, validation, and amendment of U.S. import certificates. This raises to 17, the total number of Commerce field offices so authorized. This action was taken in the interest of providing better service to exporters.

REVISIONS IN POLISH GRO EXCEPTIONS LIST

During this period, the Department extended its validated export license requirements for shipment to Poland to electrometers capable of measuring currents smaller than 0.01 microamperes. Also, it removed from validated license control to Poland: N-type rubber (copolymers of butadiene and

acrylonitrile) containing 50 percent or more butadiene; and polyethylene resin, in unfinished and semifinished forms, not containing any boron. These latter items are now exportable to Poland under general license.

COMPREHENSIVE EXPORT SCHEDULE

A revised Comprehensive Export Schedule was issued by the Department on April 1, 1963, replacing the issue of April 1962. The schedule, an official publication of the Department's Bureau of International Commerce (Office of Export Control), is the basic reference manual on export controls available to all exporters. It contains a complete listing of all currently applicable export control regulations as published in the Federal Register; explanatory material intended to clarify and supplement export regulations and to describe departmental operating procedures to exporters; the Positive List of Commodities (see ch. V of this report); specimen export control forms; and numerous other items of interest to the export community relative to export control procedures.

The schedule is published in looseleaf form. It is kept current by the issuance of supplementary Current Export Bulletins. Both the schedule and the bulletins may be purchased from the Department's field offices (listed on the inside of the back cover) and from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. The annual domestic subscription rate is $6; the foreign subscription rate is $7.50. Special airmail service is available to domestic subscribers for an additional $4 a year.

CIA TRYING TO FORM U.S. POLICY IN VIETNAM

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an editorial from the Washington Daily News of October 2, 1963.

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

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, in yesterday's edition of the Washington Daily News there appeared disturbing reports that the CIA was again trying to form U.S. policy, had been at odds with our Ambassador, and was showing an unrestrained thirst for power—all of this in tiny South Vietnam, where the difficulties of U.S. relations have been strained of late.

The continual problems that the United States has with the CIA and other intelligence agencies stem from allowing these agencies to run in all directions like spirited horses without bridles. If we had a joint congressional committee to watch over the activities of our intelligence agencies, then the United States would have a sounder and better coordinated intelligence and information system. I have introduced legislation in the form of House Joint Resolution 211, that if enacted by Congress would establish a joint watchdog committee to oversee the activities of our intelligence agencies. The United States cannot afford another Bay of Pigs mistake that occurred in Cuba, or any similar type mixup. I urge the adoption of my legislation, and insert at this point in the RECORD the article from yesterday's edition of the Washington Daily News concerning the CIA and its role in South Vietnam:

ARROGANT CIA DISOBEYS ORDERS IN VIETNAM

(By Richard Starnes)

SAIGON, October 2.—The story of the Central Intelligence Agency's role in South Vietnam is a dismal chronicle of bureaucratic arrogance, obstinate disregard of orders, and unrestrained thirst for power.

Twice the CIA flatly refused to carry out instructions from Ambassador Henry Cabot Lodge, according to a high U.S. source here.

In one of these instances the CIA frustrated a plan of action Mr. Lodge brought with him from Washington, because the Agency disagreed with it.

This led to a dramatic confrontation between Mr. Lodge and John Richardson, chief of the huge CIA apparatus here. Mr. Lodge failed to move Mr. Richardson, and the dispute was bucked back to Washington. Secretary of State Dean Rusk and CIA Chief John A McCone were unable to resolve the conflict, and the matter is now reported to be awaiting settlement by President Kennedy.

It is one of the developments expected to be covered in Defense Secretary Robert McNamara's report to Mr. Kennedy.

OTHERS CRITICAL, TOO

Other American agencies here are incredibly bitter about the CIA.

"If the United States ever experiences a 'Seven Days in May' it will come from the CIA, and not the Pentagon," one U.S. official commented caustically.

("Seven Days in May" is a fictional account of an attempted military coup to take over the U.S. Government.)

CIA "spooks" (a universal term for secret agents here) have penetrated every branch of the American community in Saigon, until nonspook Americans here almost seem to be suffering a CIA psychosis.

An American field officer with a distinguished combat career speaks angrily about "that man at headquarters in Saigon wearing a colonel's uniform." He means the man is a CIA agent, and he can't understand what he is doing at U.S. military headquarters here, unless it is spying on other Americans.

Another American officer, talking about the CIA, acidly commented: "You'd think they'd have learned something from Cuba but apparently they didn't."

FEW KNOW CIA STRENGTH

Few people other than Mr. Richardson and his close aids know the actual CIA strength here, but a widely used figure is 600. Many are clandestine agents known only to a few of their fellow spooks.

Even Mr. Richardson is a man about whom it is difficult to learn much in Saigon. He is said to be a former OSS officer, and to have served with distinction in the CIA in the Philippines.

A surprising number of the spooks are known to be involved in their ghostly trade and some make no secret of it.

"There are spooks in the U.S. Information Service, in the U.S. operations mission, in every aspect of American official and commercial life here," one official—presumably a nonspook—said.

"They represent a tremendous power and total unaccountability to anyone," he added.

Coupled with the ubiquitous secret police of Ngo Dinh Nhu, a surfeit of spooks has given Saigon an oppressive police state atmosphere.

The Nhu-Richardson relationship is a subject of lively speculation. The CIA continues to pay the special forces which conducted brutal raids on Buddhist temples last August 21, although in fairness it should be pointed out that the CIA is paying these goons for the war against Communist guerrillas, not Buddhist bonzes (priests).

HANDS OVER MILLIONS

Nevertheless, on the first of every month, the CIA dutifully hands over a quarter million American dollars to pay these special forces.

Whatever else it buys, it doesn't buy any solid information on what the special forces are up to. The August 21 raids caught top U.S. officials here and in Washington flatfooted.

Nhu ordered the special forces to crush the Buddhist priests, but the CIA wasn't let in on the secret. (Some CIA button men now say they warned their superiors what was coming up but in any event the warning of harsh repression was never passed to top officials here or in Washington.)

Consequently, Washington reacted unsurely to the crisis. Top officials here and at home were outraged at the news the CIA was paying the temple raiders, but the CIA continued the payments.

It may not be a direct subsidy for a religious war against the country's Buddhist majority, but it comes close to that.

And for every State Department aid here who will tell you, "Dammit, the CIA is supposed to gather information, not make policy, but policymaking is what they're doing here," there are military officers who scream over the way the spooks dabble in military operations.

A TYPICAL EXAMPLE

For example highly trained trail watchers are an important part of the effort to end Vietcong infiltration from across the Laos and Cambodia borders. But if the trail watchers spot incoming Vietcongs, they report it to the CIA in Saigon, and in the fullness of time, the spooks may tell the military.

One very high American official here, a man who has spent much of his life in the service of democracy, likened the CIA's growth to a malignancy, and added he was not sure even the White House could control it any longer.

Unquestionably Mr. McNamara and Gen. Maxwell Taylor both got an earful from people who are beginning to fear the CIA is becoming a third force, coequal with President Diem's regime and the U.S. Government—and answerable to neither.

There is naturally the highest interest here as to whether Mr. McNamara will persuade Mr. Kennedy something ought to be done about it.

FLOYD STARR, FATHER TO MANY UNDERPRIVILEGED BOYS

Mr. RYAN of Michigan. 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 Michigan?

There was no objection.

Mr. RYAN of Michigan. Mr. Speaker, Sunday, October 6, will mark the 50th anniversary of the founding of the Starr Commonwealth for Boys in Albion, Mich. Mr. Starr, the founder of this home, has aided and assisted more than 10,000 boys who have been under his care and direction. This diligent man is a credit to the State of Michigan and to the United States. He has been an inspiration to all of the people who have come to know him. We in America are greatly indebted to him for the tremendous work he has done with our troubled youth. It is an honor to heartily con-

gratulate him on this golden anniversary of his years of service to humanity. Because I feel the story of his success would greatly interest the Members of Congress, I would like to take this opportunity to acquaint the Members of this honorable body with his achievements in working toward the rehabilitation of the youth of our Nation. Floyd Starr, pioneer youth counselor, founded the Starr Commonwealth for Boys in Albion, Mich., 50 years ago in October.

Establishing a home for emotionally disturbed and homeless boys was his childhood dream that materialized in 1913. It began with an old barn, an aging apple orchard, a blue, blue lake, and 40 thistle-covered acres of farmland which he purchased with his own money.

In writing the creed for the home, Starr said:

> We believe that boys should be treated, not as a class, but as individuals, and that each boy in order that he may reach his highest development, must be understood. We hold his ambition must be stimulated and developed, and that he must be encouraged and loved toward perfection.

His unique philosophy for rehabilitating "boys who have gone wrong" won him national recognition for 50 golden years of service to the American community. His success in curbing juvenile delinquency through character building has been immortalized in letters from grateful mothers, youth authorities, and Federal judges.

More than 10,000 boys, now doctors, lawyers, teachers, ministers, and workers, recall with love and respect their home among the evergreens.

At Starr Commonwealth, boys from throughout the United States find personal dignity and the path to adulthood. There, they find family happiness in cottage life where loving houseparents counsel and care for them.

Starr, an architect in human relations, created a constructive program for the purpose of establishing firm, intimate relationships between boys and adult social workers, teachers, and trained youth personnel. A well-balanced schedule of studies, sports, chores, and church, offered at the home, is the foundation Starr prescribes for ardent and useful citizens.

Writing to him frequently are hundreds of adopted sons who have found a place in a previously confusing world. Their letters indicate undying affection and gratitude. One only has to read the following letter to realize the extent of Starr's dedication and the respect he now receives:

> Every time another forward step in our lives occurs we can't help pondering over what might have been if you hadn't accepted us at Starr Commonwealth 13 years ago. The fact that I had no self-respect, no self-confidence, no self-trust, and just no point in living when I came to you, and still you saw through me and helped me to understand myself makes me never endingly grateful.
>
> DON GRAY, 1943.

American communities plagued with juvenile problems will find that there is hope for disturbed youth through redirection. Ninety percent of the problem boys who attended Starr Commonwealth are now strong contributors to the American society.

Today, the school has nearly 200 boys, and the farm has grown to 3,000 acres. The school campus has more than 20 buildings. Its reputation for educational, vocational, and spiritual instruction is excellent. Under the very able leadership of Floyd Starr, the home is considered one of the best in the Nation.

As the official golden anniversary date approaches, letters of congratulations and appreciation continue to mount. The Honorable Clair Black, former judge of probate for St. Clair County, Port Huron, said this about Starr:

> I have sent many boys to the Starr Commonwealth who have benefited by the training it affords. Floyd Starr can take confused boys and develop with them the ability to work with hands and minds in unison. He can create within them a love of beauty, order, and spiritual values. If they have leadership qualities, he brings them out. He insists on their knowing the best social usages. Quite a job, it is true, but I have seen him do it over and over again. And the older boys carry away a deep gratitude for what they have gained from his tutelage.

Floyd Starr is to be commended for his intense efforts to help troubled youth. He has performed, and in many ways surpassed, the duties of a father. For 50 years his porch light has been on to welcome boys whose hearts are dark and troubled.

It is my hope that his life will be a resplendent example for all Americans and that they will seek to imitate his humanitarian goals.

BROADCAST OF CHET HUNTLEY

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include two letters.

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

There was no objection.

Mr. McMILLAN. Mr. Speaker, recently the NBC Television Co. authorized the Chet Huntley news commentators to make a report on the Negroes in Washington. I have had numerous letters since that program was broadcasted over the country advising me that it was the most biased report they had ever heard broadcast over any television network. I personally did not hear the program; however, I understand the photographs were factual. However, the complaints I have received were against the editorial comments in connection with the report.

I requested Mr. James Clark, the clerk of the House District Committee, who was a practicing attorney here in the District of Columbia for approximately 15 years before accepting the position of clerk of my committee, to cooperate with Chet Huntley in presenting the actual facts to the public concerning conditions in the city of Washington. Mr. Clark spent several hours on several occasions in an effort to give Chet Huntley representatives the true facts surrounding the House District Committee, which, in my opinion, is the finest committee that has ever represented the District of Columbia during the 35 years I have been on Capitol Hill.

It is regrettable that the Chet Huntley program did not portray the actual facts that were given to him by the committee clerk, as not once during the 25 years I have been a member of the House District Committee has anyone on that committee discussed civil rights or the colored situation here in Washington, as we feel this is the prerogative of the House Judiciary Committee and not the District Committee. I, as chairman, will continue to gavel down any person who makes an effort to bring this subject up for discussion in the House District Committee, as that problem is not under our jurisdiction.

The House District Committee has held approximately 240 hours of hearings during the present session of Congress and has been successful in having the House of Representatives pass approximately 35 bills, a record that cannot be matched by any other committee having jurisdiction over the District affairs. Still, commentators, the magazine writers, and local newspapers continue to try to discredit and smear the members of the House District Committee. We have only 8 members out of 25 who claim to be from the South, while the Chet Huntley program broadcasted over the United States that we had 10 members from the 13 Southern States. He did not tell the television that we had 25 members on the committee.

I presume the only way we can please the press, the news commentators, and magazine writers is for us to do nothing, and then I presume they would have a reason to tell the country that we should have home rule, since Congress would do nothing to correct crime and other problems in the District of Columbia.

The following two letters from two of the leading lawyers in the State of South Carolina is a sample of the type of letters I have been receiving since the Chet Huntley report, which appeared on NBC television, Thursday night, September 26, 1963:

> SEPTEMBER 27, 1963.
>
> Mr. CHET HUNTLEY,
> *National Broadcasting Co.,*
> *New York City, N.Y.*
>
> DEAR MR. HUNTLEY: I was one of the unfortunate victims who sat through your television show last night, which was sponsored by Xerox, in which you narrated on the Negro situation in Washington, D.C.
>
> In my lifetime of 55 years, I can truthfully say that I have never seen or heard any program that was more biased than yours last night. Some of the Negroes which were on your program could hardly read their script. I believe, that if you would make an unbiased study of the facts, you would not try to brainwash educated people with such propaganda.
>
> I now have more respect for our honorable Representative, JOHN L. MCMILLAN, for not giving you a statement or appearing on such a program as yours of last night.
>
> You even went so far as to insinuate that the blame for the Washington mess should be attributed to the Southern Congressmen. I can readily understand, after seeing your program, why the good white people have moved out of the city of Washington. I believe, if you will check the records of the employees of the different governmental departments, you will find that in the city of

Washington the percentage of Negro employees is far greater than the white, according to the population of the country.

I have never been one to take advantage of the colored people. I was reared this way, and my father had two colored employees who stayed with him over 30 years; and they sent their children to college. However, I am an American, and I believe in fairplay. All of the foreignisms have the same basic principle: communism, socialism, and Hitlerism. Tell one big enough, loud enough, long enough, and the people finally get to believe it.

I certainly hope that the intelligent people in the United States will band together and put a stop to this brainwashing, biased propaganda. When I say intelligent people, I do not mean the overeducated people who have been educated beyond their ability to absorb education.

Yours truly,

J. WALTER BAGWELL.

GREENVILLE, S.C.

UNION, S.C., *September 27, 1963.*

Congressman JOHN L. MCMILLAN,
House of Representatives,
Washington, D.C.

DEAR JOHN: I wish to commend you for your refusal to appear on the Chet Huntley program which was televised last night in this area. The slanted reporting of the television media is too obvious for comment. I am sure that you would have been subjected to obnoxious cross-examination by a commentator for whom I have little respect. His colleague is no improvement. And while I am about it, I might ask the question who does your Iowa committee member think he is fooling.

After seeing the program in which the only pleasant thing involved was your refusal to appear or be interviewed, I could not refrain from expressing my approval to you.

Sincerely,

L. H. JENNINGS, Jr.,
Attorney at Law.

LATEST CRIME REPORT FOR THE DISTRICT OF COLUMBIA FOR THE WEEK BEGINNING SEPTEMBER 22, 1963

Mr. MCMILLAN. Mr. Speaker, I ask unanimous consent to include a copy of the latest crime report for the District of Columbia.

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

There was no objection.

Mr. MCMILLAN. Mr. Speaker, I realize the House has done everything possible to correct the terrible crime situation in the Nation's Capital, and I hope other responsible parties will take favorable action on the crime bill we have enacted in the House at the earliest possible date.

We all realize this proposed legislation is not a certain cure; however, we feel it will prove to be of great assistance in reducing crime if the legislation can be enacted into law at an early date.

The report follows:

GOVERNMENT OF THE
DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT,
October 1, 1963.

The Honorable JOHN L. MCMILLAN,
Chairman, Committee on the District of Columbia, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN MCMILLAN: Forwarded herewith are copies of the weekly crime report for the District of Columbia for the week beginning September 22, 1963.

Sincerely yours,

ROBERT V. MURRAY,
Chief of Police.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT

Part I offenses reported, Sept. 22–28, 1963

Classification	Week beginning Sept. 15, 1963	Week beginning Sept. 22, 1963	Change	
			Amount	Percent
Criminal homicide	2	3	+1	+50.0
Rape	1	4	+3	+300.0
Robbery	46	40	−6	−13.0
Aggravated assault	59	72	+13	+22.0
Housebreaking	125	147	+22	+17.6
Grand larceny	32	30	−2	−6.2
Petit larceny	131	155	+24	+18.3
Auto theft	72	70	−2	−2.8
Total	468	521	+53	+11.3

EFFECT ON THE CORPS OF ENGINEERS PROJECTS OF NONEXTENSION OF THE PUBLIC WORKS AUTHORIZATIONS

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

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

There was no objection.

Mr. HECHLER. Mr. Speaker, I believe all Members ought to be alerted to a very critical situation which has arisen with respect to the continuance of Corps of Engineers projects all over the Nation. Unless the public works authorization is extended, work will grind to a screeching halt on Corps of Engineers projects all over the land—in California, Florida, Texas, Ohio, Pennsylvania, Kentucky, West Virginia, and many other States. The gentleman from Tennessee [Mr. DAVIS], very eloquently and ably outlined the problem on the floor of the House yesterday. I am sure that all Members realize the seriousness of this situation. In the Ohio River basin, for example, in 12 days the Corps of Engineers will have to send out notices to its contractors to stop work on 11 construction projects in the Ohio basin. This same situation is occurring all over the Nation.

So far as the entire Appalachian area is concerned, it makes little sense to pass legislation like the Area Redevelopment Administration and accelerated public works, and then turn around and cut off projects which also have a direct effect on stimulating the economy. We are really faced with a serious challenge to the effectiveness of Congress itself when projects in process are stopped. Think of the tremendous loss to the taxpayers of the Nation if these projects are abruptly stopped, with the ensuing confusion and waste of money, men and materials. We must demonstrate to the Nation that the legislative process is equal to the situation.

I trust that Congress will very soon find the way to correct this critical problem, and I am confident that an amicable solution will be worked out.

HOUSE INTERIOR COMMITTEE MEMBERS ANALYZE ISSUES AFFECTING MINING INDUSTRIES

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include statements by Mr. EDMONDSON, Mr. BARING, and Mr. SAYLOR at the convention of the American Mining Congress in Los Angeles, Calif.

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

There was no objection.

Mr. ASPINALL. Mr. Speaker, the convention of the American Mining Congress was held this year in Los Angeles from September 15 to 18. I am pleased to report to the House that the 2,700 participants in the meetings displayed a serious concern for the problems facing the mining industry.

I am likewise pleased to have participated in these meetings with several other members of the House Committee on Interior and Insular Affairs, of which I have the honor of being chairman.

In addition to the remarks that I made as chairman of the session on public lands, three members of the House Committee on Interior and Insular Affairs delivered major addresses on subjects of national concern in the area of mining and minerals. The participation by our members in these meetings is typical of the cooperation that exists between our committee and the members of the industry. We may not always see eye to eye but we do have, I think, mutual understanding which permits us to work together for the common good.

Under leave previously granted, I am pleased to include as part of my remarks first, the address by the Honorable ED EDMONDSON, chairman of the Mines and Mining Subcommittee, who spoke on September 16, 1963, at a session on stockpiling. Other participants on the platform with Congressman Edmondson were Edward A. McDermott, Director of the Office of Emergency Planning; Jess Larson, who directed acquisitions for the stockpile when he was with the Government; and J. Allen Overton, Jr., the executive vice president of the American Mining Congress.

STOCKPILES AND VICTORY IN THE COLD WAR

(Remarks of Representative ED EDMONDSON, Democrat, of Oklahoma, American Mining Congress, September 16, 1963)

Mr. Chairman, it is a great privilege to appear before this distinguished organization, and to participate in discussion of a matter of vital concern to American security and to victory in the cold war.

Let me begin by saying that one of the finest summaries ever written about this subject is the document "The Stockpile Story," published in February of 1963 by the American Mining Congress. I do not know who its editor was—whether it was Allen Overton, or Harry Moffatt, or Julian Conover, or some ghost in the backroom—but this publication is an outstanding contribution to public understanding of an issue that has been badly distorted by many elements of the press.

My thanks are also due to the able and distinguished American who is with me on this program, and who heads today the executive agency with major responsibility in

the field, the Honorable Edward A. McDermott.

Mr. McDermott's agency, the Office of Emergency Planning, at times moves in directions which create doubt and apprehension in this area of Government responsibility, but Mr. McDermott himself has given convincing evidence, in testimony before our subcommittee, of his knowledge and outstanding ability. I am particularly obliged to him for supplying an advance text of his remarks today, and for the many hours he has spent in conference with me on this subject.

Another word of thanks is due another distinguished American on this panel, one of the best informed men in the Nation on the subject, the Honorable Jess Larson. Mr. Larson has also given generously of his time and talent to enlighten our subcommittee, and his choice to participate in the panel was a wise one.

If I am not well informed today on the subject of stockpiles, then Mr. McDermott and General Larson must share some of the blame for my condition, for both have labored long in the field of educating an Oklahoma Congressman on the subject.

Before my exposure to either AMC or Mr. McDermott or General Larson, however, I was initiated in the ABC's of stockpile wisdom.

As a naval gunnery officer in World War II, I sailed aboard merchant ships with the challenging and dangerous assignment of bringing to America the more than 70 items urgently needed from overseas to maintain our war effort.

It was my good fortune to have that duty in the Pacific, and we needed no convoys to bring from South America and the Far East some of the most critical materials of the war.

Thanks to an inferior Japanese submarine force which concentrated most of its effort on military vessels, our merchant ship losses in the Pacific were few.

In the Atlantic, however, it was another story—a bitter, costly, tragic story—in which more than 6,000 merchant vessels were sent to the bottom. Our heaviest naval casualties in the Atlantic were found among the armed guard crews assigned to merchant shipping.

A long time ago, some wise Chinaman is supposed to have said that a picture is worth a thousand words. The picture on the cover of the AMC publication, "The Stockpile Story," is the most compelling argument I know for the wisdom of an adequate stockpile policy.

With hundreds of crosses, as shown in Adm. Samuel Eliot Morrison's "The Battle of the Atlantic," it shows the ocean graveyards of thousands of American and allied merchant sailors who gave their lives in World War II, because of the folly of a prewar policy which neglected this important phase of preparedness.

It is difficult if not impossible for me to be impersonal or detached in my viewpoint on this subject, Mr. Chairman.

For I have stood on the beaches of New Jersey, in the early months of American involvement in World War II, and have watched the fires on the horizon as our tankers went down in flames.

I have seen those beautiful beaches turn black with oil and debris from our shattered shipping.

I have said goodbye to shipmates who never returned—whose graves will forever be in the silent ocean depths—as sacrifices to our terrible need for critical materials in time of war.

Finally, Mr. Chairman, I know that our terrible losses in World War II—losses which almost lost the war for us before we had been in it for a full year—were accomplished by an enemy navy with submarine strength of less than one-fourth the submarine strength of one potential enemy we face today.

I have used the expression "less than one-fourth," but this is conservative indeed. When the size, range and striking power of today's Communist submarine force are all considered, I do not believe it is out of line to estimate their strength at 6 or 7 times the maximum strength of the Nazi submarine force in World War II.

This is a central, cardinal truth about our stockpiles' importance in the world today, and I do not believe it is possible to overemphasize that truth.

For the solemn fact of life remains with us today, despite all our progress in airborne commerce and the use of substitute materials—the lanes of the sea continue to bring us our major supplies of many vital and indispensable materials. Never before has the danger of having those sea lanes closed been as great as it is today.

This is an argument which the advocates of stockpile reduction have yet to answer, to the satisfaction of at least one subcommittee in the Congress.

But we are told that reserves for a 5-year war are no longer necessary—that a 3-year reserve is more than adequate for present maximum stockpile objectives—and that no stockpile at all is necessary in some critical materials which we import in great quantity each year.

The 5-year estimate was considered both valid and prudent during the administration of President Truman and for more than 5 years in President Eisenhower's administration, but for some magical, mysterious reason, in the year 1958, a 3-year standard was substituted for it.

Some people have sought to attack and criticize the Eisenhower administration for some of its stockpile purchases; in my own judgment, that administration is much more likely to be judged harshly by history for its decision that stockpiles adequate for a 3-year war are all we need.

I have never been able to learn the reasoning of the experts who made the 3-year decision, although our subcommittee has tried, again and again, to learn it.

Did something happen in 1958 to reduce the danger of Communist aggression?

Did something happen to make certain the fact that any war in which we participated would be much shorter than World War I or World War II?

Did something happen in 1958 to increase by 40 percent our margin of security and military safety, or to reduce by 40 percent the danger of a long war?

If the answer to any of these questions is "Yes," I have never been able to learn what that something was.

In my own judgment the danger of Communist aggression is just as great today as it was in 1957—perhaps greater, in view of the current policies of Red China.

In my own judgment, the likelihood of a long war—if war comes—is just as great as it was in 1957. Certainly the chance of quick and decisive victory over a major Communist power is no greater in the light of efforts now underway to build our conventional fighting forces and reduce the chances of nuclear war.

If we fight a war against any major military power without the use of nuclear weapons, by what process of reasoning do we conclude that such a war today will be concluded in less than 3 years?

Mr. Chairman, reduction of our stockpiles today, without a clear and concise answer to that question, would certainly be a policy decision of doubtful wisdom.

No thinking person today, who is realistic about the world in which we live, is advocating unilateral disarmament, in terms of the weapons of war. In fact, the President has assured us all, in the strongest possible terms, that the test ban treaty now being debated in the Senate is not in any way a step toward unilateral disarmament.

Yet there are some who advocate a substantial reduction of our stockpiles—despite the fact that these stockpiles are recognized on all sides as important, vital assets in the cold war, indispensable elements of American defense, and substantial deterrents in themselves to enemy attack.

Such a reduction, on the basis of present conditions and incomplete study, would amount to nothing less than unilateral disarmament by the United States.

I can assure you it will meet with determined, bipartisan opposition in both Houses of Congress.

In conclusion, I would like to refer once again to the statements of policy which accompanied the legislation originating our stockpiles.

The basic declaration of policy is found in the act of June 7, 1939, at 50 U.S. Code 98:

"The natural resources of the United States in certain strategic and critical materials being deficient or insufficiently developed to supply the industrial, military, and naval needs of the country for common defense, it is the policy of the Congress and the purpose and intent of * * * this title to provide for the acquisition and retention of stocks of these materials and to encourage the conservation and development of sources of these materials in the United States, and thereby decrease and prevent wherever possible a dangerous and costly dependence of the United States upon foreign nations for supplies of these materials in times of national emergency."

Let it be noted that the purpose and intent of the law, from the first, was to provide for the acquisition and retention of stockpiles necessary for the common defense.

Finally, let no one forget the further policy statement which appears at 50 U.S.C. 98b: "*Provided*, That no material constituting a part of the stockpiles may be disposed of without the express approval of the Congress except where the revised determination is by reason of obsolescence of that material for use in time of war."

The express approval of Congress should certainly continue to be a basic requirement for any reduction of our stockpile, in these troubled and dangerous times.

With public understanding of the issues involved, I hope and trust that it will.

Mr. Speaker, on September 17, 1963, I acted as chairman of a two-part session on public lands: One part was devoted to pending wilderness legislation and the other to the need for revision of the mining laws.

Congressman WALTER S. BARING, chairman of the House Subcommittee on Public Lands, spoke on the wilderness bill along with Dr. James Boyd, president of Copper Range Co.

Representative JOHN P. SAYLOR, ranking minority member of the House Committee on Interior and Insular Affairs, engaged in a panel discussion on the need for revision of the mining laws. Others on the mining law revision panel were John A. Carver, Jr., Assistant Secretary of the Interior for land management; C. H. Burgess, vice president of the Kennicott Copper Corp.; and Raymond B. Holbrook, counsel for the U.S. Smelting, Refining & Mining Co. at Salt Lake City.

Under leave previously granted, I include as part of my remarks my statement at the opening of the public lands

session together with the speeches by Congressmen BARING and SAYLOR:

REMARKS OF THE HONORABLE WAYNE N. ASPINALL, A REPRESENTATIVE IN CONGRESS FROM COLORADO, AND CHAIRMAN OF THE HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE, AT THE PUBLIC LANDS SESSION OF THE AMERICAN MINING CONGRESS ANNUAL MEETING, BILTMORE HOTEL, LOS ANGELES, CALIF., TUESDAY, SEPTEMBER 17, 1963

I hope that representatives of the mining industries assembled here will not get tired of hearing me say that I am pleased to be with you on the occasion of your annual meetings. The fact is that I am pleased because I personally enjoy our associations and again I take pleasure in an interchange of ideas concerning matters of vital importance to the Nation.

A year ago, when I acted as chairman of the public lands session at San Francisco, I indicated to you my belief that "we must be ready to consider revision of the mining laws and freely discuss the best means possible to continue the development of minerals in our public lands in the light of modern technology and current land use demands." Since then, in a series of talks, I feel that I have developed the need for a thorough review of all our basic public land laws. Last month I proposed the establishment of a bipartisan commission composed of representatives of the executive and legislative branches to undertake this review. Legislation to carry out this proposal was introduced by me, as well as by Congressmen BARING, UDALL, and KYL. The first hearings on these bills were held last week and I think we are well on our way toward being able to report out and have approved by the House legislation establishing a Public Land Law Review Commission.

In the series of talks which I made, I stressed my continuing philosophy that, as a conservationist, I must seek to achieve the wisest possible use of all our natural resources. It is therefore necessary that we focus our attention on the resource use aspect of our public land laws. It is with this in mind that I wrote the proposed charter for the Commission. As far as mining is concerned, I think you should welcome a study of this kind because, in the absence of an overall review, it is the unfortunate fact that today our mineral resources might slip further back in the order of priority among all other resources.

The core of the difficulty stems from the fact, which you all know, that in many instances it is uneconomical for domestic mining and minerals industries to compete with foreign imports. Simultaneously, gold, long the mainstay of our valuable minerals, cannot be mined profitably because of the fixed monetary value of $35 an ounce, established back in 1934. In addition, mining is at times thought by some to be incompatible with other, and sometimes more popular, uses such as recreation.

It is essential, therefore, that we have a high-level group study the entire spectrum of public land use and natural resource development in order to make sure that the long-range requirements and national needs are given the proper weight in relation to the short-range demands. Stop and think, if you will, for just a moment of how many people in and out of Government would like to see all Federal public lands retained in Federal ownership and put under some management program in the name of conservation or recreation. Only through a comprehensive review of all the public land laws can we be positive that the proper attention will be given to all requirements.

There are, of course, many ways in which such a review could be undertaken. My approach is through a body composed of six Members of the House of Representatives, six Members of the Senate, and six representatives of the executive branch. The advantage of a body of the type which I advocate is that we obtain the services of people who are not committed to the preservation of any particular bureaucratic structure and are therefore not committed to keeping lands in public ownership. Accordingly, we can expect these people to place and keep all the natural resources in their proper perspective, as they recommend the long-range policies to be followed by the Government.

One of the essential factors in my plan is the preponderance of Members of the House and Senate on the Commission. I think this is proper because this study is primarily a legislative function. By having representation from the executive branch of the Government we assure that their views will be given consideration but we also assure that they will not take congressional prerogatives away from the congressional representatives. From its standpoint, the executive branch is given the freedom of being able at a later date to comment on the Commission recommendations without being rigidly bound to support those recommendations.

An important ingredient of the Commission study is the provision for the establishment of an advisory council on which there is to be representation of various user groups, including mining interests. Each State would also be invited to cooperate in the study.

The legislation provides for a full-time chairman of the Commission and for its proper staffing in order to insure that the best talent will be available for this most important task.

We have, in the last few years, received many communications taking exception to the manner in which various public land laws, including the mining laws, are being administered. Our Committee on Interior and Insular Affairs has been able to go into these matters only to a limited extent and then only when considering specific legislation. I think that the Commission, in order to evaluate the effectiveness of existing statutes and their need for revision, will of necessity have to inquire into administrative procedures being employed by the executive agencies. I have, accordingly, included in the duties of the Commission the requirement that it study existing regulations and review the policies and practices of the Federal agencies and then I would grant to the Commission the power of subpena. I submit that it would be an empty gesture to require the Commission to make these broad studies and then not give to it the power to require the attendance of witnesses who may have information bearing on the subject.

Because I recognize the fact that there is need for immediate action, I have indicated that, if the Commission bill is approved, I will support temporary legislation establishing the principle of multiple use for the interim management and administration of Bureau of Land Management lands and would, likewise, support interim legislation to give the Secretary of the Interior additional authority to sell public domain lands that are required for the orderly growth and development of communities. In order to assure close committee surveillance during the period of the Commission study and while multiple-use authority is in effect, I have introduced a bill (H.R. 8305) requiring the Secretaries of the Interior and Agriculture to withhold certain public land actions for 60 days after notification to the Senate and House of Representatives.

I recognize the possibility of need for legislation to establish a new category of exploration claims giving prediscovery protection to prospectors on public lands during the period that the Commission is studying the overall problem. You will recall that I informed you last year that I had directed a member of the committee's professional staff to work with industry representatives and Department of Interior personnel, in order to develop a framework of legislation in this field. I think that we are close to agreement but it is not yet a reality. The progress that has been made in the last year is due primarily to the efforts of Assistant Secretary of the Interior John A. Carver, Jr., who, a few minutes from now, will inform you of his views toward an exploration claims bill. If a bill is developed and it receives departmental approval, if it is approved by the Bureau of the Budget, and if it is submitted by an executive communication as the administration's recommended legislation, I shall introduce the bill in keeping with my general policy, even if I have reservations about portions of the bill. In this way, an administration bill can become the vehicle through which the committee can give consideration to the problems involved.

This summarizes the situation relative to public lands today. I am hopeful that the immediate future will see the development of needed policy guidelines governing the public lands and that Congress, as the policy-making body, will establish rules governing the use and disposition of the public lands.

In this latter connection let me make a comment concerning the wilderness legislation, and that comment is that we are continually making additional Members of the House of Representatives aware of the basic constitutional question requiring affirmative action by Congress in the designation of wilderness areas. Inasmuch as Congressman WALTER BARING, chairman of our Subcommittee on Public Lands, which has jurisdiction over the wilderness legislation, is going to speak to you on this subject in a few minutes, I will not go into its status.

THE WILDERNESS BILL

(Remarks of the Honorable WALTER S. BARING, a Representative in Congress from Nevada, and chairman of the Subcommittee on Public Lands, House Interior and Insular Affairs Committee, at the public lands session of the American Mining Congress annual meeting at the Biltmore Hotel, Los Angeles, Calif., Tuesday, Sept. 17, 1963)

At the outset, let me state what I think all of you already know: I see no need for any legislation for so-called protection of wilderness areas. I think the primitive and wilderness areas in our national forests have been and are being given pretty good protection by the Secretary of Agriculture and the Chief of the Forest Service.

Despite my personal views reflecting the absence of need for this legislation, I am willing to assume my responsibility as chairman of the House Interior Committee's Subcommittee on Public Lands and listen to reason. But, I assure you, I will never support a bill that takes millions of acres of land and puts them forever out of reach of public benefit unless we have satisfied ourselves that the lands are not good for anything else.

Against the background of these basic factors, I would like to examine briefly with you this morning some important aspects of the pending wilderness legislation and its status. There have been introduced in the House of Representatives 13 bills for the establishment of a national wilderness preservation system; in addition, 1 bill, S. 4, passed the Senate April 9, 1963. All 14 bills have been referred to my subcommittee. Because all 14 bills express the same basic philosophy, I will not discuss the minor variances among them but will treat them as a group.

First, let us nail down a distortion spread by some of the wilderness advocates who say that this legislation would not interfere with any presently authorized use. This is a half-truth because, although present mining on patented grounds would be allowed to

continue, the authorized use of allowing anyone to enter upon these public land areas and engage in new mineral development would be terminated the day the bill becomes a law. Furthermore, even the right to prospect would be curtailed, except "for the purpose of gathering information about mineral" resources and then only if the activity "is not incompatible with the preservation of a wilderness environment."

Members of Congress from the mining States are not going to be fooled by this provision which I will examine in greater detail because it typifies the attempt by the wilderness proponents to make things seem what they are not. Section 6(c)(8) of S. 4 says:

"Nothing in this act shall be construed to prevent within national forest and public domain areas included in the wilderness system, any activity, including prospecting, for the purpose of gathering information about mineral or water resources or to prevent the completely subsurface use of such areas, if such activity or subsurface use is carried on, in a manner which is not incompatible with the preservation of the wilderness environment."

There is much legitimate concern about the possibility that we will be denying future generations the use of valuable minerals and valuable essential sources of water if we close off these areas for wilderness preservation. This provision that I have read to you is apparently intended to make people who are not familiar with the realities of the situation believe that the wilderness bill does not lock up these mineral resources about which everyone is concerned. You and I know that the provision doesn't mean a thing because nobody is going to risk the capital investment required for exploration today unless he has an assurance that he will be permitted to develop a mine if he makes a discovery. The Senate-passed wilderness bill denies this assurance.

Likewise, we will expose in the House of Representatives the fact that the proposed authority of the President to permit prospecting and mining is meaningless except in the context of anticipating the day when the United States has no mineral resources any place else. The mining industry and its friends know how long it takes to find and develop a mine. We recognize that it is ridiculous to say that these resources, although locked up, will be available in the event of an emergency—time just would not permit finding and developing mineral resources after we are enmeshed in an emergency situation.

My conclusion, therefore, is that if we are going to have wilderness legislation there must be realistic provisions relating to the discovery and development of our mineral resources. I assure you that if a bill is reported out of my subcommittee it will have simple, unmistakable language that even the lawyers will understand, prescribing the guidelines for any restriction on mining activity.

Last year, when the House Interior Committee reported a wilderness bill that represented an effort by the committee to effect a compromise between the proponents and opponents of wilderness legislation, 6,822,400 acres of forest land were classified by the Forest Service as "wilderness," "wild," and "canoe"; and the House committee version of the wilderness bill would have given these 6.8 million acres of land immediate wilderness status subject to continued mineral exploration and development for a 25-year period. In the year that has passed since that bill was reported out, the Secretary of Agriculture and the Chief of the Forest Service have added over a million and a half acres in these categories so that there are now 8,391,648 acres in wilderness, wild, and canoe areas.

Areas presently classified as, and given wilderness protection by the Department of Agriculture, restrict the type of use that can be made of the areas. Miners have demonstrated that they can prospect for and develop the mineral resources while preserving the wilderness characteristics. In answer to some of the arguments that maintain that the wilderness areas possess no mineral values, we have a report prepared by the Chief of the Forest Service indicating that, since the first wilderness bill was passed by the Senate September 6, 1961, 350 mining claims were filed in wilderness and wild areas and an additional 187 claims have been filed in primitive areas within the national forests.

These statistics point up a few things: (1) There are mineral resources in the areas embraced by the wilderness bill; (2) prospectors are willing to enter these undeveloped areas in search of valuable minerals; and (3) the 350 acres in wilderness and wild areas, at 20 acres per claim, would involve 7,000 acres out of over 8 million acres, or less than one-tenth of 1 percent of the area that would have been given wilderness protection by both the Senate bill and the House committee bill of last year. Incidentally, I do not know what method the Chief of the Forest Service used but he estimated that, of the 350 claims, only 88 "may be valid," thereby reducing to 1,760 acres the area in which we may expect mining development to take place. I do not think that mining threatens the wilderness.

The bill reported out by the House committee last Congress tried to compromise the mining issue by providing the 25-year period I referred to earlier, during which mining would be permitted and after which the lands would be withdrawn from appropriation under the mining laws. Let us review some of the other important provisions of that bill.

The wilderness, wild, and canoe areas have been identified with preciseness; however, the primitive areas must still be delineated. Therefore, we can blanket in the wilderness, wild, and canoe areas because we know exactly what land is affected. But we cannot do the same with the primitive areas because even the wilderness advocates recognize that these areas must be reviewed. Only after they have been reviewed can we in Congress pass on whether specific areas should be given wilderness protection.

The committee sought to preserve the traditional position of Congress as making policy in the field of land management and leaving it up to the Executive to carry out those policy guidelines. If, on top of the protection given by the executive branch to these wilderness areas, we are going to provide legislative protection, it is necessary for Congress to pass on each individual area.

At this point, let me give you an example of what I consider to be a weakness in the Senate wilderness bill: Under section 3(b)(1) of S. 4, the Secretary of Agriculture would review the primitive areas and then the President would submit his "recommendations," which would become final unless vetoed by Congress, providing for any alteration in the boundaries of the primitive areas subject to the proviso that any primitive area recommended for inclusion in the wilderness system could not be larger in area than the amount classified as primitive on the effective date of the act. In some of the primitive areas there are thousands of acres of land devoted to uses, such as roads, that are incompatible with wilderness. The Senate bill would therefore permit the Department to drop out 10,000 or 50,000 or more acres of roads or other uses and substitute 50,000 acres of land that might be potentially valuable for resource development; or, to put the example in practical terms, the Executive could drop 50,000 acres of rocks, stones, and rattlesnakes and include in the wilderness 50,000 acres of mature timber. In order to make certain that Congress acts based on full knowledge of the facts, I assure you that, if there is going to be a wilderness bill, there will be provision for affirmative action by Congress after the Chief Executive or his Cabinet officers have made their review and submitted their recommendations to the Congress.

We have not scheduled any hearings on wilderness legislation because, right at the moment, there seems to be no point in doing so. Should it develop that the wilderness proponents are willing to move in the direction of the compromise offered by the House committee last year, I would be willing to schedule hearings on this legislation.

I recognize the fact that no direct specific testimony was received by our committee on the proposals offered by the House committee. Accordingly, if the House of Representatives recesses during November and legislation along the lines of the House committee compromise wilderness bill seems possible, I will seek authority to hold hearings in the West on proposals that might lead to such compromise along the lines of that bill. If the House does not take a recess, then it seems to me the best we can hope for would be to have the staff work completed this fall and to hold hearings in Washington in the early part of next year, relying on national organizations such as yours to obtain the views of the people of the West on the specific proposals contained in the House committee bill.

I am pleased to have had this opportunity to discuss this legislation with you on the same platform with the chairman of our Committee on Interior and Insular Affairs; I feel certain that he will continue to support me in my views that hearings on the wilderness legislation would serve no purpose unless we have some advance indication or assurance that the wilderness advocates will move in the direction of the House committee bill.

PRESENTED AT THE PUBLIC LANDS SESSION, TUESDAY, SEPTEMBER 17, 1963, AMERICAN MINING CONGRESS MINING CONVENTION, LOS ANGELES, CALIF., BY THE HONORABLE JOHN P. SAYLOR, U.S. REPRESENTATIVE FROM PENNSYLVANIA

Mr. Chairman, my colleagues in the House, and colleagues on the panel, and friends, having been the individual in Congress who introduced in the House of Representatives the first wilderness bill and who introduced the bill to modernize the mining laws and after hearing the comments that have been made, I take consolation in the fact that in the dark days of President Lincoln's administration when he looked everywhere for friends and could find few, he was delighted one day to have call upon him a group of people that he had known in Springfield, Ill. They asked him, "Mr. President, how do you like your job?" It is reported that he leaned back in his chair and stretched his long legs and looked at them and said "Well I'll tell you it reminds me very, very much of the man who had been tarred and feathered and was being ridden out of town on a rail," and he said "that if it wouldn't have been for the honor he would just as soon have walked."

Now many people have asked me why you from Pennsylvania take an interest in the West. Let me tell you that I come from an area in Pennsylvania—and I'm delighted to look out in this crowd and see a former Johnstowner, Mr. Williams, who is here as one of the officials of the Colorado Fuel & Iron Co.—he can tell you that in the section of Pennsylvania from which we come—we are very much interested in mining. And I am delighted to have this opportunity to come here and talk to you, because, sometimes, it is from those who are not in your organization that you might find some of the things that are causing other people to look at you askance. One year ago at this

meeting, Chariman ASPINALL said this to you: "One of the difficulties of the public lands laws including the mining law is that they have been in existence for a long time without an overall review and overhaul. The scope of the mining law of 1872 has been curtailed by the Mineral Leasing Act. The procedure, however, for locatable minerals remains exactly the same despite the fact that just about everything else in the United States has changed." And I'd like, one year later, to say "Amen" to that statement—because it's true—even truer today than a year ago.

One of the reasons that I have introduced a bill to revise the mining laws is that there are groups and people in this country that look upon you as despoilers. This I do not believe. But unless something is done by the American mining industry to help create a better atmosphere and a better impression among the American people, you are in trouble. If you are afraid of change—then you are in more trouble. If you want to hang on to what you have and say that a hundred years ago it was given to you and that you will not move from your present position—I am afraid that some day in the near future you may have many things handed to you that will not be to your liking. And, because I believe that a great, a healthy and a prosperous mining industry in this country is one of the real cornerstones of the American economy, I have tried to issue a challenge to the American mining industry.

Now I do not at this time or at any other time want to tell you that I have all the solutions to your problems because I know that I do not. But I hope that my approach may cause you—the brains of a great industry—to think about your present job and about your future.

Before I introduced the bill to revise the mining laws I sent it to a number of my friends in the mining industry and it came back with this remarkable analysis. Those men that I classify as middle age and over, all thought it was terrible and those that I classify as below middle age—I mean by that those younger than myself—all thought it was marvelous.

Now let me see what I have tried to do. This bill has two purposes. First, it would protect the interest of the legitimate prospectors and miners by establishing an orderly procedure for the exploration and discovery of mineral deposits and the patenting of mining claims on public lands. I might tell you folks that you are one of the few groups in this country that has the right to get a patent but believe it or not there are other groups in this country that are looking at this right that you have and saying that if the miners have it, why can't we. Just a few days ago, in Washington, when our committee was conducting hearings on Chairman ASPINALL'S bill, H.R. 8070, to provide a commission for the overall review of the public land laws, a representative of the cattle industry, and a very able representative, stated that when cattlemen go on the public range and they place developments on the public range, why should they not be given the right to get a patent to that land just as the miner does when he discovers a mineral. Let me tell you, my friends, that you've got a hard answer to come up with because the cattle industry is also an important cornerstone in this great country of ours and they, too, use large sections of this public domain and they have improved our range and they have prevented rushing washoffs and rapid runoffs and they're spending their money to make sure that they can continue to have a healthy operation.

The second purpose of the mining revision bill that I introduced is to protect the overall public interest in public lands, on which mining activities are permitted, by assuring that mining is conducted in a manner compatible with other multiple-use objectives of the public lands.

Now the legitimate miner has been held up to public ridicule and scorn because of the weekend miner. A man who takes advantage of the loopholes in the law of 1872 to get himself a piece of the public domain under the guise of mining and who gets a personal and preferential use in outstanding recreation, scenic, hunting and fishing areas, is abusing the law and bringing criticism on all. One of the outstanding cases is one that occurred a few years ago in the State just north of here. You are all familiar with it. Patents were issued under the guise of mining. Let me tell you that the payroll, as shown by the reports that were filed, would not have paid for the 8 years' assessment work on the claims; but, in the meantime, on the lands which were patented, over 2 million board feet of valuable timber was cut. Oh, they got a little mineral, that's true; but they didn't get much. And I am satisfied that it was never the purpose to get minerals in the first place.

Now if your industry really believes that you can stand on the law of 1872 then I as an easterner warn you today—and as a friend I warn you—that you are in trouble. I hope that from this convention you, who are the brains of the industry, will come forward not only to your Congress, but to your Secretary of Interior and to your Secretary of Agriculture, with a constructive revision program so that in the years to come we may continue to have a healthy American mining industry.

QUESTIONS ON PROPOSED UNITED STATES AND RUSSIAN COLLABORATION ON MAN-ON-THE-MOON PROJECT

Mr. JOHANSEN. 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 Michigan?

There was no objection.

Mr. JOHANSEN. Mr. Speaker, apropos of the President's recent proposal that the United States and Soviet Russia collaborate on the man-on-the-moon project, I respectfully raise these two questions:

First. If this moon-shot project is not expected to contribute substantially to our military know-how and national defense, how can we justify to the American taxpayers the many billion dollars of cost which it involves?

Second. If it is definitely anticipated that this project will develop vital military information and thus contribute to national defense, how can we justify making Soviet Russia a partner in the project, and, therefore, a cobeneficiary of that vital military information?

I would like to hear an uncensored and unexpurgated answer to these two questions from the Joint Chiefs of Staff.

PROPOSED JOINT COMMITTEE TO SUPERVISE CIA

Mr. LINDSAY. 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. LINDSAY. Mr. Speaker, the growing press reports to the effect that there has been a breakdown of relations, even of communication, between the State Department and the CIA in South Vietnam can no longer be ignored. It is bad enough that U.S. policy in this part of the world can, at best, be described as "misunderstood"—and therefore clumsy—but when clumsy policy is divided up between quarreling U.S. agencies it is even worse. The gentleman from Florida [Mr. ROGERS] has just referred to an additional press report of the divisions, disagreements, and breakdowns in communication between the State Department and the Central Intelligence Agency in South Vietnam. Now if these reports are right, we should not be sitting still. If they are wrong, they should be exposed as false and the record set straight. In any event if seems plain that there have been leaks from one agency or the other or both.

Eighteen Members of the House of Representatives, I among them, have introduced resolutions calling for the creation of a joint committee to supervise the intelligence community. At least two Members of the other body have introduced identical resolutions. A few weeks ago I spoke for an hour on the floor on this subject. I think we Members of the House would not be living up to our obligations as legislators were we to ignore this question.

Recently Hanson Baldwin, distinguished journalist and expert on military and security affairs—a person who individually believes in executive control in matters of this kind—has written a second major article on the U.S. intelligence community and has again pointed to the absence of congressional supervision over this giant, billion-dollar complex.

RURAL ELECTRIFICATION PROGRAM

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a speech by the Director of the Rural Electrification Administration.

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

There was no objection.

Mr. PRICE. Mr. Speaker, so much is being said about the job of rural electrification being finished that there is a real danger Members of the Congress may be misled into accepting a false impression of this vital and constructive program.

It is refreshing then to have the views of the man who is in position to gage the status of rural electrification today, the very able Administrator of the Rural Electrification Administration, Norman M. Clapp. These views are being expressed by Mr. Clapp in a series of meetings around the country with the men and women who direct and manage the rural electric cooperatives which have wrought a miracle in bringing the benefits of electricity to areas far from the central station plants which produce light and power for our cities and suburbs.

In this speech Administrator Clapp is proposing "A Program for Growth" which he believes is necessary if the rural power systems are to succeed in achieving the objectives of the Rural Electrification Act. Toward this goal, he proposes an orderly and businesslike approach to the unfinished business of rural electrification through a program which will permit the rural electric systems to become self-sustaining.

It should be understood that the proposals and the program he offers are the product of his experience and deep personal interest in REA, cooperative rural electrification, and the development of rural America. He has brought to this task the background of his long and close association with the rural electric cooperatives in his native Wisconsin, and the habit, which he developed while publishing a county seat newspaper, of weighing a situation fairly and objectively, in meeting his obligation to all the people. Thus he has shaped a policy which he believes will serve the interests of every American, while helping to assure the future security and effectiveness of the rural systems which serve those who created them, the 5 million member-owners of the REA-financed rural electric cooperatives.

A PROGRAM FOR GROWTH

(Remarks of Norman M. Clapp, Administrator, Rural Electrification Administration, before the 1963 regional meetings of the National Rural Electric Cooperative Association)

It was approximately 3 years ago, on September 22, 1960, at Billings, Mont., when President Kennedy, then a candidate for the presidency of the United States, assured the people of rural America that if elected he would (and I quote the President's words) "restore REA to its former role of preeminence, freeing it from constant concern over political interference, higher rates of interest and budgetary starvation and enabling that remarkable American institution to get on with its work of providing low-cost electricity and telephones for every American farm family."

This commitment to the American people, since President Kennedy's election, has become the mandate for rural electrification under his administration.

For nearly 3 years now following his inauguration in January of 1961, the Department of Agriculture and the Rural Electrification Administration have been engaged in the challenging task of translating these words into action.

The cloud of political interference which had hung over the loan authority of the rural electrification administrator under the previous administration was clearly and emphatically dispelled by Secretary Freeman in one of his first official announcements of policy as Secretary of Agriculture under the new administration. The controversial loan for a much needed generating plant for the cooperative electric systems in southern Indiana, which had been blocked through high level political intervention under the previous administration, was approved in June of 1961. It was not only the largest generation and transmission loan ever made by REA, it was among the first substantial fruits of the New Frontier.

It was made crystal clear that this administration would not be badgering REA borrowers to accept a higher interest rate. The present 2 percent interest rate on REA financing is admittedly a more favorable rate than would otherwise be available to the rural electric systems of this Nation. But this favorable rate is still a necessary equalizer to enable rural systems to overcome other inescapable higher costs of rural service. It is recognized that this rate in the present state of the public money market and under present Federal fiscal conditions represent some cost to the Government. I am sure we all look forward to the time when the need for such an equalizer in rural electrification will diminish and disappear. But that day is not here yet.

To bring the dawn of that day will take sustained effort in further building the potential economic strength of the rural systems. To know when it is here will take careful and expert study. To be stampeded into such a decision by the free-wheeling judgments of partisan propagandists or enticed into it by the blandishments of special interests would be a tragic error not only for rural America but the entire Nation.

The theme of your regional meeting this year is "the Challenge of Growth." This administration is firmly committed to the growth and strengthening of the electric systems which the rural people of this country built to serve themselves. We believe in them; we believe in you. We have faith in your future.

Growth takes capital. In the electric business, it takes great quantities of capital. For most rural electric cooperatives REA is still the major source of that necessary new capital.

So immediately following President Kennedy's inauguration there began a review of the previous administration's budget proposals for fiscal year 1962 to determine if they were equal to the task ahead. The previously recommended loan authorization of $145 million for rural electrification loans for fiscal year 1962 was raised to $195 million, and the Congress even added an additional contingency fund of $50 million to make a total of $245 million available for rural electrification loans in fiscal year 1962.

For fiscal year 1963 President Kennedy requested the Congress to authorize $400 million for rural electrification loans, the largest amount ever requested by a President and approved by Congress in the history of the REA electric program. In the budget for this present fiscal year, 1964, President Kennedy has recommended an authorization of $425 million, another record-breaking request in the history of the program.

These are the deeds which are translating into action the words spoken 3 years ago at Billings, Mont., and enabling all of us to get on with the work of providing low-cost electricity for every American farm family and rural consumers generally.

On no front has meeting the problems of growth been more challenging than in the field of power supply. Rural electric systems financed by REA still get 38 percent of their power from the commercial power companies; 39 percent comes from various Federal sources such as TVA, Bureau of Reclamation, Bonneville Power Administration, Southwestern Power Administration, and Southeastern Power Administration. A small percentage comes from public power districts, public utility district, and municipally owned systems. Only between 16 and 17 percent of their needs are supplied from REA-financed generation. Yet the REA generation and transmission program and the ready availability of REA financing for such purposes is vitally important not only to assist in meeting the rapidly growing needs of the rural systems for more power but also in providing an available escape for the rural systems from unnecessarily high power costs and restrictive power contracts.

From January 1961 to the close of this past fiscal year on June 30, 1963, a span of 30 months, REA under this administration has made loans totaling more than $384 million for generation and transmission purposes including loans to 37 power-type borrowers. This is more than three times greater than the generation and transmission loans, totaling $111 million, made in the last 30 months of the previous administration. Investment of these funds provided in the generation and transmission loans made in these past 30 months will reduce wholesale power costs to REA-financed rural electric systems by $64,196,000 during the first 10 years of plant operation.

Perhaps even more far reaching, this aggressive program backed by the Kennedy administration has enhanced the bargaining power of rural electric borrowers. Already in negotiations with eight power companies REA borrower systems have been able to secure reductions in rates totaling $660,000 annually. There are more to come.

Demonstrated availability of REA financing has also produced dramatic results for the rural electric systems in their constant struggle to free themselves from oppressive and restrictive power supply contracts with hostile power suppliers. It has been said that man does not live by bread alone. It can also be said that rural electric systems will not survive on a favorable power cost lone. There are times and circumstances when an otherwise reasonable wholesale power rate can and does become a Trojan horse which, if accepted, carries with it the shackles of dual rates, the menace of territorial invasion, and other possibilities of damage which a hostile power supplier can inflict upon a wholly dependent customer. It was in clear recognition of this fact that REA has adopted the third criterion for generation and transmission loans.

The work of providing every American farm family and every rural resident with low-cost electric service depends upon the security and effectiveness of the rural electric systems which have brought service to rural areas when no one else would.

I am proud to report that we are making substantial progress in eliminating dual rates and restrictive provisions in wholesale power contracts. In 1961, 19 power companies in contracts with 189 REA-financed rural electric systems were requiring some form of dual rate restrictions on the resale of their power in cooperative service territory. Under this administration we have refused to approve dual rate contracts as they have come up for renewal. As a result, such restrictions have not been dropped by 8 of the 19 companies, serving approximately 65 borrowers. We are going to keep at it until we eliminate these restrictions in the rest.

All this is involved in the work of providing electricity at the lowest possible cost for rural consumers. Also involved are the steps that have been taken to win a greater measure of territorial protection for the rural electric systems of this country, the growing movement for rural area development in which your cooperatives as well as REA are playing a highly significant role, and the development of sounder operations, better management, and greater member service through your cooperative organizations.

It is not surprising that our efforts to get on with the work of rural electrification have prompted an attack on REA and the rural electric cooperatives of unprecedented fury. This, unfortunately, is one of the challenges of growth. Selfish interests which previously were content to wait for the rural electric cooperatives to die on the vine are suddenly alarmed that there is a new determination to make it possible for these systems to survive as a permanent and constructive yardstick in an essentially monopolistic industry.

It is not that these rural systems threaten either the existence or the well-being of the commercial power companies. Great as their accomplishments have been, it is a

greatness measured more against the handicaps overcome, rather than by comparison with the size or resources of the commercial power companies. As controversial as the REA G. & T. program has become, REA-financed generation still is less than 1 percent of the total generating capacity of the industry. The real cause for the fury of the attack being directed against the rural electrification program now is a realization that under a revitalized REA program the rural electric cooperative systems can survive and will not eventually succumb to the high cost of rural operation, to be taken over and assimilated piece by piece as the convenience of the commercial power companies dictates.

Yet in spite of the intensity of this attack, we have moved forward. The REA-financed rural systems have grown to meet the needs of the growing numbers of people moving into their territories each year and the growing use of electricity by people who have it available.

Although there is a steady decrease in the number of farms as the technological revolution in agriculture works its changes, producing an increasing number of idle farm services in many areas, other people are moving into rural areas resulting in a net increase of rural consumers served by REA-financed systems of approximately 100,000 each year. REA-financed rural electric systems now serve about 5.1 million consumers.

The average use of electricity for farm and residential purposes continues to increase. It now averages approximately 400 kilowatt-hours per month as compared to 182 kilowatt-hours per month 10 years ago.

With the coming of electricity to rural areas has come also the possibility of business and industrial development in rural areas.

You and your cooperatives have had a direct hand in this. In one State alone, North Carolina, the rural electric membership corporations there have helped in the development of 65 business and industrial projects in the rural areas, creating almost 7,000 new jobs and injecting into the economy of those areas $29 million of new capital, of which more than 90 percent came from non-Federal sources. There was one $25,000 section 5 REA loan. The balance of the financing was secured from other sources. This kind of progress is coming in many States.

We have also made progress in the development of larger scale generating sources and power pooling arrangements which in turn mean cheaper power for rural consumers. In North Dakota REA is financing the largest lignite-burning plant on the North American continent now under construction by the Basin Electric Cooperative. This is a 200-megawatt unit which will supply the increasing power needs for an estimated 226,000 rural consumers served by 97 electric cooperatives in eight States of the Upper Missouri Basin. Using the Bureau of Reclamation's 4,000-mile transmission system and getting its standby from the Bureau of Reclamation's hydro capacity, it will rank among the most economical plants financed in the history of the REA program.

In Colorado the new Colorado-Ute plant under construction at Hayden will bring to 42,000 rural consumers of the Colorado and Wyoming area the most dramatic reduction in power cost per dollar invested in the history of the REA program. In Missouri the REA-financed cooperatives have entered into a large-scale pooling arrangement with three of the State's commercial power companies and the Southwestern Power Administration, which will materially reduce the cost of power to the rural consumers in that State. In Minnesota there has been developed a power plan by which the cooperatives expect to combine the benefits of low-cost lignite fuel in North Dakota with the transmission economies of power displacement with two power companies to produce a highly significant breakthrough in the wholesale cost of power for the cooperatives of that area.

Although REA-financed projects are being delayed in some States and defeated in one through regulatory review or court litigation, there have been significant victories in recent months. The rural cooperative systems have scored signal advances toward recognition as an accepted part of the electric industry in cases successfully concluded before regulatory commissions in Arizona, Colorado, Kentucky, and Mississippi.

Progress is also being made in achieving recognition in the courts. Mississippi and Oklahoma decisions have upheld the cooperatives' right to continue service in rural areas which are annexed to municipalities. The Arizona, Georgia, and Nevada courts have rejected power company attempts to invade cooperative service areas.

Important progress has been made toward achieving the goal of territorial integrity, but there is a great deal to be done.

Many of you who are here today will remember my warning of this crisis in rural electrification at the 1961 regional meeting. I said then—and I repeat today—territorial encroachment cannot be met satisfactorily on a case-to-case basis. The only effective remedy was and is State legislation—"fair-play" legislation.

Your organizations have moved in several States. Although relatively few legislatures met in general session in 1962, electric cooperatives in five States sponsored territorial protection legislation. Their efforts will undoubtedly be renewed at future sessions. In the more active legislative year which has just closed, the rural electric systems in 15 States sought such legislation.

Eight States enacted laws dealing with this subject. Alaska and Nevada gave cooperatives territorial protection through the State's regulatory body. They required the issuance by their utility commissions of certificates of convenience and necessity on a "grandfather clause" basis which recognized existing service. Idaho amended its 1957 antiduplication law to put more teeth in it and came to grips with the problem of municipal annexation. Iowa for the first time subjected electric utilities to commission regulation and extended a measure of protection to electric cooperatives with respect to duplication and municipal annexation. Nebraska made a start toward solving some of its territorial conflicts. South Carolina gave statutory recognition to the rights of electric cooperatives in annexed areas. Vermont clarified its 1957 antiduplication law. South Dakota suffered a legislative setback.

In seven States, cooperative efforts met with failure. These were due largely to the opposition of power company interests. In one State, the power companies vigorously sought legislation which would have required the rural cooperatives to sell out to them.

I do not feel at all that the cause was lost in these seven States. The legislative effort has clarified the issues for the cooperatives' members, for the general public, and for the legislators. What was not accomplished in 1963 should be sought in 1964, in 1965. It can be achieved. Fair play for the cooperatives is just, it is in the public interest—and it must prevail.

The objective of rural electrification has always been and still remains the bringing of the blessings of electricity to rural areas. It is to provide these blessings in a measure comparable to those enjoyed by people living in the city. It is to make possible the same high standards of living comfort and convenience in the country that electricity affords in the city. It is to make possible economic opportunity in the rural areas comparable with the opportunity for economic growth in urban areas to the extent that electric service can do so. The objective of rural electrification, therefore, is really a parity of electric service and rates for rural people with those of city people.

As we look forward to the capital requirements of the rural electric systems, it is clearly apparent that we cannot raise the interest rates on REA loans without jeopardizing the objectives of rural electrification unless we first narrow the present gap of consumer density and revenue now so wide between the REA-financed systems and the urban-based utility systems.

Even today the REA-financed systems nationwide serve an average of only 3.3 consumers per mile of line compared with the 33 consumers which the class A and B commercial utilities average on each mile of their lines. The gross revenue of the REA-financed rural systems is only $414 per year per mile of line. The gross revenue of class A and B commercial utilities is $6,580 per year per mile of their line.

To offset the inescapable higher costs of rural service resulting from this relatively low density of consumers compounded by a lack of large power users and a lack of diversity in power load, all of which are extremely imporant in securing the maximum use of an expensive type of capital plant, the REA program has provided certain necessary equalizers. One important equalizer has been supplied by the rural consumers themselves in the nonprofit operation of their systems through cooperative-type organizations. The capital investment which rural consumers are contributing in growing amounts toward the increasing equity they are building in their cooperatively owned systems is a loan they make which bears no interest, not even 2 percent. At the present time that capital loan of the rural people themselves amounts to over three-quarters of a billion dollars. It represents an equity in their systems of approximately 22 percent. Its only return to the consumer while it is being used by the cooperative is a return in service at cost.

The two great equalizers provided by the Federal Government through the REA program have been REA technical assistance and long-term capital available at a favorable interest rate. Even the 2-percent interest rate of REA loans does not fully equalize the impact of the interest cost when compared to that borne by the consumers of commercial power companies. Because of lower revenues per dollar of investment, the rural consumer on REA-financed systems pays an average of 7.4 percent of his light bill for interest while the consumer served by the commercial power company with its higher revenue base pays an average of only 6.2 percent of his light bill for interest on the company's indebtedness.

These equalizers have been indispensable in the basic development of the rural electrification program in America. Only to the extent that these rural systems can strengthen their own economic base and develop their full operating potential can the need for these equalizers in the future be diminished or eventually eliminated.

You must have territorial protection, for only through the retention of the growing portions of your service territories can you be expected to close the gap of density and revenue which now requires the REA equalizers. You must have the right to serve the larger loads as well as the small loads in your service territories for the same reason.

You must promote economic development of the rural areas you serve, for this too serves to close the gap of density and revenue which constitutes the basic handicap of rural service.

You must develop the best possible power supply arrangements providing power sources that are not only adequate and economical, but also conducive to the security and effectiveness of your system operations.

You must seek constant improvement of your management, your operations, and your member services.

The REA program under this administration is directed toward the full assistance of your efforts to accomplish these purposes. This is why we have suggested a model Territorial Integrity Act for your consideration in your States. This is why we are determined to eliminate restrictive dual rate provisions in your wholesale power contracts. This is why we are assisting you through our rural area development activities in the economic development of your service territories. This is why we have recently established a new Power Supply Survey unit in the Administrator's office to assist borrowers in finding the most effective power supply arrangements through early study, long-range planning, and more active negotiation. This is why we have launched our five-star member service program to assist you in reappraising your organizations, their management and operations, and member services.

This is the course on which we are embarked. This is the challenge of growth. For those who clamor for a change in the interest rate, a curtailment of Federal assistance for rural electrification in this country, this is a challenge to support us in building stronger rural systems so that such equalizers may eventually be eliminated without destroying the basic values of this program.

To follow the other course, to leave the rural systems open to creeping dismemberment as portions of their service territories become attractive to the selfish designs of other utilities, to deny them the tools needed for the economic development of their service territories, to force them to depend upon high cost wholesale power as captives of hostile power suppliers will not only perpetuate the need for Federal equalizers and assistance, but intensify it.

All this we must understand and the American public must understand if, as President Kennedy said 3 years ago, we are to "get on with our work" of providing lower cost electricity in rural America.

THE NEED TO PRESERVE AND PUBLISH DOCUMENTARY SOURCE MATERIAL OF SIGNIFICANCE TO U.S. HISTORY

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

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

There was no objection.

Mr. BROOKS. Mr. Speaker, an editorial entitled "The Nation's Past," appearing in the October 2, 1963, edition of the Washington Post, states concisely and with clarity the case favoring prompt approval of H.R. 6237 which authorizes grants for the collection, reproduction, and publication of documentary source material significant to the history of the United States.

This editorial reads as follows:

THE NATION'S PAST

The House votes today on a proposal to authorize Federal contributions of $500,000 a year to projects encouraged by the National Historical Publications Commission. These projects include the completion of the collection and publication of papers of great American statesmen now underway, the completion of the documentary history of the Constitution and the first 10 amendments and the editing and publishing of the records of the First Congress.

The proposals suffer from their modesty and may, by reason of it, fail to secure deserved support. In a burst of interest, the Congress once authorized the expenditure of $2.8 million on the papers of the "War of the Rebellion." Congress didn't get its money's worth because the work was not done under the supervision of the community of historical scholars. It has, so far, been less generous with projects for the preservation of the great historical documents of the period of the Nation's founding. With very little money, the Historical Publications Commission, in the past decade, has encouraged and aided a score of large undertakings concerned with the source materials of American history. These include the papers of Thomas Jefferson, John Adams, Benjamin Franklin, James Madison, John Jay and Alexander Hamilton. Funds from private sources have endowed these projects and made them possible and funds from nongovernmental sources will continue to bear a great part of the burden.

The appropriations to be made under the authorization on which the House is to act will bolster this effort with Federal assistance and grants. Federal participation is essential to maintain the continuity of the effort. It should, in all justice, be a larger Federal participation. A people with an appropriate respect for its historic past and its priceless documentary records can no longer withhold modest financial support for this program.

As suggested in this editorial, Federal participation in this field is not new. On numerous occasions in the past Congress has authorized and appropriated funds in support of special projects of importance to the preservation of documents and material vital to our national history. Unfortunately, this essential work has never been completed.

H.R. 6237 would translate prior sporadic Federal participation into a coordinated program. Under the plans developed by the National Historical Publications Commission, Federal funds during an initial period would be utilized principally in the preservation and publication of material relating to the debates on the adoption of the Constitution, the Bill of Rights, and the works and debates of the First Federal Congress.

It is tragic indeed that almost 200 years have elapsed without our scholars and students and the public generally having the fullest knowledge of the critical period during which our Nation was formed. Yet, unless and until the documentary source material of the period is compiled and published, we will continue to be handicapped in our knowledge and understanding to the same extent as if this material at some time in the past had been destroyed or was not otherwise available.

It is unthinkable that this best evidence of what occurred, what was said, and what was done, should be lost to us and to future generations.

H.R. 6237 deserves the overwhelming support of the House of Representatives for through this more effective program we can obtain a clearer insight into our history.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. ARENDS. 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. ARENDS. Mr. Speaker, I asked for this time in order to inquire of the majority leader if he would advise us as to the program for next week.

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

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

Mr. ALBERT. Mr. Speaker, in response to the inquiry of the acting minority leader, I advise the House that there is no further business for this week and that it will be our intention to ask to go over when we have announced the program for next week.

Mr. Speaker, the program for next week is as follows:

Monday is Consent Calendar Day, and there are five suspensions. First is the resolution agreeing to the Senate amendment to H.R. 3369, involving extension of the Civil Rights Commission. Second is S. 13, transfer of land to Fayetteville, Ark. Third is H.R. 2436, benefits for veterans with conditional discharges. Fourth is H.R. 3941, veterans burial allowances. Fifth is H.R. 8611, indemnification of research contractors.

Tuesday there is scheduled the conference report on H.R. 7179, 1964 appropriations for the Department of Defense.

Wednesday is undetermined.

For Thursday and the balance of the week there is scheduled the independent offices appropriation bill for 1964.

Mr. Speaker, this, of course, is made subject to the general reservations that conference reports may be brought up at any time and that any further program will be announced later.

Mr. Speaker, may I advise Members that we expect rollcall votes on Monday, Tuesday, and Thursday of next week.

It may that there will be other business on Wednesday which will necessitate the presence of Members.

Mr. ARENDS. Might I ask the gentleman from Oklahoma if he is aware as to whether or not they have reached agreement on the Department of Defense appropriation bill?

Mr. ALBERT. No; the gentleman from Texas, I think, is here today. They have not reached agreement, but this matter is programed at the request of the Subcommittee on Defense Appropriations of the Committee on Appropriations.

Mr. ARENDS. It is scheduled in anticipation of an agreement being reached by that time?

Mr. ALBERT. The gentleman is correct.

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

Mr. ARENDS. I yield to the gentleman from Maine.

Mr. McINTIRE. Mr. Speaker, I just wanted to express to the leadership my appreciation of the scheduling of H.R. 3369 for consideration under suspension of the rules on Monday.

Mr. Speaker, this is a bill which I introduced and which has been amended

in the Senate. I have a very deep interest in the legislation and I express my appreciation to the leadership for scheduling it.

Mr. ARENDS. Would the gentleman object if I referred to it as the McIntire bill?

Mr. McINTIRE. If the gentleman will yield further, not at all, sir.

Mr. ALBERT. I advise the gentleman that we are pleased to cooperate with the distinguished gentleman from Maine.

ADJOURNMENT TO MONDAY, OCTOBER 7, 1963

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

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

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER CALENDAR WEDNESDAY RULE

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

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

There was no objection.

WE ARE DEEPLY INDEBTED TO THE GOVERNMENT OF CHILE

Mr. BELL. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. WIDNALL] 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 California?

There was no objection.

Mr. WIDNALL. Mr. Speaker, the third Inter-American Music Festival in Washington, D.C., was postponed early this year because sufficient funds could not be raised.

The total effect of this failure—and it was a failure of leadership on the part of this administration—in terms of our relationships with the peoples of the nations of Latin America was very harmful, particularly in view of the emphasis which both Cuba and the Soviet Union are placing on the arts, and the financial support they are giving the art programs designed for export as a means of winning friends in, and influencing the peoples of, these great nations.

Fortunately for us, the Government of Chile has now taken the initiative and organized a series of cultural programs of outstanding merit in our Nation's Capital.

President Kennedy, speaking to the members of the Alliance for Progress on March 13, 1961, said:

We invite our friends in Latin America to contribute to the enrichment of life and culture in the United States. We need teachers of your literature and history and tradition, access to your music, your art, and the thought of your great philosophers.

Ambassador Sergio Gutierrez Olivos brilliantly responded to President Kennedy's invitation, and it is well for us to carefully observe, for we have much to learn from Chile and the other nations of Latin America.

Let us hope that other Latin American countries will follow Chile's shining example in the fine arts which unite us, for this is a major way for our peoples to reach a deep and sympathetic understanding of each other, something that is truly a necessity in these critical days of cold war, subversion, and intrigue.

I include as part of my remarks relevant articles from the leading newspapers of Washington, D.C.

[From the Washington (D.C.) Evening Star, Sept. 23, 1963]

PRESIDENT GIVES MAESTRO ADVICE

(By Pat Saltonstall)

"Give up music and go into politics—and if you do, I'll quit," President Kennedy advised Concert Maestro Leonard Bernstein last fall.

The flattering quip from the Nation's top politician was recalled by Mr. Bernstein, a world renowned conductor-composer, in a sudden flashback. He was surrounded by people asking how he had become such a skilled speaker.

The Chilean Embassy reception where this took place followed the presentation of "Image of Chile" at the State Department's west auditorium. The series of cultural programs spotlighting Chile was inaugurated with a program of ancient music along with poetry readings by Mrs. Bernstein, actress Felicia Montealegre, who retired from the stage and television screen 5 years ago.

TEARS

Mrs. Bernstein's magic, as she read the selections of two Chilean poets in English and then in Spanish, managed to reduce her husband to tears, he admitted later.

But the man, known to millions as the conductor of the New York Philharmonic, held center stage himself as he eloquently told the audience the story of his love for Chile, finally bringing him marriage to his Chilean wife.

When he finally visited there in 1958, he recalled, he managed to cross paths with another American on a now famous Latin American trip—Richard Nixon.

Mr. Bernstein received accolades, "roses * * * kisses," he said. The Nixon reception included tomatoes, eggs, and worse—momentos of an angry, hostile people.

The two finally met and compared notes. "Where does the difference lie?" Mr. Bernstein said they asked themselves. "In music. We had music and he didn't."

Pleading for constant and expanding cultural exchange programs and whimsically asking his audience not to take the "financial structures of the State Department too seriously," Mr. Bernstein then spotted Mrs. Dean Rusk down front and said:

"Mrs. Rusk, please convince the Secretary of State to send us back to Chile."

The plea had a hearing during an intermission as Mrs. Rusk asked pointed questions to secure the specific information she said she needed in order to report back to her husband. Also on hand were Assistant Secretary of State for Cultural Affairs Lucius Battle and his wife.

Secretary of Labor Wirtz introduced Mr. Bernstein, who then introduced Chilean Ambassador Gutierrez.

In his remarks, the Secretary recalled the words of the late labor leader, Philip Murray, that what he wants for the workingman is a carpet on the floor, pictures on the wall, and music in his house.

In his tribute to Chile he noted that it "may be just geographical coincidence" but that the Andes and all Latin American mountains run north and south so that there are no barriers between the two continents. He called these the "backbone of freedom among the Americas."

NO BARRIERS

As to boundaries in general, Secretary Wirtz said they may exist between nations, but that there are none between "people and ideas and beauty."

The Ancient Music Group of the Catholic University of Chile, which gave the concert of 17th century music, turned up at the late reception. So did the Wirtzes and other principals.

[From the Washington (D.C.) Evening Star, Oct. 1, 1963]

RECITAL CONTINUES SERIES

Attorney General Robert F. Kennedy was the host last evening when Chilean pianist Claudio Arrau presented a recital in the Department of State auditorium.

The program was one of a series being given by the Embassy of Chile with members of the Cabinet as cosponsors.

The Attorney General made the remarks and introduced the Chilean Ambassador, Sergio Gutierrez Olivos, who introduced the guest artist.

Mr. Arrau, considered one of the foremost living interpreters of Beethoven, performed five Beethoven sonatas.

Ambassador Gutierrez said the cultural series—first of its kind—was arranged in response to President Kennedy's call for increased cultural exchanges between the United States and Latin American nations.

Invitations were by members of the Cabinet.

[From the Washington (D.C.) Evening Star, Sept. 25, 1963]

CHILEANS PRESENT EXQUISITE IMAGE

(By Irving Lowens)

Washington's music lovers got their first exposure to the "Image of Chile" last night at the Washington Cathedral.

Before a surprisingly large audience (which broke precedent by applauding before the concert was 10 minutes old), the Ancient Music Group of the Catholic University of Chile presented the first in an intriguing month-long series of events designed by the Embassy to give residents of the Nation's Capital an idea of Chilean culture based on knowledge rather than ignorance.

The ensemble, unobtrusively directed by Sylvia Soublette, might as well be called the Chilean Pro Musica, since it is frankly modeled after Noah Greenberg's renowned New York Pro Musica. It is, if I am not mistaken, the only such group active in Latin America.

For the most part, yesterday's program consisted of pieces drawn from the marvelous 16th century Spanish repertory which Mr. Greenberg has revitalized. Miss Soublette offered both familiar and unfamiliar works, some of them (such as Juan del Encina's "Una sanosa porffa") of unsurpassed loveliness and eloquence.

But it was not in this music that the Chileans made their strongest impression; rather, it was in the alternately simple and exotic early music of their own country.

As the intermission approached tenor Rene Ramos sang (with guitar accompaniment) a transparent, unaffected strophic song of colonial Chile called "Anoche estando durmiendo." This was so plainly novel that it had the unprecedented effect of turning the great masterpiece by Guerrero which followed it on the program into something of an anticlimax.

The same magic was recaptured in the concert's final group, three perfectly stunning choral-instrumental pieces from the little Chilean town of La Tirana, ritual in character, with villancico elements, echoes of folksong and chant, and even traces of the indigenous music of the region.

It must be reported that the Chileans did not show the polish of the New York Pro Musica, hardly surprising since Mr. Greenberg is without peer in this field. Furthermore, there were difficulties with pitch at times, aggravated by the Cathedral's acoustics and the temperamental instruments. And while the vocalists were quite excellent, the players seemed so concerned about getting the notes right that not much attention could be paid to such subtleties as nuance shading.

However, Miss Soublette was not trying to compete with Mr. Greenberg. I think that she was trying to show that Chileans, like Americans, know the wonderful and too long neglected heritage of medieval and renaissance music. And she was also trying to show that Chile not only shares this heritage, but has an ancient music of its own worth hearing.

She was successful on both counts. Indeed, I think she was overly modest in programing so little of the music of her own country and other Latin American countries, all virtually unknown in the United States.

The group will have two more opportunities to be heard on the local scene. A previously unannounced concert takes place tomorrow night on the University of Maryland campus, and on Saturday afternoon at 2:30 p.m., the Ancient Music Group will be at the National Gallery.

Washingtonians are welcome at both events. The interest of the Chilean music alone should draw you to one of these fine concerts. This even the New York Pro Musica can't bring you.

[From the Washington (D.C.) Evening Star, Sept. 25, 1963]

CHILEANS EXCEL IN CATHEDRAL CONCERT

(By Paul Hume)

Chile is enriching Washington with a marvelous outpouring of her cultural life this autumn in programs of music and literature and exhibitions of painting and photography.

Last night the Ancient Music Group of the Catholic University of Chile sang and played an evening of exquisite beauty in Washington Cathedral. With dulcimer, lute, viols, guitar, recorders, harpsichord and an excellent quartet of singers, they traveled with an ease that comes from knowledge through music of the 15th and 16th centuries.

Seated on a raised platform at the Cathedral's crossing, the musicians were heard easily from any point in the great church. It was fascinating to study the sound of this music, often intricately woven, often of pure melody, and to note that it traveled clearly and without loss of volume. Surely this has to do with the fact that much of the music was written in a contrapuntal style that is suited to such a building.

The members of the Chilean group are sensitive artists, beautifully skilled on their instruments and in their song. There are seven players and four singers whose mutual respect and common taste made for a succession of constantly sustained beauties in sound.

There were some particularly wonderful combinations especially when the lyric tenor of Rene Ramos mingled with Sylvia Soublette's clear, fine soprano in a lovely work in which the instruments imitated the voices. The quartet of recorders within this group is the finest I can recall hearing anywhere.

The Ancient Music Group will appear Saturday at 2:30 p.m. in the East Garden Court of the National Gallery. It will be a rare treat for those fortunate enough to be there. The concert is open to the public without charge.

We are already deeply indebted to the Embassy of Chile for its generosity and imagination in bringing us this glimpse of its musical wealth. Before the month of October is over, we shall have come to know these friendly neighbors better than ever, thanks to this unparalleled procession of her arts.

[From the Washington (D.C.) Sunday Star, Sept. 22, 1963]

MUSIC FESTIVAL IS SAD LOSS

(By Irving Lowens)

Because no way could be found to raise approximately $50,000, Washington (and the whole country) lost the Third Inter-American Music Festival. Originally scheduled to take place here last spring, at last report it has been indefinitely postponed.

It is difficult to estimate the total effect of this fiasco in shaping the image of the United States that prevails in Latin America, where music and the arts are considered important, but I would guess that it could hardly enhance our popularity.

Now, the Embassy of a single South American nation this week launches an extraordinary series of cultural events here in an attempt to project the image of Chile.

It is significant that music is the heart of this ambitious undertaking.

FANCY INAUGURAL

The inaugural, an invitation affair in the State Department's plush auditorium, takes place tonight.

Secretary of Labor Wirtz is scheduled to preside. Leonard Bernstein will follow; then comes a brief concert by the Ancient Music Group of the Catholic University of Chile; finally, Felicia Montealegre (the Chilean actress who in private life is Mrs. Leonard Bernstein) will bring the evening to a close with readings of Chilean poetry.

After this stylish opener, two exhibits, four panel discussions, and nine concerts will be presented within the next 30 days. Here is the music schedule:

September 24: Ancient Music Group, Catholic University of Chile; Washington Cathedral, 8:30 p.m.

September 28: Ancient Music Group, Catholic University of Chile; National Gallery, 2:30 p.m.

September 30: Claudio Arrau, pianist; State Department Auditorium, 8:30 p.m. (invitation only).

October 8: Claremont String Quartet, with Mario Miranda, pianist, assisting; Pan American Union, 8:30 p.m.

October 13: Chilean Folklore Group, Eugenio Dittborn, director; Lisner Auditorium, 8:30 p.m.

October 14: Alfonso Montecino, pianist; Cramton Auditorium, 8:30 p. m.

October 17: Chilean Folklore Group; Pan American Union, 8:30 p.m. (invitation only).

October 18: Ena Bronstein, pianist; Pan American Union, 8:30 p.m.

October 21: Edgar Fischer, cellist; Pan American Union, 8:30 p.m.

On October 24 at American University, a roundtable discussion of the "Image of the Music" winds things up.

IMAGE OF CHILE

There will be not only Chilean artists, but Chilean music as well—yes, there is Chilean music—and other music of the Western Hemisphere.

What is our image of Chile? Is it just that long stringbean of a country on the west coast of South America, filled with strange foreigners who are just waiting for cultural enlightenment from here?

I am afraid so—and and it is a terrible distorted image. It is difficult to find an educated South American who is not conversant with our literature, our art, our music; it is just as difficult to find an educated American who can even recognize the names of the creative spirits among the Chileans.

Until we know more than we do about a nation like Chile, how can we possibly hope to exert any real influence there.

PRESIDENT'S MESSAGE

As Prof. Eugene Current-Garcia, of Auburn University puts it, "for years our general knowledge of Latin America has been limited to the glamorous tourist advertisements and feature articles of the flying-down-to-Rio variety. Small wonder that the American public, lulled into somnolent apathy for so many decades, is now electrified and bewildered by the ominous turn of events in Cuba since 1959."

On March 13, 1961, speaking to the members of the Alliance for Progress, President Kennedy said:

"We invite our friends in Latin America to contribute to the enrichment of life and culture in the United States. We need teachers of your literature and history and tradition, access to your music, your art, and the thought of your great philosophers."

Ambassador Sergio Gutierrez Olivos, who arrived on the Washington scene only last February, has done no more than accept the President's invitation. Yet the boldness of his "Image of Chile" project could have a profound effect on American cultural provincialism.

Like many brilliant ideas, this is a remarkably simple one. Other embassies are watching with the keenest interest, and other spectacular displays may follow.

In passing it might be noted that enough funds had been raised in Chile to send a symphony orchestra to the United States to participate in the Third Inter-American Music Festival when we called the whole thing off.

During the next month, it behooves us to listen carefully. As President Kennedy humbly and accurately noted "we know we have much to learn."

EDUCATIONAL AND CULTURAL EXCHANGES "A BEACON OF HOPE"

Mr. BELL. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. WIDNALL] 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 California?

There was no objection.

Mr. WIDNALL. Mr. Speaker, a significant facet of our Government's educational and cultural exchange programs, which have been so justly described by a citizens' advisory group as "a beacon of hope," is the foreign leader program. Under its auspices influential and articulate citizens of other countries visit the United States and see for themselves our people and our land, the day-to-day workings of a truly open society.

I was privileged recently to attend a reception at the Department of State for such a group of visitors: 13 women civic leaders from 7 Latin American countries who were just beginning a 2-month tour of observation and study in the United States. I commend to readers of the CONGRESSIONAL RECORD the brief but eloquent welcome extended by our former colleague, Mrs. Catherine D.

Norrell, presently Deputy Assistant Secretary for Educational and Cultural Affairs:

REMARKS BY MRS. CATHERINE D. NORRELL, DEPUTY ASSISTANT SECRETARY OF STATE FOR EDUCATIONAL AND CULTURAL AFFAIRS, AT A RECEPTION FOR LATIN AMERICAN WOMEN CIVIC LEADERS VISITING THE UNITED STATES UNDER THE FOREIGN LEADER PROGRAM OF THE DEPARTMENT OF STATE, SEPTEMBER 20, 1963

The Department of State, through the Bureau of Educational and Cultural Affairs, extends to you, our guests from Latin America, a cordial welcome.

If this is your first visit to the United States, our hope is that you look upon it as a voyage of discovery. One of the things you will become aware of is that we are made up of a variety of races and nationalities—that, through the waves of peoples coming here, we are an amalgam of peoples; that through a fortunate alchemy, these varied strains have, we believe, been brought together to show the essential relatedness of all men.

So we know our dependence on other nations and the contributions they have made through those who have come here to live.

You will find, as you travel the length and breadth of the United States, that we have our problems—much unfinished business. We no doubt have problems that are common to both Americas. Perhaps through the interchange of ideas, both countries can come nearer to a solution of these problems.

We in the Bureau are fortunate to be part of a program of educational and cultural exchange. Our comings and goings constitute a great two-way street in the world today. We believe that these are among the most hopeful roads to mutual understanding and peace.

You who come to our country bring much to us, and we are grateful for it. We are hopeful that when you return to your countries that your luggage will contain not only some knick-knacks of American life, but a deeper understanding of this young, open, and evolving society.

We appreciate the honor you pay us in visiting us. May it be a rewarding experience in every way and may we express the hope that we will "keep in touch"—that this is the beginning of many warm friendships.

DECISION ON SALE OF WHEAT BY THE UNITED STATES TO RUSSIA IS IMMINENT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. STAGGERS] 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. STAGGERS. Mr. Speaker, a decision on the sale of wheat by the United States to Communist Russia is imminent. I feel it should be considered with great care and all implications should have a great deal of study.

I wish to express my opposition to this proposed sale. As I have said many, many times, before and since becoming a Member of Congress, it is my belief that God-fearing people and Communists cannot coexist peacefully.

LUNAR LANDING LUNACY

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. PELLY] is recognized for 15 minutes.

Mr. PELLY. Mr. Speaker, in a few days the House Committee on Appropriations is scheduled to report a bill to provide funds to finance the space program for fiscal year 1964. In this connection, I have some additional observations which support my previous statements in favor of a substantial cut in the $5.4 billion authorized by Congress for this agency.

According to the newspapers the President has launched a vigorous fight against a threat to cut his budget request. The President is quoted as saying "an energetic continuation of our strong space effort is essential, and the need for this effort is, if anything, increased by our intent to work for increasing cooperation if the Soviet Government proves willing."

Mr. Speaker, in discussing the space program and in particular the Apollo moonshot project, let me first recall that President Kennedy, speaking to a joint session of the Congress on May 25, 1961, delivered what was described as a special message on urgent national needs.

In this message, as my colleagues will remember, the President told Congress he believed this Nation should commit itself to achieving the goal, before 1970, of landing a man on the moon. He made it clear such an effort was intended to beat the Soviets in this lunar landing and not only would this be a race but that the purpose of winning the race was, as he said, to make an impact on the minds of men everywhere. In other words the objective was world prestige.

Mr. Speaker, 3 years and several billion dollars of the taxpayers' money has gone since that goal was established. The other day President Kennedy at the opening of the United Nations General Assembly's 18th session made another speech. This time the subject of space was again in his remarks. To the United Nations the President posed a question by which he completely reversed his former position. "Why, therefore, should man's first flight to the moon be a matter of national competition?" he asked.

In other words, the President, to everyone's surprise, has now about-faced. It was, only last July, at a press conference that Mr. Kennedy dismissed the idea of cooperation with Russia. He said, then, it was essential for us to dominate space.

The question naturally arises, why this complete turnabout? I think Congress and the people are entitled to an answer.

According to Newsweek magazine there are compelling down-to-earth reasons which explain the President's about-face. This magazine said the first of these reasons was that the United States appeared to be racing to the moon alone, and secondly it appeared that this project timewise has lagged and there is no chance of the 1970 target date being met.

As to the slippage in the Apollo moonshot project it seems obvious such a delay will result in postponement in paying for the program. I hope, Mr. Speaker, the House Committee on Appropriations has been more successful than I have in obtaining information about such deferment. If contracts are behind schedule, the reimbursement of contractors also should be behind schedule. Space Agency officials, however, have not been able to furnish me with the detail of how much of the money programed for payment in 1964 will not be needed until 1965.

As to the President's sudden reversal in policy Walter Lippmann had this comment. He said there had been two big mistakes.

One, he said, was the President's original commitment to put a man, a living person, rather than instruments on the moon. The other mistake was the 1970 dateline when the man was to land on the moon. Mr. Lippmann pointed out that these two mistakes transformed a fascinating scientific experiment into what he described as a morbid and vulgar stunt.

Administrator James Webb, Director of the National Space Agency, having rejected the joint United States-Soviet moon project one day in a St. Louis speech, after the President's United Nations talk, changed his tune overnight. However, he could not cancel previous comments by his associates such as one made 13 days before by Robert R. Gilruth, Director of the Manned Space Flight Center, who had said he trembled at the thought.

A month ago, Mr. Speaker, it seemed I was almost alone in Congress in my misgiving about spending so much money to land a man on the moon. As the facts have become better known, I am beginning to find I have company. Others are beginning to question the desirability, both of cost and of haste, as I have questioned them.

As to the suggested collaboration with the Russians, Mr. Speaker, I am sure from what American engineers say, technical impediments to a joint venture, if nothing else, should discourage any really serious consideration. Personally, I hope President Kennedy's gesture in coexistence with the Communists will be speedily forgotten. From a military standpoint scientific cooperation is risky. In fact, it is worse than that. Our military leaders and those charged with the responsibility of our national security must have shuddered when word reached them of this new proposal.

From a scientific angle, of course, the idea while attractive at first blush is quite impractical and the added cost in billions of dollars should be enough to kill it.

On the plus side perhaps now, Mr. Speaker, without losing too much prestige, the lunar landing project can be slowed down or phased out. Our goal instead of world prestige might well be instead to increase the knowledge of all mankind. When the basic causes of the cold war are removed, and when manifestations of the international conspiracy such as the Berlin wall and Cuba are solved with better grace I could support a United States-Russian joint program. I do not think Mr. Khrushchev is interested in humanity the way we are.

The Apollo program for landing men on the moon at a $20 to $40 billion cost should be deferred. Why not institute a reappraisal of a goal to be done by scien-

tific experts and I do not mean political experts.

If this were done I predict the lunar landing project would be deemphasized and the President's national goal of a moon landing would be canceled, at least until there is evidence that the Russians are developing new and larger boosters—so the United States would not be in a race alone.

On the other hand, unmanned exploration of space might well be upgraded because this cheaper program could provide necessary and better evaluation of space potentials.

Mr. Speaker, it is time to take political considerations out of space exploration. The scientists and professional engineers should be the ones to be consulted. An independent study is needed to determine what is or what is not justified in light of the value of the knowledge to be gained. This should not be a "moondoggle" or a leaf-raking WPA. Either stop now or it will be never.

Mr. Speaker, Congress can save billions of dollars and at the same time assure that the basic interests of science are achieved within our capability and within costs we can afford. We should meet this issue now before it is too late. Let us get this program back on the track—the way it was intended before we got "moonstruck."

INVITATION OF THE SECRETARY OF THE ARMY TO VISIT VIETNAM AND THE KINGDOM OF THAILAND

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. LIBONATI] is recognized for 60 minutes.

Mr. LIBONATI. 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 Illinois?

There was no objection.

Mr. LIBONATI. Mr. Speaker, it is with a deep sense of personal pride and a feeling of deep appreciation that each of us accepted the invitation of the Secretary of the Army to visit Vietnam and the Kingdom of Thailand, as well as other countries in southeast Asia. We were briefed informatively and participated in field operations and studied various phases, including military procedures, of our Nation's activities in the several countries.

The distinguished escorting officer, Lt. Col. William D. Lynch, and officers assigned to us at the various points of embarkation, bent every effort to supervise arrangements, conducted, advised, and controlled our actions, as well as adding to our comfort and well-being. These superb military leaders honored us by their interest and presence. The pleasing personalities of these gentlemen of class made our fatiguing and exhausting journey a pleasant and happy one. We owe a debt of gratitude to Gen. Paul D. Harkins, commander, U.S. Military Assistance Command, Vietnam; Hon. Frederick E. Nolting, Jr., U.S. Ambassador; Maj. Gen. Charles J. Timmes, chief, Military Assistance Advisory Group; Col. John P. Jones, Jr., Army attaché; Adm. Harry D. Felt, commander, South East Asia Treaty Organization; Hon. Kenneth Todd Young, U.S. Ambassador to Thailand; Maj. Gen. Theodore J. Conway, chief, Joint U.S. Military Assistance Group; Col. Frederick H. Gaston, Jr., Army attaché; and Lt. Col. Elbert S. Kerstetter, USAF, Office of A. of S. Operations, for their many contributions to the success of our undertaking. The party included the gentleman from Illinois [Mr. LIBONATI], chairman; the gentleman from West Virginia [Mr. SLACK], the gentleman from Illinois [Mr. SHIPLEY], Mr. Urian of the House Appropriations Committee, joined by the gentleman from Illinois [Mr. ROSTENKOWSKI], and the gentleman from California [Mr. COHELAN].

The growth of American world power after the Second World War, plunged our Nation into many foreign commitments and responsibilities, resulting in a new and consuming study of our future role in international affairs, and resulting in the formulation of a new American foreign policy.

Our entrance into the United Nations, with new alliances and regional pacts, and our worldwide struggle against Sino-Soviet world domination, only served to alert us to the dramatic perils facing the liberty-loving nations of the world.

Further, the Korean conflict hastened our rearmament in the West and enticed Japan and Germany into the circle of Western security.

The average citizen of the United States must realize that each segment of the world's population has its different customs, culture, and living standards—each different from the other; that these millions aspire to, perhaps, the same things in life that we do but do not have our rich inheritance of freedom and opportunities, so that the approach to establishing in their minds the true purposes of the American people to protect and safeguard their liberties, improve their economy by increasing opportunity to develop their industries and learn, through education and experience, to bring about abundance for a better life must be carefully studied—and each peoples handled differently in an overall flexible foreign policy.

Most of the population of South Vietnam are young, the biological study in 1955–56 indicated that 85 percent of the males and 90 percent of the females were married before attaining their 29th year. A survey by a French team—Mission Economie et Humanisme—in 1957–59 found that in a number of localities about 50 percent of the population was under 15 years of age; further observed a high mortality rate among children at an early age mainly due to nutritional problems and other health factors.

The physical and geographical location of the Republic of Vietnam contributes to those conditions inimical to good health. It lies between 8° and 17° north latitude with an area estimated at 178,000 square kilometers—96,000 square miles—and a long coastline on the China Sea. Three geographical areas can be defined:

First. A narrow strip of coastal plains in central Vietnam hemmed in by the Anamite chain.

Second. The Highland Plateau.

Third. The extensive delta of Mekong.

The tropical climate and monsoon influence the change of the seasons—in Saigon and the delta region the rainy season starts in May and lasts until November when the dry season starts ending in May. The rainy season influences the high atmospheric pressures which prevail in the winter months thus equalizing changes in temperature in the delta region—the average in Saigon 25° to 30° Centigrade. But in the north distinct differences of temperature between winter and summer prevail—the dry season is extended—as in Nha Trang Oui Nhon of 8 months duration. Modified temperatures are influenced by the altitude as in the highlands—Dalat—that enjoys a mild climate. These physical features are a favorable influence for raising agricultural products needing good soil, fair temperatures, and water.

The coastline of 1,800 kilometers long offers many estuaries and natural havens. It is bordered by a shallow "continental shelf" which runs narrowly along the central Vietnam and expands to the south, facing the Mekong Delta, favoring good living conditions for numerous species of fish and lobsters. Also worth mentioning in the delta is an important network of canals and streams, presenting a lot of facilities for transportation, irrigation, and also fishing.

The inhabitants must live and work in the water. This environment leads to the transmission of any number of organic agents of disease. The main foodstuff, rice, is dependent on water from the canals, rivers, and sky. May—in the place cited—has summed up the situation in Vietnam as follows:

> From the waters people get their food, also their cholera, their dysenteries, their typhoid fevers, their malaria; from the earth they get their hookworm; from the crowded villages they get their tuberculosis and their yaws; from the type of housing they have been forced to adopt, they get their plague and typhus; and from the food which earth, temperature, and rain produce, their beriberi.

There is no doubt that the entire economy and health of the country hinge on water for better or for worse.

POPULATION AND DEMOGRAPHY

According to the last general census in 1959, estimates of population give the figure of 13,789,000 people unequally distributed on 171,665 kilometers of land.

About 17 percent of them live in urban or suburban areas, the rest of the population—83 percent—being supposed to live in rural areas. The area devoted to food, textile, rubber, and other crops have been estimated to 28,628 square kilometers, that is only 16.7 percent of the total area. It is also worth noting that 87 percent of these cultivated areas are kept for paddy growing.

The population consists of four main ethnic groups.

First. Vietnamese, comprising about 85 percent of the total.

Second. Moi or Highlanders, estimated at about 250,000 living entirely in the plateau regions of central Vietnam.

Third. Cham numbering some 20,000 scattered in small communities in certain regions of central Vietnam.

Fourth. Chinese, living predominantly in urban areas.

The population density map reflects somewhat this distribution by racial origin and shows that Vietnamese ethnic groups live in flat delta regions, with only a few exceptions the refugees from North Vietnam, resettled in certain highland regions.

It may be worth noticing the massive immigration of 850,000 people from North Vietnam in 1954.

The birth rate is now estimated at about 36 percent for the whole Republic, with local variations—35.5 percent in Saigon and 50 percent in Hue.

The strategic hamlet Ap-Ha is at Vinh Binh village, 24 kilometers from My Tho in the district of Ho Dong. It is 1 of the 10 such hamlets that constitute the village of Vinh Binh. The hamlet stretches along the two banks of the Canal Viah Loi and is bordered west by the hamlet Dong and on the east by the village Thanh Tri. Its population of 611 gain their living chiefly from the cultivation of rice, from fishing, and from small village trades.

The term "Ap" is used to signify "hamlet." Ha was selected as a strategic hamlet November 1961. Most of the work has been completed.

According to Lt. Nguyen Van Tien, chief of Hoa Dong district, the civil administrative staff, the military, and groups of young people have been schooled in the concepts and guiding principles behind the organization of these hamlets. These policies guided their work to build for the greatest security, as well as social and economic development.

This work was accomplished in two stages—establishing a basic administrative organization together with the building of a defense system.

The later stage of reinforcing these services for such improvements as would contribute to the economic, spiritual, and social development of the inhabitants with the restoration of peace.

The work accomplished in the administrative field resulted in a completed census—the election of their chiefs by 25 groups of interrelated families. A temporary administrative committee was designated awaiting the election of the official hamlet council.

In this new busy defense community, two groups of Republican youth were organized. A building for the youth movement was erected and several other structures are planned. The National Revolutionary Movement has 46 members, and the Vietnamese Women's Solidarity Movement numbers 33.

A defense wall of 1,200 meters in circumference is being built to encircle the hamlet running along nearby rice fields. The round belt consists of a large trench about 2 meters wide and 1½ meters deep, with the piled up earth serving as an embankment inside.

The trench is covered with snares and the top of the banked earth with sharpened bamboo stakes pointing in all directions embedded in thorny branches, with mines placed on the side.

It was a tedious task and yet in spite of the slow work—half the project achieved—the youths who are responsible for the defense of the hamlet became more confident every day. The morale of the youth is stronger now, being trained by the local Bao Au to use guns, hand grenades, and sidearms and trained to fight under professional supervision.

Here and there in strategic spots are watch towers manned day and night by the young people, while others lie in ambush along the paths leading to the hamlet.

Lieutenant Tien revealed that at the very beginning of the program, the local people had exposed a secret agent of the Vietcong who had hoped to sabotage their work.

This action showed courage and confidence—no one would have dared before to denounce a Vietcong for fear of reprisals. Bamboo fences are constructed around their homes. White washed fences make the detection of prowlers at night easier. With the distribution of arms and weapons taken from the Communists, a new spirit pervaded the community. They were now permitted to defend themselves with the very weapons—although not of the latest model—which in the hands of the Communists constituted a constant menace of death for them.

In a touching show of solidarity, 17 families that had been liberated by the men of the 7th D.I. were given food and lodging by the villagers until such time as they were able to settle themselves. This should not be long in a hamlet whose defenses are strong and who have confidence in their work to reach their ultimate goal for all—a happy life with economic, social, and spiritual well-being in a peaceful and prosperous community.

The United States provides each such hamlet with equipment, guns, rifles, barbed wire, telephones, radios—to give warning upon attack. To each village whose elected officials adopt a project or promotion to aid the economy, the United States will give financial help. The building up of its resources or small public works—as a dam or bridge—or improvements—such as a road—gives each inhabitant a proprietary feeling to defend it against the Vietcong forces. These little democracies are making the difference in diluting the sympathies of the rural areas' population for the Vietcong movement.

There is no question that the Reds in South Vietnam are seeking to stem the growing confidence of ultimate victory by the South Vietnamese in this southeast Asian Republic.

The U.S. Ambassador, Frederick Nolting, Jr., speaking at the opening on Wednesday, November 14, 1962, of a new Vietnamese-American cultural center, at Hue, north of Saigon, said, "the struggle will persist, perhaps for years but, today, the Communists are being forced to the defensive. The blows of the Vietnamese armed forces are forcing them to abandon large formations and to resort, instead, to harassing, small-scale attacks of stealth and murder—the tactics of gangsters.

The strategic hamlet program numbering in excess of 17,000 hamlets is cutting them off from the people, and the opportunity to steal food and kidnap recruits. Intelligence reports reveal, increasingly, that the morale of the Vietcong is slipping.

Every kind of precaution is taken by the Government to prevent materials, foodstuffs, and supplies from falling into the hands of the enemy—the commercial shipment of rice to Vietcong infested territory is forbidden to five provinces. Also, strict supervisory provisions are exacted in the shipments to nine other provinces in an effort to starve out the guerrillas. The Government has taken over the shipment of rice to Quang Duc, Darlac, Pleeku, Kontum, and Phu Bon provinces. Trucks carrying rice to the other nine provinces are requested to have one door in the van which is sealed by the Saigon police and opened by the local authorities at their point of destination. Each shipment requires a permit, issued by the police. Three thousand blankets were airlifted to Hue and distributed to Montagard refugees who fled Vietcong-controlled mountain areas.

Large Government ground forces are airlifted to areas where Vietcong units are reported to be operating—endeavoring to make contact. U.S. helicopters, H-2, are used to facilitate the transportation of these troops. One such, Operation Eagle, in Rhing Dinh Province—85 miles north of Saigon—at the time we were there, failed to make contact with a 200 Vietcong unit operating in the area.

Reports have been received of the timidity of Vietnamese officers in the field as occurred in the fiasco by the Vietnamese forces in the Mekong River Delta at Ap Bac, where a Vietcong ambush riddled and shot down five U.S. helicopters and the demoralized Vietnamese soldiers and officers refused to counterattack. As a result there was a great deal of criticism voiced by unidentified U.S. military advisers. The U.S. commander in South Vietnam, Gen. Paul D. Harkins, referring to this incident tried to assuage tempers and said:

> I believe that anyone who criticizes the fighting qualities of the armed forces of the Republic of Vietnam is doing a disservice to the thousands of gallant and courageous men who are fighting in the defense of their country.

And the distinguished military leader further said:

> About 10,000 Vietnam soldiers have been killed in action in the last year—1962—and almost 30,000 dead Vietnam insurgents attest to their courage.

U.S. advisers are not permitted by President Ngo Dinh Diem of the Vietnamese Government to lead or command the South Vietnamese in battle. He rules his military forces with an iron hand and refuses to be called by the

Communists as a vassal of the United States.

The U.S. experts have been concentrating on developing a strong military leadership both among the officers and noncommissioned officers, but it is said that unfortunately the more intelligent and educated officers are seldom assigned to the field troops, but rather to headquarters companies.

The battalions and rifle companies are led by officers who are apprehensive of the threat of removal by the President Diem—also War Minister—after their units suffer casualties, and therefore are discouraged to press the enemy in battle. Further, there are no survival benefits for the next of kin, and the Vietcong dedicated to their cause, subvert the regulars which result in many desertions.

The U.S. efforts to change the attitude of the Vietnam Government in this area has had no effect.

It is unfortunate that the Buddhist population of South Vietnam—estimated at 80 percent—of the isms are faced with a most perplexing problem—the vociferous complaints and public demonstrations of their own priests, nuns, and students that complain their Buddhist religious observances are being suppressed. President Diem's government, heretofore, has enjoyed popular support and he is still the best leader to protect U.S. interests, but we could ill afford the reputation of financing a regime that would embarrass the United States throughout southeast Asia as being anti-Buddhist. President Diem is a devout Catholic—his brother, Archbishop Ngo Dinh Thuc is the Catholic leader of the 1½ million Catholics of the nation—certainly neither would assert that only Catholics are anti-Communists. There are Buddhists acting as officials in the regime, and the great majority of the electorate are Buddhists who voted for President Diem. It would be a tragedy if this great leader were lost to the cause of freedom through a religious revolt that could easily be averted by granting the promised reforms of yesteryear.

This religious conflict has retarded the action and dissipated the war effort against the Vietcong. The military advantages may be lost through the dividing of the people resulting in a disunity of the armed forces. President Kennedy recently has made known his sentiments through General Harkness—that repressive measures against the Buddhists must stop.

A recent visit to Pope Paul VI by U Thant, Secretary of the United Nations, seems significant, especially in that in recent weeks the subject matter of religious bigotry practiced by officials of pro-Western governments has become a turbulent issue in Western circles. There is little choice between a government of communistic suppression of all religious liberty and one that curbs through aggressive laws a certain religious group. To stir up a civil religious revolution in a so-called prodemocratic country, breeds civil strife—and destroys the confidence of the people in its leaders. The U.S. Government and its people demand complete tolerance of all religious practices.

It is the sincere wish that through the holy office of Pope Paul, and the good office of Secretary U Thant, and the efforts of our present distinguished Ambassador, Cabot Lodge, President Diem can be induced to conform to an American basic request—a guarantee of religious freedoms for all.

Nations through the ages, like men, have been and are guilty of prejudicial practices against their fellow countrymen at social, religious and economic levels of their society. These attitudes are fostered in fear, ignorance, and tradition. The South Vietnamese are no exception.

We as a nation in leadership, suffering from similar ills, must be tolerant and understanding in dealing with their problems.

Our investment in maintaining their security as a free and independent nation, costing millions of dollars both to their military and civilian needs, and in excess of 14,000 instructing and activated military officers and personnel—suffering over 100 killed—cannot abandon their cause without suffering a complete reversal of the international confidence in our loyalties and pledges to the freedom-loving nations of the world.

We must endeavor to seek a common ground of understanding and an immediate solution with President Diem and his government, that he and his valiant people owe to the citizens of the United States the highest degree of responsibility to maintain the basic standards of the philosophy of American life.

We only ask that this great leader of his people, President Diem, having with his loyal and brave citizens established a democracy, maintain that same type of government for all of his people.

Otherwise the American people and their leaders will lose confidence and respect for his leadership—perhaps even to the point of regret—for ever having joined with him in his nation's cause.

May President Diem, with the blessings of his Creator, see the light and know that the people of America have great confidence in his leadership to a point, and seek only guidance for him to alleviate the serious problems confronting our President treating with the unfortunate series of events in Vietnam which have shaken the solidarity of American opinion in behalf of President Diem's regime. Reforms are in order—otherwise all is lost.

The United States, both in its official family, and its citizenry, demand that the American image throughout the world must not be sullied or distorted by practices antireligious or otherwise that reflect upon our established principles of conformity to God's will—a nation's challenge incorporated in the preamble of the Constitution—by lending support and aid to a nation that disregards with impunity the God-given rights of its own citizens.

Mr. Speaker, the kingdom of Thailand nurtures the freedom of Asia. It is the bastion of independence faced by Communist China on the north about 80 miles from its northern border, Laos on the northeast and east, Vietnam parallel thereto, and Cambodia on the south.

The military operations of the two Communist campaigns to the east in Laos and Vietnam on the south shadow her borders.

Thailand maintains a formidable army skilled in maneuvers and specialist training afoot or mounted. We had the honor of attending the military exercises as guests of the Government at Bangkok celebrating King Pumiphan Aduldet's birthday. Some 3,500 men of the military representing the four services—Army, Navy, Marines and Air Force, gave a terrific performance including military drill and intricate field formations—mounted.

Its forces would, if attacked, present a strong initial defense—so necessary to alert the U.S. forces in the area.

Thailand is struggling to improve the social welfare, living standards and economic condition of its people. In a limited national economy it is impossible to build needed roads, flood control and irrigation. Social security and pensions are out of the question when the family income is limited to less than $100 per year in the Bangkok area, and half that amount in other communities.

The economy of Thailand has been increased about 5 percent per year, although last year the export trade balance lagged $50 billion behind its imports. The U.S. Agency for International Development and the earnings resulting from the foreign exchange earnings of tourists equalized this financial discrepancy.

In spite of these obstacles, the Government has an effective electric power program, farm to market roads, educational expansion facilities and social programs. The great problem of increasing agricultural production to provide exports, in trade for machinery and consumer goods is still a pressing one.

Our Ambassador, Kenneth Todd Young, is highly respected for his sincere efforts in cooperating with the Thailand authorities in our mutual concern for the changing developments in east Asia—and in the United States.

King Pumiphan Aduldet was born in Boston while his father was attending Harvard. He is a friend of the United States. He sent troops to Korea. Also to Laos although he was in disagreement of our policy there, and in the Cuban question immediately took a firm stand with us.

The future of Thailand in remaining freedom land is important to the United States. It stands as the only obstacle in the march of communism throughout southeast Asia. Thailand is the seat of SEATO. With our continuing aid and assistance, both as to its economy and military support now and in the future, these courageous and liberty loving people will remain as the American anchor and symbol of our defense in southeast Asia.

May I, with the permission of the Congress, reiterate a previous statement made in the CONGRESSIONAL RECORD, volume 108, part 9, pages 12118 and 12119,

as chairman of that Commission visiting the military forces in Germany, that seems pertinent at this point:

The Members of the Congress of the United States enjoy the high privilege and responsibility of protecting the public interest and guiding through enactment of legislation to preserve the economic destiny, welfare, and defense of the Republic.

One of the informative approaches to orient the membership in acquiring knowledge in these areas, preparatory to the consideration of legislation, is to travel to the sites of areas where pertinent factual data on these subjects can be accumulated for study. Many of the mentally alert and proficient Members of Congress are reticent about accepting a special study assignment necessitating foreign travel because of the criticism one may be subjected to in traveling at public expense.

There is a growing suspicion in the public mind that all travel is unnecessary and a waste of public funds. That the expense serves no public purpose in Government and only satisfies the suppressed desire of the individual official to travel at public expense for his or her personal aggrandizement as participating in a junket tour.

Certainly traveling 25,000 miles by plane, close to 1,000 by helicopter and auto, being briefed 5 to 8 hours a day, watching troop operations and firing of heavy armament, studying enemy frontier activity, eating on the run, sleeping 3 to 5 hours a day with scarce 2 to 3 hours a day of open time for ourselves, giving speeches, asking questions and giving answers, and so forth, taking copious notes, writing reports, is not anyone's idea of enjoying a sojourn overseas, especially during the holiday period.

Yet all of this effort and more was worth the great honor paid to us by our dedicated U.S. officers and men in the field, schools, and camps that we visited. Just the warm clasp of the friendly hands of the troops from our respective States gave each of us a sense of how much all this meant to the troops and ourselves in being just another American.

It is to be understood that the purpose of this report is to treat analytically, in a limited sense, the data, facts, and material made available through the agencies, publications, and services presenting the same. The subjects at hand have enjoyed a wide and growing public interest—primarily through the exhaustive study and writings of expert columnists whose detailed articles appear in the press and journals for avid public consumption.

The material presented herein is a compilation of both the briefings received from experts in this field and authoritative reportings by distinguished newspapermen and columnists.

The papers drawn for this report are not to be considered as having the approval of the members in attendance, but must be considered as a factual report of the subjects studied. Any comments or conclusions reached by the chairman are subject to the specific reservation of each member. Someone had to write a report. Therefore, if in error—may it be an unintentional one.

There are references noted in this report that are complimentary to the present administration and several others that are critical. These statements are only made for the purpose of calling attention of the reader to the administration's position in the matter. Certainly my Republican colleagues have the reserved right to disagree with these conclusions—perhaps the criticisms at least should stand as accepted.

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. PELLY (at the request of Mr. BELL), for 15 minutes, today.

Mr. LIBONATI (at the request of Mr. ALBERT), for 60 minutes, today, 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. FINO in two instances.

(The following Members (at the request of Mr. BELL) and to include extraneous matter:)

Mr. BEERMANN.

Mr. DERWINSKI.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. MULTER.

Mr. MORRIS in two instances.

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. 573. An act for the relief of Elmer Royal Fay, Sr.; to the Committee on the Judiciary.

S. 721. An act to amend section 124 of title 28, United States Code, to transfer Austin, Fort Bend, and Wharton Counties from the Galveston division to the Houston division of the southern district of Texas; to the Committee on the Judiciary.

S. 1006. An act to amend the act of June 12, 1960, for the correction of inequities in the construction of fishing vessels, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

S. 1206. An act for the relief of Georgie Lou Rader; to the Committee on the Judiciary.

S. 1269. An act for the relief of the Arizona Milling Co. of Phoenix, Ariz.; to the Committee on the Judiciary.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 5888. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1964, and for other purposes.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 21 minutes p.m.), under its previous order, the House adjourned until Monday, October 7, 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:

1262. A letter from the Comptroller General of the United States, transmitting a report on the comparison of fund requirements for lease and Government ownership and other matters relating to the leasing of small-size and medium-size postal facilities by the Post Office Department; to the Committee on Government Operations.

1263. A letter from the Comptroller General of the United States, transmitting a report on the unnecessary procurement of helicopter components by the Department of the Navy; to the Committee on Government Operations.

1264. A letter from the Administrator, Federal Aviation Agency, transmitting a draft of a proposed bill entitled "A bill for the relief of Terence J. O'Donnell, Thomas P. Wilcox, and Clifford M. Springberg"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HARRIS: Committee on Interstate and Foreign Commerce. Report on Communication Satellite Act of 1962—the first year (Rept. No. 809). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GARMATZ:

H.R. 8702. A bill to amend title VII of the Public Health Service Act so as to extend to qualified schools of optometry and students of optometry those provisions thereof relating to student loan programs; to the Committee on Interstate and Foreign Commerce.

By Mrs. GRIFFITHS:

H.R. 8703. A bill to amend the Federal Food, Drug, and Cosmetic Act to require that all adulterated foods seized and condemned under that act must be destroyed; to the Committee on Interstate and Foreign Commerce.

By Mr. LEGGETT:

H.R. 8704. A bill to amend title VII of the Public Health Service Act so as to extend to qualified schools of optometry and students of optometry those provisions thereof relating to student loan programs; to the Committee on Interstate and Foreign Commerce.

By Mr. McINTIRE:

H.R. 8705. A bill to amend title VII of the Public Health Service Act so as to extend to qualified schools of optometry and students of optometry those provisions thereof relating to student loan programs; to the Committee on Interstate and Foreign Commerce.

By Mr. MOORHEAD:

H.R. 8706. A bill to promote the security and welfare of the people of the United States by providing for a program to assist the several States in further developing their programs of general university extension education; to the Committee on Education and Labor.

By Mr. STAEBLER:

H.R. 8707. A bill to amend the National Defense Education Act of 1958 to enlarge, improve, and make permanent the student loan programs thereunder; to the Committee on Education and Labor.

By Mr. WHALLEY:

H.R. 8708. A bill to amend the Federal Aviation Act of 1958 to prohibit the use of aircraft to carry out certain activities directed toward weather modification unless the occupants of the underlying lands consent thereto; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

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

By Mrs. DWYER:

H.R. 8709. A bill for the relief of Eugene R. Wooster, Jr.; to the Committee on the Judiciary.

H.R. 8710. A bill for the relief of Joseph K. Bellek; to the Committee on the Judiciary.

By Mr. FINNEGAN:

H.R. 8711. A bill for the relief of Anastasia Dancevic; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 8712. A bill for the relief of Michel Harari; to the Committee on the Judiciary.

By Mr. ROBISON:

H.R. 8713. A bill for the relief of Dr. Vincent Palumbo; to the Committee on the Judiciary.

H.R. 8714. A bill for the relief of Dr. Geronimo B. Martinez; to the Committee on the Judiciary.

By Mr. SCHENCK (by request):

H.R. 8715. A bill to provide for the modification of the existing mortgage (held by the Federal National Mortgage Association) covering Overlook Mutual Homes in Dayton, Ohio; to the Committee on the Judiciary.

SENATE

THURSDAY, OCTOBER 3, 1963

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God, as creatures of time and sense, with the fever of mortal days upon our spirits, with wistful longings which haunt the depth of our being, we turn to Thee who art from everlasting to everlasting.

We change with the changing days. We are fretted by every passing wind, tempest tossed and afraid; but Thou art the same yesterday, today, and forever.

Day by day in this Chamber, in the ministry of public affairs, those chosen by the people to speak and act for them face perplexing decisions affecting the lives and fortunes of untold millions who look to them for the wise word and the right action. Wilt Thou lift us all from the confusions and bafflements of these days into the unhurried calm of Thy presence and to the peace which is the gift of Thy grace, and the wisdom which is from above.

May the spiritual verities by which alone we really live, assert their sovereignty and ascendancy over our hearts and minds, as with unbroken vigil we keep the perpetual light of faith burning over the inner shrine of the soul. Amen.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Commerce.

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

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 bill (H.R. 4759) for the relief of W. V. Grimes, James A. Powell, Frank Grove, Harry P. Nash, Jr., and Michael J. Neofitou, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 5888) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1964, and for other purposes, and it was signed by the Vice President.

HOUSE BILL REFERRED

The bill (H.R. 4759) for the relief of W. V. Grimes, James A. Powell, Frank Grove, Harry P. Nash, Jr., and Michael J. Neofitou, was read twice by its title and referred to the Committee on the Judiciary.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON DEFENSE PROCUREMENT FROM SMALL AND OTHER BUSINESS FIRMS

A letter from the Assistant Secretary of Defense, Installations and Logistics, transmitting, pursuant to law, a report on defense procurement from small and other business firms, for the month of July 1963 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON UNNECESSARY PROCUREMENT OF HELICOPTER COMPONENTS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on unnecessary procurement of helicopter components, Department of the Navy, dated September 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON COMPARISON OF FUND REQUIREMENTS FOR LEASE AND GOVERNMENT OWNERSHIP OF POSTAL FACILITIES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on comparison of fund requirements for lease and Government ownership and other matters relating to leasing of small- and medium-sized postal facilities, Post Office Department, dated September 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON NEED FOR RECONSIDERATION OF COSTLY PROPOSALS UNDER EXPANSION AND IMPROVEMENT PROGRAM, COAST GUARD ACADEMY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the need for reconsideration of costly proposals under the expansion and improvement program, Coast Guard Academy, U.S. Coast Guard, Treasury Department, dated September 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF FUNDING PRACTICES IN ACQUISITION AND MANAGEMENT OF REAL AND RELATED PERSONAL PROPERTY OVERSEAS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of funding practices in the acquisition and management of real and related personal property overseas by the Department of State, dated September 1963 (with an accompanying report); to the Committee on Government Operations.

PROPOSED AMENDMENT TO CONCESSION CONTRACT IN HOT SPRINGS NATIONAL PARK

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed amendment to the concession contract with the Quapaw Bath House Co., in Hot Springs National Park (with accompanying papers); to the Committee on Interior and Insular Affairs.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

REPORT ON OPERATIONS IN CONNECTION WITH BONDING OF GOVERNMENT OFFICERS AND EMPLOYEES

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report on operations in connection with the bonding of Government officers and employees, for the fiscal year ended June 30, 1963 (with an accompanying report); to the Committee on Post Office and Civil Service.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of yesterday be dispensed with.

Mr. TALMADGE. Mr. President, I object.

The VICE PRESIDENT. Objection is heard, and the clerk will proceed to read the Journal.

The legislative clerk proceeded to read the Journal.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Georgia will state it.

Mr. RUSSELL. Is an amendment to the Journal in order after the clerk reaches the portion of the Journal which a Senator may wish to amend, or should the amendment be offered after the conclusion of the reading of the Journal?

The VICE PRESIDENT. An amendment to the Journal should be offered after the entire Journal has been read.

Mr. RUSSELL. Would a Senator lose his right to offer an amendment to the Journal by then suggesting the absence of a quorum? The Constitution requires that a quorum be present for the transaction of business, and it is evident that a quorum is not now present.

Mr. CLARK. Mr. President, I call for the regular order.

The VICE PRESIDENT. The Chair is informed that the precedents of the Senate are to the effect that a quorum call is not in order while the Journal is being read.

Mr. RUSSELL. No, Mr. President; I mean after the Journal has been read, but before an amendment to the Journal is proposed.

The VICE PRESIDENT. A quorum call would be in order at that time, and the Senator would not lose his right to propose an amendment to the Journal by suggesting the absence of a quorum at that time.

Mr. RUSSELL. I thank the Chair.

The VICE PRESIDENT. The clerk will resume the reading of the Journal.

The legislative clerk resumed and concluded the reading of the Journal of the proceedings of yesterday.

Mr. RUSSELL. Mr. President, I serve notice that I shall propose an amendment to the Journal. I suggest the absence of a quorum. It might be well to indicate that it will be a live quorum.

The VICE PRESIDENT. The Senator from Georgia has suggested the absence of a quorum, and the clerk will call the roll for the purpose of ascertaining the presence of a quorum.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 183 Leg.]

Allott	Holland	Neuberger
Anderson	Hruska	Ribicoff
Burdick	Javits	Russell
Clark	Jordan, N.C.	Saltonstall
Cooper	Jordan, Idaho	Scott
Ellender	Keating	Smith
Ervin	Kennedy	Sparkman
Gore	Kuchel	Talmadge
Gruening	Long, Mo.	Thurmond
Hart	Mansfield	Walters
Hayden	McGovern	Williams, Del.
Hickenlooper	Monroney	Young, N. Dak.
Hill	Morton	Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Indiana [Mr. BAYH], the Senator from Nevada [Mr. CANNON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Oklahoma [Mr. EDMONDSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Montana [Mr. METCALF], the Senator from Mississippi [Mr. STENNIS], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from California [Mr. ENGLE] is absent due to illness.

Mr. KUCHEL. I announce that the Senators from Vermont [Mr. AIKEN and Mr. PROUTY] and the Senator from Hawaii [Mr. FONG] are absent on official business.

The Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Colorado [Mr. DOMINICK], the Senator from Arizona [Mr. GOLDWATER], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The VICE PRESIDENT. A quorum is not present.

Mr. MONRONEY. Mr. President, I move that the Sergeant at Arms be directed to request the presence of absent Senators.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Oklahoma.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. BEALL, Mr. BIBLE, Mr. BOGGS, Mr. BREWSTER, Mr. BYRD of Virginia, Mr. BYRD of West Virginia, Mr. CARLSON, Mr. CASE, Mr. CHURCH, Mr. CURTIS, Mr. DODD, Mr. DOUGLAS, Mr. HARTKE, Mr. HUMPHREY, Mr. INOUYE, Mr. JACKSON, Mr. LAUSCHE, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCGEE, Mr. MCINTYRE, Mr. MCNAMARA, Mr. MECHEM, Mr. MILLER, Mr. MORSE, Mr. MOSS, Mr. MUNDT, Mr. MUSKIE, Mr. NELSON, Mr. PASTORE, Mr. PEARSON, Mr. PELL, Mr. PROXMIRE, Mr. RANDOLPH, Mr. ROBERTSON, Mr. SMATHERS, Mr. SYMINGTON, and Mr. YARBOROUGH entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is present.

Mr. RUSSELL. I had intended to propose an amendment to the Journal that would enable the historians of the future who may peruse that document to be perfectly clear as to the issue that was before the Senate yesterday when the point of order was raised.

The Journal stated the ruling of the Chair. However, the ruling did not include any statements from Senators who espoused the point of order, as to the reason why the point of order was valid.

On consideration—perhaps this is due to my innate modesty—I intend not to propose the amendment, because if I were to do so I would be in the unusual position of fighting for an amendment to have my own words and contentions placed in the Journal.

I should like to propound a parliamentary inquiry.

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

Mr. RUSSELL. I am glad to yield to the Senator from Florida.

Mr. HOLLAND. Would the Senator object if, for the RECORD, and for the benefit of historians of the future who may refer to the Journal, if I called attention to the fact that the position of the Senator from Georgia is shown in the RECORD? It would be eminently fair to do so and completely right. The Senator's statement is found at pages 18536 to 18540 of the CONGRESSIONAL RECORD.

Mr. RUSSELL. I thank the Senator.

Mr. HOLLAND. That might overcome the suggestion about the excessive modesty of the Senator from Georgia that he has referred to.

Mr. RUSSELL. I appreciate the Senator's kind comment.

A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. RUSSELL. In the event that a resolution were submitted under the fourth part of rule VII, providing for the meeting of a subcommittee of the Senate over a given period of time while the Senate was in session, would such resolution be referred to the Committee on Rules and Administration, and would it be considered an amendment to the rules?

Mr. CLARK. Mr. President, may I be heard on that point of order before the Chair rules?

Mr. RUSSELL. I shall be glad to yield to the Senator if he wishes me to do so.

The VICE PRESIDENT. The Chair would be delighted to have the views of the Senator from Pennsylvania.

Mr. CLARK. I thank the Chair and the Senator from Georgia.

I had intended to ask, as soon as I was able to obtain the floor, that the regular order under rule VII be followed. As the Senator from Georgia has stated, that would call for the Presiding Officer to lay before the Senate certain matters, in the priority indicated in the rule, until concurrent and other resolutions were called for.

When that point had been reached, it would have been my intention to send to the desk a short resolution, which I should like to read:

Resolved, That the Senate Committee on Employment and Manpower of the Committee on Labor and Public Welfare be authorized to sit while the Senate is in session from today, October 3, 1963, to November 30, 1963.

It was my view, after consulting with the Parliamentarian and discussing the precedents, that the resolution would be in order when submitted, and could be called up for immediate consideration under a somewhat sketchy ruling of the late Vice President Barkley, made in 1949, which is the only precedent to which the Parliamentarian was able to refer me as dealing with this point. My purpose was to prevent one Senator from objecting to a meeting of a committee, as has been the case for several years in the Senate. I thought that I had the law on my side in that regard, because the Reorganization Act provides:

No standing committee of the Senate or of the House, except the Committee on Rules of the House, shall sit without special leave while the Senate or the House, as the case may be, is in session.

At a hearing before the Subcommittee on Standing Rules of the Committee on

Rules and Administration, held in June of this year, the distinguished coauthor of the Reorganization Act, the Senator from Oklahoma [Mr. MONRONEY] testified:

In the Reorganization Act we did not intend absolutely to prohibit committees from sitting during Senate sessions except by unanimous consent.

The VICE PRESIDENT. The Chair cannot hear the Senator from Pennsylvania. The Senate will be in order.

Mr. CLARK. I continue to read:

We meant that they should not sit during the Senate session without special leave.

I was requesting, by my resolution, special leave. I had hoped that this could be done without a great deal of discussion, and that the Senate would pass reasonably promptly on this request.

I was prepared to make my argument on why I thought it was desirable for this committee to have leave to sit.

I still hope that I may have the opportunity to present this matter in due course. I realize that many parliamentary obstacles can be thrown in my way. I make this comment to the Presiding Officer before he rules, in order that he may understand what I was trying to do.

Mr. RUSSELL. Mr. President, perhaps I am unduly suspicious. Of course, I have no particular feeling about the resolution that the Senator wishes to submit. As Will Rogers used to say, about all I know about what is proposed for the rest of the year is what I read in the papers.

At least one of those proposals has involved a great many circuitous parliamentary proceedings in the past in order to get it before the Senate. I am referring, of course, to the misnamed but ill-advised civil rights legislation. It never gets to a committee, and is brought up under a very tenuous construction of the rule. I am somewhat suspicious that a resolution would be offered.

Under the provision to which the Senator refers, leave would be granted to committees to meet when the Senate was in session. That is a proposal which I would not approve. It is difficult enough to bring four or five Senators to the Chamber to undertake to enlighten them, without having them all off attending committees by leave of the Senate.

I merely wish to ascertain the procedures that will be followed. It is my intention to let the Senator from Pennsylvania submit his resolution in the morning hour, but I wish to find out the procedure to be followed, so that I will know what steps I may take to counteract such proposals in the event a rash of resolutions of this nature is offered in the future.

The Senator knows that he may ask for unanimous consent. There is no question about leave being granted by unanimous consent for committees to meet. Such requests are usually granted by unanimous consent; but, of course, anything that can be done by unanimous consent can be done by resolution.

Mr. CLARK. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. CLARK. First, the subject of this investigation deals entirely with employment, unemployment, and the proper utilization of manpower. I assure the Senator that there are no overtones of civil rights involved. The subcommittee had a civil rights matter before it earlier this year, but it was disposed of, and has been reported to the full committee. So that question is not involved.

Mr. RUSSELL. I do not want to beg that question with the Senator, but almost anything that will be done now or during the remainder of this year will have some overtones of civil rights. It has been tied into practically everything that has come up. I have read numerous articles, editorials, columns, and comments about the relationship of civil rights to the tax bill. Certainly civil rights has about as many overtones in relation to the tax bill as it has with respect to the Senator's resolution.

I intend to let the Senator submit his resolution, but I wished to advise him what the parliamentary situation would be in the event the Senate should be confronted with a number of similar resolutions.

Mr. CLARK. The hearings which we request—rather, the meetings which we request—are purely for the purpose of taking testimony. It is not intended that the subcommittee should meet to mark up any proposed legislation. I do not know whether our subcommittee is less diligent in attendance than some others; but, by and large, frequently only one Senator is present to take testimony, and rarely are more than two or three present, although the members of the subcommittee are conscientious and drop in at the hearings from time to time. So far as attendance on the floor of the Senate is concerned, I cannot believe that this particular resolution would have any great bearing.

Mr. RUSSELL. When Senators are away from the Chamber, the Senate is that much weaker.

If the Senator will permit me to inquire, I think I know what the Chair's reply will be. Then I wish to propose another parliamentary inquiry.

Mr. CLARK. The ruling made by Vice President Barkley in response to the inquiry of the Senator from Oregon [Mr. MORSE] appears in the third column of the CONGRESSIONAL RECORD, volume 95, part 3, page 3964.

Mr. RUSSELL. I am not familiar with that ruling; but I was of the opinion that it was an obiter dictum decision. It was not a live case that was before the Senate; the ruling was made in response to a parliamentary inquiry.

Mr. CLARK. I should like to read the ruling for the benefit of the Vice President.

Mr. RUSSELL. Very well.

Mr. CLARK. The Senator from Oregon [Mr. MORSE] had requested leave for a committee to meet while the Senate was in session. The Vice President made his ruling. I say again that it is not too definitive a ruling, but it is the only one we have been able to find. The request was for leave for a committee to meet. Vice President Barkley ruled:

The motion would undoubtedly be debatable; but the Chair is inclined to the opinion, without having looked into the matter, that such a motion would be a privileged matter and would, therefore, take precedence over the pending question. But that is not a final decision of the Chair.

Mr. RUSSELL. I do not believe that such a ruling would be in order, because there is no question pending in the morning hour. There cannot be a pending question if the steps outlined in rule VII are followed. However, I think the Senator's resolution is in order. Any Senator may submit a resolution to have the Senate grant leave for a committee to meet. There is no question about that. Of course, the resolution would be debatable.

Mr. CLARK. Yes.

Mr. RUSSELL. Therefore, it would not mean a great deal if a Senator who submitted such a resolution had an ulterior purpose.

Mr. President, I should like to have a ruling on my original parliamentary inquiry.

The VICE PRESIDENT. The Parliamentarians have considered the inquiry and have prepared a statement with respect to it, with which the Chair is in agreement.

If a motion is made to give a committee leave to sit for 1 day, it would appear that the motion, of necessity, would be privileged, but debatable. The time problem would seemingly make it necessary that such a motion be considered privileged, since otherwise the motion or resolution would have to lie over a day. The above conclusion appears to be the intent of section 134C of Public Law 601 of the 79th Congress—

Which, as the Senator is aware, is the Reorganization Act—

A motion to permit a committee to meet while the Senate is in session, over a long period of time, would appear to be a suspension or change of the rules and would not be entitled to a privileged status, since the time element is not of the same significance as in the case of a 1-day leave for a committee to meet. Thus, such a motion involving the meeting of a committee for several days would be treated like any other resolution as far as procedure is concerned. If objection is heard to its immediate consideration, the resolution goes over for 1 day and would be laid down the next legislative day after the conclusion of the morning business. If not disposed of by 2 o'clock it would go to the calendar when there is unfinished business, subject to be brought up later on motion.

This is the recommendation of the Parliamentarian and the Assistant Parliamentarian. It is based on the ruling made by Vice President Barkley, which was tentative and referred to a specific time and specific date, and thus had privileged status. It loses its privileged status when a number of days are covered.

The Chair concurs in the recommendation by the Parliamentarian and the Assistant Parliamentarian.

Mr. RUSSELL. If objection were heard to a resolution which provided for a committee to meet for a period of several days, the resolution would go to the calendar, would it not?

The VICE PRESIDENT. The resolution would lie over 1 day.

Mr. RUSSELL. It would lie over 1 day; and if the Senate adjourned, then on the next day that the Senate met, the resolution would come up, under rule VII, for consideration by the Senate. Is that correct?

The VICE PRESIDENT. That is correct.

Mr. RUSSELL. Would a motion to refer the resolution to the Committee on Rules and Administration be in order at that time?

The VICE PRESIDENT. Yes.

Mr. RUSSELL. The resolution would be debatable when it was called up on the following day, would it not?

The VICE PRESIDENT. That is correct.

Mr. RUSSELL. And the motion to refer to committee would be debatable, would it not?

The VICE PRESIDENT. That is correct.

Mr. RUSSELL. I thank the Chair.

The VICE PRESIDENT. Of course, if the resolution were not disposed of by 2 o'clock, it would be returned to the calendar.

Mr. RUSSELL. It would be returned to the calendar; and if it were returned to the calendar, it would carry with it the motion to refer to committee, would it not?

The VICE PRESIDENT. Yes.

Mr. CLARK. Mr. President, I ask that the Chair proceed with the regular order, under rule VII.

The VICE PRESIDENT. Morning business is in order under rule VII. As the Chair understands, the Senator from Georgia does not desire to offer his amendment to the Journal.

Mr. RUSSELL. No, Mr. President, I do not desire to offer my amendment to the Journal, for the reasons assigned previously.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Montana will state it.

Mr. MANSFIELD. Did I correctly understand the Chair to state that morning business is now in order?

The VICE PRESIDENT. That is correct; morning business is in order, under rule VII.

Mr. CLARK. Mr. President, a parliamentary inquiry.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Pennsylvania, to permit him to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Pennsylvania will state it.

Mr. CLARK. Is not my motion that the Chair proceed in accordance with rule VII in order?

The VICE PRESIDENT. That would be the regular order, unless a request to proceed otherwise were made and were agreed to.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Montana will state it.

Mr. MANSFIELD. Did I correctly understand the Chair to state—before the question was raised by the distinguished Senator from Pennsylvania [Mr. CLARK]—that we are in the morning hour?

The VICE PRESIDENT. That is correct.

Mr. MANSFIELD. Does the morning hour take precedence over the presentation of petitions, memorials, and reports of standing and select committees?

The VICE PRESIDENT. That is a part of the morning hour.

Mr. MANSFIELD. It is a part of the morning hour?

The VICE PRESIDENT. Yes.

Mr. MANSFIELD. If a Senator then seeks recognition, in order to submit morning hour business, will it be in order for him to be so recognized?

The VICE PRESIDENT. If a Senator asks for the regular order, he will have to ask for the regular order as specified under rule VII, which is, first, the presentation of petitions and memorials.

When that is concluded, then Senators will be recognized for the submission of reports of standing committees.

When that is concluded, Senators will be recognized for the introduction of bills and joint resolutions.

All that is in accordance with the rule.

The presentation of petitions and memorials is now in order.

Mr. MANSFIELD. Mr. President, I seek recognition under the morning hour.

The VICE PRESIDENT. The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, I withdraw my request, because in the meantime I wish to make a unanimous-consent request.

The VICE PRESIDENT. The Senator from Montana is recognized for the purpose of making a unanimous-consent request.

Mr. MANSFIELD. No, Mr. President; I have decided not to make it, for I believe it would be turned down.

The VICE PRESIDENT. The Senator from Montana could make a motion to take up any morning hour business he wishes to have taken up.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I be permitted to make a few remarks on certain subjects, and to have printed in the RECORD, in connection with these remarks, certain speeches, comments, newspaper articles, and so forth.

The VICE PRESIDENT. Is there objection?

Mr. CLARK. Mr. President, with deep regret, I must object.

Mr. MANSFIELD. Then I wonder whether there are any petitions and memorials to be presented.

The VICE PRESIDENT. Are there any petitions and memorials which Senators wish to present?

HOUSE OF REPRESENTATIVES OF STATE OF ILLINOIS CALLS FOR GI BILL

Mr. YARBOROUGH. Mr. President, I have a resolution, from the Illinois House of Representatives, which calls upon Congress to pass a certain law. Is the presentation of that resolution now in order, under the rule?

The VICE PRESIDENT. It is in order; and, under the rule, it will be received and printed in the RECORD.

Mr. YARBOROUGH. This is a petition——

The VICE PRESIDENT. The resolution is not now debatable.

Mr. YARBOROUGH. It is a petition of the Illinois House of Representatives, requesting Congress to pass the GI bill.

The VICE PRESIDENT. Debate on the resolution is not now in order.

The resolution presented by Mr. YARBOROUGH is as follows:

RESOLUTION

Whereas the key to the success of this country in the future is based upon the education of its citizens; and

Whereas the Congress of our Nation was indeed very wise in extending certain educational benefits to veterans who were inducted prior to January 31, 1955; and

Whereas veterans who were inducted into the armed services after January 31, 1955, no longer received such educational benefits from our Nation and as a result our country is suffering: Therefore, be it

Resolved by the House of Representatives of the 73d General Assembly of the State of Illinois, That we respectfully urge the Congress of the United States to extend educational benefits to our veterans who were inducted after January 31, 1955.

JUNE 20, 1963.

ESTABLISHMENT OF A SENATE COMMITTEE ON VETERANS' AFFAIRS

Mr. KEATING. Mr. President, I submit a resolution, which was adopted by the National Convention of Disabled American Veterans, urging that the Senate go on record as recommending the establishment of a Senate Committee on Veterans' Affairs. In the presentation of this——

Mr. THURMOND. Mr. President, Senators on this side of the aisle cannot hear the Senator from New York.

Mr. KEATING. Mr. President, in the presentation of the resolution, am I entitled to be heard briefly?

The VICE PRESIDENT. No; debate is not now in order.

Mr. KEATING. Then I now present the resolution.

The VICE PRESIDENT. The resolution will be received, appropriately referred, and printed in the RECORD, under the rule.

The resolution presented by Mr. KEATING was received, and referred to the Committee on Rules and Administration, as follows:

ESTABLISHMENT OF A COMMITTEE ON VETERANS' AFFAIRS IN THE U.S. SENATE

Whereas the U.S. House of Representatives has a standing Committee on Veterans' Affairs while the Senate has none; and

Whereas a similar committee in the Senate would be of immeasurable assistance in the study and review of all legislation pertaining to veterans; and

Whereas such a committee would stimulate a better understanding of the veterans' problems among their colleagues: Now, therefore, be it

Resolved, That the Disabled American Veterans in national convention assembled at Atlantic City, N.J., August 19–25, 1962, go on record as recommending the establishment of a Committee on Veterans' Affairs in the U.S. Senate.

TRANSFER OF CERTAIN LAND IN CITY OF DETROIT, MICH., FOR A LOW-RENT HOUSING PROJECT

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of the unfinished business, which is Calendar No. 487, House bill 772.

Mr. CLARK. Mr. President, a point of order.

The VICE PRESIDENT. The unfinished business will be read by title.

The LEGISLATIVE CLERK. A bill (H.R. 772) to provide for the transfer for urban renewal purposes of land purchased for a low-rent housing project in the city of Detroit, Mich.

Mr. CLARK. Mr. President——

Mr. MANSFIELD. The question is not debatable.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana that the Senate resume the consideration of the unfinished business, Calendar No. 487, House bill 772.

Mr. CLARK. Mr. President——

The VICE PRESIDENT. The motion is not debatable. The motion is made under the authority of rule VII, paragraph 3:

3. Until the morning business shall have been concluded, and so announced from the Chair, or until the hour of 1 o'clock has arrived, no motion to proceed to the consideration of any bill, resolution, report of a committee, or other subject upon the Calendar shall be entertained by the Presiding Officer.

The hour of 1 o'clock having arrived, the Chair can entertain such motion.

The question is on agreeing to the motion of the Senator from Montana. The motion is not debatable. [Putting the question.]

The motion was agreed to; and the Senate resumed the consideration of the bill (H.R. 772) to provide for the transfer for urban renewal purposes of land purchased for a low-rent housing project in the city of Detroit, Mich.

Mr. MANSFIELD. Mr. President——

The PRESIDING OFFICER. The Senator from Montana is recognized.

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

Mr. MANSFIELD. Mr. President, will the Senator from Georgia withhold that suggestion?

Mr. RUSSELL. Yes.

Mr. MANSFIELD. I should like to speak on this bill; but first, in accord with the traditions and customs of the Senate—all of which I do not agree with—I believe this is a good time to bring up some other subjects.

Mr. CLARK. Mr. President, does the Senator from Montana yield the floor?

Mr. MANSFIELD. No; but I shall be glad to yield to the Senator from Pennsylvania.

Mr. CLARK. I believe I had better wait until I obtain the floor.

The VICE PRESIDENT. The pending bill is debatable; but the debate does not necessarily have to be germane to the bill. The Senator from Montana may proceed.

REQUEST FOR TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a morning hour and that the time available to each Senator who participates in the morning hour be limited to 3 minutes.

Mr. CLARK. Mr. President, I object.

The VICE PRESIDENT. Objection is heard.

THANKSGIVING AWARD BY CLARKE COLLEGE, DUBUQUE, IOWA

Mr. MANSFIELD. Mr. President, I received a letter from a very dear friend of mine, Sister Mary Benedict, BVM, President of Clarke College, of Dubuque, Iowa. In the letter she states:

Because the welfare of our country is a dominant value in your life, we believe that you may be interested in the enclosed announcement.

We ask your prayers that the Thanksgiving Award may help to "refocus attention on the true meaning of Thanksgiving," and to inspire our youth to greater reverence for their heritage, greater awareness of their responsibilities.

Mr. President, I ask unanimous consent to have printed in the RECORD the press release covering this subject, from Clarke College, of Dubuque, Iowa.

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). Is there objection?

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

On October 3, 1863, Abraham Lincoln issued the first national Thanksgiving proclamation.

In recognition of the centennial anniversary of the proclamation, Clarke College is planning to confer a Thanksgiving Award on an American whose life reveals awareness of the blessings of freedom, opportunity, and dignity insured by the Constitution of the United States, and whose service to the country and its citizens merits distinction.

The first award will be made at a special Thanksgiving convocation on November 26 at the college. It will be a symbolic figurine designed by the Clarke art department.

Sister Mary Benedict, BVM, Clarke president, announcing the convocation and the award, said that they are a means to achieve in a special manner one of the aims of the college: "to alert students (Clarke is a college for women) to their potential (as women) for influencing world situations and transmitting spiritual and esthetic values."

With pressure increasing against public recognition of God in the daily life of the public schools, church-related schools, Sister believes, have an extra duty to reverence Him as the source of life and truth. A new emphasis on Thanksgiving as a significant and symbolic holiday may help to achieve this.

The Honorable Win G. Knoch, judge of the U.S. Court of Appeals in Chicago and a member of the Clarke Lay Advisory Board, is chairman of the committee which will select the first Thanksgiving Award recipient. Committee members are Clarke faculty and lay board members. The recipient will be announced early in November.

"Originally a day of thanks to God for the blessings of life in the New World," Judge Knoch observes, "Thanksgiving has become for many people a festival of food and football, excellent things in themselves but not substitutes for faith and freedom. The aim of the award is to refocus attention on the true meaning of Thanksgiving, without abandoning its traditional trimmings."

Significantly, Clarke believes, a woman was influential in inspiring Abraham Lincoln to make the 1863 Thanksgiving proclamation.

Sarah Josepha Hale, editor of Godey's Lady Book, had urged successive presidents to proclaim a national day of thanks to God. Her final editorial on the subject appeared in the September 1863 issue of the magazine. Lincoln's response followed within a month.

In 1621, William Bradford, Governor of the Plymouth Colony, ordered the first Thanksgiving celebration in New England. In 1754, the Dutch Colony of New York observed such a day.

George Washington issued a proclamation in 1789 in thanksgiving for the adoption of the Constitution. But the national holiday dates from 1863.

CONFLICTING SCIENTIFIC VIEW ON THE EFFECTS OF RADIATION ON CHILDREN IN THE STATE OF UTAH RESULTING FROM ATMOSPHERIC TESTS CONDUCTED IN NEVADA LAST YEAR

Mr. MANSFIELD. Mr. President, in the New York Times of October 2, 1963, there appears an article, by John W. Finney, which deals with the conflicting scientific views on the effects on children and infants in the State of Utah from iodine 131 fallout which resulted from the nuclear tests in the atmosphere in Nevada last year.

The Atomic Energy Commission now admits, apparently, that "a few" Utah children may have received a dosage of 7 to 14 rads of iodine 131 to the thyroid from these tests, although other scientists have suggested that the figure is much greater. In any event, we should bear in mind that the Federal Radiation Council recommends that the dosage to children's thyroid be held to below half a roentgen a year; and a roentgen and a rad are about the same measure. In short, the Atomic Energy Commission, after a disturbing and prolonged reluctance to face this matter frankly, has now acknowledged that "a few" children have been exposed to cancer-inducing radiation of the thyroid many times above what is regarded, not as safe—no radiation is safe—but as tolerable. And how many children constitute "a few children"?

In short, Mr. President, this news story underscores what was a major consideration in the Senate's recent endorsement of the nuclear test ban treaty—the danger of nuclear tests, wherever they may take place, to the health of all human beings, and particularly to the health of children. If a postscript is needed as to the wisdom of the decisions the Senate reached in agreeing to essay this first step, this article provides it. I ask unanimous consent that it be printed at this point in the RECORD.

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

[From the New York Times, Oct. 2, 1963]

AEC RETREATS ON UTAH FALLOUT—SAYS A FEW CHILDREN MAY HAVE GOT HIGH DOSAGES

(By John W. Finney)

WASHINGTON, October 1.—The Atomic Energy Commission has acknowledged that "a

few" children in Utah may have received radiation doses exceeding permissible peacetime limits as a result of atomic tests in Nevada in 1962.

The Commission, however, disputed contentions by non-Government scientists that thousands of children in States adjoining the Nevada test site had been subjected to medically significant amounts of radioactive iodine as a result of atmospheric tests in the last 12 years.

The Commission statement, supplied to the Joint Congressional Committee on Atomic Energy, represented the latest chapter in a sometimes bitter debate over the amount of iodine 131 that was falling near the Nevada test site and entering the thyroids of children.

REPORT TO COMMISSION

The debate began about a year ago when Dr. Harold A. Knapp, then of the Commission's Fallout Studies Branch, submitted a scientific paper suggesting that some children in communities near the Nevada test site might have received doses to the thyroid from fallout iodine measured in hundreds of roentgens.

The Federal Radiation Council, for normal peacetime operations, recommends that the thyroid dose to infants be limited to half a roentgen a year.

The Knapp report was challenged on the grounds that the conclusions rested on unproved assumptions.

It was apparent that the Commission staff was reluctant to permit publication of the report for fear it would reflect unfavorably on the oft-repeated assertions by the Commission that the Nevada tests were so conducted that no significant amount of radioactivity went beyond the test site.

The debate came out into the open in August in the fallout hearings by a joint atomic subcommittee.

Following much the same line of analysis as Dr. Knapp, a University of Utah group and the St. Louis Committee for Nuclear Information submitted reports showing that in some small communities in Nevada and Utah children could have received radiation ranging into the hundreds if not thousands of roentgens from atomic tests since 1952.

The Commission statement, reportedly the result of considerable debate, was supplied the committee in answer to these assertions.

The statement said that "it may be that a few Utah infants received as much as 7 to 14 rads [a radiation unit closely corresponding to a roentgen] to the thyroid gland in the summer of 1962."

The statement gave no definition of how many children it meant by "a few" or how it had reached the conclusions on the amount of radiation.

ADDRESS BY DOUGLAS DILLON, SECRETARY OF THE TREASURY, BEFORE ANNUAL MEETING OF INTERNATIONAL MONETARY FUND

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excellent speech by the Honorable Douglas Dillon, Secretary of the Treasury, before the annual meeting of the International Monetary Fund.

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

REMARKS OF THE HONORABLE DOUGLAS DILLON, SECRETARY OF THE TREASURY OF THE UNITED STATES AND U.S. GOVERNOR OF THE INTERNATIONAL MONETARY FUND, BEFORE THE ANNUAL MEETING OF THE INTERNATIONAL MONETARY FUND, TUESDAY, OCTOBER 1, 1963

At the outset of my remarks, I ask you to join with me in paying tribute to our late, great colleague and good friend, Per Jacobsson. Firmly dedicated throughout his long and distinguished career to the cause of financial stability, he guided the International Monetary Fund with a deep understanding of the needs and realities of his times. The responsibilities of Managing Director have now passed into the capable hands of Pierre-Paul Schweitzer. His willingness to assume these duties provides us with fresh assurance that the Fund, building on its current strength and influence at the center of the international monetary system, will successfully meet the fresh challenges that lie ahead.

It is also a pleasure to welcome to the Fund family an unusually large number of new members, bringing our group to more than 100. The election of a 19th Executive Director who will cast the votes of a group of the many new African members is symbolic of the increasing usefulness of the Fund to the emerging nations.

I am sure that each of these new members will profit from the important assistance the Fund can render to their further development through its expanding program of technical assistance in the areas of central banking and fiscal practices and policies, through its regular consultations, and by providing timely financial support for well-conceived stabilization programs. In addition, the new compensatory financing facilities announced last March mark an important and constructive advance in the services available to members heavily dependent upon exports of primary commodities.

These activities in support of balanced, dynamic growth are, of course, complemented by those of the Fund's companion Bretton Woods institution, the World Bank and its affiliates, now under the able direction of George Woods. I should mention particularly at this year's meeting the work of the International Development Association, whose activities in so short a span of time offer so much promise for the future. Action by the Part One countries on the proposals for increasing its resources will mark another milestone in the work to which it is dedicated and in which we are all joined together.

The successive annual reports of the International Monetary Fund have expertly traced the evolution of our international monetary systems since World War II. They have also made clear that new problems have a way of emerging as older ones are solved. The report for 1963 is no exception. In particular, it deals at some length with the adequacy of existing arrangements for providing international liquidity during the coming years. The authors point out that liquidity is not simply a matter of the aggregate of official holdings of gold or foreign exchange, and they review the progress made in recent years—in considerable part under the auspices of the Fund itself—in supplementing these resources with international credit. But the report also recognizes that the needs of nations for assured means of financing balance of payments deficits—either by drawing upon a stock of liquid assets or by means of borrowing—can be expected to increase over time. At the same time, as the deficit in the balance of payments of the United States is narrowed and closed, that deficit will no longer contribute to the liquidity of other nations in the manner and magnitude of the last few years.

The Fund's report has now been supplemented by the thoughtful and important statement of its new Managing Director. Mr. Schweitzer indicated that the Fund expects to study the problems of international liquidity and has expressed the Fund's readiness to cooperate with others in such a study. He points out that studies of this problem are timely even though there is at present no sign of any shortage in international liquidity. He has also given us his view that the Fund should be at the center of whatever strengthening of the international monetary system may prove to be desirable. The United States finds itself in general agreement with all of these thoughts.

But in discussing this matter, I would like to make one point crystal clear: The United States does not view possible improvements in the methods of supplying international liquidity as relieving it of the compelling and immediate task of reducing its own payments deficit. Indeed, it is largely the prospect of the elimination of the U.S. payments deficit that makes it necesasry and advisable to undertake these studies.

Nor can the provision of appropriate facilities for international liquidity relieve nations of their joint responsibilities for effective and timely action to eliminate such imbalances in trade and payments as may arise in the future. In a world of fixed exchange rates and convertible currencies, deficits and surpluses emerge from a wide variety of causes, both domestic and international. The necessity to make cash outlays for defense and aid, shifts in the basic pattern of demand for internationally traded goods, the development of new products, resources and production techniques, and developments in capital markets can be just as important as changes in average price levels and aggregate demand within countries.

The adjustments necessary to correct these deficits and surpluses take time if they are to proceed in an orderly fashion, without damaging consequences for either domestic growth and stability or the free flow of trade among nations. That is why, as part of the adjustment process, a country experiencing deficits needs reserves to draw upon, or credit that it can rely upon. That is also why a country receiving the counterpart in surpluses needs assets of assured value, in amounts and forms that will not disrupt its own economy. But in the last analysis without effective adjustments by both deficit and surplus countries, no amount of liquidity will enable us to achieve the mutual benefits of a closely integrated world economy within a framework of steady growth accompanied by monetary stability.

The challenge implicit in this situation is clear. Side by side with our studies of possible liquidity needs, we must consciously seek out means of improving the process of international adjustment itself, while preserving our separate abilities to meet our respective domestic needs.

This is a large order, but one that is well within our capacities. Much has been learned from the experience of recent years. We have come to recognize that in shaping domestic policies and choosing from the various tools available for use, their varying impact upon our external accounts, and upon those of our trading partners, must be taken fully into account. There is greater awareness of the need to identify and eliminate those market rigidities that inhibit the process of adjustment. And we are learning that new techniques can be developed for assisting the process of adjustment that are consistent with domestic goals and competitive markets.

Much of this can be illustrated by analysis of the position of the United States, faced as we are with the twin tasks of achieving more rapid growth at home while simultaneously closing the troublesome gap in our balance of payments. And many of the lessons of this experience, I believe, will prove sooner or later to be more generally applicable to the problems of international adjustment.

Business activity in the United States has continued to expand over the past year at a fairly steady pace. Total output has now reached a rate of over $585 billion a year—in

real terms more than 13 percent above the level of early 1961.

Measured against other peactime expansions of the past 40 years, this performance has been encouraging. All but one of these recovery periods have now been equalled or exceeded in terms of percentage increase in output, and that single exception took place only after the steep declines in production during the early 1930's. Prices of manufactured goods have remained virtually unchanged during the current expansion, extending the period of stability that has existed since 1958. However, unemployment is still excessive. And we are not fully utilizing our available savings of our existing productive plant capacity. True, investment activity has risen in response to increases in demand and to measures introduced a year ago to liberalize the tax treatment of depreciation and provide an investment tax credit. But new investment still remains below the levels required to support a full employment economy and to assure the position of our industry among the leaders in technological progress.

At the same time, our overall balance of payments has responded slowly to the series of measures we have undertaken since 1961. The overall deficit was reduced to $2.2 billion in 1962, from $3.9 billion in 1960, and $2.4 billion in 1961. But the deficit grew markedly larger during the first half of 1963.

When this situation first became apparent, we made a thorough-going review of our entire balance-of-payments program, which culminated in a series of decisions announced by the President on July 18. Resulting programs now underway will, by the end of next year, bring a reduction of $1 billion in the annual rate of dollar expenditures abroad for defense, aid, and other Government programs. Savings of similar magnitude are also expected on capital accounts as a result of the proposed interest equalization tax and the firmer structure of short-term interest rates accompanying the recent one-half of 1 percent increase in the Federal Reserve discount rate. We can already see indications that the deterioration in our accounts during the first half of the year is being arrested.

These new actions will complement and reinforce the longer run measures we have been taking to achieve both external balance and more rapid domestic growth. Basic to our strategy for achieving these twin goals is a broad program of individual and corporate tax reduction totaling $11 billion, which, after passage by our House of Representatives last week, is now before our Senate. It will provide an impetus to the domestic economy in a manner consistent with our international position. It will give increased flexibility to our monetary authorities in meeting balance-of-payments requirements. The added incentives for use of capital in the United States will enhance the relative attractiveness of investment here for Americans and foreigners alike. At the same time, the increased productivity associated with rising investment, together with greater incentives to develop and market new products and to apply more rapidly the fruits of our vast research capabilities, will reinforce the efforts we are making to increase our exports.

Our ability to expand production—which is implicit in our current unemployment, in our rapidly growing labor force, and in our margin of underutilized industrial capacity—provides protection against upward price pressures as the stimulus from the tax program takes hold. Meanwhile, we are continuing successfully to finance our budgetary deficit outside the banking system. For instance, in the year that ended August 31, the latest date for which figures are available, the combined holdings of Government debt in the hands of our Federal Reserve and commercial banks declined by more than $1½ billion. We have also made further progress in improving the maturity structure of our marketable debt. As a result of our latest advance refunding, the average life of that debt exceeded 5¼ years for the first time since 1956. We are not faced, therefore, with the kind of excessive liquidity that could fuel inflationary developments as our economy moves toward fuller employment.

Perhaps most significant of all in terms of the outlook for prices, our manufacturing labor costs per unit of output have declined over the past 3 years—the first time since World War II that this basic measure of our competitive strength has improved for so long a period, or during a time of substantial recovery. And the rate of wage increases in our manufacturing industry is holding within the range of past and anticipated productivity increases.

In this way, we are encouraging basic corrective forces in terms of costs and prices that should provide a firm base for improving our trading position, thus contributing to the orderly adjustment of our entire balance of payments. Highly tentative, but nonetheless encouraging, signs of an improvement in our international competitive position are developing. But it is clear that the contribution that exports can make to overall balance will be heavily dependent upon the adjustment policies of other nations as well. By this I do not, of course, mean to suggest that surplus nations have a responsibility to inflate, any more than it would be consistent with our internal needs to force deflation. Nor, in our particular situation, would it be reasonable to look only—or primarily—to increases in our commercial trade balance as the solution for our payments problem.

But opportunities do exist for surplus nations, in instances where inflationary pressures are evident, to serve the interests both of their own domestic stability and of external balance by reducing or eliminating barriers to imports, including those from the United States. In the search for effective adjustment mechanisms within the context of a convertible currency system, this kind of action, it seems to me, can become, for surplus countries, a modern substitute for the inflationary price adjustments that we must all do everything we can to avoid.

A basic factor in our own deficit position has been the heavy burden we carry for the defense of the free world and for assisting the development of less favored nations. This burden, in a wider context, is an inescapable part of the kind of world we live in. But we are also learning that methods of handling these Government outpayments, and more appropriate distribution of their balance-of-payments impact, can also contribute to the adjustment process without subverting their essential purpose.

Important savings have already been made in this area, reducing net outflows under our defense and aid programs from $3.8 billion in 1960 to $3 billion in 1962. A large portion of this improvement can be traced to the recognition by some European countries of their growing capacity to assume a greater share of the foreign exchange costs of the common defense. As a result, the drain on our payments from maintaining our troops in Germany and Italy is now virtually fully offset by their purchase of military equipment and supplies from the United States—equipment which, because of the size and flexibility of our defense industry, can be produced more rapidly and more economically in the United States than in their own countries. Thus these arrangements have simultaneously strengthened the free world's military and economic defenses.

In addition, we have adopted a policy of providing the great bulk of our economic aid to developing countries in the form of goods and services, so that it can be brought within the limits of our capacity without impairing its effectiveness. When current commitments are fully reflected in actual disbursements, only some 10 percent of the aid from our various foreign assistance programs will be provided in the form of dollars. At the same time, I believe that we must guard against any tendency to make the tying of aid into a subtle new form of protection for home industries. Rather, the logic of our efforts to expand multilateral trade and promote international efficiency through competition among the producers of all Nations demands that it be used as a temporary device, reserved for periods of balance of payments strains.

With forces of adjustment underway in both our Government and our commercial trade accounts, the most pressing problem in terms of our balance of payments has been the recent acceleration in the outflow of long-term capital. The net outflow of such capital during the first half of this year reached an annual rate of $3.8 billion. This was fully $1.3 billion higher than the already substantial figures for 1962, and nearly double the rate maintained over the years 1959–61. While some of this recent increase stemmed from direct investment, a flood of new foreign borrowings totaling nearly $1 billion in only 6 months was the major factor. This is considerably more than three times the volume we have been accustomed to.

It is entirely consistent with restoration of full equilibrium in international payments that the United States, with its capacity to generate large savings, continues to supply reasonable amounts of capital to aid the development of other nations. But, it is perfectly clear that maintenance of outflows at the recent pace, far from being a constructive force in world payments, would soon put intolerable strains on the international monetary systems as a whole.

As our program of tax reduction takes hold and there are stronger incentives to employ a larger portion of our savings at home, normal market forces will work strongly in the direction of reducing this outflow of long-term capital to more tolerable levels. But the experience of the past year makes clear that we cannot rely on these longer-term forces of adjustment to meet our immediate problem. Nor is it feasible to speed the process of adjustment by artificial attempts to force our entire structure of long-term interest rates sharply and suddenly higher. If possible at all in the face of the huge supply of savings flowing into our markets, this course of action would require so drastic a tightening of credit as to seriously jeopardize the prospects for domestic expansion.

In this situation, we have recommended enactment of a temporary interest equalization tax which will have the effect of raising the costs of portfolio capital in our market by 1 percent for borrowers in the developed countries abroad. This will bring these costs into a rough alinement with those in most other industrialized countries. The purpose is quite simple—to speed the essential redirection of capital flows in a manner comparable to an equivalent, but presently impracticable, rise in our entire structure of interest rates.

We view this tax solely as a necessary—but temporary—expedient to meet a specific situation that has arisen in large part out of a structural imbalance in the capital markets of the free world. Borrowers from deficit and surplus countries alike converge upon the New York market, not only because of our lower structure of long-term interest rates—since equivalent or lower rates can be found in at least two other countries—but because it is still the only source for international

capital in whatever size and form desired, freely available to any borrower able to meet the normal market test of credit worthiness, and offering highly efficient distribution facilities with low issuing costs. In contrast, potential alternative markets are in most cases subject to official controls or have difficulty in supplying the needed funds in the volume required. And, with few exceptions, they are characterized by high and rigid rate structures. In the face of this situation, we must temporarily help to redirect the demands pressing on our market through a tax that will increase the costs of long-term borrowing here by foreigners.

The impediments to the development of more adequate European capital markets are currently under close and continuing study within the Organization for Economic Cooperation and Development, and progress is beginning to be visible. As efforts to improve European capital markets come to fruition and the remaining controls and restrictions are eliminated—and as our own domestic demands for capital put increased pressures upon our supply of savings—there is every reason to believe that the need for extraordinary action of the kind we are now taking will be eliminated.

When the Fund was established, there was great apprehension that sudden and massive short-term capital movements might again become a disruptive influence as they had in the disturbed climate of the 1930's. Gratifying progress has been made in developing sturdy defenses against such threats to our convertible currency system through the concerted cooperative efforts of the industrialized countries. A chain of new facilities for coping with such pressures is now in place and tested, and there are grounds for confidence that the processes of adjustment can be shielded from perverse speculative flows in the future.

With the restoration of convertibility, however, it has become apparent that a sizable volume of capital is ready to move from country to country in response to relatively small shifts in interest rates. Thus, the stability of exchange rates and freedom of markets toward which we have all worked in the postwar period carries with it the implication that short-term interest rates in the major trading countries must inevitably be kept reasonably well in line with each other.

Both problems and opportunities are implicit in these circumstances. Domestic objectives will sometimes limit the practicable range of fluctuation in interest rates that can be undertaken for facilitating balance-of-payments adjustment. But, since the margin between rate relationships that attract or repel short-term funds is likely to be relatively narrow, it will usually be feasible to encourage small changes in short-term rates in the interest of speeding restoration of international equilibrium without disturbing the domestic economy.

Most promising of all in terms of facilitating the adjustment process is the increasingly close and continuous consultation on these matters that has developed in the forums provided by this institution, by the Organization for Economic Co-operation and Development, and by the Bank for International Settlements. This has been particularly evident in the area of short-term capital flows and interest rates. But we are also coming to understand that this same kind of consultation and cooperation is essential in other areas as well. We know that any adjustment demands offsetting changes in the position of deficit and surplus nations. We also know, in the last analysis, that these adjustments must take place, for no workable international monetary system will allow a nation to continue to run a deficit—or for that matter a surplus—for an indefinite period.

The critical question is how the adjustments are to be made. Balance can be—and too often in the past has been—forced by measures that endanger domestic stability or the prospects for growing trade. Those alternatives are not open to us today if the bright promise of all that has been accomplished since Bretton Woods is to be fulfilled. Nor can the industrialized countries afford to undermine the defenses of freedom or to withdraw their support of the developing nations.

The only realistic solution is to find effective ways for reconciling the requirements of a convertible currency system based on fixed exchange rates with the freedom of each nation to pursue domestic growth and stability. No methods will work instantaneously, and one prerequisite to their proper functioning is the availability of adequate liquidity—in the form of international reserves or ready access to credit. The studies now being launched provide fresh assurance that these liquidity needs will be met effectively in the more distant future, just as they are being met effectively today.

But adequate liquidity will not make our machinery of adjustment work automatically, nor can its development be safely put off until emergencies arise. Instead, its effective use will require governments of all nations with a stake in a liberal trading order to work together continuously in many areas: in developing a mix of domestic policies appropriate to external circumstances—in adjusting trade policies—in sharing the burdens of aid and defense—in providing long-term capital—and in eliminating rigidities and inefficiencies in their economies that impede and distort the adjustment process. That willingness, I believe, is now being demonstrated more fully than at any time in the past. This is the real source of my confidence—not only that the United States will restore balance in its own accounts, we intend to carry out that responsibility in any event—but also that a true equilibrium can be restored within a framework of expanding trade, flourishing growth, and monetary stability.

"I WALK TOWARD MONTANA"—PRESIDENT KENNEDY'S CONSERVATION TOUR OF THE WEST

Mr. MANSFIELD. Mr. President, while the President of the United States was in Billings, Mont., he quoted the following statement by the great writer Thoreau:

> Eastward I go only by force; westward I go free. I must walk toward Oregon and not toward Europe.

Then the President said, "I walk toward Montana." The President showed his usual good judgment.

Mr. President, the recent trip of the President of the United States, starting at the Pinchot Institute for Conservation Studies at Milford, Pa., and extending through the Western States, has done a great deal to interpret to all citizens the potentialities of the new, hopeful era of conservation and resources development in which we live—an era in which science is helping to multiply our usable resources many times.

Since the days of Malthus and Ricardo, who won for economics the title of the dismal science by their gloomy predictions of declining resources and mounting poverty, a great many people have been convinced that with growing population mankind was doomed to an increasingly meager, hard life.

President John Kennedy, on his western trip, dramatized another view of the world of tomorrow. He described to the Nation and the world the potentialities of a third wave conservation movement which can increase our abundance and the living standards of all mankind.

Gifford Pinchot and Teddy Roosevelt led the first wave of attention to conservation in the United States. In their period, we set aside national parks and forests; we initiated reclamation and waterpower development and other conservation movements.

President Franklin D. Roosevelt sparked the second conservation wave in the thirties, when the TVA, the Bonneville Power Administration, the Soil Conservation Service, and other programs were launched.

President Kennedy, on his Western trip, has brought into focus the nature of today's conservation movement—a wave in which we are bringing science to bear on resource problems, vastly multiplying our productive ability, and making practical the preservation of great natural areas for the enjoyment of present and future generations.

By splitting the atom, by developing processes to use low grade ores economically, by developing new crops and more productive agriculture practices, by controlling and using water more efficiently, and in a thousand other scientific ways, we are today disproving the theories of Malthus and Ricardo and demonstrating that man can enjoy increasing abundance in spite of population growth.

This cannot be done unless we implement the necessary programs—as the Senate has done in approving continuation of reclamation programs, water resources research, the preservation of great wilderness areas, seashores and parks, saline water conversion, continued nuclear research, development of space sciences and other essential conservation measures. Resource planning bills, yet to come before us, will further implement "third wave" conservation.

President Kennedy has called on the Nation to mount a new campaign to preserve our national environment and expand our resource potentialities, so those who come after us will find a green, rich country; to educate our children so they can use mankind's growing knowledge to the full; and to promote peaceful relations between countries so we can enjoy what God has given us. His Western speeches will have growing significance as their implications are fully understood.

I ask unanimous consent that the text of the President's speeches on his nonpolitical conservation tour of the Western part of the United States, as they were actually delivered, be printed in the CONGRESSIONAL RECORD, so they will be more readily available for the study and thoughtful consideration they merit.

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

REMARKS OF THE PRESIDENT AT PINCHOT INSTITUTE FOR CONSERVATION STUDIES, MILFORD, PA., SEPTEMBER 24, 1963

I appreciate the warm welcome from Pennsylvania's most valuable natural resource,

and we are glad to have the students of this community here today.

Governor Scranton, Dr. Pinchot, Secretary Freeman, Secretary Udall, Mr. Cliff, Senator Clark, Congressman Rooney, Mrs. Pinchot, ladies and gentlemen, I want to express the pleasure of us all from Washington at coming here today, and I also want to express our particular appreciation to the members of the Pinchot family, and also to the men and women who are here today who have worked so many years in the field of conservation. Every great work is in the shadow of a man and I don't think many Americans can point to such a distinguished record as can Gifford Pinchot, and this institute, which is only the latest manifestation of a most impressive legacy, I think can serve as a welcome reminder of how much we still have to do in our time.

There is no more fitting place to begin a journey of 5 days across the United States to see what can be done to mobilize the attention of this country so that we in the 1960's can do our task in preparing America for all the generations which are still yet to come. There is no more impressive place to begin that journey than here in this town, at this house, in this State of Pennsylvania. James Pinchot was an early leader of the American Forestry Association, and his son Amos, who has many claims to fame, and many claims in our regard, was an active leader in the fight for preservation of natural resources. The oldest of James Pinchot's three children, of course, was Gifford Pinchot, whose career was best summed up in his own statement upon the 40th anniversary of the Forest Service he had helped to found. "I have been a Governor now and then," he said, "but I have been a forester all the time * * * and shall be to my dying day." He was more than a forester; he was the father of American conservation. He believed that the riches of this continent should be used for all the people to provide a more abundant life, and he believed that the waste of these resources, or their exploitation by a few, was a threat to our national democratic life.

But all this strong feeling about the resources of America became important because it was disciplined, and because it was directive. He viewed his analysis of the American natural resources scene through the eye of a trained scientist. His career marked the beginning of a professional approach in preserving our national resources. He was a gifted administrator. He was an articulate publicist. He was a tutor of Presidents. In the space of a few short years, he made, as Dr. Pinchot said, conservation an accepted virtue, and part of our life which we take for granted today. It is far more fitting and proper, rather than merely ordering what he did, to dedicate this institute to active work today. By its nature it looks to the future, and not the past. The fact of the matter is that this institute is needed, and similar institutes across our country, more today than ever before in our history, because we are reaching the limits of our fundamental needs—of water to drink, of fresh air to breathe, of open space to enjoy, of abundant sources of energy to make life easier.

Today's conservation movement must, therefore, embrace disciplines unknown in the past. It must marshal our vast technological resources in behalf of our resource supplies. It must concern itself with nuclear energy as well as silviculture, with the physics, and chemistry of water as well as TVA, with the economic and engineering factors of open space as well as the preservation of all scenic treasures.

Government must provide a national policy framework for this new conservation emphasis; but in the final analysis, it must be done by the people themselves. The American people are not by nature wasteful. They are not unappreciative of our inheritance, but unless we, as a country, with the support, and sometimes the direction of Government, working with State leaders, working with the community, working with all our citizens, we are going to leave an entirely different inheritance in the next 25 years than the one we found.

Have we ever thought why such a small proportion of our beaches should be available for public use, how it is that so many of our great cities have been developed without parks or playgrounds, why so many rivers are so polluted, why the air we breathe is so impure, or why the erosion of our land was permitted to run so large as it has in this State, and in Ohio, and all the way to the west coast?

I think there is evidence, however, that this Nation can take action—action for which those who come after us will be grateful, which will convert killers and spoilers into allies, by buiding dams for many purposes, by State, and local and national parks, by developing the productivity of our farms, reclaiming land, preventing soil from washing away.

These and other activities demonstrate beyond doubt that what Gifford Pinchot pioneered is now accepted, and no one maintains that this can be left merely to chance in the future. Conservation in the real analysis is the job of us all.

It is not always the other person who pollutes our streams, or litters our highways, or throws away a match in a forest, or wipes out game or wipes out our fishing reserves. Private commercial establishments who occasionally leave this land to be scarred and move out through strip mining and a waste of resources, I think all of us therefore must commit ourselves in 1963, in this State and in this country, to a determined effort to preserve what is left, to develop what we have, to make the most effective use of all of the resources that have been given to us, and I can assure you in this effort the Federal Government will play its proper role. Its attitude, effort, and legislation must set an example for all of the country. The competition for the Federal budget (dollar) is keen, and that is proper, and we must choose between many different projects, but in the field of resources, the opportunities which are lost now can never be won back. With the principles of Mr. Pinchot clearly in mind, we began 2 years ago to increase the resource development and conservation effort in a variety of ways:

The total national investment by the last Congress in the conservation of water resources reached an all-time high—more than $2½ billion, and among the nine new reclamation projects approved were the Fryingpan-Arkansas and the San Juan-Navajo Indian projects, two of the largest projects of that kind ever approved in a single Congress.

Secondly, three national seashores were created. I don't know why it should be that 6 or 7 percent only of the whole Atlantic coast should be in the public sphere and the rest owned by private citizens and denied to many millions of our fellow citizens. In the last Congress three national seashores were created for all of our people—Cape Cod on the Atlantic, Point Reyes on the Pacific, and Padre Island on the Gulf—representing the first major additions to our coast-to-coast national park system in 16 years—more seashore parks, more seashore parks—and I can assure you they are wholly inadequate—but more seashore parks than were authorized all throughout our history. Other parks and recreation areas are being added, and their ranks, I hope, will soon include the Tocks Island National Recreation Area on the Delaware River. We need recreation areas where the people live, and this can be closer to the largest amount of people in the country, and I am confident Congress will move ahead with it.

Third, steam from the Hanford atomic reactor, which used to blow away and was wasted, will now be used to produce the equivalent of two Bonneville Dams.

Fourth, a full-scale attack on water pollution has been mounted, and under the 1961 amendments to the Water Pollution Control Act, we are doing three times more than was ever done before, and we are doing not nearly enough.

Fifth, the saline water conversion program has been given new emphasis. There are three demonstration plants now in operation. But even in this area, which can promise us a richer harvest than almost any other scientific breakthrough, even here there is a good deal of unfinished business.

Sixth, our urban areas have been aided in the acquisition of open space for park and recreation and other purposes under the provisions of the Housing Act of 1961.

And finally, studies have been initiated under a new nationwide program to provide the States and local governments with information on regulating the use of flood plains and minimizing flood losses.

There are a good many things left to be done, in our forests, on the land, but I hope that this trip over America over the next 5 days, which started out so auspiciously, will serve to remind us that every time we drive through a park, go to a park on the beach, see a great national resource which has been preserved in the West, that that has been due to the effort of some people. I hope that in the years to come, that these years in which we live and now hold responsibility, will also be regarded as years of accomplishment in maintaining and expanding the resources of our country which belong to all of our people, not merely those who are now alive, but all those who are coming later, and what Gifford Pinchot, Theodore Roosevelt, and Franklin Roosevelt and Amos Pinchot and others did in the first 50 years of this century will serve as a stimulus to all of us in the last 50 years to make this a country we love.

Thank you.

REMARKS OF THE PRESIDENT, UPON ARRIVAL AT ASHLAND AIRPORT, ASHLAND, WIS., SEPTEMBER 24, 1963

Governor Reynolds, Senator Nelson, Secretary Freeman, Secretary Udall, ladies and gentlemen, I am glad to be back in northern Wisconsin. I am, I think, the second President of the United States to spend the night in Ashland. Calvin Coolidge was here for some weeks, some days, but he never said a word, and I was here for 1 night and spoke all the time. In any case, I appreciate very much your coming out and welcoming us back.

This trip, which is a conservation trip across the United States, came about as a result of a suggestion by your junior Senator, GAYLORD NELSON, who made conservation his great work as the Governor of Wisconsin, and has had a strong conviction as Senator, as do I, that every day that goes by that we do not make a real national effort to preserve our national conservation resources is a day wasted. Anyone who flies over those islands, as we just did, looks at that long beach, looks at those marshes, looks at what a tremendous natural resource this can be, and is now, for nearly 50 million Americans who will live in this section of the United States in the coming years, must realize how significant this occasion is.

What we are doing here, which is concentrating the attention of the people of the country on this great natural resource, must be duplicated in every State of the Union, all the way from Massachusetts to Hawaii, if we are going to make this country as good

a place to live in for our children as it has been for us. So I am glad to come to this section of the country, which has experienced so many economic hardships, which has lived so close to nature, which has understood the importance of preserving this resource for many years, and come here and tell you that we, with you in this State, and with your Governor, will work closely to develop the resources of northern Wisconsin so that this area can rise and provide a life for its people and an attraction for people from all over the Middle West.

This State has seen the result of waste and indifference, and it has seen what can be done by dedication and determination. This section of Wisconsin, like other sections of the United States, which in the past depended upon a few natural resources, has known what economic distress can do when those resources are exhausted or when indifference lays them waste. We are seeking to help correct those conditions, through area redevelopment programs, through conservation programs, rural area development programs, and increased fisheries research. These things won't happen. They are going to be made to happen. And they must represent the dedicated effort of us all. And I believe we have the brightest hopes in this section of Wisconsin for the development of outdoor recreation facilities.

If promptly developed, recreational activities and new national park, forest, and recreation areas can bolster your economy and provide pleasure for millions of people in the days to come. If we do what is right now, in 1963, we must set aside substantial areas of our country for all the people who are going to live in it by the year 2000. Where 180 million Americans now live, by the year 2000 there will be 350 million of them, and we have to provide for them, as Theodore Roosevelt and Franklin Roosevelt and the others provided for us.

The precise manner in which these resources are used, land and water, is of the greatest importance. There is need for comprehensive local, State, regional, and national planning. I think you are fortunate that in this State government, in this State, because of Gaylord's work and because of John Reynolds' work, you have made a detailed study of the resource development potential of the south shore of Lake Superior. Wisconsin is the first State in the Nation to prepare a comprehensive plan for the development of its resources. You are also fortunate in having underway a $50-million program for acquiring recreational resources.

Unless you do this in your State, all these resources will be wasted away, will be used by a few, will be underdeveloped, and this area of the State will fall behind. In an effort to correct this, improve it, develop it, enrich it, I pledge you the cooperation of the Federal Government.

Lake Superior, the Apostle Islands, the Bad River area, are all unique. They are worth improving for the benefit of sportsmen and tourists. In an area of congestion and pollution, men make noise and dirt. Lake Superior has a beauty that millions can enjoy. These islands are part of our American heritage. In a very real sense they tell the story of the development of this country. The vast marshes of the Bad River are a rich resource providing a home for a tremendous number and varied number of wild animals. In fact, the entire northern Great Lakes area, with its vast inland sea, its 27,000 lakes, and thousands of streams, is a central and significant part of the fresh water assets of this country, and we must act to preserve these assets. Earlier this year, industrial accidents dumped millions of gallons of oil into the Minnesota River, causing the destruction of thousands and thousands of ducks and other wildlife, and damaging the recreational use of that river for 100 miles. Preliminary studies show that the pollution of the upper Mississippi River is growing worse.

I am, therefore, announcing under provisions of the Federal Water Pollution Control Act the convening of an enforcement conference to investigate the pollution of the water of the upper Mississippi and Minnesota Rivers to be held in St. Paul, Minn., in January. The Department of Health, Education, and Welfare has allocated $250,000 to commence the study of the pollution of this area. If, in cases such as these, we fail to act, if we fail to learn our lesson from the past, and this lesson has been a hard one for the people of this area, then the pressures of a growing population and an expanding economy may destroy our assets before our children can enjoy them. But with the proper spirit and effort of the people living in this section of Wisconsin, the people living in this State, the people living in this country, we can do in the 1960's what was done at the turn of the century, and that is, make this great country of ours more beautiful for those who are here now and those who come after us.

I want to thank you again for welcoming me back to Wisconsin, which carries many memories with it, and to tell you, as I look around here, that I see many familiar faces and I hope we are going to have a chance to say hello to some of you personally.

Thank you.

REMARKS OF THE PRESIDENT TO DELEGATES TO NORTHERN GREAT LAKES REGION LAND AND PEOPLE CONFERENCE, UNIVERSITY OF MINNESOTA FIELDHOUSE, DULUTH, MINN., SEPTEMBER 24, 1963

Senator, Senator McCarthy, Senator Humphrey, Governor Rolvaag, Governor Reynolds, Secretary Freeman, Secretary Udall, majority leader of the U.S. Senate, Senator Mansfield, ladies and gentlemen, I actually came a thousand miles to hear HUBERT HUMPHREY make a speech, but unfortunately, I arrived too late. But I appreciate the chance to be here.

I understand that we have three different groups tonight, those who are interested in the conference of land and people, and it looks like that audience over there, and then those who are interested in the Democratic Party, and it is difficult to identify them, and those who are wondering, and then those who are students. Actually, my speech is more or less addressed to the members of the conference on land and people, but I would like to say one or two other things about the Government for the benefit of those who are students and who might be wondering what they should do.

The problem, of course, that we face as a country, is to try to determine those policies which will help maintain the security of the United States, and the peace of the world; to do both. And it was determined in the years following the Second World War, and quite properly and rightly, that our security was best served in a world of diversity. If there could be a whole variety of sovereign states stretching around the world, living, we hoped, in internal freedom, but in any case in external freedom, not part of the Communist bloc, not part of the Communist apparatus, under those conditions it would be impossible for any group to mobilize sufficient force to imperil the United States, and in order to do that, we assisted Western Europe, we allied ourselves more intimately with Latin America, we helped rebuild Japan, we joined the SEATO treaty in southeast Asia, we associated ourselves with the CENTO treaty. In the last 4 or 5 years we have played an intimate role in the developing countries of Africa.

Our basic objective has been to maintain the security and interest of the United States by maintaining the freedom of other countries. And they are stretched around the world. This has been an assignment which no country in history has undertaken.

I don't think the American people realize how extraordinary has been our responsibility, and how extraordinary has been our effort. To attempt to maintain the freedom of dozens of countries, 30 or 40 of which are newly independent in the last few years, with limited traditions, with a limited number of educated people, to try to maintain the balance of power against a monolithic Communist apparatus, was an assignment which challenged even the resources, the wealth, and the experience and the dedication of our own people. There have been some disappointments and some defeats. But it seems to me all in all, as we look at the world, however imperfect it may be, however frustrating it may be, however limited our authority may be on occasions, however impossible we may find it to have our writ accepted, nevertheless, the United States is secure, it is at peace, and a good many dozens of countries are secure because of us.

This was a policy carried out through three administrations of different parties, but I think every American citizen, 180 million of them, can take satisfaction in that record. One million Americans serve outside the United States tonight. No country in the long history of the world has ever had such a proportion of its population serving outside of its native land without regard to conquest, without regard to material return, but in order to assist to maintain the freedom of countries stretching 10,000 miles away.

So I must say to all of us who are here, that however weary we may get of the burden, however disappointed we may be, however frustrated we may be, it is worth it. This country is rich, prosperous, it can be more prosperous. It has nearly doubled its wealth in 15 years. With the exception of the great failure we had at the time of Korea, we have lived in peace. We have many hazards, many dangers, but we have moved through a period of change almost unmatched in history for 18 years, and we still are strong and we still have many hopes.

To maintain, it seems to me, that effort, we have to be strong here in the United States. This country cannot afford to move and limp from recession to recession, with increased numbers of people unemployed, with a fifth of our population on the bottom end, passing on, in a sense, from generation to generation a lack of education, a lack of opportunity, a lack of hope, and feel that we can continue to be indefinitely the leaders of the free world. The fact of the matter is, it is our responsibility as a nation to master our domestic problems so that we are able to carry our responsibilities abroad, so that we can continue to live here at home in peace, and we cannot say when Western Europe, which was prostrate at the end of the 1940's, has been able to move through a period of 13 years without a recession, its major economic problem has been a shortage of people for work, when Italy, which was regarded, particularly in its south, as almost an insolvable problem, now has an unemployment rate that is less than that of the United States.

We must, of course, decide on those policies which will help put our people to work, which will prevent the kind of recession and movement which we had at the end of the 1950's, from 1958 when we had a recession to 1960 when we had a recession, and which we may, if we do not take the proper steps, move into a period of decline perhaps in the months and years ahead. So we are here today to determine what we can do to maintain our domestic rise, to make sure that it is shared by the widest possible number of our people, to make sure that in

this very rich country which carries so many burdens abroad, that we also meet our responsibilties here at home. And you cannot be a student at this school, or be a citizen of the United States and not know well that we are capable of looking at the problems as they exist and taking those measures after this extraordinary record abroad and after an impressive record on the whole here at home—of taking those measures which will do the job.

Therefore, I am here to take part in a conference of Land and People in an area of the country which shares with certain other areas the difficulties which come when the mines run out, when we are far away from markets, and when, in many cases, the skills have been developed for industries which are no longer with us. What has happened here in this section of Minnesota has happened in West Virginia, has happened in the eastern section of Kentucky, has happened in southern Illinois, has happened in parts of Ohio, and parts of Indiana. It is on the whole confined to those areas which, of course, are the great mining areas of the United States, where the mines have run out, the owners have left, and the people remain, and where we have in some cases chronic unemployment of 15 or 20 percent.

This is a national responsibility. This country cannot continue to expect a steady rise in our national growth rate unless these areas of the United States which have been islands of poverty in many cases and islands of distress in nearly every case in the last decade are dealt with.

I do not make this problem simple. There is no one answer. There are a number of answers but no one answer. And every answer requires the effort of the U.S. Government, the effort of the State government, and the effort of the people, most of all here in these communities. What is true here is true also in northern Wisconsin, Ashland and the others where we visited today. What I want to say is that I believe that the Federal Government has a role to play, and I want to make it clear that we intend to play that role because this is a matter which affects the well-being of the United States. This northern Great Lakes region has land, water, manpower, resources, transportation and recreation facilities. It also has distress. The unemployment rate is twice that of the Nation as a whole, which is, itself, too high. Economy of a region which we feel must be prospering has reflected itself in a series of economic setbacks as the mines and mills have shutdown. Year after year this area has the short end of every economic indicator and in the winter it is much worse.

Moreover, whatever the statistics show, these are people and their families, and their standards of living. Economic indicators reflect what has happened in this summer, or last spring. What we have to concern ourselves with is what is going to happen this coming winter and the next spring and the next summer. A waste of human resources is disastrous, far worse than a waste of natural resources. And I think this conference, which represents a cooperative effort by the people who live in this area and by the State government and the National Government I think gives us some hope that the attention of all will be devoted to these areas until this problem is solved. And I think that the presence of so many representatives of different Federal agencies who have concern for these matters is an indication of our interest.

There are several Federal programs which have been enacted and which must be renewed, which I believe have some importance. We have a good deal of struggle, as JOHN BLATNIK knows better than anyone, perhaps, with some of these matters. The Federal Government, it is charged should be less active. We should withdraw our efforts; we should be indifferent. But the fact of the matter is unless we meet our responsibilities on the national level, this area, and areas like it will be left to time until the people finally move out.

Therefore, I suggest the following programs which I hope will have your support and the support of the people of the United States:

First is the education and training of the labor force. In the aftermath of all the changes which are taking place in science and technology, no American can expect that any skill which he has now can carry him throughout his life. This is a time of change, and a time of opportunity. Therefore, we have to concern ourselves not only with the education of our children but also with the education and the retraining of those who are already at work. This is particularly true in those areas where we have had so many people dependent on two or the three basic industries. This is an area which prides itself in education. The attendance at the University of Minnesota at Duluth I think indicates the preeminence which the citizens of this part of the United States have given to educating their children, even if it has meant sacrificing other necessities.

In this effort, Federal programs have been of help. Thirty-two Minnesota colleges and universities participate in the current Federal student loan program and already that program has been cut back in the last 3 weeks. Some of your sons and daughters will not be able to go to school as a result of it. Two-thirds of all the students in the secondary schools take advantage of federally financed school guidance. Over 500,000 Minnesotans are receiving new or improved Federal library services. Almost 100,000 are getting vocational education to improve their skills. This program is sustained by the National Government. We must strengthen that program. The one thing we will not need in the next 7, or 8 or 9 years is unskilled labor.

I said, speaking the other night on television, this country has to find 10 million jobs in 2½ years. We are going to have many more times as many young men and women coming into the labor market in the sixties as came in the fifties, and 7 or 8 million of them will be school dropouts who have no skills, who have only their labor to give at a time when machines are doing the job that men did 10 or 20 years ago. What are we going to do with all of them? Where are we going to find work for them? What we are talking about are 10 million jobs in 2½ years. And we are not going to have them unless we do something about it on the national level as well as the local level.

We have 100,000 people getting new vocational training in this State. As I said, we have a program before the Congress to strengthen vocational training. And I think we need that if we are going to find work for our people.

Under the manpower training and development program, this State alone has 42 projects approved in the brief period of slightly more than a year. But more must be done. Education must be improved. Higher education must be strengthened. We are going to have twice as many boys and girls going to our colleges in 1970 as went in 1960. That means we have to build as much plant in our colleges in 10 years as we built in 150 years. And these boys and girls are going to be your sons and daughters. And if they get to college, their life prospects are much more secure. If they finish high school, they are still secure. If they drop out of high school their chances are bleak. So this is a job for all of us. It certainly is a job primarily for the State of Minnesota, but this is an area where also I think the National Government can play a stimulating role. Both the National Defense Education Act and the Manpower Development and Training Act must be strengthened. I hope those who speak against these programs would come to these areas where they are so desperately needed.

Second, we must increase our aid to areas of chronic and substantial unemployment under the Area Redevelopment Act, these areas which are chronically hard-hit, where business doesn't want to come, unless we make it attractive to them to come. Business would rather establish themselves near the big cities, where the markets are. They are not going to come up into northern Minnesota unless a real effort is made, unless credit and loans are developed, unless retraining is there, unless we develop the resources, unless we put in highways. Otherwise, they are going to move closer to the large markets. What attraction is it for a new industry to go to West Virginia or eastern Kentucky or southern Illinois unless we give them fresh water and pure water, unless we give them retrained labor, unless we give them highways, unless they can get loans at a reasonable rate of interest? They then may be attracted to go. Otherwise, these areas are left behind.

And your U.S. Senators, GENE MCCARTHY and HUBERT HUMPHREY, worked harder on the Area Redevelopment Act than almost any other act. We have passed that, but we have to renew it, or otherwise a good deal that we have accomplished will be left behind.

Twenty economically depressed areas have been identified in Minnesota and within these areas 27 projects for financial assistance and 14 for technical assistance have been approved. Ten other projects to train people in job skills in short supply have been awarded, and the technical assistance program of ARA is exploring new uses for low-grade iron ore.

All these subjects do not have the drama of the great struggle over the nuclear test ban treaty, but these are the hard jobs of Government, and this country will be able to fulfill its responsibilities as a great, free society if we take care of the matters back home. And if we take care of the undramatic matters which make the difference between life and death in a community and happiness or depression for a family. These programs have some way still to go.

And third, the accelerated public works program, adopted only last year, has created useful employment in hard-hit areas. More than $6½ million was invested in conservation projects in National and State forests in the three-State area, creating jobs for hundreds of men, even though there are thousands but at least for hundreds of men, who otherwise would have been out of work last winter.

One hundred eighty projects costing over $11 million in this area have benefited from this legislation, and I am hopeful that there will be more action in this area in the future.

Fourth, the proposed Youth Conservation Corps, which has been sponsored by Senator HUMPHREY in the Senate, if passed by the Congress, can serve a dual purpose. Patterned after the CCC's of the 1030's, it will provide jobs for thousands of young men entering the labor market, and that is the place where unemployment is the highest. At the same time, it will provide a ready means of advancing the conservation work in our national and State forests. The young men joining this corps will be working for our country, getting a chance to develop some skills, leaving something behind them which will be memorable, instead of being on a street corner waiting for a job that doesn't come.

Fifth, we need to speed up the rural area development program, launched last year to

encourage more productive use of the land, to create income-producing outdoor recreation, and to aid in the location of industry in rural areas. Unless we all work on this program, we are going to have, as I said before, industry concentrating in the great population centers. The people will go there and the rural areas will be left behind.

Sixth, I think the tax cut, which the House of Representatives will vote on tomorrow, I think can stimulate the entire economy, and its effects will be felt over the United States.

And seventh, and finally, Federal, State, and privately financed research must apply the genius of American science and technology to the development of this region. A combination of the tax depreciation law of last year and new technological breakthroughs is producing investment and new hope, for example, in the large-scale use of taconite. Senators HUMPHREY and MCCARTHY and Congressman BLATNIK have joined Governor Rolvaag in a bipartisan group to encourage the leaders of the steel industry to plan investments on the scale of hundreds of millions of dollars in this new iron ore technology. The more than $540 million already invested in facilities producing 17½ million tons of ore each year will be increased by $550 million, raising the production to more than 32 million tons. Employment, it is estimated, will increase from 5,700 at present to over 10,000, and provide steadier employment than the old-style mining operations of the past.

Another important scientific activity undertaken by the National Government and the State government is to control the sea lamprey in the Great Lakes. This could help restore the fishing industry and serve once more as an attraction to people to come to this area of the United States, and there will be nearly 50 million of them in this area in the next years. Also, the Nation's first fresh water quality control laboratory is being constructed by the Federal Government here in Duluth, on the shores of Lake Superior, and at the juncture of the two States which have the greatest number of lakes in the Union. I think it can provide an enormous supply of fresh water, and it is located in the district of the father of the Federal water pollution control program, the program which is giving us some hope of cleaning up our streams and rivers faster than we can pollute them, Congressman JOHN BLATNIK, and this is going to mean industry all over the country.

These are some of the dry, routine businesses of Government, but I think it deserves your support. What we have to decide is where do we go from here? The programs I have talked about are still quite limited. There are hundreds of thousands of people that need assistance, and we are talking still in the thousands. But if this economy can boom ahead, if we are able to take those steps economically this year which have been recommended to the Congress, I think this country can miss a recession, I think we can enjoy prosperity, I think we can reduce our unemployment rate, and we can concentrate our attention then on those areas of the economy which are not sharing in the general prosperity.

These programs which I have discussed can be most effective if there is a general lift of the economy throughout the entire country. If you have a slowdown in the economy, the kinds of programs which I am discussing won't do the job. There is not enough in there. There are not enough people being retrained. There are not enough area redevelopment programs. But if the economy, as a unit, can move ahead, we can bring our unemployment rate down to the 5 percent or below, and then we can concentrate these programs on the hard-hit areas and we can make an appreciable difference.

We can, I believe, solve a good many of our problems. I think they are manmade and they can be solved by man. And I think we must not keep our attention so fixed on those great issues of war and peace which are perhaps the most desperate and the most serious aand the most important, or the great issues of space, but also concern ourselves with what happens in the United States, and particularly in those areas of the United States which have been left behind.

I suggest to any students at this college that he, in considering his efforts in the field of public service, no matter how attractive service may be abroad, and I urge it, there is also a good deal of unfinished business here at home. To those men and women who may be members of one of our great political parties, we still need your help. And to those members of the conference who are interested in land and water, what I have suggested here only indicates the strong support that we give to the effort you make here.

In the final analysis, the energy in this country runs from the community through the State to Washington. It comes back, I hope, with renewed impact, because of these kinds of conferences, which give us some indication of the direction in which we should move. Nearly every program I have described has come about as a result of concentrated work by dedicated individuals on the local level. Out of this conference we ask for new suggestions and new ideas, as to how we can coordinate this one great country of ours, the 180 million people in it, and make this a better country in which to live.

Thank you.

REMARKS OF THE PRESIDENT, UNIVERSITY OF NORTH DAKOTA FIELD HOUSE, GRAND FORKS, N. DAK., SEPTEMBER 25, 1963

Mr. President, Governor Guy, Senator Burdick, Secretary Udall, Senator Mansfield, Senator Metcalf, other Members of the Senate who may be here, ladies and gentlemen, politics is a somewhat abused profession in the United States. Artemus Ward once said, "I am not a politician and my other habits are good also." But I would want to say that it has some advantages. It permitted me to go from being a somewhat indifferent lieutenant in the U.S. Navy to becoming Commander in Chief in the short space of 15 years, and it has also permitted me to become a graduate of this university in 30 seconds, when it takes you 4 years. So in determining what career you should follow, you might consider this lowly profession.

I am glad to be here at this college. Prince Bismarck, who was named after Bismarck, N. Dak., once said that one-third of the students of German universities broke down from overwork, another third broke down from dissipation, and the other third ruled Germany. I do not know which third of the student body of this school is here today, but I am confident I am talking to the future rulers of not only North Dakota, but the United States, in the sense that all educated citizens bear the burden of governing, as active participants in the democratic process.

I have come on a journey of 5 days across the United States, beginning in Pennsylvania and ending in California, to talk about the conservation of our resources, and I think it is appropriate that we should come here to North Dakota where this whole struggle for the maintenance of the natural resources of this country, for the development of the natural resources of this country, in a sense, began. I do not argue whether it was Harvard University or North Dakota that made Theodore Roosevelt such a man and such a conservationist, but I am sure that his years here in North Dakota helped make him realize how expensive, how wasteful was indifference to this great resource and how valuable it could become. He put it on much more than a material plane. He said it was the moral obligation of a society in order to preserve that society to maintain its natural endowment.

In 1963 we face entirely different problems than we faced at the time of Theodore Roosevelt. The fact of the matter is that because we have so much in surplus in the United States, there is some feeling in many parts of the country, and I am sure not here, that we can afford to waste what we have. I don't believe that at all. I think what we have to decide is how we can put it to best use, how we can provide in 1963 and in the whole decade of the 1960's a use of our natural and scientific and technological advances so that in the years to come the 350 million people who will live in the United States in the year 2000 can enjoy a much richer and happier life than we do today. And unless we make the proper decisions today on how we shall use our water and our air, and our land, and our oceans, unless we make the comparable effort, an effort comparable to what Theodore Roosevelt and others made 50 years ago, we are going to waste it.

The fact of the matter is that in the field of conservation, every day that is lost is a valuable opportunity wasted. Every time, particularly in the East, where they have such concentration of population—every time an acre of land disappears into private development or exploitation, an acre of land which could be used for the people, we have lost a chance. We will never get it back. The fact of the matter is that land will rise in value, and unless we set it aside and use it wisely today, in 1970 or 1975 we won't have the chance. As you know, along the Atlantic coast, nearly all of the sea, the beach, is owned by comparatively few people. We were able to set aside, a year ago, Cape Cod Park, which is near to all of the people of New England. We are talking about doing the same now on the Delaware River. We are talking about doing the same in northern Indiana, near Gary. We have to seize these opportunities—we are talking about now doing the same in northern Wisconsin—we have to seize these opportunities to set aside these wilderness areas, these primitive areas, these fresh water areas, these lakes. We have to set them aside for the people who are going to come after us.

And we have to not only set them aside, but we have to develop them. We have to purify our water. We have to make this a richer country in which to live, and it can be done. This State of North Dakota should know it better than any. This State had, 30 years ago, three out of every hundred farms lit by electricity, and now nearly all are. What was 30 years ago a life of affluence, in a sense today is a life of poverty. This country moves ahead. This is a much richer country than it was 15 years ago, but it is so because decisions were made in those days which made it possible for us to live much better today. You cannot live in North Dakota, you cannot fly over this State, without realizing how wise were those who went before us and how necessary it is that we make the proper decision.

Theodore Roosevelt once said that the White House is a great pulpit from which to preach, and I would like to preach not only the vigorous life which he preached for us physically, but also for us in our time, facing entirely different problems, to make the same wise, vigorous decisions which he made for the conservation of our natural resources so that you and your children can enjoy this great and rich country. Nature has been

so generous to us that we have mistreated her. Now, when our country is becoming increasingly crowded, when science and technology wastes so much of what we have, we have to realize that time is running out for us.

So we come on this trip to remind the American people of what they have, and to remind the people of what they must do to maintain it. Here, only a few minutes from here, is the Garrison Dam. Just to show you what decisions made by us today can do for the people of North Dakota in the 1970's, that one dam alone will have a water area, manmade, as great as the total water area in North Dakota when this project was begun in 1946. Nature put the lakes there 50 years ago. Now man makes them. And man improves what nature has done. I have strongly supported the Garrison reclamation project, which will use water stored behind the Garrison Dam, and I am confident that it will make a major contribution to the development of America.

This is a matter of concern to all Americans. I think sometimes we read too much about the problems of particular areas, and maybe North Dakota may not be so interested in the beaches along the Atlantic coast or along the gulf, or along the west coast, and people in the East not so much interested in the Garrison project in North Dakota, which is far away, but this country is not far away. It is closer than it has even been before. When you can fly across it in 5 hours, when more importantly than transportation, is the fact that we are one people, living in 50 States and living in hundreds of communities, what happens on the east coast where your children may some day live, what happens in the Middle West, where the children of people in New England may some day live, and what happens on the west coast are of concern to all of us.

Therefore, this impressive chain of dams, which includes Garrison, has been called with some accuracy the Great Lakes of the Missouri, which belong to all of the people. Behind these dams, the "Big Muddy" is turning blue, and soil is being saved, crops are being irrigated, recreation opportunities are growing. And this whole problem of recreation is going to be one of our most promising and important areas of human activity in the next 10 or 15 years.

Automation, which is a technical word, and which brings grief, can also bring a good deal of pleasure. If you realize that we are moving more on the railroads of the United States with half as many people working on them as worked 15 years ago, the question is what has happened to those 50 percent of the people and what are they doing, and how are they spending their time? And what is true on the railroads is true on the farms, where with a steadily diminishing population, we farm more and more.

How are we going to find work for those people? Those of you who are studying here and are concerned with the social sciences, which you must be, must wonder how you are going to find work for the millions of people who are coming into the market every year seeking jobs. I said, in speaking on our tax bill the other night, that we are going to have to find 10 million jobs in 2½ years. How are we going to find them? What individual actions must be taken and what national actions must be taken to find 10 million jobs for your sons and daughters in the short space of 2½ years? What are you going to do with 8 million people coming into the labor market in the rest of this decade and who haven't graduated from high school? How are they going to find work? Fifty years ago, thirty years ago, they might have worked on a farm, or could have done heavy labor. But today what is needed are skills and the uneducated man or woman is left behind. It is as inevitable as nature.

These are the problems which face this great democracy of ours. They cannot be solved by turning away, but can be solved, I believe, by the united, intelligent effort of us all. And what is true of people is true of animals. We have only about half as many cows as we had 30 years ago and they are producing about 25 percent more milk. What is going to happen to all of the people who once did all of the jobs which are not longer needed? By wise national policy, involving monetary and fiscal policy, I believe that we can stimulate this economy of ours to absorb these people. And also, we should make life in this country so beautiful that as the hours of work lessen, and there are now 40 hours and someday they will be less, people will have some place to go and some place to find close to nature to enrich their lives.

So what I am saying now, in a sense, is that we are the heirs of Theodore Roosevelt, and that what we must do today is to prepare for those who are our heirs. The steps we take in conservation and recreation will have very little effect upon all of us here immediately and in this decade. What we are doing in the real sense is preparing for those who come after us.

We are gradually narrowing the difference between the standards of living of our city and rural populations. Parity of farm income is important. But beyond that we are gradually, too slowly but gradually, achieving a parity between urban and rural people in other aspects of life, in their ability to obtain electric service, in their power and resources available for economic development, in their facilities and opportunities for recreation. We are seeking, in short, a true parity of opportunity for all of our people, north and south, east and west. It will not come overnight, but the example of what has been done to light the farms of this State in 30 years shows what can be done when the Government and the people, working closely together, work for the common interest.

When I think what REA has done for this State and all of the fight against it when it was first put into effect, isn't it astonishing to you that this country after the end of World War I, in many ways a much more virgin country, passed through a recession in 1921, 1922, and 1923, a depression, in fact, and a panic, passed through a period of low farm income and depression on the farm through the rest of the 1920's, and then moved through a depression of such staggering dimensions that it existed from 1929 to the outbreak of World War II, and yet from 1945, while we have moved through periods of recession we have almost tripled our wealth in the short space of 18 years. And we have not passed through a period in any way comparable to the early 1920's, or the desperate days of the 1930's. And a lot of that is because of the decisions which the Government and the people made together in the 1930's which makes it possible for us, moving on that base, to determine wise policies in the 1960's.

There is an old saying that things don't happen, they are made to happen. And we in our years have to make the same wise judgments about what policies will insure us a growing prosperity as were made in the years before. The whole experience between two world wars, which was so tragic for this country, should tell us that we cannot leave it to mere chance and accident. It requires the long-range judgment of all of us, the public judgment, not only the pursuit of our private interests but the public judgment of what it takes to keep 180 million people gradually rising. And anyone who thinks it can be done by accident and chance should look back on the history of 1919 to 1939 to know what can happen when we let natural forces operate completely freely.

Five billion dollars were advanced under REA to 1,000 borrowers. More than 1,500,000 miles of powerlines have been built serving 20 million American people. This has been a sound investment. Out of roughly 1,000 borrowers, co-ops, only 1 is delinquent in payment, and the total losses on the $5 billion advanced are less than $50,000. Here in North Dakota, REA-financed rural co-ops serve on the average yearly more than 1 electric meter per mile of line, compared to the average in urban-based utilities systems of 33 meters to each mile of line. These are the things which can make the great difference. What I urge upon those of you who are students here is to make determinations based on life as it is, on facts as they are, not merely here in this community, not merely in North Dakota, not merely in the United States, but in this varied and dangerous world of ours in which we play such a leading and responsible part. Unless the United States can demonstrate a sound and vigorous democratic life, a society which is not torn apart by friction and faction, an economy which is steadily growing; unless it can do all those things we cannot continue to bear the responsibilities of leadership which I think almost alone have prevented this world of ours from being overrun. The fact of the matter is that there are many things happening in the world which should serve to encourage us, as well as discourage us.

If 5 or 6 years ago anyone had ever visualized what has happened behind the Iron Curtain and the Bamboo Curtain they would have been regarded as completely unrealistic. All of the pressures which have been brought to bear on life in the Communist world have been brought to bear in part only because of the inner contradictions of the Communist system itself, but also because the United States chose in 1945 to assume the burdens of maintaining a watch at the gate of freedom when so many other countries, which so long had carried a heavy responsibility around the world were prostrate and defeated. So this country has done a good deal.

I come here today to say it can do a good deal more. And I urge those of you who are students here to recognize the obligation which any educated man or woman must bear to society as a whole. This school was not developed merely to give its graduates an economic advantage in the life struggle. We do not seek merely, I am sure at this school, to graduate lawyers, farmers, or doctors, who may lead their communities in income. What we seek to advance, what we seek to develop in all of our colleges and universities, are educated men and women who can bear the burdens of responsible citizenship, who can make judgments about life as it is, and as it must be, and encourage the people to make those decisions which can bring not only prosperity and security, but happiness to the people of the United States and those who depend upon it.

So in that great effort, I urge you to participate. Nothing will give you more satisfaction. No need is greater. And I hope that all of us, not only in the field of our immediate interest but in the field of our resources, will also make the necessary and immediate decisions.

Marshal Lyautey, who was the great French Marshal in North Africa, was once talking to his gardener and he suggested that he plant a tree, and the gardener said, "well, why plant it? It won't flower for 100 years." And Marshal Lyautey said, "In that case, plant it this afternoon."

I think that is good advice for all of us.

Thank you.

REMARKS OF THE PRESIDENT, YELLOWSTONE COUNTY FAIRGROUNDS, BILLINGS, MONT., SEPTEMBER 25, 1963

Senator Mansfield, Governor, Secretary Udall, Senator Metcalf, Senator McGee, ladies and gentlemen, I want to express our appreciation to you for your welcome, and I appreciate the chance to be introduced by my old friend and colleague, Senator Mansfield. I know that those of you who live in Montana know something of his character and his high standard of public service, but I am not sure that you are completely aware of what a significant role he has played in the last 3 years in passing through the U.S. Senate measure after measure which strengthens this country at home and abroad. And I think the action which the U.S. Senate took by a vote of 80 to 19 yesterday enjoining the United States, under our constitutional procedures, to 102 other countries to bring an end to nuclear tests in the atmosphere, to bring an end, we hope, for all time to the dangers of radioactive fallout on the citizens of the world, and to take a first step toward peace, and our hope for a more secure world—Senator MANSFIELD, with the able support of Senator DIRKSEN, the Republican Minority Leader of the Senate, I think were responsible for that overwhelming vote.

I am glad and proud that the word went out yesterday that Members of the Senate in both parties stood up for the long-range interests not only of the United States, but I think of people everywhere. So I am proud to be in his State, and I am proud to be with his colleague, Senator METCALF, who speaks for Montana, and also speaks for the United States. This State, in the far Northwest, I think, has sent an outstanding delegation to Washington, and I am, therefore, glad to be with you today.

As the problems which occupy our attention in Washington and in the Congress, and really in the country, have become increasingly complex, I am sure that many citizens who, in the early years of this century, understood or had strong feelings about conservation and about the populous movement and about free silver and the two or three other issues which dominated the political debate in this country for 10, 20, and 30 years, I am sure as they look at the complexities and the suddenness with which events pour across the desk of a citizen of the United States, calling upon him to make a decision, I am sure they must wonder where we are going.

I talked the other day to an Ambassador who went to Cuba under the administration of Herbert Hoover, and as he was leaving, President Hoover said to him, "We have two problems in American foreign relations: Our relations with Cuba, our relations with Mexico. Otherwise the United States has no interests abroad." There is no comparable case in the history of the world where a country lived underlined with drawn and isolated existence as we did until 1939, 1940, and 1941, and then suddenly played such a dominant role all around the world. Countries which we had never heard of before, Vietnam, Laos, the Congo, and the others; countries which were distant names on our geographies, have now become matters of the greatest concern, where the interests of the United States are vitally involved, and where we have, for example, in Vietnam, over 25,000 of our sons and brothers bearing arms.

So this is a difficult and complex world. I am sure a citizen in this community and in this country must wonder what we are doing. I think what we are trying to do is comparatively simple, and that is, with our own power and might, and the only country which has that power and might, and I believe the long-range perseverance and determination, we are trying to assist the hundred-odd countries which are now independent to maintain their independence. We do that not only because we wish them to be free, but because it serves our own national interest. As long as there are all of these countries separate, free, and independent, and not part of one great monolithic bloc which threatens us, so long we are free and independent.

When it appeared at the end of the fifties that there would be over a billion people organized in the Communist movement, Russia, and China, and Eastern Europe working closely together, that represented a danger to us which could turn the balance of power against us. As there has been a division within the bloc, as there has been a fragmentation behind the Iron Curtain, as the long-range interests of geography and nationalism play a part even behind the Iron Curtain, as it does on this side of the Iron Curtain, we have made progress, not toward an easier existence, but I think toward a chance for a more secure existence.

In 1961 the United States and the Soviet Union came face to face over Berlin. The United States called up more than 150,000 troops. At the meeting in Vienna, of 1961, Mr. Khrushchev informed me that he was going to sign a peace treaty in Berlin by the end of the year, and if the United States continued to supply its forces in Berlin it would be regarded as a possible act of war. In 1962 we came face to face with the same great challenge in Cuba, in October. So we have lived, even in the short space of the last 3 years, on two occasions when we were threatened with a direct military confrontation. We wish to lessen that prospect. We know that the struggle between the Communist system and ourselves will go on. We know it will go on in economics, in productivity, in ideology, in Africa, in Latin America, in the Middle East, and Asia.

But what we hope to do is lessen the chance of a military collision between these two great nuclear powers which together have the power to kill 300 million people in the short space of a day. That is what we are seeking to avoid. That is why I support the test ban treaty. Not because we are going to be easier in our lives, but because we have a chance to avoid being burned.

In addition to that problem abroad, we have a problem here in the United States. The reason why I think it is most important and why I am strongly in support of the action of the House of Representatives today in overwhelmingly passing, in the House, the tax bill, is because I recognize in this country, with our tremendously increasing population, and machines taking the jobs of men, that unless we can stimulate our economy we are going to limp from recession to recession, always coming out of the recession with more unemployed and finally finding ourselves faced with overwhelming economic problems here at home. As I have said before, the United States must find 10 million jobs in the next 2½ years. We had a recession every 40 months since the end of World War II. That 40 months runs out in January 1964. Yet at the same time, when we run into this problem of a possible recession, we have the job of finding 10 million jobs. So these are the problems we face, and what we seek to do in Washington, at home and abroad, is strengthen the United States, strengthen its vital interests, and have it live in greater security. One of the ways that I think we can strengthen its vital interests is to strengthen the resources of the United States. This State of Montana knows better almost than any other State what it means when you develop the water resources and get cheap power. If this States does not have cheap power, how can you possibly compete, having to send your goods by the most expensive transportation route in the United States to eastern markets.

The only way you can make up for that disadvantage is to develop your resources and protect them, water, power and all the rest. And this Congress has done great actions which have gone comparatively unnoticed but which I think can make a significant difference not only for us but for those who come after us. We passed in the last session of the Congress, and no one here at Billings probably ever knew it, three major pieces of legislation providing for the setting aside of more seashore parks in the United States than any Congress in the history of our country. Over 300 miles of coastline on the Atlantic Ocean, the Pacific Ocean and the gulf are now available for the public. We have embarked on a long-range acquisition of wetlands. There will be 11 new waterfowl refuges established, more than any period in recent history. We have initiated 10 reclamation projects, including two large-scale projects, and more will be done.

We have, for the first time, made the benefits of our cropland conversion program available to farmers and ranchers throughout the Nation. We have acted to save our woodlands and our wildlife.

This State of Montana which depends on tourists will in 10 years probably find that your number one industry or your number two industry. You must recognize how essential it is, with our exploding population, that we protect our natural resources, our wildernesses, all the things that will attract people to the Northwest.

And we have a lot more to do. We have a chance now to set up a fund which can liquidate itself over a period of years and use it for land and water conservation now, and 10 years from now the price of that same land will have doubled. If we get it now we will have it for our people. If we lose the chance, it will be built upon by private interests and our chance to capture it will be gone. We have a chance to take some of those thousands of boys and girls who are on the city streets, out of work, and put them in our Youth Employment Corps and give them a chance to work on the land, as was done in the 1930's. When you have one out of four of our children out of school and out of work, it is too much.

These are the things that must be done. There is an old saying that we hope for the best and prepare for the worst. I would like to improve that. I think we should work for the best. It may be we have to prepare for the worst. This country, of course, must be strong, but I think that in all these areas of our national life, in education, which is the development of our most precious resources, our children, in education—because there isn't any boy or girl who is going to be sure of a job if they have dropped out of high school, and there are going to be 8 or 9 million of them in the next 7 years unless we do something about it—education of our children, jobs for our people, some security in our older age—these are the things we must do, and I think we can do them.

The potential of this country is unlimited and there is no action which any of us can take in Washington which gives us greater confidence in the future of this country than to leave our city of Washington and come West to Wyoming, Montana, California, and recognize that in this golden area of the United States that a great writer from my own State of Massachusetts, Thoreau, was right when he said, "Eastward I go only by force; westward I go free. I must walk toward Oregon and not toward Europe."

I walk toward Montana. I express my thanks to all of you. And I am confident that when the role of national effort in the 1960's is written, when a judgment is rendered whether this generation of Americans took those steps at home and abroad to make it possible for those who came after

us to live in greater security and prosperity, I am confident that history will write that in the 1960's we did our part to maintain our country and make it more beautiful.

Thank you.

REMARKS OF THE PRESIDENT UPON ARRIVAL AT CHEYENNE MUNICIPAL AIRPORT, CHEYENNE, WYO., SEPTEMBER 25, 1963

Gale McGee, Mr. Mayor, Secretary Udall, ladies and gentlemen, I want to express my thanks to you for a warm welcome. When I asked them, when we were flying, what the weather was, they said 70 degrees, visibility 90 miles. Well, that is why I left Washington, because the weather is somewhat different and the visibility is much less. You see not only further here, but there is something more to see, and I am glad to come all the way from Washington to this community and this State because it is a welcome reminder to fly across the United States and see what a great, rich, prosperous, ever-growing country this is.

Here in this State of Wyoming some of the results of that economic growth have been felt in recent years. This State of Wyoming, which has all of the troubles that all of us have across the country, nevertheless has grown in individual income so that it is now in percentage of growth in the top five States in the United States. This is due to many reasons—the work of the people here, the resources which you have and, I hope, wise national policy on conservation, and resource development, and management of what nature has given us and management of what man has developed from nature.

The fact of the matter is that conservation, which is the primary purpose of our trip across America has changed. Before it was just preserving what the Lord gave us. Now it is using science and technology to find new uses for materials which, a few short years ago, were wasted.

So I come from Washington, D.C., to this community, and I want to tell you that I believe that the strength and influence which our country has, the burdens which it bears around the world are in good measure to the strength and determination and perseverance and hope of the people in this State and the other 49. I appreciate being welcomed here and I know in holding out a hand of greeting you carry on a great tradition of this State. This State was once represented by a Massachusetts man who was smart—Senator O'Mahoney—who came all the way from Chelsea, Mass., and came and represented this State. How many people here today were born in Wyoming? Would you hold up your hands? And how many people were not born in Wyoming?

Well, for one reason or another we all came here, and I am glad. Thank you very much.

REMARKS OF THE PRESIDENT, UNIVERSITY OF WYOMING FIELDHOUSE, LARAMIE, WYO., SEPTEMBER 25, 1963

Thank you very much ladies and gentlemen. Senator McGee, my old colleague in the Senate, Gale McGee, Governor, Mr. President, Senator Mansfield, Senator Metcalf, Secretary Udall, ladies and gentlemen, I want to express my appreciation to you for your warm welcome, to you, Governor, the president of the University, to Senator McGEE and others. I am particularly glad to come on this conservation trip and have an opportunity to speak at this distinguished university, because what we are attempting to do is to develop the talents in our country which require, of course, education, which will permit us in our time, when the conservation of our resources requires entirely different techniques than were required 50 years ago when the great conservation movement began under Theodore Roosevelt, and these talents, scientific and social talents, must be developed at our universities.

I hope that all of you who are students here will recognize the great opportunity that lies before you in this decade, and in the decades to come, to be of service to our country. The Greeks once defined happiness as full use of your powers along lines of excellence, and I can assure you that there is no area of life where you will have an opportunity to use whatever powers you have, and to use them along more excellent lines, bring ultimately, I think, happiness to you and those whom you serve.

What I think we must realize is that the problems which now face us and their solution are far more complex, far more difficult, far more subtle, require far greater skill and discretion of judgment than any of the problems that this country has faced in its comparatively short history, or any, really, that the world has faced in its long history. The fact is that almost in the last 30 years the world of knowledge has exploded. You remember that Robert Oppenheimer said that 8 or 9 out of 10 of all the scientists who ever lived live today. This last generation has produced nearly all of the scientific breakthroughs, at least relatively, that this world of ours has ever experienced. We are alive, all of us, while this tremendous explosion of knowledge, which has expanded the horizon of our experience, so far has all taken place in the last 30 years.

If you realize that when Queen Victoria sent for Robert Peel to be Prime Minister, he was in Rome, the journey which he took from Rome to London took him the same amount of time to the day that it had taken the Emperor Hadrian to go from Rome to England nearly 1,900 years before. There had been comparatively little progress made in almost 1,900 years in the field of knowledge. Now, suddenly, in the last 100 years, but most particularly in the last 30 years, all that is changed, and all of this knowledge is brought to bear and can be brought to bear in improving our lives and making the life of our people more happy, or destroying them, and that problem is the one, of course, which this generation of Americans and the next must face: how to use that knowledge, how to make a social discipline out of it.

There is really not much use in having science and its knowledge confined to the laboratory unless it comes out into the mainstream of American and world life, and only those who are trained and educated to handle knowledge and the disciplines of knowledge can be expected to play a significant part in the life of their country. So quite obviously this university is not maintained by the people of Wyoming merely to help all of the graduates enjoy a prosperous life. That may come, that may be a by-product, but the people of Wyoming contribute their taxes to the maintenance of this school in order that the graduates of school may, themselves, return to the society which helped develop them, some of the talents which that society has made available, and what is true in this State is true across the United States.

The reason why, at the height of the Civil War, when the preservation of the Union was in doubt, Abraham Lincoln signed the Land Grant College Act, which has built up the most extraordinary educational system in the world, was because he knew that a Nation could not exist and be ignorant and free, and what was true 100 years ago is more true today. So what we have to decide is how we are going to manage the complicated social and economic and world problems which come across our desks, my desk, as President of the United States, the desk of the Senators as representatives of the States, the Members of the House as representatives of the people.

But most importantly, as the final power is held by a majority of the people, how the majority of the people are going to make their judgment on the wise use of our resources, on the correct monetary and fiscal policy, what steps we should take in space, what steps we should take to develop the resources of the ocean, what steps we should take to manage our balance of payments, what we should do in the Congo or Vietnam, or in Latin America. All these areas which come to rest upon the United States as the leading great power of the world, with the determination and the understanding to recognize what is at stake in the world—all these are problems far more complicated than any group of citizens ever had to deal with in the history of the world, or any group of Members of Congress had to deal with.

If you feel that the Members of Congress were more talented 100 years ago, and certainly the Senators in the years before the Civil War included the brightest figures, probably, that ever sat in the Senate—Benton, Clay, Webster, Calhoun, and all the rest—they talked, and at least three of them stayed in the Congress 40 years, they talked for 40 years about four or five things, tariffs and the development of the West, land, the rights of the States to slavery, Mexico. Now we talk about problems in one summer which dwarf in complexity all of those matters, and we must deal with them or we will perish. So I think the chance for an educated graduate of this school to serve his State and country is bright. I can assure you that you are needed. This trip that I have taken is now about 24 hours old, but it is a rewarding 24 hours because there is nothing more encouraging than for those of us to leave the rather artificial city of Washington and come and travel across the United States and realize what is here, the beauty, the diversity, the wealth, and the vigor of the people. Last Friday I spoke to delegates from all over the world at the United Nations. It is an unfortunate fact that nearly every delegate comes to the United States from all around the world and they make a judgment on the United States based upon an experience in New York or Washington, and rarely do they come West beyond the Mississippi and rarely do they go to California or to Hawaii or to Alaska. Therefore, they do not understand the United States, and those of us who stay only in Washington sometimes lose our comprehension of the national problems which require a national solution. This country has become rich because nature was good to us, and because the people who came from Europe predominantly also were among the most vigorous. The basic resources were used skillfully and economically, and because of the wise work done by Theodore Roosevelt and others, significant progress was made in conserving these resources.

The problem, of course, now is that the whole concept of conservation must change in the 1960's if we are going to pass on to the 350 million Americans who will live in this country in 40 years where 180 million Americans now live—if we are going to pass on a country which is even richer.

The fact of the matter is that the management of our national resources, instead of being primarily a problem of conserving them, of saving them, now requires the scientific application of knowledge to develop new resources. We have come to realize to a large extent that resources are not passive. Resources are not merely something that was here, put by nature. Research tells us that previously valueless materials, which 10 years ago were valueless now can be among the most valuable natural resources of the United States. And that is the most significant fact in conservation now since the early 1900's when Theodore Roosevelt started his work. A conservationist's first reaction in

those days was to preserve, to hoard, to protect every nonrenewable resource. It was the fear of resource exhaustion which caused the great conservation movement of the 1900's. And this fear was reflected in the speeches and attitudes of our political leaders and their writers.

This is not surprising in the light of the technology of that time, but today that approach is out of date, and I think this is an important fact for the State of Wyoming and the Rocky Mountain States. It is both too pessimistic and too optimistic. We need no longer fear that our resources and energy supplies are a fixed quantity that can be exhausted in accordance with a particular rate of consumption. On the other hand, it is not enough to put barbed wire around a forest or a lake, or put in stockpiles of minerals, or restrictive laws and regulations on the exploitation of resources. That was the old way of doing it.

Our primary task now is to increase our understanding of our environment, to a point where we can enjoy it without defacing it, use its bounty without detracting permanently from its value, and, above all, maintain a living balance between man's actions and nature's reactions, for this Nation's great resource is as elastic and productive as our ingenuity can make it. For example, soda ash is a multimillion-dollar industry in this State. A few years ago there was no use for it. It was wasted. People were unaware of it. Even if it were sought, it could not be found. Not because it wasn't here, but because effective prospecting techniques had not been developed. Now soda ash is a necessary ingredient in the production of glass, steel, and other products. As a result of a series of experiments, of a harnessing of science to the use of man, this great new industry has opened up. In short, conservation is no longer protection and conserving and restricting. The balance between our needs and the availability of our resources, between our aspirations and our environment is constantly changing.

One of the great resources which we are going to find in the next 40 years is not going to be the land; it will be the ocean. We are going to find untold wealth in the oceans of the world which will be used to make a better life for our people. Science is changing all of our natural environment. It can change it for good; it can change it for bad. We are pursuing, for example, new opportunities in coal, which have been largely neglected, examining the feasibility of transporting coal by water through pipelines, of gasification at the mines, of liquefaction of coal into gasoline, and of transmitting electric power directly from the mouth of the mine. The economic feasibility of some of these techniques has not been determined, but it will be in the next decade. At the same time, we are engaged in active research on better means of using low grade coal to meet the tremendous increase in the demand for coal we are going to find in the rest of the century. This is, in effect, using science to increase our supply of a resource of which the people of the United States were totally unaware 50 years ago.

Another research undertaking of special concern to this Nation and this State is the continuing effort to develop practical and feasible techniques of converting oil shale into usable petroleum fuels. The higher grade deposits in Wyoming alone are equivalent to 30 billion barrels of oil, and 200 billion barrels in the case of lower grade development. This could not be used, there was nothing to conserve, and now science is going to make it possible.

Investigation is going on to assure at the same time an adequate water supply so that when we develop this great new industry it will be able to use it and have sufficient water. Resource development, therefore, requires not only the coordination of all branches of science, but it requires the joint effort of scientists, government, State, National, and local, and members of other professional disciplines. For example, we are now examining in the United States today the mixed economic-technical question of whether very large-scale nuclear reactors can produce unexpected savings in a simultaneous desalinization of water and the generation of electricity. We will have, before this decade is out or sooner, a tremendous nuclear reactor which makes electricity and at the same time gets fresh water from salt water at a competitive price. What a difference this can make to the Western United States. And, indeed, not only the United States, but all around the globe where there are so many deserts on the ocean's edge.

It is effort, I think, such as this, where the National Government can play a significant role, where the scale of public investment or the nationwide scope of the problem, the national significance of the results are too great to ignore or which cannot always be carried out by private research. Federal funds and stimulation can help make the most imaginative and productive use of our manpower and facilities. The use of science and technology in these fields has gained understanding and support in the Congress. Senator GALE MCGEE has proposed an energetic study of the technology of electrometallurgy—the words are getting longer as the months go on, and more complicated—an area of considerable importance to the Rocky Mountains. All this, I think, is going to change the life of Wyoming and going to change the life of the United States. What we regard now as relative well-being 30 years from now will be regarded as poverty. When you realize that 30 years ago 1 out of 10 farms had electricity, and yet some farmers thought that they were living reasonably well, now for a farm not to have electricity we regard them as living in the depths of poverty. That is how great a change has come in 30 years. In the short space of 18 years, really, or almost 20 years, the wealth of this country has gone up 300 percent. In 1970, 1980, 1990 this country will be, can be, must be, if we make the proper decisions, if we manage our resources, both human and material, wisely, if we make wise decisions in the Nation, in the State, in the community and individually, if we maintain a vigorous and hopeful pursuit of life and knowledge, the resources of this country are so unlimited and science is expanding them so greatly that all those people who thought 40 years ago that this country would be exhausted in the middle of the century have been proven wrong. It is going to be richer than ever, providing we make the wise decisions and we recognize that the future belongs to those who seize it.

Knowledge is power, a saying 500 years old, but knowledge is power today as never before, not only here in the United States, but the future of the free world depends in the final analysis upon the United States and upon our willingness to reach those decisions on these complicated matters which face us, with courage and clarity. The graduates of this school will, as they have in the past, play their proper role.

I express my thanks to you. This building which 15 years ago was just a matter of conversation is now a reality. So those things which we talk about today, which seem unreal, where so many people doubt that they can be done—the fact of the matter is it has been true all through our history, they will be done, and Wyoming in doing it will play its proper role.

Thank you.

REMARKS OF THE PRESIDENT, GREAT FALLS HIGH SCHOOL MEMORIAL STADIUM, GREAT FALLS, MONT., SEPTEMBER 26, 1963

Senator Mansfield, Governor, Secretary Udall, Senator Metcalf, Madam Mayor, Congressman Olsen, ladies, and gentlemen, this journey which started almost by accident has been one of the most impressive experiences of my life. We live in the city of Washington, in a rather artificial atmosphere. Washington was deliberately developed as a Government city in order to remove those who were making the laws from all the pressures of everyday life, and so we live far away.

We talk about the United States, about its problems, its powers, its people, its opportunity, its dangers, its hazards, but we are still talking about life in a somewhat removed way. But to fly, as we have flown, in the short space of 48 hours, from Milford, Pa.; to Ashland, Wis.; to Duluth, Minn.; to North Dakota; to Wyoming; to Montana; back to Wyoming; back to Montana; and then to go to the State of Washington and the State of Utah this evening, shows anyone who makes that journey even in a short period of time what a strong, powerful, and resourceful country this is.

Montana is a long way from Washington, and it is a long way from the Soviet Union, and it is 10,000 miles from Laos. But this particular State, because it has, among other reasons, concentrated within its borders some of the most powerful nuclear missile systems in the world, must be conscious of every danger and must be conscious of how close Montana lives to the firing line which divides the Communist world. We are many thousands of miles from the Soviet Union, but this State, in a very real sense, is only 30 minutes away.

The object of our policy, therefore, must be to protect the United States, to make sure that those over 100 Minuteman missiles which ring this city and this State remain where they are, and that is the object of the foreign policy of the United States under this administration, under the previous administration, and under that of President Truman. One central theme has run through the foreign policy of the United States, and that is, in a dangerous and changing world, it is essential that the 180 million people of the United States throw their weight into the balance in every struggle, in every country on the side of freedom, and so in the last years we have been intimately involved with affairs of countries of which we never heard 20 years ago, but which now affect the balance of power in the world and, therefore, the security of the United States and, therefore, the chances of war and peace.

I know that there are many of you who sit here and wonder what it is that causes the United States to go so far away, that causes you to wonder why so many of your sons should be stationed so far away from our own territory, who wonder why it is since 1945 that the United States has assisted so many countries. You must wonder when it is all going to end and when we can come back home. Well, it isn't going to end, and this generation of Americans has to make up its mind for our security and for our peace, because what happens in Europe or Latin America or Africa or Asia directly affects the security of the people who live in this city, and particularly those who are coming after.

I make no apologies for the effort that we make to assist these other countries to maintain their freedom, because I know full well that every time a country, regardless of how far away it may be from our own borders—every time that country passes behind the Iron Curtain the security of the United States is thereby endangered. So all

those who suggest we withdraw, all those who suggest we should no longer ship our surplus food abroad or assist other countries, I could not disagree with them more. This country is stronger now than it has ever been. Our chances for peace are stronger than they have been in years. The nuclear test ban which was strongly led in the Senate of the United States by MIKE MANSFIELD and LEE METCALF is, I believe, a step toward peace and a step toward security, and gives us an additional chance that all of the weapons of Montana will never be fired. That is the object and our policy.

So we need your support. These are complicated problems which face a citizenry. Most of us grew up in a relative period of isolation and neutrality, and unalinement which was our policy from the time of George Washington to the Second World War, and suddenly, in an act almost unknown in the history of the world, we were shoved onto the center of the stage. We are the keystone in the arch of freedom. If the United States were to falter, the whole world, in my opinion, would inevitably begin to move toward the Communist bloc.

It is the United States, this country, your country, which in 15 to 18 years has almost singlehandedly protected the freedom of dozens of countries who, in turn, by being free, protect our freedom. So when you ask why are we in Laos or Vietnam, or the Congo, or why do we support the Alliance for Progress in Latin America, we do so because we believe that our freedom is tied up with theirs, and if we can develop a world in which all the countries are free, then the threat to the security of the United States is lessened. So we have to stay at it. We must not be fatigued.

I do not believe that the test ban treaty means that the competition between the Communist system and ourselves will end. What we hope is that it will not be carried into the sphere of nuclear war. But the competition will go on. Which society is the most productive? Which society educates its children better? Which society maintains a higher rate of economic growth? Which society produces more cultural and intellectual stimulus? Which society, in other words, is the happier?

We believe that ours is, but we should not fool ourselves if the chance of war disappears to some degree.

Other struggles come to the center of the stage. The solution of every problem brings with it other problems. And, therefore, this society of ours is, in a very real sense, in a race, and, therefore, I want to see all of our children as well educated as possible. I want to see us protect our natural resources. I want to see us make our cities better places in which to live. I want this country, as I know you do, to be an ornament to the cause of freedom all around the globe, because as we go so goes the cause of freedom. This is the obligation, therefore, of this generation of Americans. And I think that in the last 18 years, reviewing what we have done, we have every reason to feel a sense of satisfaction, and I look forward to the next decade when the struggle may be in all these other areas. I look forward to that struggle with confidence and hope. But we must recognize the national obligation upon us all. There are 8 to 9 million children in the United States of America in high school or in elementary school who live in families which have $3,000 a year or less. What chance do they have to finish high school? How many of them will go to college? What kind of an income will they have when they go to work? Will their children grow up in a family which is, itself, deprived and so pass on from generation to generation a lag, a fifth of the country which lives near the bottom while the rest of the country booms and prospers?

It is the obligation of government, speaking on the will of the people, that we concern ourselves with this phase of our resource development, our children, 9 million children who are growing up without the opportunity available to yours. And then they drop out of school, and then they lose their chance. So we have a lot to do in this country. We have a lot to do. I am out here to try to get your support in doing it.

One of the things that I think we have to do is worry about this country of ours. I flew over some of the most beautiful parts of the United States this morning from Jackson Hole. I am sure that half of our country, particularly those who live east of the Mississippi River, have no idea what we have in this part of the United States. They are beginning to realize it, and more and more. But all in the east of the Mississippi they live too much in crowded areas, they live along the seashore, which is open to only a few; they live in cities which are becoming more sprawling and more concentrated. And we have here in the Western United States a section of the world richer by far almost than any other. I want them to come out here. And I want the United States to take those measures in this decade which will make the Northwest United States a garden to attract people from all over this country and all over the world.

We go to Jackson Hole and Yellowstone and we are impressed, as all of us are, but what we should remember is that that was due to the work of others, not to us but to those who made the great fight in the last 50 years. Now in the 1960's we have to decide what we are going to do, and I believe that there is a good deal that we can do. We have started on a project, a concentrated project of resource development. More watershed projects have been completed in recent years than ever before in history. Negotiations are underway which should lead and must lead to the final ratification of the Columbia River Treaty with Canada. It has moved into its last stages and it is my hope that work will soon be commenced on the Libby Dam project in northwest Montana which will make this a richer State in which to live. And what you have done here in this section of the United States I want us to do along our coastline. Only 2 percent of our extraordinary coastline, the Atlantic, the Gulf Stream, and the Pacific, only 2 percent is devoted to public use. We have the same fight along our coastlines that we had here in this section of the Northwest 30 and 40 years ago for forests and parks and all the rest—2 percent.

The fact of the matter is we passed in 1 year in 1961 three parks along our seashores which is more than had been done in 1 year in any Congress in history. We have let our seashores go to waste.

So I urge this generation of Americans, who are the fathers and mothers of 350 million Americans who will live in this country in the year 2000, and I want those Americans who live here in 2000 to feel that those of us who had positions of responsibility in the sixties did our part, and those of us who inherited it from Franklin Roosevelt and Theodore Roosevelt will have something to pass on to those who come, and our children, many years from now.

So I hope that we will harness our rivers. I hope we will reclaim our land. I hope we will irrigate it. I hope we can provide, through cooperative effort of the farmers and the Government, the kind of program which will give them a hope for security. I hope, in other words, that we will take this rich country of ours, given to us by God and by nature, and improve it through science and find new uses for our natural resources, to make it possible for us to sustain in this country a steadily increasing standard of living, the highest in the world, and based on that powerful fortress, to move out around the world in the defense of freedom as we have done for 18 years and as we must do in the years to come.

This is the responsibility which this generation of Americans has been given. I do not share with those who feel that this responsibility should be passed on to others. The fact of the matter is that there are no others who can combine our geographic position, our natural wealth, and the determination of our people. And, therefore, until such a people someday arrives, I think the United States should stand guard at the gate. The fact is, we have done it for 18 years. The fact is, the chances for peace may be better now than before. The fact is that our wealth has increased. The fact is there are over 100 countries which are now independent, many of them who owe their independence to the United States.

This is the record which this country has written since 1945, and it is upon this great record that I believe we now must build. This sun and this sky which shines over Montana can be, I believe, the kind of inspiration to us all to recognize what a great single country we have, 50 separate States, but 1 people, living here in the United States, building this country and maintaining the watch around the globe.

This is the opportunity before us as well as the responsibility.

Thank you.

REMARKS OF THE PRESIDENT AT DEDICATION OF FLAMING GORGE DAM, SALT LAKE CITY MUNICIPAL AIRPORT, SALT LAKE CITY, UTAH, SEPTEMBER 27, 1963

Senator Moss, Secretary Udall, Senator Magnuson from Washington, Commissioner, ladies and gentlemen, I want to express my gratification at being able to participate in this ceremony, which has such significance to the people of this State.

As I move through the West, especially in this State and other States where water is short, I realize that nearly all of the standard of living which we enjoy in this part of the United States has been due partly to our own efforts, the generation which is now here, but really even more to the generation that went before, the people who started in the early 1920's, for example, to organize the distribution of water along the basin, the people who began to talk many years ago about what we are now putting into practice. So I think that it is essential that we, in the 1960's, take steps to provide for the kind of country and State that we are going to have 20 years from now, so that what we do for our children, the same thing that was done for us.

This State, this section of the United States, of course, the key is water. Unless we organize every drop to be of service to mankind, this State is going to stand still. You can't possibly grow once the water level remains the same; once the amount of water you have available for irrigation and reclamation and power remains the same, this State stands still. So water is the key, the management of water, I think, is the key that will open a very bright future. You may only perceive it only slightly in the next few years, but those who come after you—they will know it, and they will remember it with appreciation.

I am particularly glad because Senator Moss has preached the doctrine of the wise use of water with more vigor, almost, than any Member of the U.S. Senate. He is chairman of the Subcommittee on Irrigation and Reclamation. He learned his lesson the hard way, as anyone must who lives here. I come from a section of the country where we waste water, where we seek ways to get rid

of it, where we seek to have it flow to the ocean as quickly as possible. It is just the reverse here, and, therefore, those of us who come from a section where water is in surplus, I think it is valuable for us to come and feel that hot sun, and fly over this country and see only on occasion where there are water resources and then realize how important this project is.

But the important thing to remember is for 50 years men have been talking about this project. It is now a reality. What are we going to do now so that 50 years from now the people who live in Utah and the United States will feel in the early sixties we made the proper decision for the management of our resources. So this is going to make a profound difference to this State. It stands in the finest tradition of Federal-State cooperation and public and private coordination. This is going to be a tremendous lake which will be a great recreation attraction which will bring people from all over the State and all over this part of the West, but it is not limited to its power, storage, or recreational use. We must depend upon this kind of action for growth. This great dam, with almost 4 million acre-feet of capacity, will make Salt Lake City grow, even though we are 150 miles from this dam which we now touch.

It was 116 years ago when Brigham Young introduced irrigation to the United States. I am glad that we are following in that great tradition this morning and, therefore, I will now take action which will start the first generator at Flaming Gorge Dam.

Do you want to stand up here, Senator?

I never know when I press these whether it means we are going to blow up Massachusetts, or electricity, or light a fire, but I am going on the assumption that we are going to start the generator.

(The President pressed a buzzer which activated the first generator at Flaming Gorge Dam.)

This gives you an idea of how difficult the life of a President is. We do this all day.

Thank you very much.

REMARKS OF THE PRESIDENT AT MORMON TABERNACLE, SALT LAKE CITY, UTAH, SEPTEMBER 26, 1963

Senator Moss, my old colleague in the U.S. Senate, your distinguished Senator Moss, President McKay, Mr. Brown, Secretary Udall, Governor, Mr. Rawlings, ladies and gentlemen, I appreciate your welcome, and I am very proud to be back in this historic building, and have an opportunity to say a few words on some matters which concern me as President and I hope concern you as citizens. The fact is, I take strength and hope in seeing this monument, hearing its story retold by TED MOSS, and recalling how this State was built, and what it started with, and what it has now.

Of all the stories of American pioneers and settlers, none is more inspiring than the Mormon trail. The qualities of the founders of this community are the qualities that we seek in America, the qualities which we like to feel this country has—courage, patience, faith, self-reliance, perseverance, and, above all, an unflagging determination to see the right prevail.

I came on this trip to see the United States, and I can assure you that there is nothing more encouraging for any of us who work in Washington than to have a chance to fly across this United States and drive through it and see what a great country it is, and come to understand somewhat better how this country has been able for so many years to carry so many burdens in so many parts of the world.

The primary reason for my trip was conservation, and I include in conservation first our human resources and then our natural resources, and I think this State can take perhaps its greatest pride and its greatest satisfaction for what it has done not in the field of the conservation and the development of natural resources, but what you have done to educate your children. This State has a higher percentage per capita of population of its boys and girls who finish high school and then go to college.

Of all the waste in the United States in the 1960's, none is worse than to have 8 or 9 million boys and girls who will drop out, statistics tell us, drop out of school before they have finished, come into the labor market unprepared at the very time when machines are taking the place of men and women; 9 million of them. We have a large minority of our population who have not even finished the sixth grade, and here in this richest of all countries, the country which spreads the doctrine of freedom and hope around the globe, we permit our most valuable resource, our young people, their talents to be wasted by leaving their schools.

So I think we have to save them. I think we have to insist that our children be educated to the limit of their talents, not just in your State, or in Massachusetts, but all over the United States. Thomas Jefferson and John Adams, who developed the Northwest Ordinance, which put so much emphasis on education—Thomas Jefferson once said that any nation which expected to be ignorant and free hopes for what never was and never will be. So I hope we can conserve this resource.

The other is the natural resource of our country, particularly the land west of the 100th parallel, where the rain comes 15 or 20 inches a year. This State knows that the control of water is the secret of the development of the West, and whether we use it for power or for irrigation or for whatever purpose, no drop of water west of the 100th parallel should flow to the ocean without being used, and to do that requires the dedicated commitment of the people of the States of the West, working with the people of all the United States who have such an important equity in the richness of this part of the country. So that we must do also.

As Theodore and Franklin Roosevelt and Gifford Pinchot did it in years past, we must do it in the 1960's and 1970's. We will triple the population of this country in the short space of 60 or 70 years, and we want those who come after us to have the same rich inheritance that we find now in the United States. This is the reason for the trip, but it is not what I wanted to speak about tonight.

I want to speak about the responsibility that I feel the United States has, not in this country, but abroad, and I see the closest interrelationship between the strength of the United States here at home and the strength of the United States around the world. There is one great natural development here in the United States which has had in its own way a greater effect upon the position and influence and prestige of the United States, almost, than any other act we have done. Do you know what it is? It is the Tennessee Valley. Nearly every leader of every new emerging country that comes to the United States wants to go to New York, to Washington, and the Tennessee Valley, because they want to see what we were able to do with the most poverty-ridden section of the United States in the short space of 30 years, by the wise management of our resources.

What happens here in this country affects the security of the United States and the cause of freedom around the globe. If this is a strong, vital, and vigorous society, the cause of freedom will be strong and vital and vigorous.

I know that many of you in this State and other States sometimes wonder where we are going and why the United States should be so involved in so many affairs, in so many countries all around the globe. If our task on occasion seems hopeless, if we despair of ever working our will on the other 94 percent of the world population, then let us remember that the Mormons of a century ago were a persecuted and prosecuted minority, harried from place to place, the victims of violence and occasionally murder, while today, in the short space of 100 years, their faith and works are known and respected the world around, and their voices heard in the highest councils of this country.

As the Mormons succeeded, so America can succeed, if we will not give up or turn back. I realize that the burdens are heavy and I realize that there is a great temptation to urge that we relinquish them, that we have enough to do here in the United States, and we should not be so busy around the globe. The fact of the matter is that we, this generation of Americans, are the first generation of our country ever to be involved in affairs around the globe. From the beginning of this country, from the days of Washington, until the Second World War, this country lived an isolated existence. Through most of our history we were an unalined country, an uncommitted nation, a neutralist nation; we were by status as well as by desire. We had believed that we could live behind our two oceans in safety and prosperity in a comfortable distance from the rest of the world.

The end of isolation consequently meant a wrench with the very lifeblood, the very spine, of the Nation. Yet, as time passed, we came to see that the end of isolation was not such a terrible error or evil after all. We came to see that it was the inevitable result of growth, the economic growth, the military growth, and the cultural growth of the United States. No nation so powerful and so dynamic and as rich as our own could hope to live in isolation from other nations, especially at a time when science and technology was making the world so small.

It took Brigham Young and his followers 108 days to go from Winter Quarters, Nebr., to the valley of the Great Salt Lake. It takes 30 minutes for a missile to go from one continent to another. We did not seek to become a world power. This position was thrust upon us by events. But we became one just the same, and I am proud that we did. I can well understand the attraction of those earlier days. Each one of us has moments of longing for the past, but two world wars have clearly shown us, try as we may, that we cannot turn our back on the world outside. If we do, we jeopardize our economic well-being, we jeopardize our political stability, we jeopardize our physical safety.

To turn away now is to abandon the world to those whose ambition it is to destroy a free society. To yield these burdens up after having carried them for more than 20 years is to surrender the freedom of our country inevitably, for without the United States, the chances of freedom surviving, let alone prevailing around the globe, are nonexistent.

Americans have come a long way in accepting in a short time the necessity of world involvement, but the strain of this involvement remains and we find it all over the country. I see it in the letters that come to my desk every day. We find ourselves entangled with apparently unanswerable problems in unpronounceable places. We discover that our enemy in one decade is our ally the next. We find ourselves committed to governments whose actions we cannot often approve, assisting societies with principles very different from our own.

The burdens of maintaining an immense military establishment with 1 million Americans serving outside our frontiers, of financing a far-flung program of development assistance, of conducting a complex and baffling diplomacy, all weigh heavily upon us and cause some to counsel retreat. The

world is full of contradiction and confusion, and our policy seems to have lost the black and white clarity of simpler times when we remembered the Maine and went to war. It is little wonder, then, in this confusion, we look back to the old days with nostalgia. It is little wonder that there is a desire in the country to go back to the time when our Nation lived alone. It is little wonder that we increasingly want an end to entangling alliances, an end to all help to foreign countries, a cessation of diplomatic relations with countries or states whose principles we dislike, that we get the United Nations out of the United States, and the United States out of the United Nations, and that we retreat to our own hemisphere, or even within our own boundaries, to take refuge behind a wall of force.

This is an understandable effort to recover an old feeling of simplicity, yet in world affairs, as in all other aspects of our lives, the days of the quiet past are gone forever. Science and technology are irreversible. We cannot return to the day of the sailing schooner or the covered wagon, even if we wished, and if this Nation is to survive and succeed in the real world of today, we must acknowledge the realities of the world, and it is those realities that I mention now. We must first of all recognize that we cannot remake the world simply by our own command. When we cannot even bring all of our own people into full citizenship without acts of violence, we can understand how much harder it is to control events beyond our borders.

Every nation has its own traditions, its own values, its own aspirations. Our assistance from time to time can help other nations preserve their independence and advance their growth, but we cannot remake them in our own image. We cannot enact their laws, nor can we operate their governments or dictate our policies.

Second, we must recognize that every nation determines its policies in terms of its own interests. No nation, George Washington wrote, is to be trusted further than it is bound by its own interest, and no prudent statesman or politician will depart from it. National interest is more powerful than ideology, and the recent developments within the Communist empire show this very clearly. Friendship, as Palmerston said, may rise or wane, but interests endure.

The United States has rightly determined in the years since 1945 under three different administrations that our interest, our national security, the interest of the United States of America, is best served by preserving and protecting a world of diversity in which no one power or no one combination of powers can threaten the security of the United States. The reason that we moved so far into the world was our fear that at the end of the war, and particularly when China became Communist, that Japan and Germany would collapse, and these two countries which had so long served as a barrier to the Soviet advance and the Russian advance before that would open up a wave of conquest of all of Europe and all of Asia, and then the balance of power turning against us we would finally be isolated and ultimately destroyed. That is what we have been engaged in for 18 years, to prevent that happening, to prevent any one monolithic power having sufficient force to destroy the United States.

For that reason we support the alliances in Latin America; for that reason we support NATO to protect the security of Western Europe; for that reason we joined SEATO to protect the security of Asia, so that neither Russia nor China could control Europe and Asia, and, if they could not control Europe and Asia, then our security was assured. This is what we have been involved in doing, and however dangerous and hazardous it may be, and however close it may take us to the brink on occasion, which it has, and however tired we may get of our involvements with these governments so far away, we have one simple central theme of American foreign policy which all of us must recognize because it is a policy which we must continue to follow. And that is to support the independence of nations so that one bloc cannot gain sufficient power to finally overcome us. There is no mistaking the vital interest of the United States in what goes on around the world. Therefore, accepting what George Washington said here, I realize that what George Washington said about no entangling alliances has been ended by science and technology and danger.

And third, we must recognize that foreign policy in a modern world does not lend itself to easy, simple, black and white solution. If we were to have diplomatic relations only with those countries whose principles we approved of, we would have relations with very few countries in a very short time. If we were to withdraw our assistance from all governments who are run differently from our own, we would relinquish half of the world immediately to our adversaries. If we were to treat foreign policy as merely a medium for delivering self-righteous sermons to supposedly inferior people, we would give up all thought of world influence or world leadership, for the purpose of foreign policy is not to provide an outlet for our own sentiments of hope or indignation; it is to shape real events in a real world. We cannot adopt a policy which says that if something does not happen, or others do not do exactly what we wish, we will return to "Fortress America."

That is the policy in the changing world of retreat, not of strength.

More important, to adopt a black and white, all or nothing policy subordinates our interest to our irritations. Its actual consequences would be fatal to our security. If we were to resign from the United Nations, break off with all countries of whom we disapprove, end foreign aid and assistance to those countries in an attempt to keep them free, call for the resumption of atmospheric nuclear testing, and turn our back on the rest of mankind, we would not only be abandoning America's influence in the world, we would be inviting a Communist expansion which every Communist power would so greatly welcome. And all of the effort of so many Americans for 18 years would be gone with the wind. Our policy under these conditions in this dangerous world would not have much deterrent affect in a world where nations determined to be free could no longer count on the United States.

Such a policy of retreat would be folly if we had our backs to the wall. It is surely even greater folly at a time when more realistic, more responsible, more affirmative policies have wrought such spectacular results. For the most striking thing about our world in 1963 is the extent to which the tide of history has begun to flow in the direction of freedom. To renounce the world of freedom now, to abandon those who share our commitment, and retire into lonely and not-so-splendid isolation, would be to give communism the one hope which in this twilight of disappointment for them might repair their divisions and rekindle their hope, for after some gains in the 1950's the Communist offensive which claimed to be riding the tide of historic inevitability has been thwarted and turned back in recent months. Indeed, the whole theory of historical inevitability, the belief that all roads must lead to communism sooner or later, has been shattered by the determination of those who believe that men and nations will pursue a variety of roads, that each nation will evolve according to its own traditions and its own aspirations, and that the world of the future will have room for a diversity of economic systems, political creeds, religious faiths, united by the respect for others, and loyalty to a world order. Those forces of diversity which served Mr. Washington's national interest—those forces of diversity are in the ascendancy today, even within the Communist empire itself. And our policy at this point should be to give the forces of diversity, as opposed to the forces of uniformity, which our adversaries espouse, every chance, every possible support. That is why our assistance program, so much maligned, of assisting countries to maintain their freedom I believe is important.

This country has seen all of the hardship and the grief that has come to us by the loss of one country in this hemisphere, Cuba. How many other countries must be lost if the United States decides to end the programs that are helping these people, who are getting poorer every year, who have none of the resources of this great country, who look to us for help? But on the other hand cases look to the Communists for example.

That is why I think this program is important. It is a means of assisting those who want to be free, and in the final analysis it serves the United States in a very real sense. That is why the United States is important, not because it can solve all these problems in this imperfect world, but it does give us a means in those great moments of crisis, and in the last two and a half years we have had at least three, when the Soviet Union and the United States were almost face to face on a collision course—it does give us a means of providing, as it has in the Congo, as it now is on the border of the Yemen, as it most recently was in a report of the United Nations at Malaysia—it does give a means to mobilize the opinion of the world to prevent an atomic disaster which would destroy us all wherever we might live.

That is why the test ban treaty is important as a first step, perhaps to be disappointed, perhaps to find ourselves ultimately set back, but at least in 1963 the United States committed itself, and the Senate of the United States, by an overwhelming vote, to one chance to end the radiation and the possibilities of burning.

It may be, as I said, that we may fail, but anyone who bothers to look at the true destructive power of the atom today and what we and the Soviet Union could do to each other and the world in an hour and in a day, and to Western Europe—I passed over yesterday the Little Big Horn where General Custer was slain, a massace which has lived in history, 400 or 500 men. We are talking about 300 million men and women in 24 hours.

I think it is wise to take a first step and lessen the possibility of that happening. And that is why our diplomacy is important, for the forces making for diversity are to be found everywhere where people are, even within the Communist empire. And it is our obligation to encourage those forces wherever they may be found. Hard and discouraging questions remain in Vietnam, in Cuba, in Laos, the Congo, all around the globe. The ordeal of the emerging nations has just begun. The control of nuclear weapons is still incomplete. The areas of potential friction, the chances of collision, still exist.

But in every one of these areas the position of the United States, I believe, is happier and safer when history is going for us rather than when it is going against us. And we have history going for us today, but history is what men make it. The future is what men make it.

We cannot fulfill our vision and our commitment and our interest in a free and diverse future without unceasing vigilance, devotion and, most of all, perseverance, a willingness to stay with it, a willingness to

do with fatigue, a willingess not to accept easy answers, but instead, to maintain the burden, as the people of this State have done for 100 years, and as the United States must do the rest of this century until finally we live in a peaceful world.

Therefore, I think this country will continue its commitments to support the world in freedom, for as we discharge that commitment we are heeding the command which Brigham Young heard from the Lord more than a century ago, the command conveyed to his followers, "Go as pioneers to a land of peace."

REMARKS OF THE PRESIDENT AT HANFORD ELECTRIC GENERATING PLANT, HANFORD, WASH., SEPTEMBER 26, 1963

Senator Jackson, my old colleague, and Senator Magnuson, Governor Rosellini, Stewart Udall, Ted Moss, Congressman Ullman, Chet Holifield, Commissioner, ladies and gentlemen, this is an extraordinary place to visit as a citizen and as President of the United States, because along this river men have played a significant role in the last 20 years which has changed the entire history of the world and, therefore, to come all the way from Washington and see this river and see these reactors, and recognize their significance in the closing days of the Second World War, and also the role that the men and women who work here have played in the years since the Second World War in maintaining the strength of the United States—I am happy to be here today and express my appreciation to you.

The atomic age is a dreadful age, but we must realize that when we broke the atom apart and released its energy and changed the history of the world, it was essential that the United States in this area of national strength and national vigor should be second to none, and on this river, in these reactors, by your effort, that great objective has been maintained. No one can say what the future will bring, no one can speak with certainty about whether we shall be able to control this deadly weapon, whether we shall be able to maintain our life and our peaceful relations with other countries, I can assure you we do everything we can.

It is for that reason that I so strongly supported, recognizing as I did its limitations, but as a step, as Senator MAGNUSON said, on the long road to peace, that I strongly supported the test ban treaty. But no one can say what will come of all that effort or, indeed, of the whole atomic age. It may well be that man recognizes now that war is so destructive, so annihilating, so incendiary, that it may be possible, out of that awful fact—it may be possible for us, step by step, to so adjust our relations, to so develop a rule of reason and a rule of law, that we may, out of this scientific change—it may be possible for us to find a more peaceful world. That is our intention.

But I want you to know that the effort that you have made and invested, the talents which have been at work here, I think on several occasions have contributed to the security of the United States and, in a very large sense, to the peace of the world.

I am also glad to come here today because we begin work on the largest nuclear power reactor for peaceful purposes in the world, and I take the greatest satisfaction in the United States being second to none. I think this is a good area where we should be first, and we are first. We are first. It is extraordinary how long it took. It is extraordinary what energy, human energy, was required to get this concept accepted. But as "SCOOP" JACKSON said, just as it took a decade to get the Grand Coulee, which of all the extraordinary national assets I have seen in the last 2 days is the most extraordinary, because it not only led to the prosperity of this valley, but led to what has been happening here for 20 years, and now leads to this new breakthrough—from that action which took a decade to accomplish and which will pay for itself many times over, and in a sense already has, we have some idea of how important it is that these fights be won, and this fight was won by the dedicated work of the members of this State working in the Senate and the Congress, and most of all, I think, by the local people, who, when the Congress failed to meet its complete responsibility, took up the slack; and, therefore, this is a partnership in a very real sense between the National Government and the local community for the benefit of our country.

I come from Massachusetts, I come from the other side of the country, but it is a very small country and I take the greatest pride in what we are all doing here.

I wonder how many people who are sitting here today were born in the State of Washington? Would you hold up your hands? Excluding the children.

Now everybody who wasn't born in this State?

That is the important point. When we develop these resources in the Northwest United States, it is just as well that the country realizes that we are not talking about one State or two States or three States; we are talking about the United States. Our people move freely from east to west and even once in a while from west to east, but in any case, the country becomes stronger.

There is an old saying that a rising tide lifts all the boats, and as the Northwest United States rises, so does the entire country, so we are glad.

So, Governor Rosellini, Owen Hurd, Glenn Lee, Don Pugnetti, and the others, I want to tell you that you have fulfilled your responsibilities as citizens, and I think this is going to be an extraordinary development. I look forward to coming back here sometime and seeing this at work because what you are able to do here I think can be done around the world. We are going to show them the way.

There are two points on conservation that have come home to me in the last 2 days. One is the necessity for us to protect what we already have, what nature gave to us, and use it well, not to waste water or land, to set aside land and water, recreation, wilderness, and all the rest now so that it will be available to those who come in the future. That is the traditional concept of conservation, and it still has a major part in the national life of the United States. But the other part of conservation is the newer part, and that is to use science and technology to achieve significant breakthroughs as we are doing today and in that way to conserve the resources which 10 or 20 or 30 years ago may have been wholly unknown. So we use nuclear power for peaceful purposes and power. We use techniques to develop new kinds of coal and oil from shale, and all the rest. We use new techniques that Senator MAGNUSON has pioneered in oceanography so from the bottom of the ocean and the ocean, we get all the resources which are there, and which are going to be mined and harvested. And from the sun we are going to find more and more uses for that energy whose power we are so conscious of today.

All this means that we put science to work in improving our environment and making this country a better place in which to live. I want us to stay ahead. Do you know that in the next 10 years, I hope the people of the United States realize it, we double the need for electric power, every 10 years? We need the equivalent of a new Grand Coulee Dam every 60 days. In the next 20 years, we are going to have to put in the electric industry $125 billion of investment, and when we do that this country will be richer, and our children will enjoy a higher standard of living.

We don't realize that what we regarded as affluence 30 years ago is now way down below. Air conditioning, television, electricity, and all the rest have changed the life of this country, and we are going to find the same extraordinary changes in the next 20 to 30 years.

I think we must do several things. First, we must maintain an aggressive program to use our hydro resources to the fullest. Every drop of water which goes to the ocean without being used for power or used to grow, or being made available on the widest possible basis is a waste, and I hope that we will do everything we can to make sure that nothing runs to the ocean unused and wasted.

Secondly, we can meet our electric power goals by developing new means of making our vast resources of coal more competitive in the generation of electricity. Coal is an old fuel, but we are going to find new techniques for using it, which is going to make it one of the most advanced of all human fuels.

And third, as it well known here at Hanford, we must hasten the development of low-cost atomic power. I think we should lead the world in this. By 1967, 1968, 1970 in the Northeast United States, where power rates are nearly double yours, we are going to find atomic power increasingly competitive, and by the end of this century this is going to be a tremendous source. Our experts estimate that half of all electric energy generated in the United States will come from nuclear sources.

Fourth, we must construct an efficient interconnection between electric systems, public and private, both within regions, as you have done so effectively here in the Northwest, and between regions, as has been proposed by means of a Pacific Northwest-Pacific Southwest intertie. Maybe we can give some of it to California.

And finally, we must not allow this technology to lead to monopolization, either by the Federal Government or large combines of private utilities. We should realize the economies of size without jeopardizing the rights of our citizens to be served by the type of electric utility they prefer, and also to encourage competition.

These are the things we must do, and many more. This great, rich country of ours has a long, unfinished agenda, but it has always had that agenda in creative times, and this is a creative time in our country and throughout the world. All of the trained and educated men and women who are making our country over, who are building a better standard of living for our people—this is a time when we wish to encourage that release of energy, human energy, which is the most extraordinary of all.

Therefore, I am proud to come here across the United States as President to express our thanks to you, to express my pride in what is being begun here today, which puts the United States, as I said, once more in the lead in a whole new area which can mean so much to people around the world. I think it is very appropriate that we come here where so much has been done to build the military strength of the United States and to find a chance to strike a blow for peace and to find a chance to strike a blow for a better life for our fellow citizens.

This is a great national asset here. I can assure you it will be maintained. And from the work we begin today, I hope the light will spread out, not merely to those who are served by electricity, but to all the world to realize that here in the United States we are moving ahead and providing security for our people and also a hope for a better life in this most beautiful country of ours.

Thank you.

REMARKS OF THE PRESIDENT AT CHENEY STADIUM, TACOMA, WASH., SEPTEMBER 27, 1963

Thank you, ladies and gentlemen. Senator Magnuson, Governor Rosellini, Secretary

Udall, Senator Jackson, Senator Moss, Senator Neuberger, Congressman Tollefson, Mayor Tollefson, ladies and gentlemen, I am glad to come here and see the Tollefson brothers. It makes the Kennedys feel a little better when they see what is happening out here.

Mr. Presidents of our two distinguished universities, which are our hosts today, and ladies and gentlemen: Whatever gave Senator MAGNUSON the impression that we in Massachusetts do not have comparable wonders to Mount Ranier? If you see sometimes the blue hills of Boston stretching 300 feet straight up, covered by snow in the middle of the winter, you can know what nature can really do to produce a vigorous race.

We are glad to be here today and see what you have. But in looking at nature, I have been impressed really more by man in my last 3 days, because everything that I have seen, Jackson Hole and all the rest, was given to us by nature, but man did something about it. Whether it is what you have done with these parks here in this State, whether what we saw yesterday where the atom is being harnessed for peaceful use in the most impressive and advanced scientific effort in the world, or whether we go as we did last night to the Mormon Temple and Tabernacle and see built in the most arid part, perhaps, not only of the United States, but of the world, a great civilization, a great temple, a great tabernacle—I am impressed by nature and more impressed by man, and I am glad to be here with the students from these two schools.

This country has placed particular emphasis from its beginning, from the time of the Massachusetts Bay Colony, on educating our children, not merely to help them, but most importantly because we realized that the free, democratic system of government which places more burdens on the individual than any other system, must depend in its final analysis upon an informed citizenry, and here in these schools and colleges of this State, and the others stretching across the United States, we are trying to build and develop men and women who can maintain in a difficult and hazardous and changing world a free system of government.

Winston Churchill once said democracy is the worst form of government except for all the other systems that have been tried. It is the most difficult. It demands more from us.

And here in these schools and colleges, we hope that we are developing those qualities which in other days of change and challenge will permit this country to be guided through. The problems we face today have never been so complex. They cannot possibly be solved in Washington, D.C., unless we have supporting us in our two political parties an informed citizenry. And it is well to remember that this Nation's first great leaders, our founders, Jefferson, Madison, Monroe, James, Mason, Bryant, and all the rest, were not only the political leaders of this country, but they were also among the most educated citizens that this country had ever produced. The two outstanding men in the 18th century, outstanding not only in the United States but in the whole Western World, were both Americans, both politicians, and both philosophers and scientists, Thomas Jefferson and Benjamin Franklin.

So the assignment, it seems to me, in the 1960's, is to produce all of the educated talent that we have, not merely to help them along, not merely to produce outstanding businessmen, although we need them, and lawyers, although we need them, and doctors, although we need them, but also to produce men and women with a sense of the public responsibility, the public duty. This has been an important element in the American life since our beginning. In 1856 the Republican Party sent three great orators around the campaign circuit, Henry Wadsworth Longfellow, Ralph Waldo Emerson, and on occasions, even Thoreau.

I want to see in 1963 and in 1970 and 1980 the best brains we have meeting the most difficult problems that this country has ever faced. The fact of the matter is that the experts disagree. I remember during the test ban debate when Senator KUCHEL said to a scientist: "One scientist comes here and tells us one thing, another scientist with comparable experience, comparable, comes and tells us something else. Who are we to believe?" The experts disagree. And in the final analysis this country, for its movement forward, on its balance of payments, on its assistance abroad, on its mix of monetary and fiscal policy, on its resource development, on its space effort, and all the rest where we will find the most intense disagreement among those who know the most, in the final analysis the people themselves have to make a judgment, and I think the basic judgment always must be a sense of motion forward. The great movements in this country's history, the great periods of intellectual and social activity, took place in those periods when we looked long range to the future, whether it was in the days of Theodore Roosevelt, when the whole national conservation movement began, and all of the decisions in a much easier period, when we had far fewer people, were made which makes it possible for us to travel throughout the United States and still see green grass and still have some hope for the future.

I want us in 1963 to make the same decisions here in the United States for the use of our manpower, for the use of our natural resources, for the strengthening of the United States, so that the United States can bear the burdens which go with being the most powerful country in the free world, and one of those decisions involves the wise use of what nature gives us and also putting science and technology to work to develop new uses. We see it in the mountain nearby, we see the old concept of conserving our resources. And yesterday afternoon in seeing what use science had done with the atom, we see the new kind of conservation which can mean so much to the people who come after us.

The population of the United States a few years ago was 130 million. Today it is 185 million. By the year 2000 it will be 350 million. What is going to happen to those people? What green grass will they see? What will be the resource position of the United States? We will know that in the year 2000 by what we do today, and what we do the rest of this decade. In the last 2 years we set aside, for example, about 200 miles of oceanfront. If we had not seized, by national decision, the Cape Cod National Park, or the park near San Francisco or on the gulfstream, they would have been gone forever. And the whole Atlantic and Pacific coast and the gulfstream would have been controlled by a few people and the chance for all of the people of our country to look to the ocean on a beach would have been done, and what happens on our oceanfront happens here.

I urge, therefore, that the talents and able people of this State make the judgments on recreation and conservation and wise use of our resources now with a long look forward, not for this decade, but for the next generation. And your two Senators, Senator JACKSON, the head of the Interior Committee, which must make these decisions on how these lands shall be used, and Senator MAGNUSON and, indeed, the congressional delegations of the entire Northwest, have understood that nature was very good to the Northwest, but the Northwest itself must use nature wisely.

So I come on a trip of conservation not to repeat an old doctrine, but to say that we need an opportunity now to recommit ourselves to maintaining the natural advantages that this country has given us. This is a difficult time in the life of the United States, and people look all around the world and wonder whether we are moving forward or backward. Whether the world is more dangerous or easier, I don't think anyone can say. But I think they can say that there is every reason to hope, and there is every reason for us to concentrate our energy in making those decisions here in the United States which will maintain the strength of the United States so that we can in turn meet our responsibilities around the globe.

If this country falls back, if we do not take those steps both in Washington and here in this State and in the other States to find employment for our people, to educate our children, to use our resources both human and material to the maximum, then these great burdens which the United States has carried for 18 years will become too much. I think we can do it. I think our strength has grown, and I think it is up to all of us, not only to look to our private interest, but also look to our obligations to the United States. All of us feel that love of country, but I think we must put it to practical use. I think we must decide what it is that this country must do in 1963 to find jobs for our people and to educate our young.

I said yesterday that there are 9 million children in the United States in high school or in elementary school who live in families which have incomes of less than $3,000 a year, $58 a week, to bring up a family. How many of them will drop out of school and never have a chance again? How many of our children who have talent will not have a chance to use it, will not get to a college or a university? How many of them will graduate or fall out of school and be unable to find work or will live in slums in our large cities?

This rich country of ours must fulfill its promise to all of our citizens, and that can only be done by a national commitment to use all of our energy and all of our talents so that we can produce all of the things that we are capable of doing in order to meet our responsibility to ourselves and to those who look to us for leadership.

So I express my thanks to you for the chance to visit today. I do not think that these trips may do very much for people who come and listen to those of us who are traveling, but I can tell you that they are the best educational 3 or 4 days for anyone who holds high office in the United States, to get out of beautiful Washington and see the rest of this country, to see what it is capable of, to see what it has, to see what it must be.

All through our history, on occasions, these journeys have been taken, and I believe they are of benefit. I ask particularly that those of you who are now in school will prepare yourselves to bear the burden of leadership over the next 40 years here in the United States and make sure that the United States, which I believe almost alone has maintained watch and ward for freedom, that the United States meet its responsibility. That is a wonderful challenge for us as a people. No other generation in history has borne the burdens that the United States has borne in the last 18 years. I want to see us continue to use our talents to the maximum and maintain the reputation of the United States as a citadel of freedom.

Thank you.

REMARKS OF THE PRESIDENT AT TONGUE POINT, OREG., SEPTEMBER 27, 1963

Senator MORSE, Senator NEUBERGER, Congressman ULLMAN, and Senator MAGNUSON from Washington, ladies and gentlemen, I want to express a warm thanks from a citizen from the other side of the country for your warm welcome today.

I came here as a result of—I will not say consistent prodding, but I will say that on

every occasion I have seen Senator MORSE this matter has come up in one way or another, and, therefore, I felt it incumbent upon me, in looking at the natural resources of the United States, I could not return to Washington safely without coming here to Tongue Point. So we are here today, and we are here to take a look at what is a great national asset. I have been looking at great natural assets, Jackson Hole, our mountain valleys and all the rest. So this is a national asset.

There is a good deal of effort, a great deal of money, a good deal of dedication that has gone into building this facility, but I think you can only get an impression of the importance of this facility by coming down and looking at it and standing on it.

Therefore, as a result of the considered judgment of your delegation, and also of the Budget Bureau and the various areas of our executive, I want to announce that the best first step in reactivating this facility appears to be a multipurpose use.

It is, therefore, a pleasure to be able to tell you that both the Department of Defense and the Coast Guard will shortly initiate activities here. Early next year the Department of Defense will establish a Weapons System Acquisition Management School here at Tongue Point. This school will be jointly staffed by the military departments and provide training for senior civilian personnel and senior military officers for all the services and the Defense Department. And shortly after this training activity begins, the Coast Guard will establish a helicopter rescue base here. Both agencies will soon begin their planning in cooperation with the General Services Administration, and we will go ahead in attempting to see what other multipurpose projects can be brought here so that this facility can be used and so that this community can be benefited.

I am glad I came here. I think it is a national asset, and I think the wise use of it, I think, requires us to consider very carefully what services of government can be lodged here, because we do not want all this great asset to really go to waste.

I am glad to be back here, in a sense. I appreciate the warm welcome, and I can tell you that this area of this State, as well as this State, as well as this country, can continue to look forward with a good deal of confidence and hope.

STATEMENT BY THE PRESIDENT, TONGUE POINT, OREG.

For some time I have been concerned over the failure of the Federal Government to make use of the excellent facilities available at Tongue Point. On the basis of my talks with Senator MORSE and reports by the appropriate officials, I have been convinced that it would be more economical and efficient to use these facilities, and the skills available in the area, than to build new ones elsewhere.

The best first step in reactivating this facility appears to be multipurpose use. It is, therefore, a pleasure to be able to tell you that both the Department of Defense and the Coast Guard will shortly initiate activities here.

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Shortly after this training activity begins, the Coast Guard will establish a helicopter rescue base here.

Both agencies will soon begin their planning in cooperation with the General Services Administration.

I am particularly happy to make this announcement—not only because it will enable the Government to put to effective use part of an excellent facility in which so many millions of dollars have been invested over a period of years—but also because it will bring to Astoria economic benefits your community sorely needs.

The establishment of these activities at Tongue Point is a fortunate concurrence of efficient Federal use of facilities and of local needs. It is in no small way a tribute to the alertness and persistence of your senior Senator, WAYNE MORSE. His deep awareness of the interests of the people of Astoria—and of Oregon—and his strong advocacy of efficient Government operations are, I am sure, well known here in Oregon.

Our long efforts to bring Tongue Point back to life have shown again the necessity for persistent attention to economy in Government. Anyone who has seen Tongue Point—as I have today—knows that it makes little sense to build new facilities for new or expanded Federal activities when existing, but unused, installations can be modified to meet the need.

With this in mind, I have instructed the Director of the Bureau of the Budget to take whatever steps may be necessary to make certain that this kind of choice is made systematically and objectively—with economy and efficiency as the standards.

Again, I want you to know how delighted I am that part of Tongue Point will soon be reactivated, and I can assure you that we shall continue our efforts to take advantage of the full potential of this installation.

REMARKS OF THE PRESIDENT AT DEDICATION OF WHISKEYTOWN DAM AND RESERVOIR, WHISKEYTOWN, CALIF., SEPTEMBER 28, 1963

Thank you, ladies and gentlemen. My old colleague and your distinguished Congressman "Bizz" Johnson, Governor Brown, Senator Regan, Assemblywoman Davis, Secretary Udall, Senator Bible, Mr. Engle, representing Clair, Larry Carr, Judge Carter, ladies and gentlemen, I appreciate the chance to be here in Whiskeytown and to say a few words in this distinguished community.

I was reminded when I read my itinerary of a poem by Stephen Vincent Benet called "American Names," and he started off: "I have fallen in love with American names, the sharp-thought names that never get fat, the snakeskin title of mining claims, the plumed war bonnets of Medicine Hat, Tucson, and Deadwood, and Lost Mule Flat." Then he goes on to talk about some famous American names, not Whiskeytown, but I think he could add it to the roster, because the name of this community tells a good deal about the early beginnings of this State and country.

I have come across the United States in the last 5 days, starting at Milford, Pa., which was the home of Gifford Pinchot, who was, with Theodore Roosevelt, the first great conservationist in this country. Imagine how small their country was, how few the people, and yet how dangerous it was in the early part of this century, how great was that danger, that this great natural inheritance of ours given to us by nature, given to us by God, would be wiped away, the forests ruined, the streams destroyed, wasted for the people, water going to the sea unused, and because of the dedicated work of men actually who did not come from this part of the country, who came from the East, Pinchot, Theodore Roosevelt, and later Franklin Roosevelt, this great national effort was made to realize our resources, to make them useful, and all of you who are here today in the State of California are here because of the wise decisions that were made by those who came before, and the wise decisions that you are making now.

When you support the effort which Governor Brown described to set aside funds for a bond issue for recreation, it may not come before you immediately, but it will make it possible for your children to live better. This country is changing. We had a 58-hour week, a 48-hour week, a 40-hour week. As machines take more and more of the jobs of men, we are going to find the workweek reduced, and we are going to find people wondering what they should do. I want to make it possible, and you do, make it possible for them to see green grass, to travel throughout this great, rich country of ours, not just in other parts of the world, but here in the United States, where I have seen parts of this country which are second to none, to any in the world, and where too many people east of the Mississippi are unaware of what golden resources we have in our own United States. So we should use them. Water should be used, land west of the 100th parallel was never regarded as fertile until some days after the Civil War a few men began to come out here and made determinations of what could be done and we moved ahead, and this project is only the most recent. I am proud of it. It was opposed for many years. Many people wondered whether it would ever pay for itself.

The fact of the matter is, as a general rule, every time we bet on the future of this country we win. The day before yesterday I was at the Grand Coulee Dam. Ten years they fought for the Grand Coulee Dam. Finally it was built. It will pay for itself in another 5 or 6 years. But more important than that, it has meant the development of that whole section of the high Northwest, the development of the atomic reactors, which have played such a significant part in maintaining the security of the United States.

Every time we make a determination to set aside a seashore for the use of future generations, every time we build these great projects, we develop the water resources, we set aside recreational areas, we can be sure they are going to be used. Three hundred and fifty million Americans will live in this country of ours in the short space of less than 40 years, where now there are 180 million. What will they do? What kind of a country will they find? How much recreation will be possible for them? I think if we make the right decisions now they will be as grateful to us as we were and are to Gifford Pinchot and Theodore Roosevelt for the things they did 45 and 50 years ago.

We witness today the completion of a project which symbolizes the goals to which we are committed. The Whiskeytown Reservoir is not the largest structure on the Trinity River, but its completion is significant because this is the last of the Trinity project dams. The impoundment part of this vast undertaking is now completed, and in that sense this dam stands not only as the work of the men who built it, but of all the men over the years who fought for it and brought it to the attention of the State and Nation. With the Trinity Division completed and the upper reaches of the Sacramento now harnessed, Shasta County and its neighbors are assured of water and power. They can enjoy new chances for recreational use, and new access to open space. And of great importance, the flow of two watersheds can now be regulated for the benefit of the farms and cities in the lower valley. For too long this water ran unused to the sea. For too long surplus water in one area was wasted, while there was a deficit nearby. Now, by diverting these waters to the eastern slope, we can irrigate crops on the fertile plains of the Sacramento Valley and supply water also for municipal and industrial use to the cities to the south. And while running their course, these waters will generate millions of kilowatts of energy and help expand the economy of the fastest growing State in the Nation. In these ways, Whiskeytown Reservoir and the Trinity Division will add to our natural beauty and will show that man can improve on nature, and make

it possible for this State to continue to grow. So I congratulate all of you.

I wonder how many people realize in the eastern United States where I come from what a great national asset we have. This is not just California. This is one country, 50 separate States but one country. And people move very freely from east to west and west to east. I wonder how many people here today were born in the State of California. Would they hold up their hands? And how many were not born in California? It shows that what we are doing is we are a mobile, moving country. Our national assets belong to all of us. Children who were born in the East will grow up in the West, and those born in the West will grow up in the East, and we will find by concentrating our energies on our national resources, on conserving them out not merely conserving and saving them but by developing and improving them, the United States will be richer and stronger. We can fulfill our responsibilities to ourselves and those who depend upon us.

I am proud to be here. I am proud to be associated with those who are contributing to this country, who are making it better, not merely right now, today, but who are looking to the long future of those who come after us.

I congratulate you on what you have done. Thank you.

REMARKS OF THE PRESIDENT, AT CONVENTION CENTER, LAS VEGAS, NEV., SEPTEMBER 28, 1963

Ladies and gentlemen, thank you. Senator Cannon, Governor Sawyer, Secretary Udall, Senator Bible, Mr. Mayor, members of the clergy, Commander, Commissioner members of the band, ladies and gentlemen; I want to express my appreciation to you for this welcome in the middle of the day. This is the end of a 5-day trip which has taken us to Pennsylvania, to dedicate the home of Gifford Pinchot, to the cause of conservation; to northern Wisconsin, to Duluth, Minn., to North Dakota, to Wyoming, Montana, Washington, Oregon, California, and now we complete that swing here in Nevada.

The purpose of that trip was simple, and that is to see for myself and also, I hope, through my eyes, some of my fellow citizens to see how essential it is that we conserve our natural resources and that we make the best use of them. I can assure you that from my experience of the last days, however useful it may be to sit at a desk in Washington and read statistics about increasing population and about the need for water, there is no better education for a President, a Senator, a Congressman or a citizen than to fly over the West and see where it is green, where water has done its work, and see where it is arid, where there is no water, and then you come to understand the truth of what the Governor and the Senator just said: That water is the key of growth, and its wise use essential to the development of the Western United States.

We live in a very dangerous time in the world, and our policies are quite simple, even though they are difficult to execute. Our object abroad is to protect the security of the United States, the vital interests of the United States, and to maintain the peace. Now, we do that by strengthening the United States. We have in recent years increased, for example, the number of divisions by nearly 60 percent, the number of Polaris missiles by more than that, the number of aircraft on standby by a higher percentage than that, the number of ships on the sea—all the rest, we have attempted to increase the strength of the United States.

One of your distinguished Senators, Senator CANNON, has served on the Armed Services Committee, and we have made a concentrated effort, believing that the United States is the keystone of the arch of freedom, it is essential to the success of freedom that a strong United States must maintain its strength in this difficult and changing world. But behind this shield, behind this increased strength, behind the assurances we have given to dozens of countries through our alliances in Latin America and Western Europe and SEATO and CENTO and our commitments to the United Nations, behind those evidences of our desire to be strong in a free world, we have also attempted to work for peace, and we see nothing inconsistent with being strong and trying to live in peace. In these less than 3 years since I have been President of the United States, on three separate occasions the United States and the Soviet Union approached each other on a collision course, in Laos and Berlin in 1961, and in Cuba in the fall of 1962.

I am quite aware that if, through miscalculation or madness or design the United States and the Soviet Union should finally clash, in what would be the last war of the human race, in a war in which in less than 1 day 300 million people would be killed, and if other sections of the world were brought into it those casualties could double, it is quite obvious that with that ominous prospect on the horizon, these efforts which we make to live at peace in a strong and free world are well worth the while. That is why I am glad that your two U.S. Senators who supported our effort to strengthen this country also voted this week for the test ban treaty in the atmosphere as one step of what may be a long journey, but at least a beginning toward attempting to prevent the ultimate calamity to the human race.

Behind this shield, behind these guarantees is the United States itself, and all of these guarantees, all of these alliances, all of these military buildups, all of these improvements in our defensive strength, all of those are of no use unless the United States, itself, is a prosperous, virile, and growing society. To do that, it seems to me, requires attention to our problems here in the United States.

I read in this morning's paper that our population today is 190 million. At the time of Franklin Roosevelt it was 130 million. By the year 2000 it will be 350 million people, living where 130 million lived, where 80 million lived 60 or 70 years ago. This is a tremendous increase in the population of the United States. We devour, as a result, the resources of our country. Therefore, we have to pay attention to two basic resources: One is our children, to make sure that they are the best educated citizens in the world, not only so that they can develop their own resources, but so that they can develop their own talents to the extent that they have those talents, so that they can make something of themselves.

Nothing distresses me more as a citizen of this country than to realize that before this decade is out, there will be 8 or 9 million American children who will drop out of school before they have graduated, who will go out looking for work with almost no skills to offer at a very time when machines are taking the place of men. What chance does a boy or girl with a sixth, seventh, or eighth, or ninth grade education have? What do they have to offer? Therefore, they will live on the marginal edge of hardship and distress and poverty. They will bring up their children in that atmosphere and their children will be penalized.

So we ought to keep our children in school and we ought to make them work, and we ought to have the best teachers and we ought to try to develop in this country the kind of educational system with hard-working children who will be responsible and constructive adults in this great free society which ornaments the cause of freedom. That is our most important job of conservation and development.

Second is to use what nature has given us and, wherever we can, to improve it. There is no State in the Union where these two twin concepts of conservation, to conserve and to develop, can be more clearly seen than here in the State of Nevada, first by using the water which has been given to you by nature, using it wisely, making sure that no water goes to the ocean unused; and also through the tremendous developments of science which are being developed here in this State which will permit us to go beyond the moon in the 1970's as well as to unlock secrets of the atom which we can only guess at. Here in Nevada we have seen joined together the old concept of conservation, of protecting our basic resources, and also the new concept of using science to unlock nature to provide us with greater wealth. So this State, led by your Governor and your Senators and the citizens of this State, is, no wonder, the fastest growing State, because it symbolizes the old and the new in the best way possible. I want to assure you that the U.S. Government wishes to associate itself, not because a citizen may come from Nevada, but because this and other great natural advantages are resources for all of our people.

We hear a good deal about the rights of States, and they are important. But we should remember how easily and quickly our people move from one State to another. How many people in this audience were born in the State of Nevada? Could they hold up their hands? And how many were not? There you are. I don't know why no one goes to Massachusetts, but—

So you pioneers are going to be followed by others. Everybody seems to move from east to west, for some mysterious reason, but they do come out here, and many more are going to follow you, and we want to be able to provide for them. Therefore, the Lake Mead, Hoover Dam outdoor recreational complex, the most visited area administered by the National Park Service in all of the 50 States—I wish that everyone in the United States, and I hope perhaps next year we can do this, can all concentrate on visiting this country, can come and see Jackson Hole, and Nevada, Las Vegas and all the rest, and then travel to some other places in the world. But here, see the United States first.

But this must be given permanent national park status as proposed by your two Senators.

And, secondly, supplementary water from Lake Mead; this is what is going to govern the growth of Las Vegas, needed to guarantee the future growth of this city and community, it must be provided as proposed in the Interior Department's Pacific Southwest water plan.

And, third, the remaining unspoiled shoreline of Lake Tahoe, the gem of the Sierras, must be preserved for future generations, along with the Great Basin National Park, as proposed by your Senators.

Do you know how much of the Atlantic coast is available for public use purposes? About 8 percent; 92 percent of the whole Atlantic coast, and the figures are the same for the Pacific, are held in the most part by a comparatively few people, and unless we now, before it is too late, take these areas of the country which offer the maximum for recreation for all of our people, unless we set them aside now, it will be too late.

And, fourth, the damaged rangelands of this State must be restored to productivity, and the mineral uses of this State which first brought this State into the Union must be explored and developed. Much of the future of this State, in other words, rests on conservation, and the work must go forward in the 1960's.

This is still a beautiful continent, but we want "America the Beautiful" to be left for those who come after us. Robert Frost, the late poet, once remarks, "What makes a nation in the beginning is a good piece of

geography." Our greatness today rests in part on this good piece of geography that is the United States, but what is important is what the people of America do with it. At the turn of the century two great easterners, both Republicans, Theodore Roosevelt and Gifford Pinchot, looked across the horizon and realized how essential it was that here in the West that we save what we have before it is too late, and in the 1960's, in another time of change, I hope we will still make the wise decisions for the future of this country. Franklin Roosevelt made the same wise decisions in all of the agencies which have meant so much to the development of Arizona and California. However, it was Pinchot himself, in the early 1900's, who emphasized that the conservation cause would ultimately fail unless every generation of Americans made the commitment to the future.

There isn't very much that you can do today that will materially alter your life in the next 3 or 4 years, in the field of conservation, but you can build for the future. You can build for the seventies, as those who went ahead of us built for us in this great dam and lake that I flew over today. Our task, the task of propelling a third wave of conservation in the United States following that of Theodore Roosevelt and of Franklin Roosevelt is to make science the servant of conservation, and to devise new programs of land stewardship that will enable us to preserve this green environment which means so much to all of us. Therefore, I reach, after 5 days on this trip, three major conclusions:

That we mount a new campaign to preserve our natural environment in order that those who come after us will find a green and rich country.

Secondly, that we educate our children.

And third, that we use every chance we have to promote the peaceful relations between countries so that we can enjoy what God has given us. This is a great country, and I can tell you that there are no 5 days that I have spent that have been more useful, than in looking at the United States once again and seeing something of the vitality of the country and the vitality of the people. You, as citizens of the United States, can take pride in the fact that for the last 18 years it has been the United States almost alone that has preserved the freedom of so much of the world. Without the United States today, Europe would be enslaved. Without the United States today, Asia would be overrun. Without the United States today, much of this hemisphere which is still free would have fallen.

This is a tremendous burden and responsibility that we bear. We have been fortunate in the country given to us. We have been fortunate in the people who came here. We have been fortunate that we made in the years after the Second World War the proper decision that this country could not be free and secure unless there was a free and secure world. And so we have devoted our energies, our talents. We have 1 million of our sons and brothers who are serving outside of the United States today. No country in history has had so large a proportion of its citizenry serving its country in the cause of peace outside of its own borders. They have had them for war, they have had them for conquest, but we seek a world of diversity, a world of freedom, a world where people can make their own choice, a world in which no group of powers can threaten our security, and to do that, with all of its complexities and all of its difficulties, we have done it, and we have done it for 18 years, and we have done it almost single-handed. And during the same period, here in the United States we have almost tripled the growth of this great country. So this generation of Americans can take satisfaction in what they have done, and I urge them in the future to meet the same high standards, to make sure that this remains not only the land of the free, but also the home of the brave.

Thank you.

Mr. MANSFIELD. Mr. President, I yield the floor.

Mr. JAVITS and Mr. CLARK addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, I should like to tell my colleague, the Senator from Pennsylvania, who knows I highly respect him, that I have a 30-minute speech to make on East-West trade. Since there is no morning hour, apparently it is a question of obtaining the floor and doing what one must do. I should be glad to yield to the Senator for any brief statement that he wishes to make. I suggest to him also that I have no desire to cut off any Senator. If the Senator, after making his statement, would then accept the customary 3-minute limitation during the morning hour, I am sure the majority leader would cooperate if I asked unanimous consent for that purpose.

Mr. MANSFIELD. Mr. President, I believe we ought to accede to the request of the Senator from Pennsylvania, who has been most patient, and who has a motion that he wishes to make. I believe he should be allowed the privilege of making it. I believe the Senator from New York would concur.

Mr. JAVITS. I yield for that purpose.

Mr. CLARK. I shall be brief.

Mr. JAVITS. I ask unanimous consent that I may yield to the Senator from Pennsylvania without losing my right to the floor.

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

Mr. CLARK. Mr. President, I send to the desk a resolution and ask that it be considered.

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

Mr. THURMOND. Mr. President, what is the resolution?

Mr. JORDAN of North Carolina. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard, and the resolution will lie over under the rule.

The resolution (S. Res. 209) was ordered to lie over under the rule, as follows:

Resolved, That the Subcommittee on Employment and Manpower of the Committee on Labor and Public Welfare be authorized to sit while the Senate is in session from October 3, 1963, to November 30, 1963.

Mr. CLARK. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. I raise the point of order that under the proceedings of today, the Senate is still in morning business and will remain in morning business until the hour of 2 o'clock.

While at the hour of 1 o'clock any Senator who can obtain the floor may interrupt the regular order for morning business under rule VII, nevertheless any other Senator upon getting the floor can offer a resolution in the order provided for by rule VII. Therefore my request that the resolution be filed does not require unanimous consent. It is filed under paragraph 4 of section 1 of rule VII. Under that rule it must be read.

The PRESIDING OFFICER. The morning hour was terminated by the Senate's agreeing to the motion of the Senator from Montana under the regular order of business. Therefore, at this time unanimous consent of the Senate would be required for the introduction of a petition or a resolution as suggested by the Senator from Pennsylvania.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. If that is the case, I inquire what terminated the morning business under rule VII in the face of my request that the order set forth in that rule should be followed, and the provision in rule VIII that at the conclusion of the morning business the Senate will proceed to the consideration of the calendar of bills and resolutions, and continue such consideration until 2 o'clock? Was not the motion made by the majority leader to lay before the Senate the pending business out of order until morning business had been concluded under rule VII?

The PRESIDING OFFICER. Morning business has not been terminated. It was suspended by the action of the Senator from Montana. The ruling made was made under rule VII(3), which reads as follows:

Until the morning business shall have been concluded, and so announced from the Chair, or until the hour of 1 o'clock has arrived, no motion to proceed to the consideration of any bill, resolution, or report of a committee, or other subject upon the calendar shall be entertained by the Presiding Officer, unless by unanimous consent.

Mr. CLARK. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. I should like to inquire whether the resolution that I have sent to the desk has been received at the desk; or must I take it back?

The PRESIDING OFFICER. The resolution, under the rule, will lie over 1 day.

Mr. CLARK. At what time tomorrow would it be pertinent? During the morning hour?

The PRESIDING OFFICER. It would be pertinent at some time during the morning hour after adjournment today.

Mr. CLARK. Mr. President, in order that Senators may understand what the problem is, I ask unanimous consent that the resolution, which is only three lines long, be read at this time.

Mr. JORDAN of North Carolina. Mr. President, I object.

Mr. MANSFIELD. Mr. President, I would hope that we could accord the Senator from Pennsylvania that courtesy so that the resolution may be read.

Mr. JORDAN of North Carolina. Mr. President, I withdraw my objection.

The PRESIDING OFFICER. Without objection, the resolution submitted by the Senator from Pennsylvania will be stated.

The LEGISLATIVE CLERK read as follows:

Resolved, That the Subcommittee on Employment and Manpower of the Committee on Labor and Public Welfare be authorized to sit while the Senate is in session from October 3, 1963, to November 30, 1963.

Mr. MANSFIELD. Mr. President, may I be heard on that resolution?

Mr. JAVITS. Mr. President, I yield to the Senator from Montana under the unanimous-consent agreement that I will not lose my right to the floor.

The PRESIDING OFFICER. Under the rule, the resolution has gone over 1 day.

Mr. MANSFIELD. I would still like to be heard on the resolution which has been stated.

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

Mr. JAVITS. Mr. President, I ask unanimous consent that I may yield to the Senator from Georgia without losing my right to the floor.

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

Mr. RUSSELL. I believe there is considerable merit in the Senator's point of order under morning business, but I do not believe there is any merit whatever in his position now. He may not even submit the resolution except by unanimous consent. The Senate is out of the morning hour. Unanimous consent is required to submit it.

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

Mr. JAVITS. I yield.

Mr. CLARK. The Senator is completely correct.

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

Mr. JAVITS. Mr. President, I yield to the Senator from Montana without losing my right to the floor.

Mr. MANSFIELD. I believe there is a good deal of merit in the resolution submitted by the Senator from Pennsylvania. If by chance a resolution of the kind proposed were adopted, it would give a special status to a special subcommittee. If an arrangement of that kind is to be considered, I hope that it will be considered on a senatewide basis. I know the Senator would agree with that. I understand the particular circumstances which impels him—and I think rightly so—to make his request at this time.

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

Mr. JAVITS. I yield to the Senator from Pennsylvania without losing my right to the floor.

Mr. CLARK. I should like to ask the Senator from Montana a question. Does not the Senator from Montana agree that with the great pressure of business coming up in the next few months, and with the probability that the Senate will come in early and remain late, some procedure should be devised by the leadership under which committees may continue to meet in order to prepare that part of the legislative program which is not yet ready for floor consideration?

Mr. MANSFIELD. The Senator is enough of a professional to understand that while the leadership may propose, the Senate disposes.

Mr. CLARK. I was asking the opinion of the majority leader.

Mr. MANSFIELD. My personal opinion is "Yes."

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

Mr. JAVITS. I yield to the Senator from Georgia without losing my right to the floor.

Mr. RUSSELL. I do not desire to pursue the point. It seems to me that if the resolution is to be submitted under these circumstances, it should be referred to the Committee on Rules and Administration. It is in the nature of an amendment to the rules.

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

Mr. JAVITS. I yield with the same understanding.

Mr. CLARK. I do not believe that is a proper motion to be made at this time. I am sure that the Senator will agree with me.

Mr. RUSSELL. Of course, the Senator has agreed that the resolution has not been regularly submitted. I do not desire to make a point of that. It would require unanimous consent to consider the resolution now. I am perfectly willing that it lie over 1 day under the rule.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. I wish to be sure that the Senator from Georgia and I understand each other. My understanding is that the resolution was properly submitted, that it has been ordered to lie over 1 day under the new ruling of the Parliamentarian, that it is not privileged, and that it can be called up tomorrow, at which point the Senator could appropriately make his motion.

Mr. RUSSELL. I do not intend to make any motion, but, as the majority leader has said, the resolution would set a precedent; and it seems to me that if we are to consider authorizing committee meetings for one committee, it would be well for the Committee on Rules and Administration to consider a general change of the rule, rather than have a veritable cascade of resolutions providing for the meeting of this, that, or the other subcommittee.

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

Mr. JAVITS. I yield to the Senator from Pennsylvania without losing my right to the floor.

Mr. CLARK. I suggest that that question be held until tomorrow.

Mr. MANSFIELD. In all fairness, I think I should inform the Senator from Pennsylvania that there is a strong possibility that the Senate will not meet tomorrow.

Mr. CLARK. I thank the Senator.

The PRESIDING OFFICER. The Chair rules that a motion to refer the resolution to the Committee on Rules and Administration will be in order when the Senate meets on the next legislative day.

Mr. RUSSELL. That is, after an adjournment?

The PRESIDING OFFICER. During the morning hour on the next day the Senate meets, if the resolution should come up, a motion to refer it to the Committee on Rules and Administration would be in order.

Mr. RUSSELL. But if the Senate were to recess, and not to adjourn, it would require a motion to lay the resolution before the Senate; the resolution would not come before the Senate automatically under the rule?

The PRESIDING OFFICER. It would not be laid down as a part of the morning business if the Senate were not in the morning hour.

Mr. RUSSELL. There is no morning hour unless the Senate adjourns.

The PRESIDING OFFICER. If, by unanimous consent, permission were granted for a morning hour, it would be in order to lay it before the Senate.

Mr. RUSSELL. Do I correctly understand the Presiding Officer to rule that under the current, standard, stereotyped unanimous consent request for a morning hour with a limitation of 3 minutes on speeches, the resolution would be laid down?

The PRESIDING OFFICER. Yes. Not until all Senators had an opportunity, under the 3-minute limitation, to offer their proposals or make their speeches. At that time the resolution could be laid before the Senate, and it would be subject to unlimited debate—until 2 o'clock.

Mr. CLARK. Mr. President, a parliamentary inquiry.

Mr. RUSSELL. Mr. President, does the Presiding Officer then hold that under the 3-minute rule on speeches and morning business, if the 3-minute speeches were concluded prior to 2 o'clock it would be incumbent upon the Presiding Officer, of his own volition, to lay the resolution before the Senate?

The PRESIDING OFFICER. According to the precedents.

Mr. RUSSELL. It will be a considerable time before the Senate has another morning hour by unanimous consent.

Mr. MANSFIELD. Mr. President, I think we ought to set the record straight. It is my understanding that if the Senate adjourns a morning hour is automatic the next day; is that correct?

The PRESIDING OFFICER. If the Senate adjourns, under rule VII there would be a morning hour, under the regular procedure.

Mr. MANSFIELD. If the Senate recessed would there be a morning hour?

The PRESIDING OFFICER. If the Senate recessed there would not be a morning hour.

Mr. CLARK. Mr. President, a parliamentary inquiry.

Mr. MANSFIELD. Unless it were requested. Usually it is requested under unanimous consent.

The PRESIDING OFFICER. The Senator is correct.

Mr. CLARK. Mr. President, will the Senator yield once more?

Mr. JAVITS. Mr. President, I have the floor. I yield to the Senator from Pennsylvania.

Mr. CLARK. I thank my friend. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. In the colloquy with the Presiding Officer during the last few minutes reference was made to a 3-minute rule. My query is: Is there any such rule? My suggestion is that there is no such thing as a 3-minute rule, except as it is agreed to by unanimous consent, day by day.

The PRESIDING OFFICER. The Senator is correct.

Mr. CLARK. A further parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. If there is a morning hour—and I agree with the majority leader, that if he wishes to prevent it by recessing until adjournment sine die he can prevent it—I shall have the privilege, under rule VII, if I can get my request in before 1 o'clock, to call up the resolution I have filed and have it made the pending business; is that correct?

The PRESIDING OFFICER. That is correct; provided the Senate had adjourned and the regular order of procedure under rule VII was followed.

Mr. CLARK. I thank the Presiding Officer.

STUDY OF WORLD MONETARY SYSTEM ANNOUNCED

Mr. JAVITS. Mr. President, as expected, the first full-scale study of the free world's financial mechanism since 1945 was agreed to and announced yesterday during the annual meeting of the International Monetary Fund here in Washington.

The new study, which will be conducted in Paris by high-level officials of the 10 most industrialized members of the free world under the chairmanship of Under Secretary of Treasury Roosa, marks the beginning of major negotiations to see whether the existing system can be improved to accommodate the future needs of the free world for international credit. The first Paris meeting of the 10-nation study group will be in Paris in early November and is expected to be concluded in time for next year's International Monetary Fund meeting in Tokyo.

As a strong advocate of an International Monetary Conference for a thorough examination of this very question I am gratified that this study is about to start. It is vital that the free world begin preparations now to prevent financial chaos that may result from inflexible monetary institutions and a shortage of credit to finance rapidly growing international transactions in the foreseeable future.

I ask unanimous consent to have printed in the RECORD at this point an article from today's New York Times entitled, "Ten Nations Agree on a World Study of Money System."

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

TEN NATIONS AGREE ON A WORLD STUDY OF MONEY SYSTEM—SEEK IMPROVEMENTS IN PLAN OF INTERNATIONAL PAYMENTS—U.S. DEFICIT A TOPIC

(By Edwin L. Dale, Jr.)

WASHINGTON, October 2.—The non-Communist world's 10 most powerful industrial nations announced today that they would start the first major negotiation and study of the world's financial system since the Bretton Woods Conference in New Hampshire 20 years ago.

The Bretton Woods Conference led to the establishment of the present system by which international transactions are conducted. The system has worked well to date, but it has recently shown strains.

The purpose of the new study and negotiation is to see whether the system can be improved and reinforced, with the aim of assuring that world prosperity will not be disrupted by a purely international financial factor as it was in the 1930's.

The 10 nations announced their decision in a communique during the annual meeting here of the International Monetary Fund and the International Bank for Reconstruction and Development. The Monetary Fund will conduct an independent study of the problem, but the results of the 10-nation talks will determine the outcome.

PARIS TALKS PLANNED

The talks will be conducted in Paris by high-level officials from the 10 governments, under the chairmanship of Robert V. Roosa, U.S. Under Secretary of the Treasury. The vice chairman will be Emil van Lennep, director general of the Netherlands Finance Ministry.

All ideas for improvement of the present international monetary system and for elimination of its flaws except two will be considered. Those ruled out are any change in the present gold price of $35 an ounce and freely fluctuating exchange rates among currencies.

Douglas Dillon, the Secretary of the Treasury, issued today's communique in his capacity as temporary chairman of the "Group of 10." The chairmanship at the ministerial level will rotate according to rules still to be established, but the United States will have the chairmanship of the actual study.

SPRING REPORT IS TARGET

The first Paris meeting of the study group will be in early November. Mr. Dillon said the target was a preliminary report by next spring and decisions, if possible, in time for next year's World Fund meeting in Tokyo in late September.

The 10 nations hold about 80 percent of the world's reserves of gold and foreign exchange.

Mr. Dillon explained today that their studies would not be limited to changes or improvements in the International Monetary Fund itself, which has 102 members. He said that "sovereign decisions" by governments would also be considered. These would include such matters as how much gold to hold and how to grant credit to nations suffering deficits in their balance of international payments.

The Monetary Fund, one keystone of the present system, was established at the Bretton Woods Conference. The 10 nations in the study group are the United States, Britain, France, West Germany, Italy, Belgium, the Netherlands, Sweden, Canada, and Japan. The main exception among the leading financial nations was Switzerland, but Mr. Dillon indicated that the Swiss would be brought into the study in one way or another.

Switzerland is not a member from the outset only because she does not belong to the International Monetary Fund.

UNDERLYING AIM

The underlying aim of all the members of the study is to prevent the kind of financial chaos that prolonged and deepened the depression of the 1930's.

At that time nations withdrew credits from each other rather than granting them, and nation after nation, virtually devoid of gold, had to impose restrictions on foreign transactions and trade, as well as imposing domestic restraints on economic growth.

No member of the group foresees such a crisis in the near future. But the purpose of the study is to make sure that one could not arise. The members are also agreed, however, that international credit should not be so easy that individual nations could freely pursue inflationary policies at home and disregard their international payments.

Authoritative sources from the various countries involved were unanimous in private conversation in saying that the results of the negotiation were impossible to predict. However, there was also unanimity that any results would be evolutionary rather than revolutionary.

There could be such results as changes in the means of granting international credit and possibly an enlargement of the sources of such credit. There could be more precise rules on the holding of foreign currencies—chiefly the dollar—as part of nations' reserves.

NO BASIC CHANGE SEEN

But the basic international system—by which nations have fixed exchange rates, hold their reserves in gold and foreign exchange and borrow reserves from the International Monetary Fund or from each other if they need to—will not be changed.

The chances of significant results from the negotiations were difficult to predict today. It was clear that the 10 nations would start with views that differ both on problems and on the solutions to be proposed.

For example, the Continental European countries are interested in a more orderly system of granting credit to deficit countries, such as the United States. Britain is urgently concerned with the problem of "international liquidity"—the total of countries' reserves and their access to credit—particularly when the U.S. deficit ceases.

All are agreed, however, that the first priority of business is for the United States to reduce and then eliminate its deficit, meanwhile to assure that the deficit does not disrupt the international system.

Today's formal proceedings at the meeting here were devoted to the affairs of the World Bank, which is not directly involved in the international monetary system. It makes loans for the economic development of poorer countries.

The speeches today generally welcomed the bank's new policy, announced Monday by its president, George D. Woods, of slightly liberalizing lending terms.

CIVIL RIGHTS

Mr. JAVITS. Mr. President, I wish to call attention to yesterday's announcement by the chairman of the Senate Commerce Committee [Mr. MAGNUSON], carried in the newspapers generally, to the effect that the Commerce Committee will probably complete its work on the bill to ban segregation in hotels, restaurants, and other places of public accommodation today. The Senator from Washington [Mr. MAGNUSON] suggested, according to the news article, that he felt the Senate might well use the bill as

the vehicle for a general civil rights debate, without waiting for the House to act, and letting the House bill catch up with the debate after it started.

Mr. President, this is the position for which I have been contending all along. There are two principles in this respect which are crystal clear to me. One is that the civil rights bill must take precedence over the tax bill, because the civil rights bill is an answer to a problem of the gravest importance to domestic tranquility of the country, as a review of any daily newspaper will show, with children dying and people being arrested by the hundreds, indeed, by the thousands, because—it seems to me this is at least one of the great causes—we have not made our contribution to trying to resolve this controversy in the courts and in law.

Secondly, we should pick up the Commerce Committee bill and start the debate and let the House bill come in when ready. This would curtail the debating process, in my view, by at least 4 weeks, because a great deal of debate must take place before Senators get to the point of voting for cloture.

The news report states that the majority leader does not agree, and still sticks to his view that the Senate should take up the civil rights question when the House bill comes along. I respectfully disagree.

Mr. MANSFIELD. Mr. President, will the Senator yield? I was not listening. I was in conversation with another Senator.

Mr. JAVITS. I am sorry. May I repeat what I said?

Mr. MANSFIELD. It was my fault. I should have been listening.

Mr. JAVITS. It was nothing discreditable to the Senator. He and I have debated this question before.

I was stating my position. I am sure the Senator has read the comment at the end of the story in the Times which is headlined "Southerner Blocks House Vote To Extend Civil Rights Panel."

Mr. MANSFIELD. I did not read the story.

Mr. JAVITS. I am sorry. The story states that the Senate Commerce Committee expects to finish its work on the public accommodations bill today. It also states:

> The chairman, Senator WARREN G. MAGNUSON, Democrat, of Washington, said the Senate might then use it as the vehicle for a general civil rights debate, without waiting for the House to act.
>
> But the majority leader, MIKE MANSFIELD, of Montana, threw cold water on this idea. He said taking up civil rights with firm agreement on only one part of the bill would open the way to innumerable amendments and endless debate.
>
> Thus, the prospect still is that the House will act first and that its bill will be intercepted when it reaches the Senate. The outlook is for a Senate civil rights debate that will go on until Christmas Eve—and possibly longer.

The Magnuson approach, as indicated by the article, is what I have long been contending for; and the Senator from Montana has been steadfast in his view that the way to do it is to intercept the House bill. I was giving my opinion that this would cost 4 more weeks in debate than if the Senate took the Commerce Committee bill. I was also referring to the rumor that the White House has adopted the view that the civil rights bill should precede consideration of the tax bill. I agree with that view, and I was giving my reasons, in terms of domestic tranquility, which I think is occasioned by the delay in dealing with the civil rights issue by Congress, why I thought the Magnuson prescription was the right one.

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

Mr. JAVITS. I yield.

Mr. MANSFIELD. The Times story states my position accurately; namely, that so far as the Senator from Montana is concerned, it is not his intention to call up the Magnuson proposal for the reasons enumerated. The Senate would spend much more time on civil rights if it operated on that basis than if it awaited a bill from the House.

I have previously stated my position. The Senator from New York and I are unchanging in our position.

Mr. JAVITS. That is correct.

Mr. MANSFIELD. For the past month or more, he has wanted the Senate to get to work on the proposal in the Commerce Committee, and for the past month or more I have said that it would be my intention, if I had my way, to wait for the House to pass its bill, meet it at the door, place it on the calendar, and then face up, not merely to a part of the civil rights bill, but to the whole, or as much of the whole as possible.

It is the intention of the leadership to consider both a civil rights bill and a tax bill. If by chance the tax bill is available before the civil rights bill from the House is, it would be my intention at the moment to call up the tax bill first. But that is something which only the future will be able to give us a look into. All I want to emphasize is that I am in favor of taking up the civil rights bill as it comes from the House, and that, so far as the tax bill and the civil rights bill are concerned, it is our intention to consider both of them, no matter how long it requires.

The Senator has mentioned Christmas. If it takes to the end of the time for legal adjournment of the first session of the 88th Congress, which is January 1 of next year, we will go that long, if we are not finished, and, if need be, we will continue with the next session immediately.

Mr. JAVITS. The Senator has correctly stated that our positions have not changed. I feel as strongly as he does; and I think he is making a great mistake. The civil rights debate should be started as soon as it is possible, which is as soon as the Commerce Committee makes its report. Of course, it is possible to offer amendments to other bills, as was done the other day in extending the life of the Civil Rights Commission, but that method does not get much support, understandably, except when it is absolutely essential, and it sometimes is. But I believe the report of the Commerce Committee, which has been promised soon, will be the showdown in this situation.

I understood very well that the majority leader had not changed his view, but I thought it advisable to make it clear, in view of the support of the position I have taken by the chairman of the Commerce Committee, or, at least, which has been implied to be the position of the chairman of the Commerce Committee. Of course, the chairman of the Commerce Committee will speak for himself if he feels the newspaper article gives the wrong implication so far as he is concerned.

ORDER OF BUSINESS

Mr. JAVITS. Mr. President, the Senator from Alaska has asked me to yield to him before I make a rather extended speech on East-West trade. I ask unanimous consent that I may yield 5 minutes to him, and I beg my colleague to confine himself to 5 minutes.

The PRESIDING OFFICER. Without objection it is so ordered.

IT IS TIME FOR CONGRESS TO MONITOR THE CIA

Mr. GRUENING. Mr. President, I ask the distinguished majority leader's attention, because reference is made to him in these remarks with respect to the CIA.

Mr. President, for some time now many of us in the Congress have been gravely concerned about the activities of the Central Intelligence Agency. This is the one agency of the Federal Government which operates "on its own" without the customary supervision and control normally exercised over other Federal departments and agencies.

Yesterday, under the headline "Richard Starnes Reveals Arrogant CIA Disobeys Orders in Vietnam," the Washington Daily News apparently confirms the basis for our concern. I ask unanimous consent that the text of Mr. Starnes' article be printed in full in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. GRUENING. This story underlines the remarks made on the floor of the Senate on September 20, 1963, by the able and distinguished majority leader [Mr. MANSFIELD] when he admonished the U.S. agencies in South Vietnam to work in harmony and reminded them that the Ambassador to that country, Mr. Lodge, was in charge of directing all their activities.

The majority leader stated in part:

> Mr. President, if this large contingent of Americans is so to function, there can be in Vietnam only one channel through which direction can flow. The President and the Secretary of State cannot set up headquarters in Saigon; but they do have in that tortured city an eminently qualified man who does speak for them—and is the only man who should speak for them—with their paramount authority in this matter. That is the Ambassador, Mr. Henry Cabot Lodge, our former colleague, and an outstanding American in every respect.

I wish to associate myself with his remarks.

I also ask unanimous consent that the pertinent column by Arthur Krock appearing in the New York Times this morning be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. GRUENING. Early last year, while on a mission for the Senate Committee on Public Works in Central America, I discussed the CIA situation with our Ambassador to one of these Central American countries. He said there was a well-financed CIA mission in that country which did not keep him informed of its activities, but that he was certain that it was working at cross-purposes with the objectives the Department of State had instructed him to seek in that country. This would appear to be a repetition of the situation in Vietnam.

Some time ago I joined with the able and distinguished junior Senator from Florida [Mr. SMATHERS] in cosponsoring Senate Concurrent Resolution 23 to establish a Joint Committee on Central Intelligence. That concurrent resolution is now before the Senate Committee on Rules, and I do hope that that committee will take prompt action.

I notice present on the floor the distinguished chairman of the Committee on Rules and Administration [Mr. JORDAN of North Carolina].

I have spoken and written to Senator SMATHERS previously and suggested that besides representatives from the Senate Committee on Foreign Relations, the House Committee on Foreign Affairs, and the House and Senate Committees on the Armed Services, there should be representation from the Senate and House Committees on Government Operations.

He was favorably inclined to this suggestion.

When I first wrote to Senator SMATHERS on February 26, 1963, I expressed belief that:

> The security agencies of this Nation should be under a measure of congressional control.

This has become more apparent daily.

Mr. President, I ask unanimous consent that my letter of February 26, 1963, and Senator SMATHERS' response, be reprinted in the RECORD at this time.

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

FEBRUARY 26, 1963.

Hon. GEORGE A. SMATHERS,
U.S. Senate, Washington, D.C.

DEAR GEORGE: I agree that the security agencies of this Nation should be under a measure of congressional control and I am pleased to cosponsor your concurrent resolution 23 which would establish a Joint Committee on Central Intelligence.

The resolution specifies that there would be six members each from the Senate and the House of Representatives. It further states that these representatives would be selected from the Central Intelligence Subcommittee of the Committee on Appropriations and the Central Intelligence Subcommittee of the Committee on Armed Services in each body.

I hope you will find acceptable an amendment I intend to offer which would further specify that the membership of the Joint Committee on Central Intelligence include three members each from the Senate and House Committee on Government Operations.

Both have subcommittees which are concerned with our national security. The Senate Government Operations Subcommittee on National Security Staffing and Operations chaired by Senator JACKSON works directly with the President and with the national security agencies. The recent enlargement of the Senate Government Operations Committee will facilitate its services.

Should you feel that a total membership of 18 would be unwieldy it might be feasible to have two members each from the three committees, rather than three.

With best wishes, I remain

Cordially yours,

ERNEST GRUENING,
U.S. Senator.

U.S. SENATE,
COMMITTEE ON FINANCE,
February 28, 1963.

Hon. ERNEST GRUENING,
U.S. Senate, Washington, D.C.

DEAR ERNEST: I have your letter of February 26 and am very pleased to have you as a cosponsor of a concurrent resolution introduced by me to establish a Joint Committee on Central Intelligence.

I have noted your suggested amendment to the proposed resolution and most certainly would have no objection. As a matter of fact, I feel that the amendment would be a good one.

With kind regards, I am

Sincerely yours,

GEORGE A. SMATHERS,
U.S. Senator.

Mr. GRUENING. Accordingly, Mr. President, I am today submitting an amendment to Senate Concurrent Resolution 23 to accomplish that purpose. I ask that this amendment be printed in the RECORD at the conclusion of my remarks and that it lie at the desk until the close of business on October 10, 1963, to give those of my colleagues who wish to do so an opportunity to join me in cosponsoring this amendment.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD and lie on the desk as requested.

The amendment was referred to the Committee on Rules and Administration, as follows:

On the first page, line 3, beginning with "six" strike out all through "four" in line 6, page 2, and insert in lieu thereof the following: "nine Members of the Senate to be appointed by the President of the Senate, and nine Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. Of the nine Members to be appointed from the Senate three shall be members of the Central Intelligence Agency Subcommittee of the Committee on Appropriations of the Senate, three shall be members of the Central Intelligence Agency Subcommittee of the Committee on Armed Services of the Senate, and three shall be members of the National Security Staffing and Operations Subcommittee of the Committee on Government Operations of the Senate. Of the nine Members to be appointed from the House of Representatives three shall be members of the Central Intelligence Agency Subcommittee of the Committee on Appropriations of the House of Representatives, three shall be members of the Central Intelligence Agency Subcommittee of the Committee on Armed Services of the House of Representatives and three shall be members of the Foreign Operations and Government Information Subcommittee of the Committee on Government Operations of the House of Representatives. Not more than six".

EXHIBIT 1

[From the Washington Daily News, Oct. 2, 1963]

SPOOKS MAKE LIFE MISERABLE FOR AMBASSADOR LODGE—ARROGANT CIA DISOBEYS ORDERS IN VIETNAM

(By Richard Starnes)

SAIGON, October 2.—The story of the Central Intelligence Agency's role in South Vietnam is a dismal chronicle of bureaucratic arrogance, obstinate disregard of orders, and unrestrained thirst for power.

Twice the CIA flatly refused to carry out instructions from Ambassador Henry Cabot Lodge, according to a high U.S. source here.

In one of these instances the CIA frustrated a plan of action Mr. Lodge brought with him from Washington, because the Agency disagreed with it.

This led to a dramatic confrontation between Mr. Lodge and John Richardson, chief of the huge CIA apparatus here. Mr. Lodge failed to move Mr. Richardson, and the dispute was bucked back to Washington. Secretary of State Dean Rusk and CIA Chief John A. McCone were unable to resolve the conflict, and the matter is now reported to be awaiting settlement by President Kennedy.

It is one of the developments expected to be covered in Defense Secretary Robert McNamara's report to Mr. Kennedy.

OTHERS CRITICAL, TOO

Other American agencies here are incredibly bitter about the CIA.

"If the United States ever experiences a 'Seven Days in May' it will come from the CIA, and not the Pentagon," one U.S. official commented caustically.

("Seven Days in May" is a fictional account of an attempted military coup to take over the U.S. Government.)

CIA "spooks" (a universal term for secret agents here) have penetrated every branch of the American community in Saigon, until nonspook Americans here almost seem to be suffering a CIA psychosis.

An American field officer with a distinguished combat career speaks angrily about "that man at headquarters in Saigon wearing a colonel's uniform." He means the man is a CIA agent, and he can't understand what he is doing at U.S. military headquarters here, unless it is spying on other Americans.

Another American officer, talking about the CIA, acidly commented: "You'd think they'd have learned something from Cuba but apparently they didn't."

FEW KNOW CIA STRENGTH

Few people other than Mr. Richardson and his close aids know the actual CIA strength here, but a widely used figure is 600. Many are clandestine agents known only to a few of their fellow spooks.

Even Mr. Richardson is a man about whom it is difficult to learn much in Saigon. He is said to be a former OSS officer, and to have served with distinction in the CIA in the Philippines.

A surprising number of the spooks are known to be involved in their ghostly trade and some make no secret of it.

"There are spooks in the U.S. Information Service, in the U.S. operations mission, in every aspect of American official and commercial life here," one official—presumably a nonspook—said.

"They represent a tremendous power and total unaccountability to anyone," he added.

Coupled with the ubiquitous secret police of Ngo Dinh Nhu, a surfeit of spooks has given Saigon an oppressive police state atmosphere.

The Nhu-Richardson relationship is a subject of lively speculation. The CIA continues to pay the special forces which conducted

brutal raids on Buddhist temples last August 21, although in fairness it should be pointed out that the CIA is paying these goons for the war against Communist guerrillas, not Buddhist bonzes (priests).

HANDS OVER MILLIONS

Nevertheless, on the first of every month, the CIA dutifully hands over a quarter million American dollars to pay these special forces.

Whatever else it buys, it doesn't buy any solid information on what the special forces are up to. The August 21 raids caught top U.S. officials here and in Washington flatfooted.

Nhu ordered the special forces to crush the Buddhist priests, but the CIA wasn't let in on the secret. (Some CIA button men now say they warned their superiors what was coming up, but in any event the warning of harsh repression was never passed to top officials here or in Washington.)

Consequently, Washington reacted unsurely to the crisis. Top officials here and at home were outraged at the news the CIA was paying the temple raiders, but the CIA continued the payments.

It may not be a direct subsidy for a religious war against the country's Buddhist majority, but it comes close to that.

And for every State Department aid here who will tell you, "Dammit, the CIA is supposed to gather information, not make policy, but policymaking is what they're doing here," there are military officers who scream over the way the spooks dabble in military operations.

A TYPICAL EXAMPLE

For example, highly trained trail watchers are an important part of the effort to end Vietcong infiltration from across the Lao and Cambodian borders. But if the trail watchers spot incoming Vietcongs, they report it to the CIA in Saigon, and in the fullness of time, the spooks may tell the military.

One very high American official here, a man who has spent much of his life in the service of democracy, likened the CIA's growth to a malignancy, and added he was not sure even the White House could control it any longer.

Unquestionably Mr. McNamara and Gen. Maxwell Taylor both got an earful from people who are beginning to fear the CIA is becoming a third force, coequal with President Diem's regime and the U.S. Government—and answerable to neither.

There is naturally the highest interest here as to whether Mr. McNamara will persuade Mr. Kennedy something ought to be done about it.

EXHIBIT 2

[From the New York Times, Oct. 3, 1963.]

IN THE NATION: THE INTRA-ADMINISTRATION WAR IN VIETNAM

(By Arthur Krock)

WASHINGTON, October 2.—The Central Intelligence Agency is getting a very bad press in dispatches from Vietnam to American newspapers and in articles originating in Washington. Like the Supreme Court when under fire, the CIA cannot defend itself in public retorts to criticisms of its activities as they occur. But, unlike the Supreme Court, the CIA has no open record of its activities on which the public can base a judgment of the validity of the criticisms. Also, the Agency is precluded from using the indirect defensive tactic which is constantly employed by all other Government units under critical fire.

This tactic is to give information to the press, under a seal of confidence, that challenges or refutes the critics. But the CIA cannot father such inspired articles, because to do so would require some disclosure of its activities. And not only does the effectiveness of the Agency depend on the secrecy of its operations. Every President since the CIA was created has protected this secrecy from claimants—Congress or the public through the press, for example—of the right to share any part of it.

WITH HIGH FREQUENCY

This Presidential policy has not, however, always restrained other executive units from going confidentially to the press with attacks on CIA operations in their common field of responsibility. And usually it has been possible to deduce these operational details from the nature of the attacks. But the peak of the practice has recently been reached in Vietnam and in Washington. This is revealed almost everyday now in dispatches from reporters—in close touch with intra-administration critics of the CIA—with excellent reputations for reliability.

One reporter in this category is Richard Starnes of the Scripps-Howard newspapers. Today, under a Saigon dateline, he related that, according to a high U.S. source here, twice the CIA flatly refused to carry out instructions from Ambassador Henry Cabot Lodge * * * (and) in one instance frustrated a plan of action Mr. Lodge brought from Washington because the Agency disagreed with it. Among the views attributed to U.S. officials on the scene, including one described as a very high American official * * * who has spent much of his life in the service of democracy * * * are the following:

The CIA's growth was likened to a malignancy which the very high official was not sure even the White House could control * * * any longer. If the United States ever experiences (an attempt at a coup to overthrow the Government) it will come from the CIA and not the Pentagon. The Agency represents a tremendous power and total unaccountability to anyone.

DISORDERLY GOVERNMENT

Whatever else these passages disclose, they most certainly establish that representatives of other executive branches have expanded their war against the CIA from the inner Government councils to the American people via the press. And published simultaneously are details of the Agency's operations in Vietnam that can come only from the same critical official sources. This is disorderly government. And the longer the President tolerates it—the period already is considerable—the greater will its potentials of hampering the real war against the Vietcong and the impression of a very indecisive administration in Washington.

The CIA may be guilty as charged. Since it cannot, or at any rate will not, openly defend its record in Vietnam, or defend it by the same confidential press briefings employed by its critics, the public is not in a position to judge. Nor is this department, which sought and failed to get even the outlines of the Agency's case in rebuttal. But Mr. Kennedy will have to make a judgment if the spectacle of war within the executive branch is to be ended and the effective functioning he makes this judgment, hopefully he also will make it public, as well as the appraisal of fault on which it is based.

Doubtless recommendations as to what his judgment should be were made to him today by Secretary of Defense McNamara and General Taylor on their return from their factfinding expedition into the embattled official jungle in Saigon.

TWENTY-TWO SENATORS REQUEST ADMINISTRATION FIRMNESS IN NOT COUNTENANCING MILITARY OVERTHROW OF DULY CONSTITUTED GOVERNMENTS IN LATIN AMERICA

Mr. GRUENING. Mr. President, yesterday I joined 21 of my colleagues in sending a telegram to President Kennedy urging him to issue orders withdrawing all U.S. personnel from the diplomatic, military, and AID missions to the Dominican Republic.

I ask unanimous consent that the text of the telegram and the names of those who sent it be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. GRUENING. Mr. President, the point we are making to the President is that so long as our personnel are physically present in the Dominican Republic the statement of the United States that it had broken relations with the illegal military junta which has seized power from the legally constituted government of the Dominican Republic and the stopping of foreign economic assistance are ineffective.

The situation in the Dominican Republic is serious. It threatens the entire Alliance for Progress. If the trend toward the overthrow of duly constituted civilian governments by illegal military juntas is to stop, the time to stop it is now.

Economic development of Latin America cannot be successful in an atmosphere of political unrest. The duly constituted civilian governments cannot carry out economic development plans if they are in constant fear of a military coup. If we condone these military coups we play directly into the hand of the Communists. The Alliance for Progress is tied directly into self-help action by the nations aided in the fields of social and economic reform. If constitutional governments are to be illegally thrown out of office by military coups because they seek to carry out such social and economic reforms, there can be no hope for the success of the Alliance for Progress.

The United States must make this abundantly clear not by words but by actions.

I said on the floor of the Senate this last Monday:

> Because if we do not insist upon the return to constitutional government in the Dominican Republic, then we will be endangering other civilian governments not only in Latin America but in the rest of the world as well. We will be in effect inciting similar military revolts in Venezuela, Columbia, and in other Latin American nations which are trying to establish democratic regimes. We will be playing into the hands of the Communists who will rejoice at the installation of totalitarianism.

This telegram was sent to the President late yesterday afternoon. It was fully reported by radio and TV last night, but it is an interesting fact that it was not considered news by the Washington Post, the New York Times and the New York Herald-Tribune. As an oldtime newspaperman and managing editor of various metropolitan newspapers including one of the three just mentioned, I confess myself puzzled. I would consider that such action by 22 Senators, including three members of the Foreign Relations Committee, to be news. I know that the story was carried in full by the news services, the A.P. and U.P.I. and

was therefore available to all dailies in the United States.

The news this morning that the Honduras Government had fallen before a military coup is extremely distressing and serves to make increasingly imperative that the United States make crystal clear that it will not recognize or give financial aid to any illegal military junta or Communist-led revolt which deposes constitutionally elected governments.

EXHIBIT 1

TEXT OF OCTOBER 2, 1963, WIRE SENT TO PRESIDENT KENNEDY BY 22 MEMBERS OF THE SENATE

The PRESIDENT,
The White House:

Success of Alliance for Progress will be enhanced by U.S. action to rebuff illegal military overthrow of civilian Government in Dominican Republic.

Continuance of nonrecognition of military junta and withholding of economic assistance imperative.

To underscore U.S. position and to strengthen remaining Latin American civilian governments, strongly urge issuance immediately with widest publicity, or orders recalling forthwith entire diplomatic, military, and aid missions from Dominican Republic.

Even though assistance has been suspended and announcement of nonrecognition has been made, continued presence in Dominican Republic of missions' personnel is tantamount to giving illegal military junta Government assurances of ultimate recognition and resumption of military and economic aid. All such personnel other than caretaker should be physically withdrawn.

E. L. (BOB) BARTLETT, DANIEL BREWSTER, FRANK CHURCH, JOSEPH S. CLARK, PAUL DOUGLAS, ALBERT GORE, ERNEST GRUENING, PHILIP HART, VANCE HARTKE, DANIEL INOUYE, JACOB JAVITS, PAT MCNAMARA, WAYNE MORSE, FRANK MOSS, GAYLORD NELSON, JOHN PASTORE, CLAIBORNE PELL, WILLIAM PROXMIRE, JENNINGS RANDOLPH, HARRISON WILLIAMS, Jr., RALPH YARBOROUGH, and STEPHEN YOUNG, *U.S. Senators.*

HELPING AMERICA AND HER YOUTH

Mr. KUCHEL. Mr. President, on September 25, 1963, the Senate passed S. 1967, which extends the Juvenile Delinquency and Youth Offenses Control Act of 1961 for another 3 years. I was proud to coauthor this legislation with the senior Senator from Pennsylvania [Mr. CLARK] and colleagues in both parties. I think great progress has been made under this legislation, which Congress approved 2 years ago and which allowed the Federal Government, for the first time, to take major action to assist local communities in coping with their delinquency problems.

We all knew then that the great and complex problem of delinquency was not to be solved overnight. The legislation provided for demonstration projects to test new approaches to delinquency prevention and control, approaches that if successful, might provide guides to many other cities.

I have followed this program closely, both on a national level and as it has developed in Los Angeles, one of the communities receiving a grant for a demonstration project. My investigations have convinced me that this is a sound program, one that promises to reap major benefits in the years to come.

Several guidelines have been established by the Attorney General, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, the three members of the President's Committee on Juvenile Delinquency, for the administration of this program.

First is the realistic belief that we will find no easy answers to delinquency. The problem is too vast. Broken homes, school dropouts, youth unemployment, racial discrimination, social mobility, inadequate health and housing facilities—all of these contribute to the end result of juvenile delinquency. This complex of problems cannot be successfully attacked just with school programs, or just with recreation, or just with social work, or just with job training. There must be all these efforts, and many more, working together, if we are to get at the roots of the problem.

Thus the first criteria for demonstration projects is that they be comprehensive—attacking the total problem—across the board, not just individual pieces. Unfortunately this has not often been the case. All too frequently public and private youth agencies have had little communication or have been hampered by conflicting points of view and rivalries. But today we can no longer afford the luxury of fragmented, overlapping inefficient efforts against delinquency. To meet the increasing problems of youth, we must have a unified effort.

The second criteria follows from the first. In addition to fighting delinquency on a broad front, we must have top-level local support for such a program. Master plans worked out in an ivory tower will do no good. Mayors, judges, civic and religious leaders, heads of business and labor, and all the others who are vital to community life must be involved. We cannot expect the frontline workers to do an effective job unless we provide them with full top-level support. We must make it clear that delinquency is everybody's business.

A third belief is that these demonstration projects must be designed by local leaders to address local problems, and must contribute substantial local funds. The President's Committee on Juvenile Delinquency has no master plan to impose on every city. Problems differ as cities differ. New York and Houston both have delinquency problems, but we cannot expect the same solutions to apply in both communities. The Committee asks each city to put its best minds to work to find realistic answers to its specific local problems.

I think that even this brief summary indicates that this is an ambitious program, one that is looking ahead to the youth problems of the years to come. To develop demonstration projects that can have important results, the Committee has required cities to go through a preliminary period in which clear goals are set, facts are gathered, new programs are designed, and community support is mobilized. Grants have been made to support these planning periods, so that demonstration projects will be as solid as they possibly can, and the Federal investment can have the best possible return.

There has been some criticism that this planning period is time consuming, and the need is for immediate action. But the fact is that we have had a great deal of action, by a great many people, for many years, but the problem has continued to grow worse. Perhaps what we need most is to take stock, to see what mistakes we have made, and what we have left undone, so that our future expenditures can be more effective. This has been the belief of the Federal program, and what I have seen in Los Angeles has shown me that it is a wise one. This is nothing more than a belief that we should look before we leap, that before we begin spending millions to fight delinquency, we should figure out the best ways to meet the problem.

Los Angeles has every potential for an explosive delinquency situation. Local officials have been able, in recent years, to keep delinquency rates from rising in proportion to the juvenile population. On the other hand, the city's great teenage population increase means that more and more juveniles are getting into trouble, and straining already overcrowded facilities. For every two teenagers in Los Angeles in 1950, there were four in 1960, and this trend will continue. Between 1960 and 1965 the youth population will increase by 50 percent.

There is no doubt that Los Angeles has great resources to meet these problems. Yet local leaders recognize the need to make better use of those existing resources. Soon after the passage of the Delinquency Act, Ernest E. Debs, chairman of the county board of supervisors, called a meeting of key public and private officials to discuss a new attack on delinquency.

This meeting led to the organization of a planning committee to develop a comprehensive approach to Los Angeles youth problems. The committee included leaders of five major public agencies: the city of Los Angeles, the county of Los Angeles, the city schools, the county schools, and the State employment service. This committee, called the Youth Opportunities Board of Greater Los Angeles, began to draw up a Joint Powers Agreement which under California law, permits agency coalition for joint action to resolve common problems.

In April 1962, the Joint Powers Agreement was signed by Gov. Edmund G. Brown, the heads of the five agencies, and the State director of finance. The agreement set a new precedent in the Los Angeles area as a device for integrating social planning and action on a metropolitan basis. This was the first time State, county, and city agencies in California had set up a structure of such scope to work together on a common problem.

On May 23, 1962, the youth opportunities board received a $252,906 grant from the Juvenile Delinquency Act to plan a broad-based delinquency prevention and control project.

Each of the five joint powers assigned a full-time representative to the youth opportunities board to assist in program development and serve as liaison to the

five agencies. Private groups, labor, and business have supported the board since its inception.

I take pride in the fact that California, under the leadership of Gov. Earl Warren, was in the forefront in developing programs for youth. The Los Angeles Youth Opportunities Board is continuing this tradition of public involvement in youth activities. Republicans and Democrats alike have given their support to this comprehensive program of youth services.

Karl Holton, the respected former chief probation officer of Los Angeles County for 15 years and director of the California Youth Authority for 10 years, is executive director of the board. He was one of 31 recipients of the Freedom Medal, the highest civilian honor, given by the President on July 4.

The youth opportunities board has selected two target areas in the city for a concentration of youth services. A number of "satellite" areas were also chosen to test pilot programs in other parts of the county under the overall structure of the board.

One of the target areas is the site of a youth training and employment program that has been funded by the Department of Labor under the Manpower Development and Training Act of 1962. This program, which was developed and which will be administered by the youth opportunities board, will provide counseling, testing, training, and job placement for 2,500 unemployed youth from 16 to 22 years of age. The board's role in this job program shows its effectiveness as a coordinating structure for youth programs.

This is the first major program developed by the board. A variety of others are being planned based on the data gathered by the research staff and the ideas of staff, agency personnel, and citizens.

Some of these new ideas include:

A loft studio for youth interested in singing, dancing, and the theater will be established with the help of Hollywood professionals.

Libraries in target area junior and senior high schools will be open after school 4 days a week to offer students an adequate place to study and read.

A special outpost service will be set up to provide a variety of governmental services on the neighborhood level 6 days and evenings a week.

These are but a few of the programs that are being developed by the youth opportunities board. The planning process going on in Los Angeles has stimulated these new ideas and has attracted the interest of many citizens. Housewives, engineers, teachers, and probation officers have volunteered their services to the board. The broad base of community support on which the Los Angeles project rests is one of its greatest accomplishments.

Side by side with these demonstration projects stands the second major part of the Federal delinquency program—the training of youth serving personnel. To meet the desperate shortage of trained professional and volunteer youth workers, grants are being made in 3 categories—to establish university training centers, support curriculum development projects and hold short-term workshops.

In the State of California, eight training grants have been made under the act.

The University of California Center for the Study of Law and Society at Berkeley is preparing training materials for college students, legal agencies, and community organizations working with youth.

The University of Southern California Youth Studies Center in Los Angeles is developing course materials and conducting experimental training programs for probation officers, school guidance counselors, community leaders, correctional administrators, social workers, and members of the youth opportunities board.

The University of California School of Criminology at Berkeley is developing materials for training police, judges, probation officers, and community workers, with the cooperation of local agencies. Teachers from the Oakland-Berkeley area are being helped to make the school more effective in combating delinquency and dropouts.

Similar training efforts are being conducted in other areas of the country to provide communities with a pool of qualified workers for their delinquency control programs.

My observation of the Federal delinquency program in Los Angeles and California leads me to believe that this approach of a comprehensive attack on the many problems of youth is a sound one. As my friend Karl Holton said, "This is the most fascinating project with which I have ever been associated."

Other experienced and respected youth workers have hailed the Federal effort. From their opinions and my own knowledge of the program, I think it deserves the support of all of us.

I have joined in coauthoring S. 1967 providing for a 3-year extension of the program which is now before the House Committee on Education and Labor. This extension is needed to complete what 16 communities across the country have begun to advance youth programs in other localities. I urge the passage by Congress of this needed extension so that this massive attack on juvenile delinquency and this new approach to youth problems will be allowed to prove itself in the near future. The first 2 years of experience fully justifies our faith.

CALIFORNIA AND THE CIVIL WAR

Mr. KUCHEL. Mr. President, the best-known events of the Civil War are being recalled throughout several States from the Mason-Dixon line to the Mississippi Delta, as our Nation reverently observes the centennial anniversary of this grave and unhappy conflict between our States which, while it lasted, threatened to destroy the Union.

Little remembered even by historians and surely unappreciated by the general public is the contribution which California made to the cause of preservation of the United States of America.

Although several hundred miles from the scene of any of the famous and widely recalled battles, California supplied a naval task force which was prepared to repel any attack by Confederate forces or allies they might enlist upon the Pacific coast.

The centennial observance properly directs attention to this unsung squadron which ranged an ocean front from Alaska to Chile. The small fleet of only six ships helped materially in preventing Napoleon from establishing a hemispheric outpost of his empire in Mexico.

The California Legislature at its 1963 session adopted a resolution of tribute to the men and ships of this force which regrettably has attracted scant attention in the romantic novels, motion pictures, and school textbooks recounting events of the Civil War. I was privileged to send the Department of Defense a specially illuminated copy of that resolution as a token of my State's remembrance.

I ask unanimous consent to have printed in the RECORD the text of the resolution and of letters which were written by officials of the Navy attesting to the significant role played by the Naval Squadron of the Pacific 1861–67.

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

ASSEMBLY CONCURRENT RESOLUTION 44—RELATIVE TO THE CIVIL WAR CENTENNIAL COMMISSION

Whereas the years 1861–67 were fraught with the greatest significance to the United States of America and to the State of California in connection with momentous events including the great American Civil War which raged from 1861 into 1865; and

Whereas during these critical years 1861–67, the neighboring Republic of Mexico was invaded by European powers and a devastating civil war prevailed in that nation; and

Whereas the U.S. Navy was faced from 1861–67 with the formidable task of protecting national interests linked to the Pacific coast, the Gulf of Mexico, and the Atlantic coast adjoining U.S. territory; and

Whereas the U.S. naval squadron of the Pacific in 1861 is reported to have comprised 6 small vessels or sloops mounting 100 guns total and manned by less than 1,000 officers and men, and yet the Pacific Squadron undertook to patrol a vast area extending from Alaskan waters southward to Chile and thence westward to the Kingdom of Hawaii and beyond to the lands of Asia and to the South Seas; and

Whereas despite a scarcity of ships and men, under the superior leadership of Adm. John B. Montgomery and later Adm. Charles H. Bell the Pacific Squadron personnel achieved an outstanding record of accomplishment in protecting American interests in the face of great danger and distress and, as expressed in the language of a contemporary writer:

"The Squadron of the Pacific contributed much to the safety of the long Pacific coastline and by a close cooperation with the Army of the Pacific maintained peace on the western shore"; and

Whereas the Civil War Centennial Commission of California is currently engaged in the commemoration in California of the great American War Between the States 1861–65 which as an epochal event in history is associated in part with the praiseworthy record of the Squadron of the Pacific: Now, therefore, be it

Resolved by the Assembly of the State of California, the Senate thereof concurring, That the Civil War Centennial Commission is urged to observe and commemorate by all proper means the preeminent role performed

by the U.S. Naval Squadron of the Pacific during the years 1861–67, and to this end the agencies of the State are urged to permit the use of their facilities by the commission; and the commission is requested to work in cooperation with any U.S. agencies and with the U.S. Armed Forces and any branch and Reserve component thereof, and to cooperate with the Civil War Centennial Commissions in other States and the District of Columbia and with the U.S. Civil War Centennial Commission; and be it further

Resolved, That private universities, institutions, individuals, and historical and veterans' societies within or without the State of California are urged to permit the use of their facilities by the California Commission; and be it further

Resolved, That the chief clerk of the assembly is hereby directed to transmit suitably prepared copies of this resolution to the Honorable Edmund G. Brown, Governor of the State of California, and to the executive secretary of the Civil War Centennial Commission of California, and to the Executive Director of the U.S. Civil War Centennial Commission, and to the Secretary of Defense.

THE SECRETARY OF THE NAVY,
Washington, D.C., May 23, 1963.

Hon. THOMAS H. KUCHEL,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR: Thank you for your letter of May 13 and the splendid illuminated copy of the State of California's resolution of March 19, 1963, commemorating the brave actions of the Naval Squadron of the Pacific in preserving our Union during the Civil War and in the years immediately following.

As you so well state, conditions of communications with the nascent State of California a century ago were at best difficult. With our sophisticated means of communications we tend to forget difficult problems faced by our ancestors. It is well for us to recall and learn to appreciate more fully the tireless efforts of our forebears in overcoming obstacles. Their courage, perseverance, and seemingly limitless energies, forged our great American tradition. It is this positive spirit which must be instilled in our younger generations for many frontiers remain to be explored and conquered.

Therefore, it is with great pride that I accept in behalf of the Department of the Navy this official document recognizing as it does some of the Navy's contributions to our country's rich heritage. We will frame and exhibit it with pride.

Also, please extend my appreciation to the State Legislature of California and to the California Civil War Centennial Commission for their recognition of the Naval Squadron of the Pacific from 1861 to 1867.

With best regards.

Sincerely yours,

FRED KORTH.

COMMANDER IN CHIEF,
U.S. PACIFIC FLEET,
June 13, 1963.

Mr. WILLIAM L. SHAW,
Executive Secretary, California Civil War Centennial Commission, Sacramento, Calif.

MY DEAR MR. SHAW: The Secretary of the Navy has recently forwarded to me an illuminated copy of a resolution by the California Legislature citing the U.S. Naval Squadron of the Pacific for its exemplary record of service during the years 1861–67. The framed resolution will be prominently displayed with other significant naval historical mementos at the Headquarters of the Commander in Chief, U.S. Pacific Fleet.

I extend to the California Civil War Centennial Commission the profound gratitude of the U.S. Navy and of the U.S. Pacific Fleet for this cherished reminder of the accomplishments and contributions of our naval predecessors. The commendation will serve as a source of constant inspiration to me and to each succeeding Pacific Fleet Commander, recalling for us the glorious history of our Navy and reminding us of the responsibilities entrusted to the Pacific Fleet as its share in the national effort to safeguard our country's freedom.

Sincerely yours,

J. H. SIDES,
Admiral, U.S. Navy.

AMERICAN LEGION MAGAZINE ANALYZES ARMS CONTROL ACT

Mr. KUCHEL. Mr. President, the September issue of the American Legion magazine contains a comprehensive, competent, and excellent article entitled "Can the Arms Control Act Disarm Us?"

My mail indicates that thousands and thousands of Californians remain firmly wedded to the following fantastic fairy tales:

That the Arms Control Agency can and will disarm the United States of America.

That the law establishing the Agency constitutes treason.

That the United States proposes unilaterally to turn over its Armed Forces to the United Nations.

That this act will place a Russian, the Under Secretary for Political and Security Council Affairs at the United Nations, in command of our forces and a world peace force.

Indeed, an unhappily large segment of Californians remains utterly convinced in the great water moccasin hoax—the fright that an extremely valuable, truly anti-Communist, U.S. Army training operation in counterguerrilla warfare is really a disguised United Nations plot to take over the United States.

In the American Legion magazine article, Earl H. Voss, highly distinguished and respected Washington Star reporter, forcefully debunks each and every one of these scares once again.

Regarding the Arms Control Agency's alleged power to disarm the United States, Mr. Voss writes:

> The responsibility for the defense of the United States and the exercise of power either to assure or to undo our security rests today exactly where it did before the Arms Control and Disarmament Act (which created the Agency) was adopted in 1961.

Regarding the hoax that the United States proposes unilaterally to turn over its Armed Forces to the United Nations, Mr. Voss writes:

> American disarmament proposals do not call for turning over all U.S. armaments to any U.N. peace force, nor is there any contemplation of one-sided disarmament.

And regarding the aging but still omnipresent fright that the Russian Under Secretary is the United Nations military commander, Mr. Voss writes:

> This post has no military function.

As my colleagues will recall, I dealt fully with these very same hoaxes in a long Senate speech on May 2 and with specific organizations and people who were trading in them.

Yet, sad to relate, these same organizations and people, my mailbag shows, are not giving them up in the least. As Mr. Voss concludes:

> The circulation of groundless rumors about (the Arms Control Agency) and about the law under which it operates does no good. It could have the dangerous result, for our national safety, of causing objective spokesmen for adequate defense to be tarred with the same brush as the spreader of wild tales. That could be a disaster.

The editor of the American Legion magazine, Robert B. Pitkin, adds these further words, in the same issue, in his Editor's Corner column:

> The American Legion magazine and many other Americans, including Mr. Earl H. Voss, of the Washington Star, take a strong stand against any disarmament agreement that isn't 100 percent foolproof. We have good and sufficient reason for our position. But in recent months others, who feel exactly the same, have spread fantastic stories in the land about what can be done and is being done through the Arms Control and Disarmament Act of 1961, and the Agency of the same name. Maybe you heard of the armed U.N. cannibals who were rumored to be marching through Georgia? What good can such stories do except to tend to discredit everyone who warns against unsound disarmament?

Mr. President, as an American and as a proud member of the American Legion, I associate myself completely with Mr. Voss' and Mr. Pitkin's warnings.

I ask unanimous consent that the American Legion magazine article, "Can the Arms Control Act Disarm Us?" be printed at this point in the RECORD.

Mr. President, I also ask consent that resolution 303 adopted at the 45th annual national convention of the American Legion which supports ratification of the test ban treaty recently approved, 80 to 19, by the Senate also be printed in the RECORD.

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

CAN THE ARMS CONTROL ACT DISARM US?
(By Earl H. Voss)

Senators and Representatives on Capitol Hill have been getting bags of mail from alarmed constituents warning that disarmament legislation recently passed by Congress gives President Kennedy authority to transfer the U.S. military forces to the control of the United Nations.

If Members of Congress had voted for a bill they hadn't read it wouldn't be the first time. But the Arms Control and Disarmament Act of 1961, cause of the disturbance, was not presented as a vehicle for subversion of the Armed Forces, and, whatever it is, it does not denude us of adequate defense under our own sovereignty.

Nevertheless, apprehension has become so widespread on Capitol Hill that both Secretary of State Rusk and Defense Secretary McNamara have been asked by Congressmen for comment on their constituents' worries.

Despite denials, it appears that fears are spreading that the United Nations can somehow subvert the sovereignty of the United States through this act.

Specifically, the focal point of suspicion in this 1963 scare has been the Arms Control and Disarmament Act, Public Law 87–297, passed by the 87th Congress in September 1961. It established the Arms Control and Disarmament Agency as a separate, independent agency in the executive branch of the Government, presently headed by William C. Foster.

Secretary of State Dean Rusk, appearing before the Senate Foreign Relations Committee, was confronted with the following question on March 11, 1963, from Republican Senator FRANK CARLSON, of Kansas:

"Mr. Secretary, I receive a great deal of mail from citizens in my State—and I assume other Members do from their States—who are concerned that the Arms Control and Disarmament Act, Public Law 87-297, gives the President the power to turn over the defense of the United States to the United Nations. I wish you would discuss that a little bit."

Secretary McNamara, testifying before the Senate Armed Services Committee, was asked by Committee Chairman RICHARD RUSSELL, of Georgia, about the reciprocal problem, that the United Nations was about to "occupy" Georgia:

"I have just had a series of telegrams and letters from outside the State, Louisiana and Texas, about military activities in Georgia, and I want to read one of the letters and one of the telegrams that is typical, and get your comment on it.

"This letter is from Shreveport, La. The man gives his address and street number: 'I have just heard that the U.S. Engineers in Georgia had leased some 2,500 square miles of south Georgia land to train United Nations troops on. I also heard that 3,500 United Nations troops were to arrive there on March 4 to train to March 27, and that in June some 17,000 Congolese troops of the United Nations would be coming in for an indefinite stay and training.

" 'I want to know if this is true, since my mother lives in south Georgia. I would also like to know where such land was rented and if we are actually going to let the Congolese troops train there and what you intend to do about it. Please let me have your answer by return mail as I am very much concerned about this piece of news that has evidently been kept well guarded.

" 'P.S.—If such news is true, what can we do about it?' "

Senator RUSSELL then produced another telegram from a gentleman in Houston, Tex.: "Understand U Thant of the United Nations is establishing a command post in Georgia bringing United Nations Congolese troops from Africa to protect the United States from Cuban attack. Movement known as Operation Water Moccasin. Is this information true? If so, by what right and whose authority is the United States subservient to the United Nations?"

Democratic Representative JOHN E. MOSS, of California, asked the State Department about a letter he received last May from a couple in Sacramento. The couple warned him that the President is authorized by the Arms Control and Disarmament Act to transfer the Navy, Army, and Air Force to the command of the Under Secretary for Political and Security Council Affairs of the United Nations Secretariat, a post usually held by a Soviet official.

California's Republican Senator THOMAS KUCHEL finally cried out in despair in a long Senate speech on May 2, complaining he had received an avalanche of what he called "fright mail" about African Negro troops, possibly even cannibals, being stationed in Georgia by the U.N.

He quoted one letter from Hollywood, Calif., asking: "It is unconstitutional to quarter American troops in American homes, so how come these pagan, ruthless, brutal, godless savages? Yes, we know of U.N. plans to place Mongolian and Congolese troops over our dear United States (the same kind of troops which ravished Katanga). If the U.N. can swing their damnable world police force plan, so undoubtedly these moccasin troops are to be the same."

From Berkeley, Calif., Senator KUCHEL received this report: "The news has just broken, although there had been rumors for a week or more, that Georgia is the place for 16,000 African soldiers being trained by the U.N. for guerrilla warfare, complete with nose and ear rings. This time, the U.N. and our State Department have gone too far."

Senator KUCHEL also reported he had received more than 2,000 letters demanding abolition of the U.S. Arms Control and Disarmament Agency because of misunderstandings of its powers.

These are all serious charges and the number of letters received in various Washington offices on each point suggests an organized system of alarm.

What are the facts?

The Arms Control and Disarmament Act of 1961 does not authorize the President of the United States to transfer American Armed Forces to the jurisdiction of the United Nations, nor does it authorize him to disarm the Nation or limit its Armed Forces without the approval of Congress.

Section II of the act, stating the purpose of the law, says:

"Arms control and disarmament policy, being an important aspect of foreign policy, must be consistent with national security policy as a whole. The formulation and implementation of the U.S. arms control and disarmament policy in a manner which will promote the national security can best be insured by a central organization charged by statute with primary responsibility for this field."

The purpose of the Agency was stated in these terms:

"This organization must have the capacity to provide the essential scientific, economic, political, military, psychological, and technical information upon which realistic arms control and disarmament policy must be based. It must be able to carry out the following primary functions:

"(a) The conduct, support, and coordination of research for arms control and disarmament policy formulation;

"(b) The preparation for and management of the United States participation in international negotiations in the arms control and disarmament field;

"(c) The dissemination and coordination of public information concerning arms control and disarmament; and

"(d) The preparation for, operation of, or as appropriate, direction of United States participation in such control systems as may become part of the United States arms control and disarmament activities."

Thus the Arms Control and Disarmament Agency is basically a study and informational body. It could not take over operation of American disarmament programs until they were approved by the entire Government, which we shall see includes both executive and legislative branches. Whatever danger of that exists, the law in question does not permit it.

Section 33 of the same act, Public Law 87-297, specifically prevents the President from acting without the consent of Congress in the disarmament field. It provides:

"The Director (of the Arms Control and Disarmament Agency) is authorized and directed to prepare for the President, the Secretary of State, and the heads of such other Government agencies, as the President may determine, recommendations concerning the United States arms control and disarmament policy: *Provided, however,* That no action shall be taken under this or any other law that will obligate the United States to disarm or to reduce or to limit the Armed Forces or the armaments of the United States, except pursuant to the treatymaking power of the President under the Constitution or unless authorized by further affirmative legislation by the Congress of the United States."

Neither President Kennedy nor any other future President, therefore, can enter into a disarmament agreement or obligate the United States to disarm unless he is authorized to do so by a subsequent law or treaty. If any danger of that exists, it exists outside the terms of the Arms Control Act.

The above language of section 33 goes further. By requiring legislation to cover disarmament moves not taken in the form of a treaty, section 33 prevents the President from concluding executive agreements. These are not subject to Senate ratification as treaties.

Executive agreements are, in effect, second-class treaties with foreign powers covering minor matters which the President can sign without congressional action. They have the force of treaties and have been a frequent cause of friction with Congress, particularly the Senate.

Any U.S. action in the disarmament field, section 33 provides, must either be handled as a full-fledged treaty, and therefore subject to two-thirds approving vote of the Senate, or be authorized by legislation, meaning that a majority of both the House and Senate must approve it. To that extent, the act has slightly weakened the prospect of a President disarming us without congressional approval.

It is, of course, possible that both the executive and legislative branches would agree on some disarmament policy of which many citizens would strongly disapprove. This possibility lies outside the Arms Control Act, which, in summary, has created no new powers to disarm us.

The United Nations Charter contains no provision which could be interpreted as authorizing the President to turn over the defense of the United States to the United Nations. Article 43 of the Charter states:

"1. All members of the United Nations, in order to contribute to the maintenance of international peace and security, undertake to make available to the Security Council, on its call and in accordance with a special agreement or agreements, armed forces, assistance, and facilities, including rights of passage, necessary for the purpose of maintaining international peace and security.

"2. Such agreement or agreements shall govern the numbers and types of forces, their degree of readiness and general location, and the nature of the facilities and assistance to be provided.

"3. The agreement or agreements shall be negotiated as soon as possible on the initiative of the Security Council. They shall be concluded between the Security Council and members or between the Security Council and groups of members and shall be subject to ratification by the signatory states in accordance with their respective constitutional processes."

The U.S. Congress, in other words, must approve any move the President may wish to take in making American Armed Forces available for United Nations actions.

The Congress, ever zealous to protect its powers, was careful to reserve a veto power over any Presidential moves in this direction. In the United Nations Participation Act of December 20, 1945, there is this provision:

"The President is authorized to negotiate a special agreement or agreements with the Security Council which shall be subject to the approval of the Congress by appropriate act or joint resolution, providing for the numbers and types of armed forces, their degree of readiness and general location, and the nature of facilities and assistance, including rights of passage, to be made available to the Security Council on its call for the purpose of maintaining national peace and security in accordance with article 43 of said charter. The President shall not be deemed to require the authorization of the Congress to make available to the Security Council on its call in order to take action

under article 42[1] of said charter and pursuant to such special agreement or agreements the armed forces, facilities or assistance provided therein: *Provided,* That nothing herein contained shall be construed as an authorization to the President by the Congress to make available to the Security Council for such purposes armed forces, facilities or assistance in addition to the forces, facilities, and assistance provided for in such special agreements."

Congress, it would appear, thought of everything. Both the lawmakers of the time, subsequent Congresses, and each succeeding President have considered the congressional control over Presidential authority to be strict. The United Nations, as well, has apparently gone unaware of any power provided by the Charter to appropriate American military power to its internationalist purposes.

Congress has other enormous powers which would be sufficient in themselves to frustrate any straying President. It controls the purse strings. It lays and collects taxes for the common defense; it creates armies and maintains navies which the President only directs once they are in being; it can pledge the public credit, declare war, regulate foreign commerce.

Furthermore, it has the power "to make all laws which shall be necessary and proper" for carrying into execution not only its own powers but all the powers "of the Government of the United States and of any department or officer thereof," according to the Constitution.

Moreover the laws made by Congress "in pursuance" of these powers are the "supreme law of the land" and the President is bound constitutionally to "take care that" they "be faithfully executed."

Thus both American law and the United Nations Charter protect the U.S. Armed Forces from "subversion" or nonsubversive transfer to international authority without the consent of both the Congress and the President. Neither the President nor the Congress can act unilaterally, as carefully provided in the checks and balances of the Constitution. This field is untouched by either the Arms Control and Disarmament Act or the U.N. Charter.

The United States being a government of laws and men, however, it could be that some President would have the intention of circumventing the law and the United Nations Charter. Both Secretary of State Rusk and Defense Secretary McNamara sought to reassure the Nation that President Kennedy's intentions, at least, are honorable.

In March 11 hearings before the Senate Foreign Relations Committee, Democratic Senator HUBERT HUMPHREY, of Minnesota, led Secretary Rusk through this series of questions:

"Senator HUMPHREY. Just to clarify this record again, Mr. Secretary, I am very familiar with the provisions of the Arms Control Act. Do you find anything within that act which bestows power upon the President of the United States to demobilize the forces of the United States without the consent of the Congress?

"Secretary RUSK. No, sir, I do not.

"Senator HUMPHREY. Do you find anything in the Arms Control Act which would place jurisdiction over the command of the U.S. Armed Forecs in the hands of the United Nations?

"Secretary RUSK. No, sir.

"Senator HUMPHREY. Do you find anything in the Arms Control Act which would in any way dilute the authority of the President of the United States to be Commander in Chief of the Armed Forces of the United States?

"Secretary RUSK. No, sir.

"Senator HUMPHREY. Or do you find anything that would dilute the constitutional authority of the Congress of the United States on treatymaking powers insofar as the Senate is concerned?"

"Secretary RUSK. I do not, sir.

"Senator HUMPHREY. And you do not find anything that would dilute the appropriation powers of the Congress of the United States?

"Secretary RUSK. That is correct, sir.

"Senator HUMPHREY. I think that pretty well ties down the response to this kind of emotional appeal that has spread across the land."

Georgia Senator RICHARD RUSSELL's inquiries about Congolese troops and other United Nations forces training in Georgia were met first with a quip by Secretary McNamara.

"It is another serious leak from the Pentagon," Mr. McNamara declared, as a ripple of laughter passed through the hearing room.

"Does this happen to be a true leak or an untrue leak?" Chairman RUSSELL persisted.

"Someone has a sense of humor, I am delighted to see," Secretary McNamara replied.

"Honestly, I had 10 or 15 inquiries that all came in yesterday and today from Louisiana, and Houston, Tex., all to that effect," Chairman RUSSELL informed the Secretary.

Republican Senator MARGARET CHASE SMITH of Maine, suggested: "It must have been the story of a columnist."

Secretary McNamara then gave a serious answer: "Needless to say, I never heard of any such plan."

"Fine," Chairman RUSSELL replied. "I can advise the man then that he need not move his mother. Thank you."

In view of the grave fears held by some Americans, perhaps this exchange was too lighthearted. But Senator RUSSELL is a Georgian who would scarcely be lighthearted if he had any doubt of the truth.

There was a military exercise in Georgia called Operation Water Moccasin. If people were frightened that it was an invasion of thousands of "U.N. troops"—Mongolians, Congolese, cannibals, etc., as part of a "three-point disarmament program," it was not entirely their fault. A constituent in California wrote Senator KUCHEL that such things were said on a local radio broadcast. Others cited a speaker from South Carolina who had traveled about the country making such statements in speeches.

But the editor of the weekly Claxton Enterprise, in the Georgia area where Operation Water Moccasin was held, was so sickened by letters he had received from all over the country that he lost patience with the real fear expressed and wrote an editorial calling the writers of them insane. Senator KUCHEL put it in the CONGRESSIONAL RECORD that Operation Water Moccasin was "a U.S. Army troop exercise instructing our soldiers in counterguerrilla warfare, witnessed * * * by 124, not 15,000, foreign military officers." And the editor of the Claxton Enterprise said of his personal observation of Operation Water Moccasin: "Our experience with the people involved directly in the operation left us with the feeling that we were taking part in some important training that may one day aid our Nation in its struggle for world peace against a foe that uses all sorts of unorthodox tactics. We are glad to know that we have people in our Armed Forces with the ability and training that these showed during our observation of this operation."

Congressman Moss, chairman of the watchdog committee which keeps an eye on the information policies of the Government, asked the State Department for advice when he received word from the Sacramento couple that President Kennedy now has the power to transfer the Navy, Army and Air Force to the command of the U.N. Secretariat's leading Soviet official, the Undersecretary for Political and Security Council Affairs.

Assistant Secretary of State Frederick G. Dutton, a fellow Californian who had formerly been a close associate of Gov. Pat Brown, advised Representative Moss in a formal letter that "it is simply not true. * * * The Constitution forbids it, the law (Public Law 87-297) establishing the Arms Control and Disarmament Agency does not authorize it, our disarmament proposals do not provide for it, the administration has never considered it, and the people of the United States would not tolerate it."

The same Sacramento couple suggested that a Russian is always in charge of the United Nations Military Secretariat. Actually there is no military secretariat. There is a Military Staff Committee, whose chairmanship rotates monthly among the five permanent members of the Security Council of the United Nations: the United States, the United Kingdom, France, China and the Soviet Union. Thus the Soviet Union is nominally the chairman of the Military Staff Committee 1 month out of 5.

But article 43 of the United Nations Charter, quoted above, never has been put into effect. The United Nations has no permanent standby force over which the Military Staff Committee can rule. The Military Staff Committee does not function. Its monthly meetings are a matter of form.

Whatever troops have been provided for the United Nations have been provided on an ad hoc basis, not under article 43.

In the Korean war, the Security Council named the United States to direct the unified command which operated against Communist forces. The United States named the commander in chiefs of the United Nations force and each of them took orders from the United States Joint Chiefs of Staff, who got their orders from the President. There was no opportunity for American troops to fall under the operational control of a Soviet general in United Nations uniform.

Reports to the United Nations on the conduct of the fighting in Korea contained no battle plans which could be sent to the Soviet Union, an enemy in the Korean war.

Current U.S. disarmament proposals, it is true, do envision establishment of a United Nations Peace Force. The State Department says that "neither the military staff committee nor the Undersecretary for Political and Security Council Affairs (of the U.N.) would be a part of the United Nations Peace Force envisaged in the U.S. disarmament proposals."

Assistant Secretary Dutton, however, did not treat lightly the concern of the Sacramento couple for the national security. He wrote Congressman Moss: "The Department appreciates the patriotism and responsibility shown by Mr. and Mrs. ———, who, coming into possession of such grave allegations as those contained in the statement, have addressed themselves to their elected representatives in the Congress of the United States. I hope that the foregoing exposition and the material enclosed will serve to reassure them as to the facts in the matter."

In recent months the State Department has dealt with other charges of irregularities in the Arms Control and Disarmament Act.

It is perfectly true, as some apprehensive correspondents have pointed out, that a Russian usually holds the post of the United Nations Under Secretary for Political and Security Council Affairs. Since the founding of the United Nations a Russian has held the post consistently except for one term, when it was held by a Communist Yugoslav.

This post has no military function. The Secretary General has authority over all the

[1] Article 42 states: "Should the Security Council consider that measures provided for in article 41 would be inadequate or have proved to be inadequate, it may take such action by air, sea, or land forces as may be necessary to maintain or restore international peace and security. Such action may include demonstrations, blockade, and other operations by air, sea, or land forces of members of the United Nations."

under secretaries. He operates largely by consensus with the whole array of under secretaries. The United States and its allies have usually held 13 of the 19 under secretaryships. The Soviet bloc holds two.

The State Department has also denied reports that "hidden funds" have been appropriated to the Arms Control and Disarmament Agency Director William C. Foster has sought an increase in funds, all this has been for research and the requests have been made in open hearings.

In the 1963 fiscal year there was a $10 million ceiling on spending by the Agency for disarmament research. Congress had under consideration raising that ceiling this summer, but appeared reluctant to remove the ceiling completely, as Director Foster requested.

Another charge has been made that Director Foster is authorized by the act to call out the Armed Forces of the United States. The act provides no such authority for the Arms Control and Disarmament Agency Director.

Publication of a pamphlet on disarmament, "Freedom From War," caused the State Department to be confronted with various allegations about American disarmament policy: That it planned to eliminate the American Armed Forces; to transfer war material including nuclear weapons to a United Nations Peace Force; to liquidate the United States of America, and to establish a world government.

American disarmament proposals do not call for turning over all U.S. armaments to any U.N. peace force, nor is there any contemplation of one-sided disarmament.

This Nation's present disarmament proposals do, however, contemplate eventual "disbanding of all national Armed Forces and the prohibition of their reestablishment in any form whatsoever." Specifically excluded from this provision are forces which will be retained "to preserve internal order."

As the Armed Forces would be reduced, the American disarmament proposal requires that effective verification must be provided to assure Washington that other countries are taking the same steps.

At the same time, it requires that international institutions to settle disputes and maintain the peace must be strengthened commensurately.

The U.S. overall disarmament goal is "a free, secure, and peaceful world of independent states adhering to common standards of justice and international conduct and subjecting the use of force to the rule of law."

The State Department contends this does not mean "abandoning all our national sovereignty to a super world government; it does mean our full participation in international bodies established to administer whatever disarmament agreements are reached."

Interpreting what these words mean, of course, is a problem left not to the President alone, but to the President and Congress. So far the Soviet Union has refused to accept the level of verification the United States considers absolutely necessary, making disarmament discussions an habitually boring exercise in futility.

"The U.S. Government views disarmament and arms control as a means of achieving a more secure world, and, therefore, a more secure United States," the State Department says. "It does not look on disarmament as an end in itself. Consequently, it will not disarm unilaterally on the assumption that such action might secure peace. Its firm purpose is to obtain international agreements which, while they promote peace, do not lessen national security. It believes that every disarmament agreement undertaken should be effectively verified so that no party might secretly evade its obligations. The United States sees no contradiction between its peaceful objectives and the national determination to maintain a strong defense force sufficient to deter or meet aggression."

Others, like the American Legion, have seen contradictions and opposed U.S. disarmament measures as a consequence.

Instead of providing for the United States to arm the United Nations with nuclear weapons, as some Americans fear, the U.S. disarmament proposal calls for the gradual and progressive destruction of nuclear arms under effective international control and the conversion of fissionable materials to peaceful purposes.

The United Nations Peace Force envisaged in the American disarmament program has caused raised eyebrows in many quarters, including the Pentagon. This peace force would not come into being until the second stage of the three-stage American program. While it is true the Peace Force would be equipped with agreed types and quantities of arms, this would occur only after numerous disarmament measures had been taken in the first stage. Stage one presupposes that appropriate and effective control will have been effected among the states, so that no single state can "gain" an advantage.

Defense Secretary McNamara interprets this to mean the United States can keep whatever advantage it has at the outset and has vowed to oppose any disarmament measure which does not preserve the American advantage. If this makes the United States disarmament program an empty shell, Mr. McNamara is undisturbed.

So far no time schedule has been set for the United States to make troops available to the United Nations. This time schedule would be established as a part of stage one of the American disarmament proposal, but the Soviet Union has not yet agreed to accept the American disarmament proposal as a basis for negotiation.

Even if the Soviet Union were to become suddenly sweet and reasonable, the Arms Control and Disarmament Act still provides: "that no action shall be taken under this or any other law that will obligate the United States to disarm or to reduce or to limit the Armed Forces or armaments of the United States, except pursuant to the treaty-making power of the President under the Constitution or unless authorized by further affirmative legislation by the Congress of the United States."

As mentioned earlier, the treaty-making power of the President is subject to a two-thirds ratification by the Senate. Legislation requires a majority vote in both the House of Representatives and the Senate.

After the State Department tabled its draft treaty on general disarmament at the Geneva Disarmament Conference in April 1962, a circular appeared in this country branding the draft as a "treason treaty."

The circular charged that the U.S. disarmament program would place this country under the authority of the United Nations military dictatorship. It suggested that the United States would agree to an arrangement under which the Soviet Union and its satellites would have effective control over a greatly strengthened United Nations. (The State Department labeled this charge "preposterous.")

The "treason treaty" circular focused its attack on disarmament proposals providing for a general strengthening of international peacekeeping machinery within the framework of the United Nations when and if progress is made in disarmament negotiations.

The State Department has pointed out that the United Nations Peace Force would not be established until all nations had agreed upon the details of the control, purpose, composition and strength of the force. "The United States would not agree to the creation of such a force," the State Department says, "unless and until it was certain that the provisions for its command and control were consistent with the security of the United States and with the proper use of force for maintaining peace in a disarmed world."

As for the charge that American disarmament proposals would establish a world government or reduce the authority of the U.S. Supreme Court, the State Department points out that "the statute of the International Court of Justice itself precludes any such thing. Article 34 of the Court's statute states that 'Only states may be parties in cases before the Court.' In other words, the Court may only exercise its functions, under the provisions of the statute, with respect to contentious cases between governments, not between individuals."

The State Department says: "The American people are assured that any general agreement on arms control or disarmament which might be agreed to by the United States will, before going into effect, be subject to the scrutiny and approval of their elected representatives. Any treaty concluded as a result of disarmament negotiations would require the approval of a two-thirds majority of the Senate. Any agreement in a form other than a treaty would require additional legislation passed by a majority of both Houses of the Congress before its execution."

All this does not mean, of course, that it is impossible for the United States to be subverted. It merely means that if the country is subverted there will have to be a broad acceptance by the executive and legislative branches or, possibly, a massive deception which leads the entire American Government into a trap.

With the vigilance of its citizens and the continued caution of the Congress and the executive branch, the possibility that the United States could be persuaded to transfer its nuclear weapons and manpower to the control of an unreliable world power or, more specifically, to the Soviet Union, does not appear to be imminent.

The possibility, however, that well-intentioned servants can hamper or even cripple the military development in this country is still very real. The willingness of many Americans to accept a nuclear test ban, for instance, without effective safeguards against Soviet cheating and the willingness to halt American nuclear-weapons development without assurance that the Soviet Union is doing the same, perhaps is the basis on which many other Americans build their misgivings.

In the case of a nuclear test ban treaty, however, as in the case of other disarmament measures mentioned in this article, it rests with the Congress—more specifically with the Senate—to approve or disapprove any treaty which the executive department negotiates.

It is then that the American Legion and other powerful citizens' organizations deserve a full hearing in Congress.

Meanwhile, the Legion and many other organized groups are stating their misgivings about "general and complete disarmament."

The goal, they say, is unrealistic and endorsing it borders on deception.

Enough nuclear weapons to cripple a nation or group of nations could easily be hidden in any country. Science knows no method of detecting properly shielded hidden stocks even if sensors pass within a few feet of the stockpile. Each nuclear power, therefore, must retain sufficient stocks of nuclear weapons to retaliate devastatingly—and thus deter any unscrupulous power which might withhold nuclear arms during the disarmament process.

"Complete" disarmament is thus a fraud, inconceivable for any power to accept until science devises an all-seeing eye to find all hidden nuclear stockpiles, without error, without distraction by false signals. No scientist believes this all-seeing eye can be created soon.

The American Legion's opposition to the U.S. program for "general and complete

disarmament" in resolution 180, passed at the 1962 convention in Las Vegas, is understandable on this count alone.

As the resolution noted, there are other grounds for misgivings about U.S. disarmament policy, particularly the inadequately explained proposal that, at some point, the United Nations would be given the strength to impose on us the will of any unpredictable majority of nations.

Few would suggest that any President would deliberately endanger the United States national security. It is reasonable to be concerned, however, that someday a President may unwittingly or unintentionally endanger the national security. Presidents have been naive before.

The Constitution has provided the additional safeguard that Congress should ratify all such Presidential decisions. Backstopping the Congress as it judges Presidential policy are not only organizations like the American Legion, but individuals like some of the petitioners of the House and Senate.

In short, the responsibility for the defense of the United States and the exercise of power either to assure or to undo our security rests today exactly where it did before the Arms Control and Disarmament Act was adopted in 1961.

There may be dangers in what people acting in the name of the Agency propose. Their proposals will bear watching.

But the circulation of groundless rumors about that Agency and about the law under which it operates does no good. It could have the dangerous result, for our national safety, of causing objective spokesmen for adequate defense to be tarred with the same brush as the spreaders of wild tales. That could be a disaster.

RESOLUTION ADOPTED AT THE 45TH ANNUAL NATIONAL CONVENTION OF THE AMERICAN LEGION, MIAMI BEACH, FLA., SEPTEMBER 10–12, 1963

Whereas the Government of the United States of America, and the United Kingdom of Great Britain and Northern Ireland have seen fit to negotiate with the Soviet Union a limited test ban treaty; and

Whereas the treaty is now before the Senate of the United States for determination as to whether or not that body will advise and consent to ratification of the treaty on the part of the United States; and

Whereas the American Legion has in the past supported all actions by our Government which offer the hope of an honorable peace and which at the same time are consistent with strong national security; and

Whereas past experience has evidenced that the Soviet Union enters into only those agreements which are for its own best interests; and

Whereas the American Legion finds reason for concern as to their motives since this could be a method of improving the position of the Communists economically, politically, and militarily, as was demonstrated by our previous voluntary suspension of testing in which the Soviets completed all the preparations for elaborate and comprehensive nuclear testing while the United States slept, thus permitting them to drastically reduce our lead in the nuclear field: Now, therefore, be it

Resolved by the 45th Annual National Convention of the American Legion, assembled in Miami Beach, Fla., September 10–12, 1963, That the American Legion urges the Senate to assure the American people—

1. That this test ban treaty shall not in any way be considered as a step toward disarmament of the United States;

2. That this test ban treaty shall not in any way be considered a step toward the surrender of our national sovereignty (including but not limited to U.S. control of our own military forces and defense developments);

3. That this test ban treaty shall in no way curtail lawful nuclear testing or development or readiness for immediate resumption of atmospheric testing in the event of a violation of the treaty; and be it further

Resolved, That if the foregoing safeguards have been met, the American Legion supports the test ban treaty.

THE PROMISE AND FULFILLMENT OF AMERICAN DEMOCRACY—ADDRESS BY J. MARTIN KLOTSCHE

Mr. NELSON. Mr. President, on September 23, 1963, at Madison, Wis., Dr. J. Martin Klotsche, provost of the University of Wisconsin, and a distinguished scholar and educator, delivered a speech at the Governors' Conference on Human Rights. Dr. Klotsche's speech is a scholarly, perceptive analysis of the situation as it affects civil rights. It is a clear expression of the philosophy of the individual rights of man. I ask unanimous consent that Dr. Klotsche's address be printed in the RECORD.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there objection?

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

THE PROMISE AND FULFILLMENT OF AMERICAN DEMOCRACY

(Address by J. Martin Klotsche)

Let me begin by stating some basic propositions to which we, as a people, are committed. These are the ideals that give us a moral base on which we can build. They are our frame of reference—without which we cannot operate effectively. The philosopher Whitehead once said "that vigorous societies harbor a certain extravagance of objectives so that men wander beyond the safe provision of personal gratifications." He further suggested that a civilized society must cultivate a "widespread sense that high aims are worthwhile."

What are these extravagant objectives? These high aims? Our beliefs and commitments have been so frequently expressed that they are self-evident in the sense that they need no further proof or evidence to support them. Yet while they may be self-evident, they are not self-explanatory, nor are they self-enforcing. Nor do we realize them simply because we have given expression to them. But this does not invalidate them nor does it deny the value of periodically restating them. When Jefferson expressed the views that were eventually incorporated into the Declaration of Independence, these were not his views alone. They were shared by many of his colleagues. They represented a consensus. One writer has even described Jefferson as having "plagiarized the atmosphere." These truths expressed in the Declaration of Independence were subsequently reaffirmed and enlarged upon. They were incorporated into the Preamble to the Constitution and into the Bill of Rights, were stated in the Emancipation Proclamation and are to be found in some of the most contagious prose and poetry written in this country.

They have also become universal in their appeal, with the result that the ideas associated with our way of life are in complete harmony with the hopes and aspirations of people everywhere. Our ideas have become an integral part of world thinking. When, for example, the Dutch stormed into Sumatra they found on many of the buildings these words from the American Revolution, "Give me liberty or give me death." At the Bandung Conference held in southeast Asia in 1955, a conference which, incidentally, the United States officially ignored, the date of April 19 was deliberately chosen for the opening of the conference to have it coincide with the anniversary of the Battle of Lexington and Concord. Thus, such Americans as Jefferson and Lincoln are great not only because they achieved American purposes, but also because they were able to speak for humanity at large and extend their views to include the whole family of man.

The historian, Commager, recently wrote that we have witnessed two major revolutions in the past 1,000 years. The first broke up the medieval world, humanized and secularized thought, shifted the center of gravity from the Mediterranean to the Atlantic and opened up a whole new world. The second was associated with the birth of our own country and with the end of colonization. It marked the emergence of a new nation, the spread of the ideas of self-government, and the use of science and technology to create abundance.

What then is our frame of reference? Stated simply it is the idea that the individual is squarely in the center of things and is of supreme importance. Archibald Mac Leish who has written often on this subject, says that when we speak of man we should speak of man not in the abstract, nor should we speak of all men, or even the majority of men. Rather we should talk about that one single man who, because he is a man, has dignity and worth. Basic to our whole scale of values, then, is our faith in the infinite worth and unlimited possibilities of each person. This is the self-evident truth which is our point of departure.

The rule of thumb under which we should operate is a simple one. We should regard each person as an individual—not as a Catholic, Jew or Protestant; not as a Negro or white; not as a man or a woman, but as a person whom we like or dislike because of his or her intrinsic qualities. Color really doesn't matter. In fact it just isn't relevant.

Now it is a mark of extraordinary maturity to be able to make such judgments. There are some people who are illiterate who have this instinctive recognition of respect for others. Many children set no artificial boundaries in their esteem and love of people. To others this feeling for respect is an intellectual process. But unfortunate is the person who, because of his own limitations, has never fully sensed the significance of each person's intrinsic value and worth.

That there have been conspicuous failures and glaring imperfections in achieving this goal need not be dwelt upon here. Our dilemma is the obvious gap between faith and fact, profession and practice, belief and performance. We have not translated into reality the full meaning of our belief. Our promise has not been fulfilled. Too often we have allowed the phrasemaker and the demagog to prevail. Slogans, even such attractive ones as "freedom" and "equality" can be used to enslave rather than to liberate. There are countless examples of versifiers and penmen who use their skill to give upside-down meanings to all sorts of ideas, which on the surface seem plausible. These are the people that William Blake had in mind when he said, "the general good is the refuge of the flatterer, scoundrel, and hypocrite. He who would do good must do it in minute particulars."

That we have made progress in the human rights field, no one, other than the cynic, could deny. Yet our progress has been spotty, uneven, and in some areas unimpressive. But now we are at the crossroads of a long struggle to win equality for the Negro. We are, in fact, now entering into the final or climactic stage. We must squarely face the fact that modest progress will no longer suffice. It is a fact of history that when people begin to improve, when they are on the way up, when they see some

signs of hope and accomplishment, this is when they become impatient and even rebellious. It is when people begin to see a way out that they become militant. It is only when the situation appears hopeless and there seems no avenue of escape that people give up.

Thus, democracy is a quest, a never-ending seeking for better things and presumes a never-slackening pressure for improvement and betterment. Justice Holmes had this in mind when he said that "man's mind once stretched to a new idea never returns to its former dimensions." It is precisely because some progress has been made that Negroes today have achieved a new militancy which has replaced the abject hopelessness of former years with a new aggressiveness and determination.

This has alarmed some persons and caused them to recoil in fear and anger. Yet it serves no purpose to attribute current unrest to agitators or to describe those in the forefront of the civil rights struggle as disturbers of the peace. Those who seek refuge in such an explanation are either unwilling or unable to understand that we are in the midst of a social revolution of dramatic proportions described by one observer in these words: "Nineteen hundred and sixty three is the year that the Negro ran out of patience and got mad at everybody. How mad he will continue to be depends on what changes are made to place him on an equal footing with other Americans."

It was recently reported, as though it were a colossal achievement, that no State school system in the South today remains segregated. This does not really impress the Negro. More relevant is the fact that the majority (over 90 percent in fact) of the Negro children in the South are still in segregated schools, 9 years after the Supreme Court declared such schools unconstitutional. Nor can we cheer too loudly when the admission of two Negroes in the University of Alabama this summer (with an enrollment of 4,100 students) changed the racial composition of the campus from an all-white student body to one 99.95 percent white. And it took the Army, U.S. marshals, the FBI, the National Guard, the Justice Department, the White House staff and even the Chief Executive to accomplish this task.

But, we should hasten to add that the problem is not just a southern one. The 1960 census reported that more than one-half of the American Negroes live outside of the South. Of the cities with the largest Negro population, the first eight are northern or border cities. The city in the solid South with the largest Negro population is Birmingham in ninth place. The implications of these facts were dramatically pointed out by Harry Ashmore in his book "The Other Side of Jordan" in which he suggests that Negroes crossed the River Jordan in search of the Promised Land only to find a repetition of the hostility and persecution that they had left behind. He further concluded that our agrarian past is finished and that the crux of the problem has now shifted to our cities. Here it is that we must seek to come to terms with problems of racial justice and understanding.

There are many places in the North, therefore, where discrimination, though against the law, nevertheless is very real. Often Negroes get the lower paid jobs and many of these are disappearing because automation has reduced opportunities for the unskilled worker. As a result the rate of unemployment for Negroes is twice as great as that among whites. Also Negroes are less able to educate their children, less able to improve their lot, and less able to move out of the slums into better housing.

This seeking the Promised Land, and now for the first time viewing it, even from a distance, is one of the dramatic developments of our time. Sit-ins, freedom rides, desegregation—all of these would have been impossible 15 years ago. There are many factors that have contributed to this change. The experience of the Negro in wartime visibly affected him. James Baldwin has bluntly expressed this view in "The Fire Next Time," in which he states, "You must put yourself in the skin of a man who is wearing the uniform of his country; is a candidate for death in its defense, and who is called a 'nigger' by his comrades in arms and his officers; who is almost always given the hardest, ugliest, and most menial work to do * * * who does not dance at the USO the night the white soldiers dance there, and does not drink in the same bars white soldiers drink in; and who watches German prisoners of war being treated by Americans with more dignity than he has ever received at their hands. And who, at the same time, as a human being, is far freer in a strange land than he has ever been at home. Home. The very word begins to have a despairing and diabolical ring. You must consider what happens to this citizen, after all he has endured, when he returns home: Search, in his shoes, for a job, for a place to live; ride, in his skin, on segregated buses; see, with his eyes, the signs saying 'white' and 'colored,' * * * Look into the eyes of his wife, look into the eyes of his son; listen with his ears, to the political speeches, North and South; imagine yourself being told to wait."

In addition, a whole generation of Negroes since the war have had wider educational opportunity. Many have had a college education; 250,000 are now studying in our colleges and universities. Thus, experience in the armed forces and new insights gained as a result of education now make them spurn the conservatism of their elders and replace it with impatience and a new kind of radicalism. Negroes are understandably seeking a faster realization of their rights. They have seen how other people live. They know what opportunities there now are and they have also learned about and been influenced by what is happening elsewhere in other parts of the world. The number of independent nations has doubled since the war. In 1 year alone, 17 nations achieved independent status in Africa. Many of these nations are now taking their place as parliamentary equals in the council of nations. The revolution has become worldwide with hopes giving way to expectations and expectations yielding to demands.

Thus, to urge caution or to persist in the view that Negro unrest is the result of Communist agitation or the influence of the outsider or to wish that people would stop agreeing with the Negro and tell them to stop demonstrating is unbelievably naive or frightfully dishonest and insincere. We have been dodging and evading our responsibilities too long. The time for decision is now at hand.

Yet it is amazing to see to what lengths unimaginative people will go to oppose progress. It's easy to find so many reasons for not getting things done. How many times have we heard, "Well, this will set a dangerous precedent," "The public is not ready," "I agree with your goal but can't accept your methods," "What's the hurry? Rome wasn't built in a day," and the clincher, "The time isn't ripe." Time seems eternally unripe for change. Actually time is neutral. It can be corrosive but it can also be a force for good in the right hands. Dr. Buell Gallagher, president of City College in New York has expressed it this way: "There is nothing quite as weak as an idea whose time is not yet ripe. Nothing as absurd as an idea whose time is past. Nothing quite as powerful as an idea whose time has come."

We need a new spirit of adventure, for the odds are clearly against the timid. The Brookings Institute has just completed a report in which it has examined some problems of public policy. After 5 years of study by a team consisting of one psychologist and two political scientists, these men have concluded that we are unprepared for adventure at the very time that an adventuresome spirit is essential to preserve our democratic system. These researchers record that in 1789 our experiment was the boldest adventure of its kind ever undertaken by man. But, now we seem to have lost the spirit of adventure—this living successfully with uncertainty and being challenged by it.

Actually the question that confronts us is not when is the time ripe for us to act. But, how do we do it? Where do we begin? What do we do first? Where can our efforts best be concentrated? The battle for human rights is a complex one and needs to be won on many fronts. It is many-faceted and the task is a prodigious one. It involves court decisions, Federal, State and local legislation, persuasion, education, and job training. But, it also poses tasks to be performed by the Negro community. For it is important that Negroes themselves come to grips with the fact that they are underdeveloped people, to use a phrase of Louis Lomax. They will have to work diligently to narrow "the cultural gap" that has resulted from over three centuries of submission and subservience and that has poorly equipped the Negro for the heavy demands that a democracy makes of its people.

If one thing has happened in the last few months it is the growing awareness of the stresses and strains in our society. Our complacency has finally been shattered. For the first time we seem ready to think about these problems rather than to avoid them. But the momentum must not be lost. The international situation demands that we attend to these matters, for our image abroad, upon which the success of our foreign policy depends, is blurred by Little Rock and Birmingham. The realities of our technological society also require it, for increasingly our manpower needs will demand more and more highly trained personnel drawn from every level of our society. We know that talent and virtue exist in all levels of our society and it is a grievous waste of our talents to permit discrimination, poverty and inadequate education to stand in the way of fully developing our human resources.

But, let us hope that our sense of justice and our belief in what we think is right would achieve a breakthrough of conscience that would result in giving to every person those elementary rights with which naturally he has been endowed. For Negroes want only what other people want—respect and dignity and the opportunity to be measured in terms of their individual worth. They are not seeking special favors. They know that men are not all equal in ability, attainments and accomplishments. They just do not want to be victimized by reason of their previous condition of servitude.

We know these matters cannot be resolved today or tomorrow, or this year or the next. For we are dealing not only with problems of education, employment, housing and accommodations, but we are dealing with a state of mind and with man's own estimate of his fellow man. It is hard to know where to take hold, but it is at the community level that each of us can become most relevant. For every city, town and village in America has its human relations problems. The Frenchman de Toqueville put it this way: "it is true that around every man a fatal circle is traced beyond which he cannot pass, but within the range of that circle he is powerful and free."

So the time for decision has now been reached—in Congress—in our legislative halls—in our municipal councils—in our schools, churches, community organizations, in the marketplace and in the minds and hearts of all Americans. All that is being asked is that everyone in our society enjoy

the full promise of our democracy and that he not be intimidated or crucified for demanding it.

The real question that remains is whether we can produce a generation of sober and wise men and women with level heads and compassionate hearts who can take us down the path of fulfillment quickly enough so that the promise of American democracy will become a reality and that men and women here as well as elsewhere will be able to say that freedom and justice were not the privilege of a few, but had been extended to everyone on the ground, that our right to be considered a person at all times gave that right to others also.

It has been said that nervous times are ahead of us. The Negro is demanding of us fulfillment of an earlier promise that many of us are not yet prepared to accept. The real question is not whether his claims are justified. They cannot be denied if our moral commitments are worth anything at all. The only question is whether our promises can be fulfilled in such a manner and with sufficient grace and reason that we can soon reestablish the great truth without which there is no hope—that man is by nature endowed with certain rights—that he is a person to be respected at all times and is entitled to whatever opportunity necessary to permit him to find his own level, in his own way, in his search for freedom and justice.

A NEW LOOK AT EAST-WEST TRADE

Mr. JAVITS. Mr. President, East-West trade relations have just been projected sharply to the fore by the debate about an impending wheat deal between American grain traders and the U.S.S.R., following the sensational announcement of the $500 million Canadian wheat deal with the U.S.S.R. In discussing this important subject, I emphasize that I speak only of nonstrategic goods. Controls on strategic goods—where we agree on definitions with our allies—are not being challenged.

The recent ratification of the limited nuclear test ban treaty by the U.S. Senate may go down in history as one of the most significant actions taken by this body in recent times. It may very well mark the start of a new phase in Soviet-American relations—or it may not. It is clear, however, that ratification of this treaty will create an atmosphere of expectation in this country and elsewhere in the world. The peoples of the world will want us at least to explore effectively further significant steps to seek to eliminate the risk of atomic war if human ingenuity and the security of freedom will allow.

We know that struggle of ideologists, as between freedom and communism, will continue unabated, and we are determined that freedom shall win. But the easing of tensions is still also one of our aims. One of the most significant steps that could be taken to ease tensions is in the area of United States-Soviet bloc trade in nonstrategic goods, including wheat and other farm products, if this proves to be feasible. The possibility of helping to reduce tensions among nations through mutually beneficial economic relations has been demonstrated over and over again in history.

In short, while we have no illusions as to what will be the results of the atomic test ban treaty, and while we base our greatest hopes upon the avoidance of atomic war, we know that the cold war struggle between freedom and communism will continue. We desire to reduce tensions in that field as much as we can; so the question of East-West trade in nonstrategic goods must be examined to see if any contribution can be made in that realistic framework.

The Senate may recall that after returning from the Soviet Union on a mission for the Joint Economic Committee at the end of 1961, I made a full report on East-West trade relations, pointing out that the Soviet Union was buying in the free world everything it wanted and that the only result of our policy was to shut us out of the business. The Congress in June 1962, included my amendment to the Export Control Act—which was then made permanent—a provision which seeks to harmonize our East-West trade policy with that of our allies. Very little has been done under this provision principally because the United States has negligible trade with the Soviet Union and therefore has little leverage. Under all these circumstances, reconsideration of the whole subject is necessary. I see no reason why the subject should not be dealt with at an international conference, such as Senator MUNDT has suggested. But I recommend that instead of a special international conference, the Organization for Economic Cooperation and Development—OECD—is a perfectly adequate organization for just this purpose—to concert East-West trade policy. We and the other principal nations concerned are members of OECD or are associated with it.

As to the private grain trade sale allegedly under negotiation between U.S. grain dealers and the U.S.S.R. trade mission in Ottawa, I believe that if it is made at all, it should be a one-shot operation and that whether it shall be consummated or not should be left to the discretion of the President, based on his assessment of what is our Nation's best interest, on balance. From present indications, the President would probably approve the sale, but the important point I wish to make to the Senate and the Nation in this speech is that this transaction should not in itself represent the opening of a new trade relationship between the United States and the Soviet bloc. However, we should undertake negotiations for a new trade relationship based on major agreements which we must require from the Soviet Union as a condition for entering into such a negotiation.

If the major agreements can be obtained, they may well permit a new concept of credit extension in connection with East-West trade. Authority to extend credit to the Soviet bloc should be vested in the President to be utilized if our national interest requires it.

The situation is much too closely upon us for the Congress to be able to give it the kind of considered judgment that the policy deserves.

The Soviet Union has gold and, unquestionably, has dollars. That could be meaningful to us if the trade were extensive. However, it could not be extensive in the absence of agreements on major issues. It probably could not be extensive, beyond that, in the absence of extensions of credit.

As to extensions of credit, I believe authority should be vested in the President, to be utilized only if our national interest requires it, and also—and this is important—the extension of credit would have to depend on credit worthiness on the part of the Soviet Union and the Soviet bloc. It seems to me that that would call for a practical lessening of tensions in the cold war trouble spots, including Cuba and Berlin.

The extension of long-term credit by the United States should require political concessions from the bloc, because if we are to extend long-term credit, which is what increased United States-Soviet-bloc trade would come down to, we must be certain that we will not lose the advantage gained therefrom. I am speaking of both public and private credits. The decision would depend upon a political lessening of major tensions in the cold war.

If we cannot bring about a real lessening of tensions, we cannot have any basis for the extension of credits. We should not back into a course of enhanced trade with the Soviet Union in an offhand way, through the currently indicated grain deal, without considered judgment and the agreements which I have specified. If we cannot obtain major agreements we are better off leaving the situation exactly where it is until there is some other development.

So I foresee three stages to increased United States-Soviet-bloc trade: a grain deal, a one-shot operation, which I would leave to the President, because it is immediately upon us, and Congress can do little about it; second, enhanced trade with the Soviet bloc, in which case we need agreements to protect the regularity of that trade—and I will specify those agreements; third, extended short- and long-term credits to make that trade more meaningful and to expand it in a major way. That, in turn, would depend on a lessening of tensions in the cold war, in such trouble spots as Cuba and Berlin, and could not come about without major political decisions. Those are the three elements of the policy which I would urge upon the administration in respect to East-West trade.

I. MAJOR ECONOMIC ISSUES

Mr. President, what are the major economic issues which we must resolve in order to arrive at phase No. 2—that is, to enhance trade, without necessarily extending long-term credits?

In my view, the following are the key economic issues that must be resolved:

First, debts and lend-lease claims; second, patents and copyright protection; third, settlement of commercial disputes; fourth, facilitating access to markets and buyers; fifth, dumping and market disruption; sixth, diversion and displacement; and seventh, most-favored-nation treatment.

First. Debts and lend-lease claims: The United States furnished approximately $11 billion worth of lend-lease

assistance to the Soviet Union up to V–J Day. We have asked the Soviet Government to pay only for those civilian type articles which would be useful to them in peacetime. We estimated the value of these items at $2.6 billion. In 1951 and 1952, the U.S. claim was reduced to $800 million. The United States at the time indicated its readiness to further reduce this sum, provided that the Soviet Government increased its offer of $240 million. The Soviet Union increased this offer to $300 million, but it was rejected as inadequate in 1952. At the request of the United States, negotiations were resumed briefly during January 1960, but were terminated without any further progress. The satisfactory settlement of these U.S. claims by the U.S.S.R. is an essential precondition of enhanced trade.

Mr. President, I ask unanimous consent to insert in the RECORD at this point a State Department release summarizing the present state of the lend-lease settlement issue.

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

GENERAL INFORMATION ON THE QUESTION OF A LEND-LEASE SETTLEMENT WITH THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS

The following information has been prepared in response to many inquiries received about World War II lend-lease to the Government of the Union of Soviet Socialist Republics and the efforts the United States has taken to seek a reasonable settlement by the U.S.S.R. of its lend-lease obligation.

Lend-lease was conceived and executed "to promote the defense of the United States," as provided for in the lend-lease law. The program was inaugurated on March 11, 1941, as our peacetime contribution to nations aiding our defense by resisting Axis aggression. After the United States was attacked, lend-lease became an instrument by which we strengthened our allies according to the strategic plans of the allied nations as a whole. Unlike methods used in previous wars, lend-lease focused directly on the aid to be rendered rather than upon the dollar sign to be placed on the war materials and services furnished by the United States. It was not a loan of money nor was it provided for the exclusive benefit of the recipient country. We helped other peoples under lend-lease because at the time their interests coincided with our interests.

In settling the lend-lease accounts with our World War II allies, the United States has not made it a practice to obtain payment for the value of all equipment and services furnished other nations for use during the war. No compensation has been requested for articles and services which were lost, consumed, or destroyed during the war, nor for combat items such as tanks, aircraft, etc. in the custody of the armed forces of our allies at the end of the war. It has been the policy and practice of the United States to require payment for lend-lease goods in the possession of other countries at V–J Day which were of a civilian type useful in the peacetime economy of the recipient country and for lend-lease delivered after V–J Day.

There were two phases of lend-lease with most of our World War II allies: (1) lend-lease requested and delivered to our allies before V–J Day, and (2) lend-lease requested before V–J Day and for which procurement contracts had been placed but which was not produced or delivered to an ally until after V–J Day. When World War II came to an end large quantities of such lend-lease supplies and equipment were in production or storage in the United States. Our Government informed its allies that if they wished to obtain these lend-lease materials they would either have to pay for them or undertake to make payment upon terms to be mutually agreed before the goods would be transferred.

The Soviet Government has agreed to pay for lend-lease delivered after V–J Day. In an agreement signed on October 15, 1945, the U.S.S.R. undertook to pay for undelivered lend-lease articles which were in production or in storage in the United States before V–J Day. The total amount to be paid by the U.S.S.R. for these articles is $222,494,574. This is to be paid in 22 annual installments, with interest at 2⅜ percent per annum. The Soviet Government has been making regular partial payments on this account and as of July 1, 1962, has paid a total of $100,807,451. The United States did not complete deliveries to the U.S.S.R. under this agreement. In making annual payments on account, the Soviet Government deducts certain sums which it claims as compensation or damages resulting from the failure of the United States to complete deliveries under the agreement. In view of these deductions and since the question of the Soviet claims has not been settled, the U.S. accounting records show an arrearage of $51,810,931.[1]

The United States has been unable to reach a settlement with the Soviet Government for lend-lease assistance which was delivered before V–J Day.

The United States furnished approximately $10.8 billion worth of lend-lease assistance to the Soviet Union up to V–J Day. In seeking a settlement of this lend-lease account of the Soviet Government, the United States has followed the basic principles and policies, previously described, which governed lend-lease settlements with other governments. The Soviet Government has been asked to pay the reasonable value of civilian-type lend-lease articles on hand in the Soviet Union at V–J Day which would be useful in peacetime. Since the U.S.S.R. did not provide an inventory of such articles, the United States prepared one which showed the value as $2.6 billion. An additional problem relates to the disposition to be made of 84 lend-lease merchant ships and 49 miscellaneous army and navy watercraft still in Soviet custody, the value of which is not included in the $2.6 billion figure.

During the initial negotiations the United States in 1948 requested the U.S.S.R. to pay $1.3 billion as the first step in the negotiating process. The Soviet Government had offered to pay $170 million. During subsequent negotiations in 1951–52, the U.S. figure was reduced to $800 million. In the interest of obtaining a prompt settlement, the United States indicated its readiness to reduce this sum further provided the Soviet Government increased its offer, which at the time was $240 million, to a sum more nearly reflecting the value of the articles in the peacetime economy of the Soviet Union. The U.S.S.R. increased its offer to $300 million. The United States did not consider this sum adequate and rejected the offer in 1952. The foregoing sums do not include settlement for any ships since these were to be dealt with as a separate part of the overall negotiations. No further settlement offer has been received from the U.S.S.R.

At the request of the United States, negotiations were resumed on January 11, 1960. The United States proceeded on the understanding that the negotiations were to deal solely with a lend-lease settlement. When the discussions began, however, the Soviet Government insisted that a lend-lease settlement could not be considered as a separate and independent problem. It took the position that any settlement of lend-lease would have to be accompanied by the simultaneous conclusion of a trade agreement giving most-favored-nation treatment to the Soviet Union, and the granting by the United States of long-term credits on terms acceptable to the Soviet Union.

During the negotiations the United States explained why it is not in a position to negotiate on either a bilateral trade agreement or the extension of long-term credits. It was pointed out that existing law prevents the granting of most-favored-nation treatment to the Soviet Union and that other laws and policies have an effect upon Soviet-United States trade. On the question of credits the United States took the position that legal and policy considerations made it impossible for the United States to discuss this matter in the lend-lease negotiations. The Soviet position remained unchanged.

Under these circumstances there was no agreement on the terms of reference of the negotiations and there appeared to be no common ground for continuing the discussions at that time. The last meeting was held on January 27, 1960. The United States informed the Soviet Government that it is prepared to resume negotiations for an overall lend-lease settlement at any time the Soviet Government is ready to negotiate on this as a separate and independent issue.

Mr. JAVITS. The Johnson Act of 1934, as amended in 1945, prohibits U.S. citizens from making loans of any kind to any government or agency which is in default on its obligations to the U.S. Government and which is not a member of the International Monetary Fund or the International Bank for Reconstruction and Development. At the present time, the prohibition in the act applies to all the countries of the Soviet bloc except Albania and Bulgaria which are not in default on obligations to the U.S. Government.

There have been no U.S. Government loans to the Soviet Union or other Soviet bloc countries since World War II, except for a loan to Poland which was fully drawn in 1948. There have been some more recent credits to Poland related to purchases of American food, raw materials, and related products. These limited credits were extended under the special Executive authority of section 451 of the Mutual Security Act of 1954, as amended, during the period when that provision made such credits possible.

Apart from the credits described above, the situation today is, that the Mutual Defense Assistance Control Act of 1951—Battle Act—is interpreted as precluding the granting of credits by the U.S. Government to the Soviet bloc.

Any relaxation of these acts in favor of Soviet bloc credits should be left to the negotiation and determination of the President, on the basis of the national interest.

Second. Patent and copyright protection: Although attempts have been made, no agreement has ever been reached with the Russians over this issue. We must go beyond the recognition of the principle of legal protection of patent rights; including the obligation to pay the owner of the patent a consideration based on the cost of the development of a new product, as well as the cost of installations used in launching industrial production. Such protection should

[1] Corrected to reflect payment of $9,712,935 received on July 1, 1963.

also cover the payment of royalties to the patent holder for the use of patents in the U.S.S.R. Such recognition of accepted practices should include, furthermore, the right of creative writers to compensation for the translation of works covered by copyright.

Third. Settlement of commercial disputes: There has been continuing doubt in the minds of American businessmen about the reliability of the arbitration tribunals in Communist countries. It would be desirable, therefore, if commercial disputes between Soviet state trading corporations and private U.S. firms be submitted to impartial arbitration. We should also expect that bloc governments will not prevent their commercial agencies from agreeing to neutral arbitration.

Fourth. Facilitating access to markets and buyers: The Soviet bloc countries should agree to allow free world businessmen direct access to the particular enterprise he hopes to serve. Such a right of direct contact, now enjoyed by the bloc countries in the free world, should also be extended to include the right to maintain commercial representatives on the territory of the state trading countries.

Fifth. Dumping and market disruption: Assurances must be obtained from the Soviet Union that it will abide by GATT rules, and would refrain from behavior generally unacceptable in the normal course of trade among Western nations. Soviet disruptive activity in international trade in tin, flax, aluminum, and fuel oil markets is still fresh in the minds of Western businessmen. Soviet adherence to GATT rules of fair competition would therefore go a long way to allay Western fears in this regard, yet would not impose impossible obligations on the U.S.S.R.

Sixth. Diversion and displacement: The United States must protect itself so that any increased trade in permissible goods with the Soviet bloc does not undermine our policy prohibiting even this type of trade with Cuba and Communist China and its Asian satellites. It should be an objective of U.S. negotiators to reach a specific understanding regarding a system of safeguards against the transshipment of U.S. goods to embargoed areas. We obviously cannot prevent the Soviet Union from shipping its own goods to these countries and I am under no illusions that an airtight plan of this character can be worked out. But we certainly can do a good deal about this matter and we must try to do all possible.

Seventh. Most-favored-nation treatment: There is also the question of the dutiability of imports from the Soviet bloc. Section 231 of the Trade Expansion Act of 1962 prohibits the extension of most-favored-nation treatment to any Communist-controlled country, which means that Soviet bloc merchandise pays U.S. duties at the original high rate of the Tariff Act of 1930. I believe the determination of the duty treatment of imports from the Communist bloc should be left to the discretion of the President, acting in a selective way, on the basis of the national interest.

Should negotiations on these issues prove to be fruitful, the question of the types of goods to be the subject of expanded trade would be a proper subject for discussion between the governments concerned.

Mr. President, these seven items must be negotiated if we are not to proceed with our eyes shut into a trade deal with the Soviet bloc. These are quite apart from the question of long-term credits, which, as I pointed out, must be evaluated in the light of political considerations.

II. ADVANTAGES OF INCREASED UNITED STATES-SOVIET TRADE

I believe that there are compelling reasons for the U.S.S.R. to seriously enter such negotiations—as there are also for us. Soviet agriculture is in dire straits. Its people are clamoring for a better life, demanding consumer goods not available in the Soviet economy today. On the other hand, the expressions of congressional policy against fostering East-West trade—contained in the Agriculture Adjustment Act of 1961 and other statutes—means that the administration cannot just back into a new trade policy. Congress must be made a party to any decision on this matter.

Trade between the United States and the Soviet bloc is very small. On the other hand, as I said when I began, the Soviet bloc is able to buy almost anything it desires from the West, because trade between the Soviet bloc and Western Europe and Japan is quite substantial. Western European and Japanese exports to the Communist bloc rose to $2.8 billion in 1962, while their imports from the Communist bloc rose to $2.9 billion. That is an aggregate trade total very close to $6 billion a year. At the same time U.S. exports to the whole Soviet bloc in 1962 were $125 million, and imports were $79 million, or a total of a little over $200 million.

The overall trade of all free world countries, exports plus imports, with the Soviet bloc exceeded $10 billion in 1962. I refer to the whole free world, including Western Europe and Japan. For Western Europe and Japan alone, trade with the bloc was about $6 billion. Soviet bloc trade with the whole world—$10 billion—is an appreciable sum representing in round figures about 5 percent of the exports and the imports of the world.

Mr. President, I ask unanimous consent that a table showing the trade of Western European countries with the European Soviet bloc, by principal country, be printed in the RECORD at this point.

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

TABLE I.—*Trade of West European countries with European Soviet bloc, 1960, 1961, and 1962*

[In millions of U.S. dollars]

Country	1960	1961	1962	Country	1960	1961	1962
Total European [1] exports to Soviet bloc	2,408	2,613	2,803	Total European [1] imports from Soviet bloc	2,657	2,749	2,946
MAJOR TRADING PARTNERS				MAJOR TRADING PARTNERS			
Austria	153	176	188	Austria	158	154	171
Belgium-Luxembourg	96	93	87	Belgium-Luxembourg	77	87	102
Finland	187	185	245	Finland	215	218	232
France	220	234	267	France	154	167	197
Germany, Federal Republic of	668	693	718	Germany, Federal Republic of	648	646	701
Italy	172	216	240	Italy	265	309	331
Sweden	110	115	154	Sweden	121	128	140
United Kingdom	270	382	369	United Kingdom	389	436	442

[1] European OECD countries (Austria, Belgium, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, and United Kingdom) plus Yugoslavia and Finland.

Source: U.S. Department of Commerce.

Mr. JAVITS. The underlying difficulty of bringing about a general agreement on a common allied approach to east-west trade, on the basis of current U.S. policy, and in the absence of meaningful commercial contacts with the Soviet bloc, is therefore clear. The fact is that the Soviet is getting about everything it wants commercially from the industrialized free world now—the only difference is that the United States is left out. Our policy of export control is therefore largely frustrated.

The central questions that we must answer in terms of advantages to the United States are as follows: Does our self-interest, as well as that of the Soviet bloc, dictate the course I suggest? Can a trade agreement be self-enforcing, like the nuclear test ban treaty? If we increase trade, will we be materially helping what we know to be the continued Soviet aim to take over the world for communism?

What are the advantages to be gained by the United States from increased trade if it can be negotiated satisfactorily?

First. We know that our political contest with the Soviet bloc will continue for a long time. It requires a great variety of instruments, procedures, and devices for affecting the course of events. As we

stand now, our commerce with the Soviet bloc does not affect the course of events at all. The question is, if we enhance it, will we be able to somewhat better affect the course of events? I believe we will.

The best example is the continuing influence of the German Federal Republic on events in East Germany, because it does a trade of about a half a billion dollars a year with East Germany.

Second. With U.S.-Soviet trade on a more substantial scale our commercial interests in the Soviet bloc would coincide with those of our western European and Japanese allies, making possible an integrated policy on this question which would be of great value to the West.

Third. If the Soviet-bloc countries use more American designs, machinery and production patterns, they will rely upon the United States for future orders for replacements, spare parts or expanded facilities. All things being equal, they appear to prefer to come back to the original supplier for a new order. For many years the Russians made it a practice to buy a plant and then copy it. But the Russians today are buying plants and equipment in the West in commercial quantities. This is clearly evident from trade statistics of Western European-Soviet trade.

Mr. President, I ask unanimous consent that a table showing the machinery and transport equipment exports of Western Europe compared with that of the United States be printed in the RECORD at this point.

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

Exports of machinery and transport equipment to Eastern Europe from Western Europe and from the United States

[In millions of U.S. dollars]

Standard international trade classification groups	Western Europe [1]			United States		
	1960	1961	1962	1960	1961	1962
711 Power generating machinery, other than electric	24.4	35.1	27.6	0.18	0.04	0.07
712 Agriculture machinery and implements	5.3	2.2	2.4	.95	.26	.13
714 Office machines	2.8	4.1	5.5	.08	.11	.05
715 Metalworking machinery	42.9	51.5	67.1	.28	1.17	.22
717 Textile and leather machinery	47.2	47.2	46.5	13.56	11.3	.42
718 Machines for special industries		105.8	96.2		2.3	2.78
719 Machinery and appliances (other than electrical) and machine parts, not elsewhere specified	247.8	254.1	292.3	6.38	4.32	3.29
722 Electric power machinery and switchgear	24.5	46.6	47.2	.03	.30	08
723 Equipment for distributing electricity		15.1	19.8		.02	
724 Telecommunications apparatus		8.3	7.0		.19	.19
725 Domestic electrical equipment		.6	.8		.07	.01
726 Electric apparatus for medical purposes and radiological apparatus		5.2	4.5			
729 Other electrical machinery and apparatus	67.5	43.8	48.2	.05	.34	.25
731 Railway vehicles	17.4	10.5	16.4			
732 Road motor vehicles	13.1	13.1	15.0	.20	.15	.04
733 Road vehicles other than motor vehicles	.7	.9	1.4	.03		
734 Aircraft	.5	.2	.1	1.67		.02
735 Ships and boats	39.9	25.9	58.3		.02	.01
Total machinery and transport equipment	534.5	671.3	756.3	23.4	20.5	7.6
Total exports to Eastern Europe	1,727.0	1,910.0	2,087.8	193.3	133.0	124.8
Total exports to all destinations	48,891.2	52,531.0	55,399.1	20,299.9	20,628.3	21,359.0

[1] Organization for Economic Cooperation and Development countries in Europe.

Source: Organization for Economic Cooperation and Development, Analytical Abstracts, January-December 1961-62.

Mr. JAVITS. Copying machinery is really a source of weakness to the Soviet economy. It requires the allocation of scarce resources and manpower to produce the Soviet equivalent of a Western machine. And the Soviets have found that while they are busily copying such machines, Western firms are busy making improvements for next year's models.

Fourth. Too little is accomplished by preventing U.S. firms from doing business in agricultural and nonstrategic goods with the Soviet bloc, because other free world businesses have been supplying these very items for years. This does not necessarily mean that we should proceed with such trade, but it is a factor to be considered. A relaxation of U.S. export controls on agricultural products and nonstrategic goods would tend to place the American businessman on a more equal footing with his competitors among the other free world industrial nations.

While we negotiate persistently and on the whole effectively to get other countries to embargo strategic—Cocom—items to the Soviet bloc, it is difficult to see how our national interest, under present conditions, is advanced by denying to the U.S.S.R. American nonstrategic items when other industralized countries are selling the same items in full measure. Again, I repeat, standing in and of itself, this would not be a reason for opening up further trade in agricultural products and nonstrategic goods, but it is one of the reasons which must be considered. Should our trade with the bloc reach sizable proportions, its benefits to domestic employment and to our balance-of-payments situation could be significant.

Mr. President, I ask unanimous consent that a table showing the great variety and quantity of goods traded between Western Europe and the European Soviet bloc compared to that of the United States be printed at this point in the RECORD.

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

Exports from Western Europe to Eastern Europe

[In millions of U.S. dollars]

Products	From the United States				From Western Europe			
	1959	1960	1961	1962	1959	1960	1961	1962
Total exports	89.1	193.3	133.0	124.8	1,366.6	1,727.0	1,910.0	2,087.8
Food and live animals	35.5	103.9	36.7	50.8	111.3	116.5	127.2	178.9
Beverages and tobacco	1.4	2.8	1.9	1.5	34.1	30.1	34.5	27.4
Crude materials inedible, except fuels	20.8	25.2	32.4	38.1	150.0	160.6	172.9	160.5
Mineral fuels, lubricants and related materials		.1	.3	.1	1.1	3.2	3.0	3.6
Animal and vegetable oils and fats	10.7	9.3	24.7	15.8	18.1	14.2	19.4	16.2
Chemicals	4.3	6.2	6.2	4.0	134.6	168.0	183.8	204.8
Manufactured goods classified chiefly by material	3.9	19.1	6.8	2.1	471.0	642.1	634.3	675.5
Machinery and transport equipment	10.3	23.4	20.5	7.6	397.5	534.5	671.3	756.3
Miscellaneous manufactured articles	.7	1.1	1.2	1.5	38.0	47.1	47.2	47.2
Commodities and transactions not classified according to kind	1.1	1.7	1.9	3.5	10.6	10.2	15.8	17.5

Source: "Analytical Abstracts," Organization for Economic Cooperation and Development, January-December 1962, series B.

Imports from Eastern Europe into Western Europe

[In millions of U.S. dollars]

Products	Into the United States				Into Western Europe			
	1959	1960	1961	1962	1959	1960	1961	1962
Total imports	78.9	80.2	80.3	78.4	1670.2	1952.0	2095.2	2253.4
Food and live animals	24.7	31.1	30.4	28.3	432.2	464.4	564.8	542.6
Beverages and tobacco	.2	.2	.2	.3	12.2	14.0	15.0	22.6
Crude materials inedible, except fuels	16.9	14.0	16.1	18.7	380.7	499.3	518.4	548.1
Mineral fuels, lubricants and related materials	.3	.2	.2	.2	340.9	399.1	410.1	455.5
Animal and vegetable oil and fats					7.3	16.1	16.1	20.5
Chemicals	16.2	11.5	11.0	5.0	97.4	117.0	113.2	108.3
Manufactured goods classified chiefly by material	10.8	11.6	11.3	13.4	251.8	280.3	270.0	358.4
Machinery and transport equipment	4.2	4.1	3.0	3.6	90.7	97.9	112.3	112.4
Miscellaneous manufactured articles	4.8	6.7	7.3	8.5	48.2	58.0	70.1	78.4
Commodities and transactions not classified according to kind	.4	.5	.5	.5	8.3	5.6	4.8	6.8

Source: Analytical Abstracts, Organization for Economic Cooperation and Development, January-December 1962, series B.

Mr. JAVITS. Fifth. By removing undue trade restrictions, we remove the basic cause of isolation of the Soviet people. We also can better demonstrate to the developing nations the close correlation between the voluntary economic cooperation and the high labor productivity level in the free world, on the one hand, and the coercive cooperation and resultant economic waste and inefficiency in the Communist camp. I can testify on the basis of personal experience to the fact that the Russian people certainly like our products, attractive goods such as shoes, stockings, clothes, automobiles, and about anything we can think of which is a matter of routine to us. We could give them a better understanding of the power and availability of great embellishments to living in the West.

Sixth. Closer commercial ties between the West and the Soviet bloc would help to strengthen existing trends toward the renunciation of war as a means of settling international disputes. People who are receiving advantages from trade are a great deal more reluctant to go to war. It would tend further to isolate the Soviet Union from the bellicose posture of China and more closely solidify her as a complex with which the West might conceivably come to some agreements, as was done on the nuclear test ban treaty.

Seventh. Finally, more active economic conditions may serve as a positive supplement to our military strength in persuading the Soviet leaders that they have more to gain from trade than they have from subversion, infiltration, and coercion against the free world.

III. DISADVANTAGES TO UNITED STATES EXAMINED

During the past few days there have been a number of analyses of the disadvantages which would result from an effort to increase United States-Soviet bloc trade. I would like to take this opportunity to deal with the major points raised.

It is also said that the Soviet Union will use this wheat to continue its economic influence and domination over its satellites. Soviet domination of the Eastern European countries does not depend upon supplying them with grain. It depends rather on more direct forms of pressure and domination, including Soviet troops. In any event, if the supply of grain were used by the Russians as a means of pressure, the Eastern European countries could obtain grain from alternative suppliers in the West and from us through a selective policy as described here. The U.S. supply of grain to Poland after 1956 was an important factor in contributing to Polish ability to lessen its dependence on the U.S.S.R.

This creates no new situation in terms of satellite dependence on the U.S.S.R. since the U.S.S.R. has been a net supplier of grain to other European Soviet bloc countries for many years. Actions by the United States to supply food or other essential commodities to the dominated countries and to permit trade on a most-favored-nation basis with Yugoslavia and Poland would be a more directly effective means of reducing satellite dependence on the U.S.S.R.

The key question, as I see it, is the question of degree. I do not think we can avoid some disadvantages. The question is whether the advantages outweigh the disadvantages, and whether the disadvantages are such as to strongly help the Soviet bloc, or whether they are really not of very great moment. My own feeling is that if we get the agreements which I have described, the help which they would give to the Soviet bloc is not so consequential as to outweigh the advantages to us and to the cause of peace in the world.

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

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

Mr. JAVITS. I should like to make one further point, and then I shall be glad to yield.

If we do not sell to the Russians, the Russians still can buy elsewhere, and do. They buy from Canada. We all know that they are willing to buy from Australia and from Argentina. Those are real possibilities. The fact that we deny them the grain would make a difference, but I do not think it would make such a material difference as to represent the "yes" or "no" as to whether we ought to adopt that policy.

I yield to the Senator from Wisconsin.

Mr. PROXMIRE. First I congratulate the Senator from New York for making one of his characteristically responsible and extremely well-documented speeches. It is the most detailed and thoughtful discussion of this entire subject that the Senate has heard in the past several weeks, although there have been a number of speeches on this subject.

I should like to ask the Senator some questions on the latest point he made in his speech.

The Senator indicates that the Soviet Union does not depend on wheat exports to its satellites for any significant measure of its domination. As I am sure the Senator is aware, the Soviet Union is the biggest wheat producer in the world, a much bigger producer than the United States or Canada. I am sure the Senator will also agree that the satellites, including Cuba, depend on shipments of wheat from the Soviet Union.

Is it not true that one element of the Soviet Union's influence and control over its satellites is that the Soviet Union constitutes the breadbasket or the source of wheat which is so important to the existence of the people in the satellite countries?

Mr. JAVITS. I believe that represents a rather fundamental difference of outlook between the Senator from Wisconsin and me. My answer is "No." I will tell the Senator why.

The breadbasket idea follows, and does not precede, control. The control exists, I believe, as a result of military means and propaganda and ideological control of the entire apparatus of the countries and of the minds of the people. The supply follows.

The Soviet Union has a problem. How many soldiers should be used? How much repression should be used? How much force should be used? Obviously, even in terms of a relatively primitive economy, the Soviet Union would wish to use as little as possible. Grain is cheaper than soldiers.

It seems to me that the breadbasket idea becomes with the Soviet Union an aspect of the way in which it controls, but it is not essential to its control. The essentials to its control are the military, the propaganda, and the party machinery, both in the satellite countries and in the Soviet Union, which give it a stranglehold upon those countries.

We have seen demonstrated the fact that even if there were a much lower level of food consumption in those

countries, that would not allow them to escape from Soviet control. We also know that a higher level of food consumption does not inhibit freedom fighters, such as those in Hungary, from "taking on" Russian tanks when the people are sufficiently angry.

I respect the view of the Senator from Wisconsin. He sincerely espouses his view, and is joined by other Senators in espousing it. However, it is not my judgment that the control factor is the food supply. Rather, the food supply represents the implementation of domination, which would take place without any question otherwise, and is not what maintains the domination.

Mr. PROXMIRE. Is it not true that if the satellite countries had to obtain their grain from the United States instead of from the U.S.S.R., this would represent a degree of lessening of the influence of the U.S.S.R. and of increasing the influence of the United States of America.

Mr. JAVITS. I point out to the Senator that the satellites are not free to obtain their grain from the United States. They can do so only with the implicit or explicit agreement of the Soviet Union. The Soviet Union would repress such a purchase completely, if it chose to do so, if it thought a satellite country was going beyond what the Soviet Union was willing to permit. They would get by with that, because of their control, which is so complete, as we saw in Hungary.

I am sure the Senator remembers the bloody riots in Poland which preceded some alleviation of the situation between Poland and the Soviet Union.

I point out also that what I am proposing for the handling of this situation would permit the President to use trade as a flexible instrument of policy.

Today the President has his hands very much tied. I wish to free the President's hands to use an enhancement of trade with the Soviet bloc as a tool which might produce some results in the lessening of tensions, particularly in the economic field.

The Senator from Wisconsin is very astute. I mean it. The Senator understands my point completely.

I am not recommending trying to build up trade on the basis of long-term credit. For that I think the Soviet bloc would have to meet the test of credit worthiness; in other words, we should have confidence that there would not be a "blowup" with the Soviet Union for a long time, that they would not turn on us, as has been the situation many times in the past.

I am talking in realistic terms only about enhancing trade, which is possible, within the limits of no long-term credits, provided that the financial and economic issues could be worked out with the Soviet Union.

I would do nothing other than to free the President's hands so that he might deal upon a "most favored nation" basis, with perhaps some flexibility as to the terms of sale, with any part of the Soviet bloc if he believed that it would serve our purposes.

That might very well mean that we would be dealing first with the satellites instead of the Soviet Union. It is precisely that kind of flexibility I wish to give to the President, for the reasons I have stated.

Mr. PROXMIRE. I share the Senator's view. But apparently a specific, definite proposal is being considered. It is the one which has been discussed at great length throughout the country during the past week. I refer to our sale of wheat to the U.S.S.R. That would be in violation of the Latta amendment, because the U.S.S.R. was specifically named in the amendment. The satellite countries were not named.

Certainly it would be easier, in conformity with the sense of the Congress, to sell to the satellite countries than to sell to the U.S.S.R.

The point I make is that a sale to the satellite countries possibly would result in a greater degree of influence on our part and a lessening of influence on the part of the U.S.S.R. It seems to me this is a point of distinction, perhaps, between my thinking and what the administration may be contemplating, but not as between what the Senator from New York has been saying and what I would approve.

If we are to have an understanding that the administration is not going to deal directly with Russia but is going to deal with the satellite countries, I agree that that is entirely different from the other situation, and we certainly could give it more sympathetic consideration.

We should not assist Russia to continue to meet its export commitments. All the evidence I have seen indicates that that would be the prime purpose for the purchase of the wheat. It seems to me that would not be in the best interests of the United States.

Mr. JAVITS. On the question of the possible grain deal, it seems to me we really must depend upon the President. It is to be a one-shot operation. It would not feed a country for very long—either the Russians or the satellites or anybody else. It possibly represents, in the President's armory, an opportunity he does not wish to forgo, feeling it would result in the Russians discussing problems with us. It might bear fruit. There are other proposals in the wind which could be consummated which could be of tremendous value to the free world.

I believe Senators could all agree at least with my main thesis. This is my main thesis: We must be sure that if the one grain deal is allowed it will not represent the beginning of a new policy. It could be allowed, for reasons the President considered to be in the national interest. We should be sure that this would be a one-shot transaction, with the President acting as the chief foreign policy negotiator, saying, "Go along with me on this; it is very valuable to the United States; I want to do it." That is really what I am arguing for.

Mr. PROXMIRE. That is a part of it. I think we can meet on common ground if we expand that generality a little.

The Senator implied, at least, a concession from the Soviet Union is in the interests of the free world. I agree to that. This should not be a sale of wheat for gold or a sale of wheat for hard currency, but instead the sale of wheat to the Soviet Union at a time when they obviously need it, or they would not begin to talk about making any kind of arrangement, in exchange for some real concessions to freedom and liberty.

Either the Senator from New York or I could list a dozen concessions, any one of which would represent a good quid pro quo, but to bail the Soviet Union out for sterile gold, when they need the wheat so very much, is not a good concession.

This decision should be made within the framework that regardless of our balance of payments, we do not need gold or hard currency as much as Russia needs wheat. We need concessions for the free world. The whole purpose in having a favorable balance of payments and a favorable gold supply is to help the free world. So this kind of deal should be based on concessions which strengthen the free world, and not on the vague generality that we are warming up our relations, and that perhaps the Kremlin will be more friendly toward the free world if we bail them out. A stronger U.S.S.R. is not a friendlier U.S.S.R.

Mr. JAVITS. The Senator from Wisconsin and I are not far apart, but we are apart on this point: I would be for the President's making the deal, if he thought it desirable, provided it would not be the beginning of new trade relations, but that it would be done for this one time under these conditions and in the national interest.

As the Senator from New York has said, we do not need gold that much. I agree. I do not care how pessimistic one may be about our gold stocks or our balance of payments. We have discussed that subject before. I agree with the Senator. But it is also important to note that the Russians do not need the wheat that much. They will get along without it. We have seen them do it before. If they cannot get along without it, they will buy it elsewhere. So I do not think this is the ball game.

Mr. PROXMIRE. As the junior Senator from Georgia [Mr. TALMADGE] pointed out yesterday, the only surplus wheat left in the world—the only additional wheat available to the U.S.S.R.—is from this country. Canada cannot send Russia any more wheat, and there is some question whether she can send $500 million worth. Russia bought all she could from Australia. Europe had a bad crop this year. There is no significant amount of wheat available anywhere. If Russia is to get more wheat Russia would have to come to us. That may put us in a position in which we could require that a significant price be paid for the wheat.

Mr. JAVITS. The Senator cannot say that Russia must come to us. I would

back with my life the Senator's agricultural assessment, and his knowledge in that field, and his sincerity, but the Senator cannot tell me that the Soviet must have this wheat. That is not true. I do not think they must have it. They will do without it. They would like to have it, but they can do without it, as they have done before. With the repression in their society, they will get through.

This is the focal point of the discussion: It is not a matter of life or death. Surely, they want the wheat, but it is not a matter of "make or break." We would have to view this as a one-time deal, if we were to get an advantage from it, provided it does not back us into a trade deal, but we should leave it as a unit, single decision for the President to make.

I express the hope that the President would give us that assurance. It would be extremely valuable to the opponents of the one-time deal, and to the proponents. It would be very helpful if the President would say to us, "If I approve the wheat deal, it does not represent anything but a one-time commitment. Our relations with the Soviet Union would remain the same. I am perfectly willing to discuss with them what we will do and what they will do in a trade deal, but this is not it."

Such an assurance would take the "heat" out of the entire problem.

Mr. PROXMIRE. I think the basic thrust of the Senator's excellent speech is that there should be a comprehensive discussion of our trade policy vis-a-vis the Soviet bloc. The Senator from Kentucky [Mr. COOPER] made an excellent speech on that subject the other day, in which he indicated that the one-shot approach is perhaps not worthy of us at this time. This decision should be a matter of overall trade policy, in which we decide on our trade policy, and not, on an ad hoc basis, what we should do in this case. It should be decided on the basis of the overall policy as to what is in the interest of the free world. The thrust of the Senator's speech is in that direction.

Mr. JAVITS. Let me appraise that statement so we can determine where the differences are and where we meet. We differ in that I do not believe the one-shot deal is that important. It is important that we not back ourselves into a general trade policy with the Soviet Union on the basis of the proposed wheat sale. I would rather turn everything down if that is what is to happen.

The one narrow point with which I do not agree is that this deal makes or breaks that policy. I would leave the decision in this one case to the President. That is the narrow, sole basis on which it should be done. Other than that, I think we agree on what we must do.

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

Mr. JAVITS. I yield to the Senator from Kentucky.

Mr. COOPER. I had an opportunity to read the speech of the Senator from New York, entitled, "A New Look at East-West Trade." I think it is the most comprehensive statement that has been made on this subject in the Senate.

It is not the first initiative that the Senator from New York has taken in this field. I believe I am correct in saying that last year, when the Export Control Act was before the Senate, the Senator from New York obtained recognition of the importance of the coordination of Western policies regarding trade with the Communist bloc by offering an amendment, which was enacted into law.

Mr. JAVITS. The Senator is correct.

Mr. COOPER. I think he also made an able initiative by calling for the reform of the monetary system of the free world and an examination of the adequacy of international credit. I notice that it has been followed by a good deal of action of our own Government and recently by discussions which are being held in Washington by bankers and finance ministers from all countries of the world who are here for the annual meeting of the International Monetary Fund. So I am impressed by his speech.

To come for a moment to the proposed sale of wheat to Russia, I commented on it briefly yesterday. While I do not think I am going to make the decision, or the Senator from New York is going to make the decision—the President is the one who is going to make the decision—I said I did not favor the sale of wheat to Russia, and I based my judgment on these grounds: I believe it cannot be contradicted that the existing policy of Congress, at least until this time, is that trade with Russia and the Communist-dominated countries is not favored, and in some cases is expressly prohibited.

In the case of wheat, which is a subsidized commodity, there has been an express declaration of Congress that in no circumstances, at least from the standpoint of the policy of Congress, should a subsidized agricultural commodity of any kind be transferred to the U.S.S.R. by any means. I think that is the policy.

I agree that the President, acting on his own judgment, as to what is in the best interest of this country, can permit the issuance of an export license to sell the wheat.

My thought about the subject is that I do not see any reason why we should make the sale based on any ground of great interest to the United States.

I said that if the wheat were to be sold to relieve hunger in Soviet Russia, I did not think there would be much disagreement about the sale, because the relief of hunger is a traditional policy of the United States.

If it should represent an initiative in a new trade policy, it might have some significance, but we were told, in our consultations, it did not do that. So it seemed to me the only reason we would do it would be to secure the money.

We need the money, but it did not seem very much in the tradition of a great country, like the United States, to enter into such an isolated transaction merely to obtain dollars or gold.

If we entered into this transaction, any inhibitions that were held by any country regarding the sale of agricultural commodities to Russia would be removed.

Of course the expressed policy of Congress is that it cannot be sold to any Communist-dominated country. If it is done without any definite change in policy, this could remove some of the inhibitions against the sale or transfer of other products to those countries, strategic or otherwise. Before we begin a change in what is the established policy of Congress—and I must say it has been the established policy of the executive branch, too—the whole subject of East-West trade ought to be considered in consultation with our allies, and if a new policy is to be established, it ought to be clearly defined. I believe there should be consultation with Members of Congress; and on whatever grounds the President moves, they should be clearly defined. I do not like the idea of acting on a transaction-by-transaction basis, and least of all for the purpose of getting our hands on Russian gold. We need the money, of course, but we do not need it that badly.

Mr. JAVITS. I thank the Senator for his fine contribution. I believe what he has said sharpens the areas of agreement, which are much wider between him and myself, because we have the same attitude toward a broad trade deal, and I have gone to some pains to specify in detail what those conditions should be.

An argument has also been made that trade with the Soviet bloc would help Cuba and that the Canadian sale of wheat to Russia for Cuba involves a very serious breach in U.S. efforts for economic and political isolation of the Castro regime. What the Canadians have done is said to strengthen the Soviet position in Cuba, by allowing the Soviets to take the credit for alleviating the food shortage. Two facts can be noted in connection with this argument: First, our own export controls toward Cuba still permit Cuban purchase of consumable food and medicines, since our objective is not to starve the Cuban people who have to live under the Castro regime, nor to encourage the development of disease and pestilence. Second, the heavy cost of maintaining minimum economic conditions in Cuba still falls on the U.S.S.R. where it should fall, even though they have to buy wheat in Canada. In fact, the cost is considerably greater to the Soviets in gold than it would be if they were able to supply their own grain to Cuba, because they have to spend scarce foreign exchange to buy it.

Then there is the argument that our farmers recognize the inconsistency of a free world policy whereby we alone attempt to blockade the Communist world, but they expect something better than a capitulation to "greedy motives for the quick profit" instead of to plan for the ultimate success and security of freedom.

It cannot be denied that our policy for the past 15 years of placing the morality of our cause above export trade—of denying any possible help to the Communist cause—was sound. The real question, however, is not whether we

have been right or wrong up to now, or whether a moral position is better than a profit position.

The essential question is: What policy will best serve our national interest—and the cause of freedom—under present circumstances?

The burden of proof in answering this question is upon those who would increase trade with the Soviet bloc. That is what I am trying to explore in this speech. At the same time I want to set forth the conditions which would add the necessary weight to the balance in favor of a new policy as against our present policy; conditions for negotiation which, if met, would make a change of policy definitely in the national interest.

This is quite apart from the fact that, as a practical matter, we have not really been blockading the Communist world, but only Cuba and Communist China, and I feel this should continue by all means.

It can also be argued that an increased volume of U.S. exports of food and industrial commodities would make it possible for the Soviet Government to modernize its domestic industry and increase the productivity of its capital and labor resources; and that more of its domestic resources and personnel could be diverted toward military production and to stepped up efforts for economic assistance to developing countries. But the importance of such trade to the Soviet economy should not be exaggerated.

In aggregate terms, this trade is not of major significance to the Soviet bloc—except perhaps psychologically. Total imports from nonbloc sources represent less than 1 percent of Soviet gross national product. Imports from the industrialized nonbloc countries, which provide machinery and equipment of principal value to the Soviet economy, represent only one-half of 1 percent of Soviet gross national product.

This trade obviously could not appreciably affect the Soviet Union's military capability or long-term economic growth. Soviet military capability is based on its own advanced weapons technology. The Soviet Union would be no more likely to become dependent upon Western sources for military designs and production than the United States would be inclined to rely on Soviet sources for American military development.

This leaves the question of whether the total denial of western exports to the Soviet Union might appreciably affect Soviet economic growth. It seems highly unlikely that this would be possible, because our allies are now conducting substantial trade with the bloc and Soviet industry is broadly based on domestic materials and resources. As far as its agricultural sector is concerned, Soviet difficulties there are basically the result of institutional defects which are so ingrained in the Communist system that it is difficult to visualize how they could be cured, short of abandoning that system. This, in fact, is what has happened in the Communist countries which have made progress in agriculture. In Poland and Yugoslavia, agricultural production has been placed on an almost completely free and individual basis, and this is a development we certainly should welcome. In the Soviet Union problems of inadequate incentives, ineffective procurement and distribution, and the inefficiencies inherent in collectivized or state farming are the governing factors, rather than specific import requirements from the West.

For these reasons, if a ban were imposed because of serious new East-West tensions, the denial of Western exports to the Soviet Union might at most have a short-term disruptive effect on Soviet economic planning at a given time; but if there was substantial trade which could be cut off, it would have a much more disruptive effect. Trade with the West as a general matter, however, must necessarily be a marginal factor in the performance and potentialities of the Soviet economy.

On balance, therefore, the potential advantages of increased United States-U.S.S.R. trade—on the terms I propose and considering its order of magnitude—would outweigh the disadvantages.

In analyzing the problem of East-West trade from the standpoint of the national interest over the years since this Second World War, the United States has viewed that interest as being involved in four particular areas.

First, the possible strategic contribution of exports to the Soviet bloc; second, the use by the bloc of trade and related long-term credits as a means of penetrating the less-developed countries in ways that may threaten the growth of independent regimes; third, the potential of the bloc to disrupt world markets; and, fourth, the possibility that certain of the Western allies may become unduly dependent upon Soviet bloc supplies or markets.

A variety of actions and programs have been undertaken over the years to minimize these risks. The multilateral Coordinating Committee—Cocom—program has placed restraints on strategic exports and transshipments. The U.S. foreign aid program, in collaboration with the foreign aid programs of other Western countries, has been used as flexibly as possible to counter Soviet penetration in less-developed countries and to augment Western influence.

The new and uncommitted countries have been encouraged to associate themselves with the multilateral trade and financial institutions and the Western system of international trade and payments. Joint Western efforts have been made to deal with such special problems of trade vulnerability as those involving Greece or Turkey. Soviet activities in international commodity markets such as oil or tin have been the subject of Western collaboration. Efforts have been made through international commodity studies or agreements to meet the marketing problems of less-developed countries and reduce their vulnerability to Soviet bilateral trade machinations.

IV. THE BASIS OF UNITED STATES-SOVIET TRADE

At this point I would like to examine the postwar record of United States-Soviet trade and the prospects for its expansion.

THE POSTWAR RECORD IN BRIEF

The movement of goods between the United States and the Soviet Union has been proceeding at a low level during the past 15 years. The main reason for the reduced exchange of merchandise has been, of course, the state of strained political relations between the two countries since the early years of the postwar period. The critical year in our trade relations was 1948, a year in which the Soviet Government engaged in a series of aggressive acts designed to expand the political domain of communism. We responded, in part, with a comprehensive procedure of administrative restrictions over the shipment of strategic commodities to the Soviet Union and its allies.

In the wake of our strategic controls, the dollar value of U.S. merchandise exports to the U.S.S.R. dropped from $149 million in 1947 to $28 million in 1948. One year later, the level of shipments declined still further to $6.6 million. During the following 5 years, 1950 to 1955, U.S. exports to the Soviet Union slumped below the level of $1 million. A steady, if slow, rise began thereafter, which carried the level of exports upward from $3.8 million in 1956 to $42.7 million in 1961. Last year, however, a marked decline took place; Soviet purchases in this market in 1962, for unexplained reasons, dropped to $15.2 million.

As far as our imports from Russia are concerned, the inflow of merchandise also declined with the onset of political tensions between East and West, but not quite as precipitantly. The important restrictive measure taken by the U.S. Congress in this area, enacted in June 1951, was to revoke the most-favored-nation status of the U.S.S.R. This action resulted in raising the customs tariff rates on all dutiable goods arriving from the U.S.S.R. Throughout this period, as a whole, imports from the Soviet Union declined steadily, moving downward from a figure of $86.8 million in 1948 to $16.4 million in 1962.

THE ECONOMIC BASIS OF UNITED STATES-SOVIET TRADE

The Soviet Union, with a volume of exports valued at close to $7 billion in 1962, ranks fifth among the major trading nations. From the standpoint of industrial production, by contrast, the U.S.S.R. is the second largest producer in the world. However, 70 percent of Russia's trade transactions are concentrated within the Soviet bloc. Outside the bloc, on the other hand, Russia currently exports—and imports—at the rate of $2 billion a year, an amount roughly equal to that of a country like Switzerland or Australia.

As far as the United States is concerned, Russia has never been an important factor in our trade. During the best years in our commercial relations, such as 1936 to 1938, shipments to the U.S.S.R. accounted for 1.6 percent of all our merchandise exports. Only during the depression years, 1930 to 1931, which coincided with the first 5-year plan in the

U.S.S.R., did our sales to the Soviet Union reach the proportion of 3 to 4 percent of our total exports. The highest level ever attained in our commodity shipments to the U.S.S.R. came during World War II, when as much as 24.3 percent of all our exported goods went to the U.S.S.R. in support of our common war effort.

It is interesting to note that throughout the period of marked fluctuations in the level of our exports to Russia, up until 1948, imports from that country hovered near 1 percent of our total imports.

The main economic impulse for the exchange of goods between this country and the U.S.S.R. is provided by the very real and continuing Soviet interest in the wide range of equipment produced by the factories and mills of the United States.

In a typical prewar year like 1938, for example, two-thirds of all Soviet procurement in this market consisted of machinery. Metals and chemicals made up most of the balance of their purchases. At the same time, the amount of machinery bought in this country represented 55 percent of the total value of machinery imports into the U.S.S.R., from all sources.

Over the years, too, there has been a continuing, modest interest on the part of the American business community in a number of Soviet commodities. Furs, manganese and chrome ores, platinum, crude drugs and food delicacies have been most prominent among these. In contrast with Western Europe, however, there is little need in the United States for the bulk of Russia's traditional export commodities, which consist largely of farm products, timber, paper, fuels, ores, and other minerals. In normal trading years, therefore, Soviet purchases in this market have tended to exceed their sales by a margin of more than two to one.

Mr. President, I ask unanimous consent to include in the RECORD as a part of my remarks several tables as part of my presentation on this subject.

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

TABLE A.—*U.S. exports and imports by areas, 1956–62, and January–March 1963*

[In millions of dollars]

Country	1956	1957	1958	1959	1960	1961	1962	January–March 1963
	Exports including reexports [1]							
Total	17,020	19,001	15,925	15,926	18,892	19,143	19,474	4,684
Canada, including Newfoundland	4,035	3,939	3,439	3,748	3,709	3,643	3,830	881
20 American Republics	3,778	4,579	4,085	3,526	3,478	3,415	3,222	696
Western Europe [2]	5,220	5,755	4,514	4,535	6,318	6,287	6,371	1,598
Eastern Europe and Soviet bloc in Asia	11	86	113	89	194	133	125	21
Western Asia [2]	406	411	423	441	482	515	568	121
Southern, southeastern, and eastern Asia	2,397	2,980	2,235	2,315	3,165	3,597	3,556	962
Africa	688	695	618	691	766	831	980	211
Other free world areas [3]	485	556	498	581	780	722	822	194
	General imports							
Total	12,774	13,255	[4] 13,255	15,627	15,017	14,713	16,396	3,969
Canada, including Newfoundland	2,941	3,042	2,965	3,352	3,153	3,270	3,657	835
20 American Republics	3,639	3,769	3,589	3,602	3,528	3,213	3,386	866
Western Europe [2]	2,890	3,078	3,297	4,523	4,185	4,058	4,542	1,066
Eastern Europe and Soviet bloc in Asia	73	66	68	88	84	85	82	17
Western Asia [2]	307	262	351	345	312	324	298	66
Southern, southeastern, and eastern Asia	1,682	1,718	1,642	2,250	2,406	2,255	2,664	664
Africa	681	693	668	679	627	672	758	190
Other free world areas [3]	533	595	674	768	703	832	984	262
Unclassified [5]	28	32	34	20	19	4	25	3

[1] Figures for 1956–62 exclude "special category" exports which, for security reasons, may not be reported by destination. Data for 1956–60 have been adjusted, however, to include aviation fuel and lubricating oils which were removed from "special category" in 1960.

[2] Turkey is included with Western Europe and excluded from Western Asia.

[3] Includes European possessions in the Western Hemisphere, Canal Zone, Gibraltar, and islands in the Mediterranean, Australia, New Zealand, and other Oceania.

[4] Estimated total which includes adjustments for changes in statistical coverage resulting from the shift to new tabulating procedures during the year. Area figures, only partially adjusted, overstate imports in 1958 by approximately $33,000,000.

[5] Consists mainly of uranium shipments for which country of origin detail are not available for security reasons.

GENERAL NOTE.—Data in this table have been adjusted, for all periods shown, to include imports of uranium ore and export of uranium and other nuclear materials.

Source: "Export Control," 64th quarterly report, U.S. Department of Commerce.

TABLE B.—*U.S. exports to and imports from countries of Eastern Europe and the Soviet bloc in Asia, 1956–62, and January–March 1963*

[In thousands of dollars]

Country	1956	1957	1958	1959	1960	1961	1962	January–March 1963
	Exports including reexports [1]							
Soviet bloc countries, total	11,245	86,104	113,130	89,272	193,853	133,331	125,140	21,365
Eastern European countries	11,245	86,095	113,125	89,269	193,853	133,324	125,136	21,365
Albania					2			
Bulgaria	24	(3)	129	763	72	47	33	85
Czechoslovakia	765	2,004	1,477	2,469	4,473	7,385	7,172	2,111
East Germany	441	265	382	972	4,042	2,775	1,698	559
Estonia			7					
Hungary	2,006	5,320	1,664	1,119	1,650	1,349	836	1,290
Latvia		977			824	2,911	4,887	2,066
Lithuania							1	323
Poland	3 722	73,059	105,180	74,728	143,090	74,791	94,454	11,883
Rumania	464	966	871	1,820	1,260	1,404	802	220
U.S.S.R.	3,823	3,504	3,415	7,398	38,440	42,662	15,253	2,828
Asian countries		[2] 9	[2] 5	[2] 3		[2] 7	[2] 4	
China including Manchuria		[2] 9	[2] 5	[2] 3		[2] 7	[2] 4	
Outer Mongolia								
North Korea								

See footnotes at end of table.

TABLE B.—*U.S. exports to and imports from countries of Eastern Europe and the Soviet bloc in Asia, 1956–62, and January–March 1963*—Continued

[In thousands of dollars]

Country	1956	1957	1958	1959	1960	1961	1962	January–March 1963
	General imports							
Soviet bloc countries, total	72,754	65,616	68,096	88,154	83,850	84,641	82,380	17,462
Eastern European countries	65,453	61,332	63,499	80,936	80,936	81,069	78,899	17,067
Albania	193	105	94	127	65	74	123	31
Bulgaria	436	459	700	965	781	1,248	1,137	384
Czechoslovakia	5,960	7,911	7,787	11,961	12,214	9,286	9,989	2,380
East Germany	5,455	4,881	6,073	4,137	3,153	2,529	3,096	1,076
Estonia		2	1	(2)		2	(2)	3
Hungary	1,162	729	1,285	2,060	1,809	2,024	1,811	451
Latvia		263	6	13	2	(2)	1	
Lithuania		3	(2)		13	(2)	(2)	
Poland	27,402	30,001	29,683	31,857	38,809	41,316	45,936	10,247
Rumania	377	474	373	1,205	1,461	1,362	626	129
U.S.S.R.	24,468	16,504	17,497	28,611	22,629	23,228	16,180	2,366
Asian countries	7,301	4,284	4,597	7,218	2,914	3,572	3,481	395
China including Manchuria	223	99	142	200	253	447	242	65
Outer Mongolia	7,078	4,185	4,453	7,015	2,658	3,125	3,238	330
North Korea	(2)		2	3	3		1	

[1] Exports exclude "special category" classes.
[2] Less than $500.
[3] Figures shown include printed matter under general license and shipments to diplomatic missions of friendly foreign countries.

NOTE.—Exports are shown by country of destination. Imports are credited to the country in which the merchandise was originally produced, not necessarily the country from which purchases and shipments were made. General imports represent merchandise entered immediately upon arrival into merchandising or consumption channels plus commodities entered into bonded customs warehouses for storage.

United States exports to North Korea were embargoed July 1950, and those to Communist China, Manchuria, and Outer Mongolia were embargoed the following December. On Mar. 1, 1951, general export licenses to Eastern European countries were revoked and the requirement of prior approval by license was extended to cover all exports to this area. On July 26, 1954, exports to North Vietnam were embargoed. Since mid-1954 the policy with respect to exports of nonstrategic goods to Eastern European countries has been liberalized to some extent. In particular, a less restrictive policy with respect to Poland has been pursued since August 1957. Pursuant to the Trade Agreements Extension Act of 1951, benefits of trade agreement tariff concessions were withdrawn from the U.S.S.R. and its satellites and an embargo was imposed on the importation of certain furs from China and the U.S.S.R. On Apr. 26, 1956, a general license, GLSA, was established authorizing the exportation without a validated license of certain commodities to Albania, Bulgaria, Czechoslovakia, East Germany, Estonia, Hungary, Latvia, Lithuania, Outer Mongolia, Poland, Rumania, and the U.S.S.R except the Maritime Province.

Controls over imports of Chinese and North Korean merchandise are exercised by the Treasury Department under Foreign Assets Control Regulations issued Dec. 17, 1950. Under these regulations the importation of Chinese goods is prohibited without license by the Treasury Department, and it is contrary to the present policy of that agency to license such imports. Some items of Chinese origin, however, continue to appear in the statistical records of U.S. imports. For example, dutiable Chinese merchandise brought into the United States and stored in bonded customs warehouses prior to the effective date of the import control regulations is counted in import for consumption statistics at the time of withdrawal from warehouse. Duty-free merchandise permitted entry for customs inspection but subsequently rejected when determined to be of Chinese origin, may also be counted in the statistics. The figures may also include imports licensed to avoid undue hardship to firms and individuals who acquired the Chinese merchandise in good faith and imports, from 3d countries, of Chinese products in which all Chinese interests had ceased by Dec. 17, 1950. In U.S. import statistics, goods of Chinese origin are credited to China regardless of the country from which they came.

TABLE C.—*U.S. exports to Eastern Europe by principal commodities, 1960, 1961, and 1962*

[Thousands of dollars]

Commodity	Total to Eastern Europe			Eastern Europe, excluding U.S.S.R.[1]			U.S.S.R.		
	1960	1961	1962	1960	1961	1962	1960	1961	1962
Total	193,853	133,324	125,136	155,413	90,662	109,883	38,440	42,662	15,253
Dairy products	828	565	1	828	565				1
Barley, except pearl barley	14,815	3,138	9,873	14,812	3,138	9,873	3	(2)	
Corn, except seed	4,307	481	1,857	4,307	481	1,857			
Grain sorghums	4,872	445	2,973	4,871	445	2,973	1		
Rice, milled			3,003			3,003			
Wheat	74,013	27,768	26,237	74,009	27,768	26,237	4		
Soybean oilcake and meal	548	177		548	177				
Edible vegetable fats and oils	4,350	2,821	3,246	4,350	2,821	3,246			
Hides and skins, raw, except fur	4,315	4,291	1,837	2,517	4,291	5,898	1,798		1,939
Tallow, inedible	3,168	10,062	8,208	3,168	3,940	4,197		15,122	4,011
Rubber, synthetic	485	2,245	3,143	485	782	1,684		1,463	1,459
Soybeans	76	3,360	1,905	76	3,360	1,905			
Flaxseed		1,082			1,082				
Soybean oil, crude, inedible	1,867	2,664	4,304	1,867	2,664	4,304			
Tobacco and manufactures	2,820	1,979	1,457	2,819	1,979	1,413	1		44
Hops	251	326	1,538	251	326	1,538			
Cotton, unmanufactured	15,536	16,635	20,524	15,536	16,635	20,524			
Wool rags and used clothing of wool	1,264	625	563	1,264	625	563			
Synthetic fibers and manufactures	3,847	5,489	2,631	1,044	829	645	2,803	4,660	1,986
Woodpulp	638	141		637	141		1		
Sulfur, crude	768	470	1,012	768	470	1,012			
Iron and steel mill products	15,788	2,255	176	5,055	1,168	176	10,733	1,087	(2)
Aluminum ores and concentrates		1,550	733		1,550	733			
Electrical machinery and apparatus	115	818	382	66	430	318	49	388	64
Construction, excavating, and related machinery	653	3,264	330	241	256	242	412	3,008	88
Metalworking machinery and parts	1,113	2,387	2,128	1,113	1,553	2,128		834	
Textile, sewing, and shoe machinery	13,889	10,174	400	1,168	246	224	12,721	9,928	176
Food and beverage processing machinery and parts	479	522	291	303	329	7	176	193	284
Paper, pulp, and paper processing machinery	775	27	2,196	18	20	27	757	7	2,169
Machinery, industrial, other	3,391	2,456	1,654	1,173	490	504	2,218	1,966	1,150
Agricultural machinery, implements, tractors, and parts	1,014	257	127	184	207	107	830	50	20
Aircraft, parts and accessories	1,676		24	5		24	1,671		
Coal-tar products	658	1,290	380	487	520	70	171	770	310
Medicinal and pharmaceutical preparations	594	1,292	1,884	456	1,177	1,862	138	115	22
Chemical specialties	460	804	336	296	275	171	164	529	165
Chemicals, industrials	3,534	900	730	1,310	307	440	2,224	593	290
Carbon black	544	931	21	140	103	21	404	828	
Scientific and professional instruments, apparatus, and supplies	463	577	298	312	322	196	151	255	102
Private relief shipments	5,658	5,415	7,922	5,656	5,415	7,906	2		16
Other domestic exports	4,219	4,310	4,500	3,220	3,447	3,623	999	863	877
Reexports	62	331	312	53	328	232	9	3	80

[1] Includes exports to Estonia, Latvia, and Lithuania.
[2] Less than $500.

NOTE.—Figures exclude "special category" exports which, for security reasons, may not be reported by destination.

TABLE D.—*U.S. imports from Eastern Europe by principal commodities, 1960, 1961, and 1962*

[Thousands of dollars]

Commodity	Total from Eastern Europe			Eastern Europe, excluding U.S.S.R.[1]			U.S.S.R.		
	1960	1961	1962	1960	1961	1962	1960	1961	1962
General imports, total	80,936	81,069	78,899	58,307	57,841	62,719	22,629	23,228	16,180
Imports for consumption, total[2]	80,283	80,388	78,471	57,519	57,602	62,111	22,764	22,786	16,360
Meat and meat products	28,691	26,850	26,269	28,573	26,850	26,238	118		31
Fish and fish products, except shellfish	310	236	173	98	42	32	212	194	141
Vegetables and preparations	445	685	448	415	657	402	30	28	46
Spices	602	1,154	954	592	1,154	954	10		
Molasses, inedible	643	862		643	862				
Beverages	214	207	287	208	201	284	6	6	3
Hides and skins, raw, except fur	610	794	1,385	610	794	1,385			
Pig and hog leather	61	261	642	61	261	642			
Leather manufactures	246	187	412	246	187	412	(3)		
Furs, undressed	9,109	9,063	11,342	3,142	2,301	3,880	5,967	6,762	7,462
Fur manufactures	269	123	220	245	122	215	24	1	5
Bristles	517	649	425	372	342	266	145	307	159
Feathers, crude	1,259	1,165	1,254	1,259	1,165	1,254			
Casein	1,390	2,122	1,399	1,390	2,065	1,399		57	
Rubber, allied gums, and manufactures	247	170	389	247	170	389			
Licorice root	405	287	395				405	287	395
Oilseeds	328	255	269	328	255	269			
Essential or distilled oils	354	295	419	194	214	313	160	81	106
Brooms	209	312	363	209	312	363			
Cotton linters	680	541	597				680	541	597
Cotton manufactures	112	111	530	112	109	489		2	41
Flax, hemp, ramie, and manufactures	506	1,008	1,967	506	1,008	1,967			
Angora rabbit hair	659	256	349	659	256	349			
Artificial fruits and flowers	744	497	274	744	497	274			
Wood manufactures	824	1,562	2,110	819	1,551	2,107	5	11	3
Cement	478	407	280	478	407	280			
Glass, cylinder, crown, and sheet	697	906	1,300	619	474	695	78	432	605
Glass Christmas tree ornaments	852	1,023	1,035	852	1,023	1,035			
Glass and glass products, other	2,172	2,413	2,552	2,172	2,412	2,552		1	
Clay and clay products	385	435	372	385	429	372		6	(3)
Montan wax	225	191	247	225	191	247			
Imitation precious and semiprecious stones	969	739	652	969	739	652		(3)	
Steel-mill products, pig iron and scrap	374	148	688	310	122	687	64	26	1
Chrome ore	162	502	916	2			160	502	916
Platinum	3,013	2,019	1,045	253	136		2,760	1,883	1,045
Palladium	1,552	4,238	1,945	79			1,473	4,238	1,945
Platinum-group metals, other	1,292	131	1,101				1,292	131	1,101
Metalworking machinery and parts	437	346	308	437	346	308			
Typewriters	665	534	556	665	534	556			
Machinery, other	515	382	381	514	381	379	1	1	2
Passenger cars, new, including chassis	785	78	73	775	78	73	10		
Bicycles and parts	1,566	1,494	1,944	1,566	1,494	1,944			
Vehicles and parts, other	258	262	310	257	262	310	1		
Benzene	7,819	4,454	536		783	536	7,819	3,671	
Naphthalene	190	3,116	571	190	1,098	162		2,018	409
Pyridine	196	317	23				196	317	23
Coal-tar products, other	376	172	1,075	373	162	1,072	3	10	3
Chemicals, industrial	272	180	256	272	162	228		18	28
Fertilizers and fertilizer materials	815	690	622	334	288	350	481	402	272
Photographic goods	366	468	356	346	440	339	20	28	17
Dolls, toys, and athletic and sporting goods	357	392	520	356	392	519	1	(3)	1
Books, maps, and other printed matter	928	1,178	1,212	653	929	1,091	275	249	121
Artwork and antiques	273	239	424	263	178	232	10	61	192
Beads and fabrics and articles of beads	741	739	863	741	739	863			
Other imports for consumption[4]	2,119	2,543	3,436	1,761	2,028	2,746	358	515	690

[1] Includes Estonia, Latvia, and Lithuania.
[2] Commodity data are reported on the basis of imports for consumption.
[3] Less than $500.
[4] Includes an estimate of low-value shipments of $250 or less each on informal entry shipments and under $100 each on formal entry shipments.

Mr. JAVITS. This limited economic demand for the standard types of Soviet goods in the U.S. market must be borne in mind as a factor that tends, in the long run, to keep the exchange of goods between these two countries within modest bounds.

In the last 10 years, the trade exchange, imports and exports—between the U.S.S.R. and the rest of the world, including other bloc countries, has grown from slightly more than $3 billion in 1952 to over $10 billion in 1962. Soviet trade with the free world accounts for only about one-third of this trade.

There is, of course, a qualitative factor which enters the equation. The Soviet bloc countries find it cheaper, in some instances, to add to capacity by importing modern plants and technology rather than building all the additional facilities foreseen in their long-range planning.

The fact that East-West trade is of marginal importance in aggregate terms either to the East or to the West does not change the fact that this marginal contribution is viewed as having a certain economic importance by both sides. Resort to imports involves a time-saving factor for the bloc which helps them meet production schedules and realize plan targets. Trade with the West is thus of sufficient importance to the Soviets that they would prefer to continue to rely upon this marginal adjustment mechanism of importing from the industrialized countries if it can conveniently be arranged. For the major trading countries of the West, the record is quite clear that they regard orders from the Soviet bloc as having commercial and political importance from their own standpoint, especially in industries subject to underemployment.

Apart from the economic, the political and psychological importance to the Soviet bloc of Western controls is substantial. This sensitivity on the part of the Soviet bloc countries to what they regard as discriminatory treatment by the West suggests the usefulness of East-West trade relationships as a possible bargaining area under favorable circumstances.

V. WHAT CAN WE TRADE?

Past history dictates that we should explore this issue with a sense of perspective and realism. Just as an unusually inflexible export control policy is contrary to the U.S. interest at this time, so would be a policy of unlimited liberality or a radical shift away from present U.S. export controls. I am for seeing how to increase trade with the Soviet bloc, but only after we have satisfied ourselves in a tangible manner that the current "spirit of Moscow" represents a genuine Soviet offer to reduce world tension and if we can get the needed reciprocal agreements. Any other way we would be only giving away something of great value to the Communist bloc without gaining something of equal value to us.

Should our negotiations result in meaningful agreements we can explore the question of where increased trade is to come from. The following four areas, in my view, should be explored:

A. AREAS OF FORMER SOVIET PROCUREMENT

It seems fair to assume that Soviet purchasing agencies are still interested in some of the same categories of equipment they bought in large quantities in the United States during the early postwar years. These are, after all, the types of equipment which our producers continually improve on the demands of a highly exacting, industrial community. There is no reason why, under a more favorable climate of commercial relations, that the level of exports to Russia achieved in 1947, in certain types of production equipment, could not be approximated in the future.

If we compare the level of U.S. exports to Russia, in a few prominent commodity groups for the year 1947, with the dollar value of the same groups exported during the past 2 years, we find the following results—in thousands of dollars:

[In thousands of dollars]

	1947	1961	1962
Iron and steel products	15,246	1	--------
Electrical machinery	19,992	388	64
Power-generating equipment	5,504	40	14
Construction, excavating, and mining equipment	27,837	530	36
Metalworking machinery	23,428	834	--------
Industrial machinery, unspecified	19,866	538	819

B. COMMODITIES CITED BY SOVIET SPOKESMEN

There is also good reason to assume that some of the commodity categories frequently cited by Soviet officials, in statements on the U.S. market, reflect a genuine potential demand. In this connection, it may be useful to quote the relevant passages in the well-known letter on United States-Soviet trade written by N. S. Khrushchev to President Eisenhower on June 2, 1958:

> Orders could * * * be placed for refrigerating equipment, air conditioning installations, equipment for the cellulose, paper and woodworking industry, the textile, leather and footwear and food industries, television equipment, equipment for the production of packing materials, automatic packing, sorting, weighing and commercial machines, pumps, and compressors, machinery for the mining industry, machines for the manufacture of building materials and the mechanization of construction work, hoisting, transport, and other equipment.
>
> Besides, large orders could be placed for a number of industrial materials and manufactured goods, including nonferrous metals, piping for the gasification of cities, various kinds of chemical products, medical equipment, and medicines and certain other consumer goods.

Only this August, Premier Khrushchev indicated to Secretary Orville Freeman, in a Kremlin interview, that his specialists are strongly interested in securing whole fertilizer plants in the United States.

C. POSSIBLE SHIFT FROM PROCUREMENT IN WESTERN EUROPE

It is highly probable, too, that in a better commercial climate, in which U.S. export licensing policies would be more or less in line with those of Western Europe, the expected rise in imports from the United States would not have to take place at the expense of imports from Western Europe or Japan. The Russians could choose to purchase in the U.S. market some types of machinery and equipment they are now buying in Europe, but if the Soviet economy continues to expand, there is no reason why its aggregate demand for industrial goods from the West should not increase as well.

D. POSSIBLE CURTAILMENT OF MACHINERY IMPORTS FROM SATELLITES

At present, the Soviet Union imports an incredibly large volume of machinery from East Germany and Czechoslovakia. As a result, East Germany, with a population of 17 million, is now the fifth largest exporter of machinery, most of it—nearly $500 million in 1961—produced for export to the U.S.S.R.

It is quite clear, from a reading of the economic press of Eastern Europe, that first, this heavy rate of imports from the satellites is largely an outgrowth of the uncertainty, over the years, in the procurement of machinery from the West; and second, this massive scale of exporting equipment to Russia works a hardship on the satellites. There are numerous types of machinery and instruments which they have to produce in small batches, i.e., at high cost, but are paid only the usual "world price" established by the more efficient producers in the West.

In a more relaxed international atmosphere, with a better outlook for importing from the West, is is reasonable to expect that the Soviet Union would be interested in relaxing somewhat its pressure on the satellites for the widest possible range of production equipment. Moscow may wish to limit its demand for machinery from the satellites to categories of production in which they have a comparative advantage. At present, more than four-fifths of all equipment imported into the U.S.S.R. comes from the satellites.

There are doubtless several groups of products in the equipment field in which the U.S. industry would be able to provide a wide range of up-to-date models manufactured under more rigorous standards of production than are in effect within the Soviet bloc.

Among such likely exports would be: metal-forming and metal-cutting machinery, equipment for the chemical industry, electronic equipment, transportation vehicles, machinery for food, textile, and leather industries, cement-making equipment, machinery for the medical industry, and specialized equipment for automation. The idea that the satellites could be brought to greater independence by greater privation is contrary to post-World War II experience.

E. THE LIKELIHOOD OF EXPANDED IMPORTS

It is generally agreed among observers that only a modest increase in imports from Russia could be expected to occur under improved commercial conditions between the two countries. As things stand now, imports from the U.S.S.R. are subject to two explicit restrictions:

First. Soviet merchandise in the categories that are subject to import duty have to pay these levies at a higher rate, namely the original high rates of the Tariff Act of 1930. Manganese ore is a prominent casualty of this differential in tariff rates: Soviet ore pays at a rate four times as high as ores coming from countries enjoying M.F.N. status.

Second. Seven types of nonexotic furs are specifically barred from imports into the United States.

It is generally not expected that even the removal of these restrictions would accomplish a great deal in stimulating the inflow of a large volume of Soviet goods into this country. Perhaps the general level would, as a result, rise from the present figure of $16 million to something like $50 million a year; but hardly much more.

Such increase as does come about might be expected to occur in the following prominent import commodities: Furs, dressed and undressed—from $7 million to $15 million; manganese ore—from zero to $10 million; chrome ore—from $0.5 to $5 million; platinum-type metals—from $6 to $10 million.

Other imported materials—chiefly asbestos, naphthelene, flax, essential oils, cotton linters and waste, benzene, food, and tobacco—would probably add up to another $10 to $15 million.

Even if negotiations over increased United States-U.S.S.R. trade progress this far, there still remain such unanswered questions as to how such increased trade is to be financed. Some of this trade can be conducted on a cash basis or by transfer of gold. It is quite obvious that the volume of Soviet sales in this market, even under improved trading conditions, would not be high enough to support a large flow of exports to the U.S.S.R. There would be, therefore, a very real need for some form of private financing to help bring up the level of exports to help approximate the known Soviet demand for American goods; and here conditions and credit worthiness are most important.

VI. UNIFIED WESTERN POLICY NEEDED

Over the long term our best thoughts and energies must be directed to the prime task of reestablishing a multilaterial approach toward trading with the Soviet bloc. The economic integration of the free world remains our primary task. The Export Control Act of 1949, as amended, which was made permanent in the 87th Congress, contains a provision proposed by me:

> The Congress further declares that it is the policy of the United States to formulate, reformulate, and apply such controls to the maximum extent possible in cooperation with all nations with which the United States has defense treaty commitments, and to formulate a unified commercial and trading policy to be observed by the non-Communist-dominated nations or areas in their dealings with the Communist-dominated nations.

Such a unified policy, it is well to remind ourselves, served the cause of Western unity most effectively during

the critical years 1949–54. It helped to deflect Soviet pressure against the free world, and ultimately, compelled the Kremlin to revise its own commercial policy drastically after the death of Stalin. All that has happened in East-West relations since 1954 has demonstrated time and time again that there is no substitute for a common economic policy within the West.

The first step in formulating such a unified Western economic policy would be an agreement among OECD members on a code which would set forth standards to be sought by market economy countries in their trading relations with the state trading countries of the Soviet bloc. The achievement of agreement on such a code will not be easy.

Without a significant stake in East-West trade the United States cannot expect to have a determining voice in the manner in which trade is carried on by other Western trading countries.

Neverthless, the enormous political value of a common economic policy toward the Soviet bloc dictates that such an effort be undertaken immediately. The ingenuity and steadfastness of our statesmanship will be severely tested in the months and years ahead. Let us utilize the openings provided by the limited nuclear test ban treaty, if there be any, to the lasting benefit of the free world.

I am under no illusions as to how long a negotiation, of the character which I have described, would take or the complexities and difficulties involved. But I point out that these negotiations are no more complex and difficult than those which resulted in the test ban treaty, and that the mutual self-interest of the Soviet Union and the United States may very well be such, at this time, as to speed such negotiations and make them fruitful.

This is a step on the road to normalizing the relations between the Soviet bloc and the free world. It can give focus to the fact that the Soviet Union is traveling a different route from that of Communist China. If this can be done, without, at the same time, compromising our profound determination to win the struggle for freedom, then I see no reason why trade negotiations cannot offer a real chance for a further advance along the road to peace.

Mr. President, I ask unanimous consent to include in the RECORD as a part of my remarks several recent newspaper articles which form a part of my presentation on this subject.

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

[From the New York Times, Sept. 19, 1963]

WIDER U.S. TRADE WITH REDS URGED—BUSINESSMEN AT WHITE HOUSE PARLEY ASK REAPPRAISAL

WASHINGTON, September 18.—The White House conference of more than 200 businessmen, called to consider expansion of exports, spontaneously recommended today that the Government reexamine its policy on trade with the Soviet bloc.

The issue was not on the conference agenda, but at least four of the special committees into which the conference was divided took up the question and urged a new look at the trade policy.

Secretary of Commerce Luther H. Hodges told a news conference afterward that the Government would now have to decide whether to reappraise its policy. He indicated he favored such a reappraisal.

One of the committees of the conference pointed out that other Western nations were now selling $5 billion worth of goods a year to the Communist bloc but that the United States was getting less than $200 million of this business.

Present U.S. policy bans the export not only of strategic goods but also of any items that would contribute to the strength of the Soviet economy. Under both law and regulations, sales on credit are virtually ruled out. A large portion of the sales of European nations and Japan is made on credit.

Mr. Hodges indicated that a change in the law might be required before the United States could sell on credit to Communist nations. The United States has an elaborate system of granting credit on exports, but only to buyers in non-Communist countries.

Mr. Hodges said he "doubted" that Canada's mammoth sale of wheat to the Soviet Union this week had prompted today's recommendations.

"What these hardheaded businessmen are saying, they wouldn't have said 2 years ago," Mr. Hodges said.

One of the committees specifically cited "changed world conditions" as one of its reasons for advocating a reappraisal of Government policy.

In another spontaneous action, the conference unanimously adopted a resolution declaring "its conviction that continuation of a well-executed foreign aid program is indispensable under present world conditions to U.S. foreign policy goals and to our national security and, further, will contribute to American export expansion."

The recommendation on Soviet bloc trade was a surprise, but the 11 committees of the conference produced several other proposals aimed at increasing exports.

The most controversial was one for a special tax credit based on expert expansion. It called for a deduction from the tax bill of 10 to 15 percent of any increase in export sales achieved by a corporation above current levels.

The committee that recommended this change conceded that it might violate the nonsubsidy rules of the General Agreement on Tariffs and Trade.

But the group said that the tax credit should only stay in effect until the deficit in the U.S. balance of international payments was eliminated, and that the credit could also be dropped if the nations of Europe assumed more of the Western World's defense and foreign aid burden.

[From the Wall Street Journal, Sept. 25, 1963]

TEST BAN AFTERMATH: WEST SEES MORE STEPS TO THAW COLD WAR, NO EASING OF MAJOR PERILS—CHANCES RISE FOR UNITED STATES-SOVIET TRADE, AIR LINK—UNITED NATIONS WILL WEIGH SPACE COOPERATION—FROZEN CUBA, BERLIN, LAOS

(By Philip Geyelin)

WASHINGTON.—Now that the U.S. Senate has ratified the limited nuclear test ban, American and Allied diplomats foresee a series of possible follow-ups intended to improve East-West relations. Included:

An international space "law" governing such matters as rescue and return of astronauts and cosmonauts and liability for damage from errant space shots.

A New York-Moscow commercial air link.

An East-West exchange of observer teams at seaports, railway hubs and other transportation centers, designed as a largely psychological safeguard against surprise attack.

Agreements to foster a rising tide of trade and traders, tourists and technicians, artists and athletes, both ways across the Iron Curtain.

Those are some of the brighter prospects shaping up, most Western diplomats agree, as this country's agreement to the test ban becomes official and the United States resumes contacts with Russia at various levels. The projected air link is due to come up in New York conversations early next week between Secretary of State Rusk and Soviet Foreign Minister Gromyko. The space law proposal, among others, will be debated in United Nations Councils.

But the East-West diplomatic docket in the months ahead has its darker side, and this may become apparent shortly when Messrs. Rusk and Gromyko and British Foreign Secretary Lord Home meet to take up the larger cold war issues. Prospects are rated next to nil for accords on such crucial, war-provoking disarmament moves. In short, the outlook is for a curious, even contradictory, East-West relationship, thawing out on the surface but frozen tight below, and presenting both promise and perils for U.S. diplomacy.

SOME SEE A RUSE

"A detente that doesn't reach to Berlin or Cuba doesn't go very far," warns one U.S. diplomat; he reckons that any real easing of the basic Western conflict with communism is probably decades away. Some administration authorities see the Soviet "peace campaign" as a ruse aimed at inducing the West to lower its guard. One skeptic, who believes Russia is using the treaty to turn the East-West balance of power in her favor, says: "They tried to do this on the cheap by slipping missiles into Cuba; now they're simply trying another tack in hopes we'll scale down our armaments."

A few experts even question whether the "spirit of the Treaty of Moscow" (nuclear test ban), as it's being ballyhooed by Russia, will prove much more durable than the short-lived "spirit of Geneva" that followed the 1955 Big Four summit.

But most specialists on Kremlin affairs insist there are powerful pressures propelling Soviet Premier Khrushchev and his cohorts toward further, if limited, accords with the West.

The key points they cite: Russia's fears about its eastern flank, bordering rebellious Red China, call for easing conflict with the West. Last year's nerve-testing Cuban missile clash with the United States has encouraged Mr. Khrushchev to look for ways to reduce the risk of accident or miscalculation erupting into nuclear war. Strains on the Soviet economy, aggravated by a near-calamitous crop failure argue for at least a slowdown in the arms race. A gradual "liberalization" within Russia probably makes it impossible for the Kremlin to renege significantly on economic promises or halt the trend toward greater contact with the outside world. A hankering for world prestige and respectability impels Russia's revolutionary leaders to display their culture and technology as well as boost their world trade.

OVERLAPPING INTERESTS

The result, Kennedy aids claim, is a significant widening of the area where the intests of East and West, for often conflicting reasons, tend to overlap. The Kennedy high command is quite as eager as the Kremlin may be to avoid another Cuba-style test of nerve. The United States would like to promote far wider East-West trade, though more for diplomatic than economic gain. (The Russians are offering little that Yankee importers want, and U.S. sales behind the Iron

Curtain, impeded by regulations banning strategic goods, are but a tiny fraction of total U.S. exports.) The main aim is to encourage wider commercial contact to open up the Soviet Communist world to Western influence. Russia's European satellites are rated especially susceptible to this sort of trade tug from the West.

[Commerce Secretary Hodges yesterday hinted strongly that he favors an expansion of U.S. trade with the Soviet bloc.]

Cultural exchanges have much the same motive, in U.S. eyes. "Everything we can do to encourage the natural evolution of Russia toward nationalism and liberalism and away from the old dogma of world conquest is to the good," declares one strategist.

Space cooperation could serve multiple purposes for both sides. President Kennedy's dramatic offer Friday of a joint United States-Soviet moon probe reflects, at least partly, a U.S. yearning to cut the costs of space competition with the Reds; recent soundings suggest the Russians are feeling the same pinch. The fact that the cold war hasn't yet spread significantly to outer space makes it a more promising area for East-West cooperation. And even modest space collaboration—wider exchange of technical data, or a divvying-up of specific space-probing missions—would promote the broader U.S. goal of easing tension and binding the two major cold war combatants more closely together.

What are the practical prospects for agreement? U.S. officials agree that only hard bargaining will tell. But it's at least possible to predict where the bargaining will likely center and what the stumbling blocks will be.

Air service between Moscow and New York is said to be well up on the list of current Russian commercial aims; Soviet diplomats have let it be known that Mr. Gromyko wants to renew discussions which broke down in 1961 when Berlin was aboil and again last year when the Cuban crisis flared. An agreement in general terms has even been initialed; it would give Aeroflot, the Soviet airline, and Pan American World Airways matching flight rights between New York and Moscow.

NO IMMEDIATE PROFITS

Pan Am officials contend the route would be no moneymaker now, though they cite a growing flood of U.S. tourists to Russia, now calculated at 14,000 a year, as evidence of future potential. Ideally, Pan Am would like to extend the run across Siberia to Japan to provide a more direct route to the Far East. But prospects for this are poor. Reason: The Russians already have hinted they'd like to extend their route to Cuba, among other points in this hemisphere; the United States, busily trying to complicate Soviet and other access to Communist Cuba, is adamantly opposed.

If the Russians put up no new obstacles, officials see a good chance that the New York-Moscow air link may soon be established.

United States-Soviet commercial connections might get a more massive boost if the Russians, as grain traders now are rumoring, decide to follow up their recordbreaking $500 million purchase of Canadian grain with a bid to buy American wheat. So far, the U.S. Government has not even received feelers on the subject, officials insist. But growing evidence of a critically bad Soviet wheat crop this year raises at least the possibility of a request to buy surplus U.S. grain, and Wheat Belt politicos are already pressuring the Government to give any such bid a sympathetic ear.

LEGAL OBSTACLES

There are a lot of legal hitches, however. Without actually enacting a specific ban, Congress has expressed coolness to Government-subsidized exports of wheat to Red countries; without these subsidies, the Soviets would have to pay the domestic U.S. price, which is roughly 30 percent above the world market level. There are legal restraints, too, on credit deals with the Russians of more than 180 days, as long as the U.S.S.R. remains in default on more than $2.5 billion in lend-lease and other U.S. loans dating back to World War II. Some legal experts believe that a law primarily aimed at curbing Government-subsidized exports to non-Red countries trading with the Reds may actually bar such exports to Russia, on the ground that Russia trades with other Communist countries.

Sizable expansion of United States-Soviet commerce in other items is also hemmed in by legal problems, even assuming U.S. businessmen develop an appetite for such trade. Patent and copyright agreements would have to be worked out; some relaxation of U.S. restraints on strategic goods might be needed, and many a lawmaker would protest. Thus most of the U.S. hope for closer East-West commercial connections rests with Western Europe.

Prospects for space collaboration run a wide gamut, from the notion of a joint Russian-United States moon flight, which is frankly seen by one close aid as only a gleam in the President's eye, to much more modest cooperation. In the U.N. committee on the peaceful use of outer space, the United States, Russia, and others have been studying a broad code of conduct for outer space. This might call for the surrender of any national sovereignty in space and for restrictions on the uses communications satellites are put to.

Until lately, the Russians had been blocking progress seeking to rule private enterprise out of all space communications activity, and insisting that no war propaganda be bounced off communication satellites. But lately, officials have detected some Soviet softening. Less difficulty is expected on provisions establishing liability if spacecraft or their fragments stray off course and damage property, and setting up procedures for recovery of space explorers of one nation who accidentally alight on the territory of another.

Arms control measures, it's agreed, present thornier problems. The Russians recently have expressed interest in exchange of static observation posts to keep an eye on troop or ship movements and warn of suspicious buildups. But traditionally Mr. Khrushchev has linked this provision with such measures as the denuclearization of Germany and abandonment of foreign bases and it's not clear whether this link, unacceptable to the West, still remains.

[From the Wall Street Journal, Sept. 26, 1963]

SOME COMPANIES SEE GAINS IF UNITED STATES EASES CURBS ON SOVIET TRADE—MACHINE TOOL BUILDERS EAGER FOR NEW MARKET, HARVESTER FEARS IRE OF SHAREHOLDERS

Expansion of trade between the United States and the Soviet bloc—now getting its most serious consideration in years—could bring important benefits to many U.S. companies and the economy.

But achievement of the expansion faces major obstacles, not the least of which is the belief by many Americans that increased trade would hurt the long-range economic and political interests of the United States.

These are findings of a Wall Street Journal survey of businessmen, Government officials and close observers of the Soviet economy. The possibility of liberalization of U.S. policies covering trade with the Red bloc were raised Tuesday. Commerce Secretary Hodges said such a move is receiving "very definite consideration" in the administration and that he favors "selling goods," which was regarded as a hint that he advocates increased trade with the Red bloc.

Adding further immediacy to the subject are talks in Ottawa between a group of U.S. businessmen and a Russian trade group which a few days ago ordered $500 million worth of wheat from Canada. The group's purpose is to discuss a major sale of U.S. wheat to the Soviet Union.

POSSIBLE BENEFITS

Potential benefits in the United States of a reduction in Soviet trade restrictions include these:

It would likely mean a major new market for producers of machine tools, chemicals and many other products.

It could help ease the U.S. balance-of-payments deficit, particularly if the Russians were forced to pay for U.S. goods in gold, as some economists expect.

It could perhaps help relax cold war tensions.

But among obstacles the move could face are certain opposition from some Members of Congress, likely protests from the Pentagon to the sale of any item that might have strategic value; difficulties confronting Russians in obtaining dollars to buy U.S. goods, and complaints from consumer groups and competing industries about reciprocal purchases of Red products for the U.S. market.

The principal lid on sales by U.S. companies to the Soviet bloc is the Government's power to ban shipment of items that might have military or strategic economic value to Russia. Firms wishing to ship goods to Russia must obtain a license from the Commerce Department. The flow of goods to Russia is largely contingent on how liberally Department officials interpret rules on the strategic value of goods. Since the 1961 Berlin crisis, companies usually have found licenses harder to obtain.

U.S. SALES DROP SHARPLY

In the first quarter this year, U.S. sales to the Soviet bloc plummeted to some $21 million, compared with $45 million a year earlier and over $60 million in the like period in 1961. U.S. imports from the Soviet bloc have hovered around $80 million annually since 1954.

Many U.S. companies have little doubt that they could increase their sales if Commerce Department rules were relaxed.

"It appears that trade with the Soviets could build up quite a volume of business for us," says the president of a New England machine tool firm. "We know that they are buying machine tools from Western European countries and we assume that they would buy from us too if we were allowed to sell to them." Machine tool men note that while U.S. machines are often more costly than the European products, they also often have modern features which are in demand.

In 1961, according to the National Association of Machine Tool Builders in Washington, sales of U.S. machine tools and parts to Russia totaled $810,000; in 1962 and 1963 they were practically nil, as a result of the 1961 clampdown. Many machine tool builders figure that the "strategic" classification on many of their tools is meaningless since similar equipment is available to the Russians elsewhere. Machine tool builders also are eager for a new market because of evidence that West European demand is slowing as producers there catch up with local needs.

General Tire & Rubber Co. in Akron, Ohio, predicts its sales would increase substantially if it were permitted to trade with Russia. "We've been looking forward to liberalization of trade policies with Iron Curtain countries," says an official. "Just 2 months ago Poland sent us an inquiry on possible tire shipments."

An official of another rubber company says liberalized Russian trade probably would boost his company's sales 2 percent to 3 percent, primarily in the synthetic rubber field.

The hopes of American companies are in general similar to those of the Russians themselves. Russian trade sources in London cite a wide range of products they would like to buy from the United States. These include farm machinery and fertilizer to raise badly lagging farm production; chemical plants and processes to boost the Russian chemical industry; equipment for the pharmaceutical industry; special steel sheets for construction work, and food processing equipment.

"We need all types of machinery," says a Russian trade official in London. "We have approached practically every chemical company of any importance in Western Europe seeking to purchase chemical processes and have sounded out American chemical companies, too."

Says a British oil company official: "In the last 10 months they have been trying to buy a fantastic number of processes from us and they won't take no for an answer. They would obviously take anything the Americans could give them in this field. It looks as though they have pilot plants running into trouble and are trying to take shortcuts by importing technology."

Rules on sales of strategic materials to Russia also have been agreed to by America's West European allies but there they usually are interpreted more liberally. From all indications, the volume of exports and imports between West Europe and the Soviet bloc, which amounted to $4.2 billion in 1961, has been climbing while U.S. trade with Russia has fallen. Shipments from West Europe to Russia consist heavily of capital goods. Whereas Soviet bloc trade represents only about four-tenths of 1 percent of U.S. exports and imports, it accounts for 4 percent or more of Western Europe's trade.

SOME URGE CAUTION

Even with eased trading rules and strong Russian demand, many U.S. companies would proceed cautiously, however.

Chicago's International Harvester Co. turned down an opportunity to bid on a Soviet order for about $2 million worth of farm equipment and small tractors, according to Brooks McCormack, executive vice president. Aside from potential U.S. restrictions on the deal, the company had other reasons, Mr. McCormack says.

"First of all, the shareholders of this company might legitimately ask how, living in this country, we can oppose Soviet ideology with one hand and sell them equipment with the other." He also fears the Soviets might copy Harvester machines.

Although a number of Congressmen appear to favor some relaxation of trade rules now that the atomic test ban treaty has thawed the cold war a bit, there are highly vocal opponents. Senators KEATING, Republican, of New York, and PROXMIRE, Democrat, of Wisconsin, have been critical of the Canadian wheat sale, partly because part of the wheat is earmarked for Cuba.

Perhaps an even bigger obstacle to any major increase in U.S. shipments would be the question of how the Russians are to pay for their purchases. "They don't have a whole lot we want," says one high U.S. policymaker. U.S. purchases from the Soviet bloc last year were highly diverse but none could be potentially big earners of dollars for the Soviets.

POPPY SEED, PALLADIUM

Among U.S. purchases from the Soviet bloc in 1962 were poppy seed, Christmas tree ornaments, and vodka. Palladium and chrome ores and furs were the main U.S. imports from Russia in the first quarter.

Soviet bloc products have been attacked both on ideological grounds and for shoddiness. However, Ealing Corp., a Boston import sales company, terms some Soviet optical equipment it bought for school use in 1959 the "best dollar value we have seen."

The problems the Soviets might have in earning dollars give rise to a possibility that might be advantageous to the U.S. trade balance. In recent years, Russia has used gold to finance some purchases in the West because of its shortage of hard currencies. If the Soviets tendered gold for U.S. merchandise this would constitute a direct payment, in effect, and the whole transaction would go on the plus side of the U.S. balance-of-payments ledger. There is little doubt that the possibility of favorable trade balance with Russia is an important consideration with the administration, which is searching avidly for ways to ease the unfavorable U.S. payments situation.

The possibility of U.S. products aiding the Soviet economy to the future detriment of U.S. trade is a real one, however. Some U.S. officials fear sales by Western nations of large-diameter pipeline to the Soviets speeded construction of a Russian pipeline to East European satellite nations which may increase the flow of Soviet oil into Western Europe.

"There's a very definite policy issue here," warns Dr. Holland Hunter, professor of economics at Haverford College and an expert on the Soviet economy. "Should we hand them the goods and save them time, or should we make them work for these products? It's not obvious to me that our security and objectives will be promoted by helping them."

In recent years, the main Russian export to non-Communist countries has been oil and oil products, which by 1962 had jumped to an estimated 560,000 barrels a day from 80,000 barrels a day in 1955.

[From the New York (N.Y.) Times, Sept. 27, 1963]

COMMON MARKET WILL TEST RUSSIA ON TRADE POLICY

(By Edward T. O'Toole)

BRUSSELS, September 26.—The European Economic Community will extend a trade offer to the Soviet Union in the next 24 hours. If accepted, the offer could be a significant move toward improved East-West economic relations.

Dr. Walter Hallstein, President of the Common Market's Executive Commission, said tonight that the Dutch Ambassador in Moscow was expected to deliver the trade offer to the Kremlin "today or tomorrow."

The message, prepared by the Commission, offers a 25-percent reduction in Common Market tariffs on Russian exports of caviar, crabmeat, and vodka. The action was approved Tuesday by the cabinet ministers of the Common Market, which consists of West Germany, France, Italy, the Netherlands, Belgium, and Luxembourg.

Dr. Hallstein said, "We think this offer will be taken as a symptom of our receptive attitude toward the Russians. We hope it will be received in the same spirit in which it is extended."

He declined to speculate on what the Soviet reaction would be. If the Kremlin accepts the offer, it will constitute de facto recognition of the Common Market's negotiating authority.

SOVIET TRADE BILATERAL

Until now the Soviet Union has refused to acknowledge the Treaty of Rome, the agreement the six member states signed in 1957 to establish the Economic Community. The Kremlin has continued to conduct its trade relations with the six member states on a bilateral basis.

The Dutch Ambassador was selected to deliver the tariff proposal because the Netherlands Foreign Minister, Joseph Luns, was currently the Chairman of the Common Market Council of Ministers, which is the Community's top decisionmaking body.

Other diplomatic sources in Brussels have expressed general agreement that acceptance of the offer could mean a new East-West economic rapprochement was in the making. European nations in the Soviet bloc, such as Poland and Hungary, would be expected to follow the Soviet lead in establishing broader trade relationships with Western Europe.

Embassy observers here believe that such economic ties could lead to a positive rapport that, in the long run, would carry more assurance of East-West amity than the nuclear test ban treaty.

[From the New York (N.Y.) Times, Sept. 27, 1963]

NEW SALE BY SOVIET TRIMS GOLD PRICES

LONDON, September 26.—The price of gold fell smartly in London today following the Soviet Union's overnight sale of a fairly large amount in Europe.

This followed a substantial sale of Soviet gold in Europe about 3 weeks ago.

Further sales were expected to help pay for the large Soviet purchases of wheat in Canada and Australia and prospectively also in the United States.

As on the previous occasion, the bulk of yesterday's gold sale—believed to have been made in or through Paris—could be expected as usual to be passed on to London, the only market able to handle large quantities.

Yesterday's sale may have been slightly smaller than that on September 3 but only because the size of that sale is now thought to have been larger than was generally known at the time.

The two together may approach a value of $100 million.

As the Soviet wheat purchase in Canada alone amounts to $500 million, it is apparent that she may wish to sell more gold.

This situation has aborted the usual speculation in gold at this time of year in advance of the International Monetary Fund meeting, which starts in Washington next Monday.

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

Mr. JAVITS. I yield.

Mr. PROXMIRE. I am aware that other Senators are waiting to speak. I apologize for detaining them longer. The reason for my earlier interrogation and the interrogation I am now about to make is that the Senator's speech on the East-West trade situation is an outstanding one, exactly the kind of responsible speech that best serves the Senate and the country. Unfortunately, I am focusing on one issue, because it is current. I realize that in the whole context and sweep of the Senator's speech, this point on our possible sale of wheat to the U.S.S.R. is relatively minor. I should like to ask the Senator with reference to the following statement on page 6 of his text:

> This is quite apart from the fact that, as a practical matter, we have not really been blockading the Communist world, but only Cuba and Communist China, and I feel this should continue by all means.

If we sell a substantial part of our surplus wheat to the Soviet Union, and if, as the Senator has said, the Soviet Union does not need the wheat for itself or for future commitment, is it not possible

that that would give the Soviet Union great bargaining power with Communist China, especially under present circumstances? Let me read two short paragraphs from Joe Alsop's recent column:

In brief, doubts are beginning to be expressed about the future stability of the Communist regime in China * * *. Why are doubts expressed today when none were heard before?

The answer is inherent in the cause of the improvement of Chinese living conditions. In brief, like Stalin before him, Mao Tse-tung tried to gain resources for building a great industrial power base by ruthlessly squeezing China's teeming millions of peasants. But unlike Stalin, Mao failed in this grim attempt.

On the brink of catastrophe, Mao recoiled in fear. The squeeze on the peasantry was relaxed. The industrial expansion program was junked. Production from existing industrial plants was allowed to drop, or rather to plunge downward to a level of between 30 and 40 percent of capacity, where it remains today. And since the state was taking less of the produce of the land, the people got more.

In other words, the Chinese great step forward has collapsed. Why did it collapse? Because the agricultural failures of China have greatly impeded its economic power and military power. Because of agricultural crop failure Red China is far less of a military threat or a nuclear threat than she otherwise might be.

If we arrange to sell a huge amount of wheat—and it is not a little; $400 million worth may be involved—to Russia, Russia then may be in a position, in the first place, to prevent a collapse of the Red Chinese Communist regime through a revolution that could possibly result from hunger. In the second place, Russia may with this potent bargaining power of a billion dollars of wheat make the kind of deal with Red China which would end the split that now exists, and thus bring monolithic unity to the two great Communist countries in the world. That would be against the interests of the free world and, of course, our own interest.

We would be running a terrible risk to enter into such a deal, since we have the only large surplus of wheat in the world.

Mr. JAVITS. I am sure there are very great advantages to the United States, and I have tried to discuss them pro and con. I do not believe the Senator's arguments present a great enough disadvantage to outweigh them, for this reason:

First, the amount involved is not enough to make any appreciable dent in the situation of a country having the population and size of Communist China.

Second, if that is all there is to the Sino-Soviet rift, and if it can be cured by several hundred million dollars worth of wheat, even if it were all used for that purpose, I think the rift would have been over long before this. Each of those regimes is, in my opinion, deeply dug in upon this subject. In my judgment, it is not the kind of thing that can be healed—if it exists; and we all have suspicions of that—by what would be involved in this particular wheat trade. Based upon the amount involved and the situation into which it would fit, I do not believe the Soviets would use the wheat as that kind of counter. I would not for a moment say that it is not within the Communist lexicon to try any such deal; but I do not believe it would lend itself to use as this kind of a weapon.

Mr. PROXMIRE. We do not know; the Senator is probably correct. He puts the question honestly and well when he says a risk is involved. The risk is what deeply concerns me.

We do not know—no one outside of Russia knows—the extent of the crop failure in Russia this year. We do know that Russia has bought $500 million worth of wheat from Canada and $100 million worth of wheat from Australia. Russia may now be about to buy as much as $400 million worth of wheat from this country. That would be $1 billion worth of wheat. In such a position, it is possible—unlikely but possible—that the Soviet Union may hold the kind of power over Red China that would give Russia the strength to achieve Communist unity, I merely say that this is an added risk, an added reason why we should consider the proposed wheat deal with the greatest care and insist on the most thorough, comprehensive intelligence before we proceed to take that kind of risk.

Again, I salute the Senator from New York on an excellent speech.

Mr. JAVITS. I thank the Senator from Wisconsin. We have fully explored the question involved. As in all such delicate matters, including the nuclear test ban, there must be a balancing of risks. Nonetheless, we may reach different conclusions sincerely. My judgment is that if we can arrive at an adequate deal based on adequate conditions, the benefits will outweigh the risks.

RESOLUTION FOR INTERNATIONAL CONFERENCE FOR CONSERVATION OF WILDLIFE RESOURCES

Mr. YARBOROUGH. Mr. President, I submit for appropriate reference, a concurrent resolution which recognizes the necessity of convening an international conference to initiate an effective cooperative international program of wildlife conservation, possibly through the use of counterpart funds. It calls for the convening of such a conference under U.S. auspices.

I have been concerned with the problems of wildlife conservation for most of my life. As a boy roaming the woods, I felt a longing for the wild species that had once lived there, but were then gone. I have always supported measures for the conservation of American wildlife.

In 1961 while in Africa, I discussed this problem on an international scale with Americans stationed in Africa, and with Africans.

At the 51st meeting of the Interparliamentary Union in Brazilia, Brazil, in 1962, I discussed the problem of vanishing wildlife species in Africa, with the representatives of several African nations, who expressed much concern, particularly the representatives from Ethiopia. I suggested this subject there as an appropriate one for future Interparliamentary Union discussion. The possibility of an international program of wildlife conservation has been discussed by me with people with a knowledge of Africa, and in the field of conservation. The problem is immense. Destruction of wildlife is reaching tremendous proportions, and the problem is getting more acute monthly. We are rapidly reaching the point of no return in the needless destruction of wildlife. Entire species are on the verge of extinction; often of great animals. Man has thus far exterminated 200 species of wildlife. Two hundred and fifty more species are threatened with extinction, and about 100 species are now in grave danger. Some species of wild animals are left with a surviving remnant of less than 100 animals; a larger number of species have less than 300 surviving members each, including some of the large Asian and African animals.

Last week, a joint Parks for America Conference was held here in Washington, with three national organizations participating; namely, the American Institute of Park Executives, the American Association of Zoological Parks and Aquariums, and the National Conference on State Parks, Inc. In their sessions, a seminar dealt with the great and growing threat of wildlife extinction.

So far as wildlife is concerned, its H-hour has come. Its "atomic explosion" is man's population explosion. It is here now, and it threatens to wipe other animals off the earth, unless they are protected.

If the wildlife of the world is to be preserved, the nations of the world must undertake a cooperative effort to save the world's wildlife, one of its most important and least protected natural resources. Wildlife is threatened with total destruction by the spread of civilization and by the unconscionable, totally unnecessary slaughter of animals by men in their uninhibited quest for unnecessary trophies, and the great profits that unchecked exploitation of wildlife brings those in the business.

Recognizing the plight of the world's wildlife and the urgency of the world's taking corrective steps to prevent the wholesale destruction of one of the world's natural resources, its animals, I introduce this resolution encouraging the Secretary of the Interior, in cooperation with the Secretary of State, to convene an international conference to initiate action to conserve the world's wildlife. An international program for wildlife conservation is urgently needed. Time is of the essence. An international conference must be convened to begin an effective program for animal conservation. Efforts along this line have been taken in the past, but far too little. We need the active, aggressive, overt support and encouragement by the Government of this effort.

The wildlife of the world has more than aesthetic value. It constitutes a major natural resource for the regions in which it flourishes. Unfortunately, this resource is rapidly being depleted and is seriously threatened in the immediate future. The problem of wldlife depletion and threatened extinction is mainly centered in Africa. This vast continent, once rich in wildlife, is desperately in need of an effective program of conservation to save one of its most important resources, its wildlife. The people of Africa were, not long ago, an integral part of the natural scene. Now, through the introduction of the mores and technology of alien cultures, man has become the dominant species in Africa and has upset the delicate balance of nature which existed previously. The African people have suddenly been overcome with Western culture on a continent which might better realize its own innate dignity by balancing its resources against its human needs in both the long and short runs. Africa is destroying its main natural resource, its wildlife, at the expense of its future.

Few are accustomed to thinking of wildlife as a natural resource. It clearly is. Game provides the main source of meat on a continent where protein scarcity is acute; it provides hides for leather goods and a wide variety of animal byproducts. The potential yield to the food supply of local meat producing game is tremendous when compared with the yield provided by cattle or goats. For example, a square mile of dry woodland in Rhodesia can carry 21,000 pounds of beef cattle. With a great deal of effort in a more productive, better watered area, the weight of beef supported might be raised to 42,000 pounds. But a single square mile in a Rhodesian national park, with no effort at all, can support 139,000 pounds of meat-producing game. However, it is not the number of pounds of meat a given area can produce that is important. Instead, it is how much meat produced annually that is important. Here again it is more advantageous to maintain wildlife than it is to raise cattle. A range cow takes 4 years on the African range to reach a marketable weight and condition. Meat-producing wild antelope reach full-size and marketable condition in a period which varies between 1 and 3 years. Buffalo and eland, which outweigh the African-bred cow, also grow faster and may be marketed sooner. Furthermore, the carcasses of game contain more usable meat than do most cattle. It is safe to generalize that on any African range area, not just marginal lands, some combination of wild game present will produce a larger yield of meat than domesticated cattle introduced by man. While domestic livestock will outproduce any wild animals if stall-fed and hand cared for, stall feeding and hand care are not and cannot be practiced in the wild range country of Africa. To use the wild range economically to produce a large yield of meat, an animal must be able to survive under natural conditions and feed on native vegetation. Various species of wildlife have become adapted to surviving in these areas without direct competition with one another. Each animal occupies his own special niche. The giraffe feeds on the treetops; eland browse high on shrubs and trees; wart hog dig for roots and herbs; impala browse on the lower level of shrubs. The zebra, wildebeest, sable antelope, waterbuck, and buffaloes are primary grazers, but each subsists on different kinds or different parts of grasses or herbs. Thus, in a given area of mixed vegetation, a combination of 16 or more species that normally exists there can make good use of food provided by trees, shrubs, and grasses. Domestic livestock can make use of only a small portion of the food provided by the range. It may be concluded, therefore, that on these African ranges the meat yield from domestic livestock and the total yield of commercially valuable products will be substantially lower than the yield produced by wildlife.

Besides producing more meat on less land than cattle, wildlife does not exert the same pressure on the land as cattle. A much larger number of game may be carried by a given area without damage to the land because game migrate and allow the land to refurbish itself. To replace wildlife with an equal weight of cattle would guarantee destruction of the veld. Game also can overgraze and damage its habitat. But this overgrazing occurs mainly under unnatural conditions that man creates by destroying predators and by not replacing their function with an equivalent amount of cropping. The problem of overgrazing by wildlife after predators have been destroyed is solved by controlled, scientific harvesting of game. This provides an adequate meat supply to meet local demands and also allows vegetation to revert to a more natural balance.

Besides providing meat in a protein starved area, wildlife attracts thousands of tourists to Africa. Revenues in East Africa from tourism in 1962 totaled $23,800,000. Without these tourist revenues, many African countries would have their budgets sorely limited. Wildlife income represents a vast income for the African economy.

Thus, from a purely economic approach the maintenance of wildlife as a natural resource is absolutely essential to the economic well-being of Africa. Wildlife must be thought of as a major natural resource and must be protected as such. Despite this, the trend in Africa continues to be toward game extermination for short term gains at the expense of the African economy in the long run. The problem of overcoming this wholesale slaughter of the mainstay of the African economy is tremendous. The common attitude is one of tempered pessimism. But those active in the field of conservation have adopted an attitude of tempered optimism. They believe that the scale can be tilted in favor of conservation if the available forces are fully utilized and properly brought to bear.

Optimists in the field of conservation are encouraged by two recent facts. The first is the recent increase of interest in nature and wildlife which is exerting enormous pressure to activate effective programs of wildlife conservation. The second is the rapid rise of the science of ecology which has raised conservation above being a subject of purely sentimental or academic interest to a science which can provide the proper approach to the practical problems of conservation.

Ecology is the science of the interrelations of all living beings; it is the study of the balance to be achieved in a system of interesting factors. The ecological problem in Africa is essentially one of balancing resources and human needs. This balance must be made for both long and short terms and must be based on resource use and resource conservation. The ultimate goal is optimum use of the land while conserving the habitat.

The ecological breakdown and need for strong conservation measures have come about within the last half century. The introduction of Western mores, which are juxtaposed to African cultures, produced an alarming acceleration in the process of ecological change. The disastrous effects of man's sudden dominance pointed out the necessity for controlling ecological change through programs of conservation to prevent further and more acute harm. The wildlife of Africa and the world is not doomed. Governments and the public must be taught to follow an ecological approach. In formulating policies, governments must make the same sort of study an ecologist makes of a biological community and should decide what interference with the ecological cycle should be made. Many realize this, but a lack of funds and a lack of international cooperation coupled with a lack of governmental support have, to a large degree, hampered large scale research and implementation of proper conservation measures.

One primary conservation measure which must be undertaken immediately is an effective program to curtail poaching. During the last decade the question of poaching has achieved more prominence than any other aspect of wildlife conservation. Poaching is undertaken consistently and on a vast scale wherever animals are found. Although trapping and snaring of animals has taken place since time immemorial, it is only in recent years that poaching has reached such menacing proportions.

The practice of poaching is totally unnecessary since properly run game management schemes could provide adequate quantities of meat of vastly higher quality and preparation. These game management schemes would also serve to control the ecological cycle by maintaining the balance of nature, as well as providing an ample amount of hides and ivory to satisfy the legitimate trade in these products. Africans would benefit for generations to come by the preservation of their greatest natural resource—next to the land itself—their wildlife. The world would benefit by aiming Africa toward a position of self-sufficiency and by preserving hundreds

of threatened species of wildlife for future generations.

The world is becoming increasingly aware of the plight of the world's wildlife. Various international organizations have realized the immediacy of the problem and have undertaken programs of conservation which have been limited by a severe lack of funds. The international organization most immediately concerned with wildlife conservation is the International Union for Conservation of Nature and Natural Resources—IUCN. It was initially sponsored by UNESCO but is now independent of the United Nations and its agencies. Membership is comprised mainly of European and African nations. Thirty-three countries were represented when the organization was founded in Fontainebleau, France, in 1948. The United States does not belong to the IUCN since the Union is not strictly an intergovernmental organization. It is our policy not to join organizations of mixed governmental and nongovernmental natures. However, the United States does participate in an indirect fashion through our nongovernmental conservation agencies which are represented at the IUCN's periodic international conferences. At the seventh meeting of the union held in 1960 in Warsaw, the President noted that the Union's most important activity was promoting their program for wildlife conservation in Africa since time and circumstance made this the last opportunity for the Union to achieve successful results in saving African wildlife from extinction. Thus, the IUCN initiated the African special project with the purpose of the project being to inform and influence African public opinion through African leaders to the effect that the application of conservation practices based on ecological knowledge, is in the best interest of all African countries. The focus of the project is primarily based on preserving the wild habitat, including national parks, faunal reserves, and other areas of wild land which, under wildlife management, are capable of producing crops of animal protein and other animal products on sustained basis. The IUCN objectives are long range in that they are aimed at conserving wildlife, as well as short range in that they provide food to meet immediate protein shortages.

The eighth meeting of the IUCN General Assembly was held this September in Nairobi, Kenya. All available information respecting African wildlife problems specifically and world wildlife problems generally was to be discussed. However, the problem of implementing proposed programs is severe since the budget of the IUCN totals between $90,000 and $100,000 a year. Contributions from its membership serves as the Union's main source of financing. Often conservation programs of highest priority are left undone for lack of funds. The Union is making a gallant effort to conserve the world's wealth of wildlife. Its programs have been extremely successful considering the great financial handicap under which the Union operates.

A second organization, the World Wildlife Fund, was organized in 1961 with the purpose of undertaking a vigorous and decisive program to save the menaced wildlife of the world. The WWF estimates that at least $1,500,000 a year is needed to save the most seriously threatened animals. The Fund estimates that a realistic constructive program for conservation of wildlife on a worldwide scale requires at least $3 million a year. The Fund, which works on a sorely limited budget, has already undertaken more than 20 conservation projects ranging from saving the Hawaiian wild goose from extinction to purchasing land in Tanganyika to save the Ngurdoto Crater National Park. Other organizations such as the Conservation Foundation and the African Wildlife Foundation as well as various U.S. governmental agencies including the State Department's AID and Fulbright programs have begun programs of conservation. Again limited funds have limited the effectiveness of these programs.

These ambitious programs have been successful within the restrictions of their limited funds. However, the challenge has not been met. The wildlife of the world continues to be seriously threatened with systematic extermination. Many species have already been lost to the world forever. Untold numbers will be lost in the immediate future if no corrective action is taken to conserve them. A great natural resource of the world is being depleted. The depletion must be stopped. The United States should move promptly to convene an international conference to initiate action to conserve the world's wildlife, if this natural resource is to be saved for this and succeeding generations of men. Action must be taken today to feed a large part of the world tomorrow. The price is cheap when balanced against the consequences if action is not taken.

If adopted, this resolution will go a long way toward furthering cooperative action to conserve wildlife on an international basis. The resolution proposes the establishment of training schools for wildlife and conservation specialists in areas where wildlife populations are threatened as well as implementation of other programs recommended by the international conference. The resolution also proposes the exploration of the use of counterpart funds to implement international conservation programs. The resolution is somewhat similar to a proposal introduced in the House by the very able Representative HENRY REUSS, whose leadership in this field I salute. I hope it may serve as a vehicle by which these ideas can be explored by the committees concerned. The situation involved is critical; early action is needed. A program must be undertaken. I strongly urge consideration of this resolution. It is an important step to saving the wildlife of the world.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the concurrent resolution.

The concurrent resolution (S. Con. Res. 60) was referred to the Committee on Commerce and, without objection, was ordered to be printed in the RECORD, as follows:

Resolved, That it is the sense of the Congress that the Secretary of the Interior, in consultation with the Secretary of State, should take all necessary steps to convene an international conference within one year after the adoption of this concurrent resolution for the purpose of initiating cooperative action to further conservation of wild animals on a worldwide basis.

SEC. 2. The conference should consider the following cooperative actions:

(1) Establishment of training schools for wildlife and conservation specialists, and conservation departments in the countries where wildlife populations are threatened; and

(2) Joint action controlling imports of commodities the chief value of which is derived from wild animals threatened with extinction; and

(3) Any other action to promote wild animal conservation.

SEC. 3. The United States shall present to the conference specific proposals for cooperative wildlife conservation programs through the use of local counterpart currencies accruing to the United States through the sales of surplus agricultural commodities under the provisions of Public Law 480 of the Eighty-third Congress.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Threat of Extinction Hangs Over Wildlife in Many Lands Because of Changes in Their Surroundings," published in the New York Times on November 8, 1961.

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

THREAT OF EXTINCTION HANGS OVER WILDLIFE IN MANY LANDS BECAUSE OF CHANGES IN THEIR SURROUNDINGS—NEW FUND SEEKS TO SAVE NEAR-EXTINCT SPECIES

LONDON, October 20.—What does the giant tortoise of the Galapagos Islands have in common with the Ceylon elephant or the African mountain lion?

Not much in appearance or habitat, conservationists agree. But all are near extinction, along with at least a dozen other animals and birds and several species of plant life.

Conservationists of 17 nations, as a result, have launched the first full-scale international appeal for funds to save the planet's threatened wildlife. The World Wildlife Fund hopes to raise $1,500,000 a year.

Officials of the fund say this amount could save most of the seriously threatened species and the plants on which they feed. Twice that sum could start planned conservation of wildlife on a world scale.

The money would be used to meet such threats to wildlife as drought, assist in financing long-term conservation projects and help recognized conservation bodies win support in the study of ecology, the relationship between animals—including man—and their environments.

Officials of the fund, who include some of the world's leading conservationists, have selected the giant panda as the symbol for the appeal. They point out that the panda owes its survival to a conservation campaign.

Other animals, however, remain in danger of extinction, often because their breeding grounds are threatened. Pollution of the sea, drought, poaching, poison, and inundation from dams are common causes, the experts say.

In Asia, the two-humped camel, a familiar sight at American fairs, is disappearing. The

Arabian oryx, the Javan rhinoceros, the Kashmir stag and the markhor, a wild goat, are also near extinction.

The pigmy hippopotamus and the cheetah are dying out in Africa, while in the Pacific, Steller's albatross and the land iguana of the Galapagos Islands are in danger.

In the United States, the California condor and the Bermuda petrel are fast disappearing, as well as the better known whooping crane. At last count, there were fewer than three dozen whooping cranes surviving.

Conservationists say that since the time of Jesus, about 100 species of mammals and an equal number of birds have become extinct. Almost 70 percent of these losses occurred during the last century, and 38 percent within the last 50 years.

In 1924, for example, more than 2 million koala skins were exported from Australia and in 1 year 600,000 koalas were shot for sport. A few remaining specimens live in a park near Sydney.

The passenger pigeon, once the most common bird in North America, was counted in the thousands of millions. In 1907 the last free passenger pigeon was shot and in 1914 the last survivor died in a cage in the Cincinnati Zoo.

The Wildlife Fund has drawn up a charter and is planning to request endorsement by the United Nations. The charter calls for the protection of wildlife and asks those "whose work has an impact on nature to recognize their responsibility to wildlife."

The appeal was launched here a few weeks ago and a similar move is expected to be made in the United States. Officials say that contributions can be sent to Dr. Ira N. Gabrielson, president of the Wildlife Management Trust, Washington.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Fifty-five Species of Mammals Facing Extinction by Man's Inhumanity," by Howard Simons, published in the Washington Post in August 1963.

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

FIFTY-FIVE SPECIES OF MAMMALS FACING EXTINCTION BY MAN'S INHUMANITY

(By Howard Simons)

Man's destruction of the nonhuman inhabitants of the earth threatens to extinguish 55 species of mammals, 48 species of birds, and 6 species of reptiles throughout the world.

Moreover, 100 species of fresh water fish in North America alone are also being threatened with extinction.

These were the estimates of wildlife experts attending the International Congress of Zoology meeting here. The protection of these vanishing species was the subject of a news conference and a symposium yesterday.

MAN CHIEFLY TO BLAME

The consensus of eight experts was that in 99.9 percent of the cases where species are disappearing, man is the direct or indirect cause.

Thus, for example, the Mexican grizzly bear was thought to be extinct until 5 years ago when 30 to 40 bears were found "hiding from man" in a remote area of Mexico. Just recently, however, at least three of these animals succumbed to poison spread by a nearby rancher to kill off other predators.

What particularly concerns the wildlife conservationists is the fact that the rate of wildlife extinction is accelerating rapidly. One reason is that man's population explosion, particularly on islands, is literally pushing wild forms of life to extinction. Another reason is the legacy of wars, which is the jeep and the gun, that now make it easier for man to hunt down and destroy wildlife.

But man can save the vanishing breeds, too, the experts emphasized. This, apparently, has been the case in North America where the number of threatened animal species has decreased from 28 in 1942 to 7 today.

The reason suggested for this drastic decrease has been good management of the survivors of threatened species, as well as adequate protection. The seven species still in danger are: the Mexican grizzly; the black-footed ferret; the wood bison; the Key deer; the Pacific white-tail-deer; the red wolf, and the Mexican tapir.

EFFORTS SPURRED

It was apparent from the discussion by the wildlife conservationists yesterday that every attempt will be made to save these and all the world's endangered species.

One such attempt—to save three species of Asian rhinoceros—will require the manufacture of plastic "rhino" horns that can be smuggled into China. Rhino horns, it seems, are greatly treasured by the Chinese as an aphrodisiac. A single horn sells for $2,000.

Though scientific study disclaims such power for the rhino horn, the demand has not diminished. Indeed, three stuffed rhinos in an Indonesian museum lost their natural horns to thieves. Since then thieves have also taken nine plaster horns made up to replace the missing originals.

Why do wildlife biologists want to save animals such as lions and wolves? Canadian scientist Ian McTaggert Cowan gave an answer and it amounted to this:

Men do not own the world. Moreover, they have a responsibility to turn the world over to their children as they found it and preferably in better condition.

Here is a challenge to help some creature fight its last battle to survive. Men must help so they and theirs can marvel at, gain knowledge of and enjoy these creatures.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "To Save Wildlife and Aid Us, Too," by Stewart L. Udall, published in the New York Times magazine on September 15, 1963.

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

TO SAVE WILDLIFE AND AID US, TOO—SECRETARY UDALL DESCRIBES MAN'S STAKE IN THE WORLD OF NATURE

(By Stewart L. Udall)

"The squirrel has leaped to another tree, the hawk has circled farther off, and has now settled upon a new eyrie, but the woodman is preparing to lay his ax to the root of that, also."—Thoreau's Journal (1851).

Twice each year, at migration time, lovers of wildlife await the census count of North America's small band of whooping cranes, which fly between their summer nesting grounds in Northwest Canada and their winter refuge on the gulf coast of Texas.

The whoopers have been poised on the edge of extinction for more than 30 years now. In 1938, at the low point, there were only 14. For a time the flock slowly increased, but after a survey last summer the Canadian wildlife experts reported with alarm that the nesting season was a failure and our whooping crane population had dropped in 1 year from 38 to 28.

The fight for existence of these rare birds symbolizes the plight of vanishing types of birds and animals everywhere. The degree of concern evoked in our minds by the threat to a species is one of the quiet tests of modern civilization. In the end, whether we provide conditions which will allow wildlife to coexist with us on this planet will be as significant a commentary on our progress as any of the feats of rockets and computers. Later this month President Kennedy will visit national parks and seashore and wilderness areas in 10 States across the country, drawing attention to the efforts of the Government to conserve and protect the Nation's natural heritage.

It is estimated by the experts that more than 200 species of birds and mammals have already disappeared from the face of the earth and that nearly 250 species in various parts of the world are now on the danger list. The California condor, the polar bear, the woodland caribou, the manatee, the everglade kite, the Key deer, the sandhill crane are only a few of the imperiled species in our hemisphere.

Manmade threats to a species come from three sources. In too many parts of the world the destroyers are selfish or wanton individuals who ignore the elementary principles of conservation. A news story last year indicated that hunters were using automobiles to corner and kill the few remaining Arabian oryx; in East Africa native poachers are making deep inroads into the finest big-game herds in the world.

"Progress" is the second and more subtle threat. Encroaching civilization daily destroys habitats that are essential for the survival of some species. Wildlife can thrive only when conditions favor reproduction; some creatures face eventual extinction the moment natural conditions are seriously unbalanced by man. Some animals and birds need space; others require solitude or special nesting conditions. But space and solitude are commodities increasingly in short supply in the 20th century. Populations are exploding, and in our haste to exploit resources we have often ignored side effects that are detrimental to the welfare of wildlife.

A final, and new, risk relates to those conquests and miscalculations of man which threaten the life process itself. Pollution of air and water is slowly reducing life expectancies of many forms of wildlife. This insidious process occurs quietly. The permanent loss of a stream or estuary by pollution is too often unnoticed until the damage is irreversible. In her provocative book, "Silent Spring," Rachel Carson called our time "an age of poisons" and urged a thorough evaluation of the use of commercial chemicals and pesticides. The entry of numerous poisons into the chain of life may be a fateful event for wildlife species—and perhaps for some members of the human species as well. Even the controlled killing of plants, insects, and animals often has an unintended impact on nature's delicate balances.

The people of this country have passed through three stages in their treatment of wildlife. The first was the period of waste and slaughter that came to a culmination in the last half of the 19th century. The fate of the passenger pigeon and the buffalo symbolizes that age. Delectable and easy to kill, passenger pigeons were butchered by the millions. By 1915 a bird which once constituted nearly a third of the entire bird population of the United States had been relentlessly pursued to extinction. The vast buffalo herds that once roamed the Great Plains were the wildlife wonder of our continent; their near destruction also marks this savage and shortsighted hour in our history.

The crusade for wildlife protection in the 1880's began a protest against the slaughter and was spearheaded by such organizations as the Audubon Society and the Boone and

Crockett Club, which was founded by Theodore Roosevelt and a group of his friends.

In the last four decades we have developed game management into a science. Hunters "crop" only the annual increase, and public opinion and public budgets support numerous wildlife protection programs. The main threat today arises from the side effects of advancing civilization. The draining of each swamp, the building of each new road, the indiscriminate broadcast of pesticides, the widening circle of pollution, and the destruction of open space on the edges of our cities are now the clear and present danger to wildlife.

The Federal Government has many preservation programs underway, ranging from pesticide research to the purchase of wetlands to save habitat for the ducks and geese that travel the continental flyways. One exciting restoration project concerns the Aleutian Canada goose, a bird which was thought to be extinct. This small goose formerly nested throughout the Aleutians, but hunters made a fatal change in the bird's environment by introducing predatory foxes throughout the islands in an effort to increase the supply of fox pelts. Only 56 Aleutian geese were counted last year.

Last summer a few goslings were captured on Buldir Island and taken to the Monte Vista Wildlife Refuge in Colorado. While this temporarily transplanted flock increases its numbers, foxes will be removed from some of the islands so as to restore the habitat to its previous state. Later a covey of the captive geese will be taken back from Colorado to their ancestral islands and released, and the cycle of restoration will be completed. Through this process it is hoped that another species of wildlife will be rescued from extinction.

A similar project last year involved the nene (nay-nay) goose, Hawaii's State bird. This white-necked goose has largely forsaken swimming and flying for a life on the most improbable habitat imaginable—the barren lava beds of Hawaiian volcanoes. The nene's troubles began when it became prey to the dogs, cats, pigs, goats, rats, and mongooses that had been brought to Hawaii by American settlers. By 1955, there were only 22 wild nene alive. By good fortune, however, some of these geese had been transplanted to the British Isles; a grant from the World Wildlife Fund, a worldwide voluntary organization devoted to saving threatened species, made it possible to ship 30 of these fine birds by air from England back to Maui last July.

Another example of bird restoration is that of the masked bobwhite quail, a bird which disappeared from its Arizona habitat a half century ago. Recently, some specimens were found in northern Mexico. A 640-acre tract was set aside in Arizona near Tucson by the Interior Department's bird experts and three pairs of the Mexican bobwhite quail were "planted" in the area where once their species flourished. If this rare quail reestablishes itself, it will be another last-minute victory for wildlife conservationists.

There is hope that Congress will establish the Land and Water Conservation Fund bill recommended this year by President Kennedy. This historic conservation legislation will provide funds desperately needed for Federal and State Governments to save choice lands for recreation and wildlife protection. It will take an all-out effort at both the State and Federal level, and by voluntary organizations also, to secure such lands for posterity.

However, there are signs of a new awakening on the conservation front. In the last 3 years a few States have established far-sighted buy-now, pay-later conservation programs. New Jersey's "Green Acres" plan, New York's $100 million acquisition program and Wisconsin's effort to save its out of doors, show what can be done at the State level if there is the right kind of leadership.

Even more encouraging are the efforts of local organizations to save marshes, seashores, or forest refuges. Five years ago a group organized as "The Philadelphia Conservationists" purchased a 200-acre marsh and presented it to their city as a permanent wildlife sanctuary. In recent months an emergency committee of New Jersey citizens fought off the proposed intrusion of a jet airport by raising several hundred thousand dollars to save New Jersey's Great Swamp. This land, a natural museum piece, was later donated to the people of the United States, and stands as one of the rare instances on the eastern seaboard where wildlife won out over asphalt and concrete. Likewise, conservation commissions established in many Massachusetts communities are providing excellent examples of local initiative that is getting results.

Private philanthropy can also play a pivotal role. In May leaders of Boston's business community, joining together to encourage gifts of land and bequests of money for conservation projects, established a Fund for the Preservation of Wildlife and Natural Areas. Henry Thoreau once advised his New England neighbors that "a town is saved not more by the righteous men in it than by the woods and swamps that surround it." It is heartening that people of his neighborhood are, a century later, taking his advice at face value.

It is inevitable, of course, that the worldly and cynical will propound their usual so-what questions. "What does wildlife contribute to our abundance, or add to the sum of human happiness?" they will ask in weary tones.

Such queries reveal minds that lack all reverence for the marvels of the natural world. These same individuals, who prate of the wonders of modern life and the new conquests of science, have, in incipient form, the attitudes that lead to what the ancient Greeks called hubris—the deadly arrogance of men who had lost their roots.

The truth is that there is a force at work in the world larger than ourselves, and the natural world is its outer garment. The creatures of nature have a claim to life as valid as our own. We need to accord them respect as much for our own mental and spiritual preservation as for theirs.

MRS. LYNDON B. JOHNSON'S REPORT ON HER SCANDINAVIAN TRIP

Mr. MANSFIELD. Mr. President, one of the Nation's outstanding ladies, one who has made a host of friends not only at home but in many other countries, Mrs. Lyndon B. Johnson, was the honor guest the other evening of the American Newspaper Women's Club. The wife of the Vice President in turn honored the members of the club by giving the newswomen and their guests an excellent report on her recent Scandinavian trip. I commend Lady Bird Johnson's report to the Senate and ask unanimous consent that it be printed at this point in the RECORD.

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

REMARKS BY MRS. LYNDON B. JOHNSON BEFORE NEWSPAPER WOMEN'S CLUB, WASHINGTON, D.C., SEPTEMBER 26, 1963

Today I feel as though I have just gotten up from one vast Scandinavian smorgasbord of land, water, and peoples. The centerpiece was the Baltic Sea and both sea and land, wedded together, produce tables heavy with fish, dairy products, and pastries.

The sights are as varied as the foods. They offer snowcapped, jagged mountains that rise high to the sky; fjords cut by glaciers that sink deep like icy fingers of the sea reaching inward to the land; the plains of Denmark—rich with dahlias and pigs—"The best in the world" they tell you. And, in Iceland—hothouse farming by boiling water from the geysers.

Although we landed more than a week ago, mind, like body, remains overstuffed with sights and facts.

I saw a great many of your counterparts wherever I went. I am convinced the sun never sets on Coca-Cola or the press.

The newspaperwomen abroad were just as sharp, just as hep—(only blonder)—and full of questions on everything from dress designers to nuclear test bans. I remember Rose McKee once said two things are basic for being a good reporter: a big breakfast and a pair of comfortable shoes. Her advice paid off for all of us—because there were days when I felt we had walked through Scandinavia. I had wanted to see the farmlands in each country for several reasons.

For one thing, I wanted to get out of the cities and see the story of the country which is often mirrored most clearly in farm people.

So we saw big farms and little farms; the cleanest pigs and pigpens I've ever seen; cattle scrubbed down daily; neat and tidy farmhouses; and we tromped through the forests of Sweden and Finland, picking ligon berries.

What interested me over and over was the strength and resiliency of man's spirit when faced with disaster.

Two examples are vivid. High behind the Arctic Circle was Bodo, Norway, a new, completely rebuilt city only 19 years old. The Germans flattened the town completely when they moved out in 1944. Now every house is new. Somehow, perhaps it's in defiance of bitter cold and long winter nights, the houses are brightly colored: red, yellow, orange, and blue. With balconies and yards ablaze with flowers. People pointed out to me over and over several blocks of houses that were the gift of Sweden.

Another example was in southern Finland. In the final days of the winter war, 450,000 Finns, living on the Karelian Isthmus, had to decide whether to live under communism in their homeland which had been confiscated by Russia, or move. They decided to move. With only 6 days, they carried what they could with them and set out for a new life. Their countrymen who shared jobs and farmlands deserve part of the credit, as well as the Finnish Government that could work it out to everyone's satisfaction.

They must have known what they wanted—which was to stay together.

What do I think the trip accomplished?

1. It was the first time in 180 years of national history that a Vice President or President ever officially visited all or any of the five countries in northern Europe while he was in office, although all Scandinavia has sent their prime ministers, kings, or presidents to our country since 1960.

2. The people of these nations showed much greater friendship to the United States than we ever anticipated. Within 100 miles of the Soviet border, the crowds along the street stood day and night 10 deep to cheer our American flag.

3. They listened carefully and applauded when LYNDON, in country after country, spelled out our foreign policy in simple direct language; that there is not one piece of territory in the world which the United States covets; that our foreign policy is based on the

dignity of the individual, self-determination, freedom to be free.

We have allies but no colonies; friends but no satellites.

We reserve these rights for ourselves and we will shield our friends who join with us in the collective defense.

That we can be strong without being provocative. That we can be hopeful while being cautious.

That trade must replace aid.

4. That space and its peaceful development offer great potentials in which nations can work together, as Norway and Denmark agreed to do during our trip—to join with Sweden and America in a communications satellite program.

I do not think these points fell on deaf ears. Everywhere, I found the Scandinavians, like the United States, greatly heartened by the nuclear test ban.

The point LYNDON drove hard over and over, to these leaders who are running the top of the world, was that the test ban came about only because we had a NATO and a strong defense.

These are some of the things we tried to accomplish as we traveled along this northern anchor of the NATO shield.

None of these nations is large—the 5 only total 20 million—but they are unafraid.

Their position was summed up symbolically on the last evening of our trip. The wise old President of Iceland said, "A small bird chooses to nest by the eagle."

That seemed to summarize the friendly feelings we found as our flag was shown at the top of the world. And we sleep better tonight because of it.

PRESTON COUNTY, W. VA., HAS BUCKWHEAT FESTIVAL

Mr. BYRD of West Virginia. Mr. President, last week the 22d annual buckwheat festival was held in Preston County, W. Va. This celebration centers around Kingwood, the Preston County seat, and a town of great historical interest, dating back to 1811.

Kingwood is prominent in the minds of West Virginians this centennial year because it was the site of the first "caucus or meet of men west of the mountains to talk about leaving the Commonwealth of Virginia." This was the first of a series of meetings which eventually led to the formation of the new State of West Virginia 100 years ago.

Preston County has since developed into a fruitful farming region, known far and wide for the excellence of its buckwheat grain, as well as for its fine pork sausage and maple sirup. During the weeklong festival, an estimated 50,000 king-size buckwheat cakes are consumed, along with some 14,000 pounds of whole-hog sausage and 400 gallons of maple sirup. Visitors are also treated to a display of prize horses, cattle, grain, antique cars, and many other attractions. I heartily recommend that my colleagues visit the Preston Buckwheat Festival next year where they and their families can partake of buckwheat cakes, sausage, and maple sirup to their fill.

SALE AND DISTRIBUTION OF PORNOGRAPHIC MATERIAL

Mr. MUNDT. Mr. President, the problems connected with the sale and distribution of lewd literature and other forms of pornography are becoming more intricate. Parents are horrified at the literature that is publicly displayed—literature which is considered by our courts to be of enough literary merit to meet the criteria of acceptability. These parents, and many others, are demanding that something be done. They want laws passed or existing laws enforced, so the public can have some protection from the purveyors of filth.

But, what is pornographic? And what is artistic? And what is on the borderline? And where do we stop curbing pornography and begin censorship?

In a carefuly worded editorial, the editors of Life magazine, point out that we are liable to go to either extreme unless some sensible action is taken to draw up guidelines.

In the two previous Congresses, I have introduced legislation which would set up a commission to study the problems in connection with the distribution of noxious materials. I have also reintroduced this bill, S. 180, in this Congress. Such a commission as I have proposed would try to write definitions which would be legally acceptable, and it would also recommend action by Federal, State, and municipal governments for taking legal steps, of a uniform nature, to halt the flow of lewd and salacius literature. In addition, it would attempt to work out a public information and education program which would enlist the aid of private citizens in halting the sale of such materials.

Twice, the Senate Government Operations Committee has reported, and the Senate has passed, this bill. The other body has never acted. It is my hope that in this Congress the House of Representatives will be able to study this legislation, which has been introduced by a number of House Members.

Because it explains, rather well, the problems which the Government and the public face in fighting pornography, I would like to include the editorial from the September 27 issue of Life magazine, as part of my remarks.

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

IS ANY BOOK LEGALLY OBSCENE ANY MORE?

A first-class book critic, Stanley Edgar Hyman, recently gave his readers in the New Leader a systematic "defense of pornography." Reviewing a couple of books which he found obscene, worthless, and "suppressible under the law," he added that "the law is wrong. Neither book should be banned. In fact, no publication should be banned." He went on to defend pornography for the reason usually held against it; namely, that it induces lascivious thoughts and (possibly) behavior. Even books without literary merit are either "harmless or beneficial" to a society which, said Hyman, suffers from too much guilt about sex.

That's the unorthodox view of a literary man. But a few days later a New York Supreme Court justice, J. Edwin Shapiro, said almost the same thing in an official decision. He had before him a batch of books which he called "profane, offensive, disgusting, and plain unvarnished trash," but refused to call legally obscene. The judge's reasoning should be of interest to parents as well as lawyers and publishers.

In the Roth and Alberts cases (1957) the U.S. Supreme Court gave its first official definition of obscenity. It extended the protection of the first amendment to "all ideas having even the slightest redeeming social importance," the lack of which is one test of obscenity. The other is whether "to the average person, applying contemporary community standards, the dominant theme of the material taken as a whole appeals to prurient interest." On this test the Court declared the material then before it obscene, although Black and Douglas dissented on the ground that "the test that suppresses a cheap tract today can suppress a literary gem tomorrow." The Shapiro decision turns their apprehension upside down.

Reluctantly, Shapiro felt obliged to read some 25 pieces of lewd trash ("Sex Kitten," "Hill-billy Nympho," etc.) and be their critic "because the law in its present state requires just that." The books all had the same plot (which Shapiro described as "from puberty to prostitution") and no pretense of literary merit. In that respect they differed from Henry Miller's "Tropic of Cancer," which has litigated its way to freedom in several States because critics have persuaded the judges of Miller's "serious purpose." Indeed, the trend of obscenity decisions is such that no work of recognizable literary merit, whatever its lingo or subject, is in much danger of suppression if its publisher is willing to fight for it in court. Now, if the Shapiro view holds, works of no merit are equally safe.

Is obscenity, then, an obsolete concept? Not quite. Even Shapiro made a point of the absence of four-letter words in his bundle of trash (another difference from Miller) and said the books were not "hard-core pornography." But he rejected the "literary merit" argument on the democratic ground that the mean and uneducated who "cannot cope with anything better" than trash are entitled to their "escape from reality." He met the "contemporary community standards" test by deciding that these are pretty low. His decision, obviously, is not going to make them any higher.

The history of literary censorship is not a pretty one. Shelley, Walt Whitman, Shaw, Dreiser, D. H. Lawrence, and Joyce, are just a few of the great writers who have been pronounced unprintable by one official bluenose or another. But Anthony Comstock has been dead since 1915, and the United States, thanks largely to the Supreme Court, is now almost censor free by civilized standards. This widening of freedom has been good for art, letters, and our cultural level.

An ideal society would let anything be printed. But so long as professional pornographers exist, no State is likely to repeal its obscenity statutes. And there is danger that if our courts become too permissive, a public reaction will bring Comstock roaring back from his grave.

Definitions of obscenity—even of "hard-core pornography"—are inherently imprecise and changeable. But besides the lack of "redeeming social importance" there is another test which Warren relied on in the Roth case. It is the motive of the purveyor—what Frankfurter once called "dirt for dirt's sake, or more exactly for money's sake." Although reputable publishers and authors are doubtless guilty of this motive in isolated passages, a discriminating judge should be able to recognize pure dirt from its total lack of other values or motives, and acknowledge that the public has a right to keep it off the street. The Shapiro doctrine is too permissive and should not survive.

EAST-WEST RELATIONS—RESOLUTION

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in

the RECORD a resolution adopted by a convention of the American Bulgarian League, at Pittsburgh, Pa., August 31–September 2, 1963, relating to East-West relations.

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

AMERICAN BULGARIAN LEAGUE FOR THE UNITED STATES AND CANADA RESOLUTION ON EAST-WEST RELATIONS ADOPTED BY THE LEAGUE'S 20TH ANNUAL CONVENTION, HELD IN PITTSBURGH, PA., ON AUGUST 31–SEPTEMBER 2, 1963

Whereas we, Americans and Canadians of Bulgarian descent organized in the American Bulgarian League for Canada and the United States, look back to events and developments of the past year throughout the world and, particularly, in the area of East-West relations; and

Whereas we note with satisfaction the conclusion by the United States, Great Britain, and the Soviet Union of a limited nuclear test ban agreement and a general lessening of tensions among the same powers; and

Whereas we watch with interest the growing tendency among these and other powers to further explore the possibilities for lessening of international tensions by considering proposals for reducing the danger of surprise attacks; for expanding trade, cultural exchanges and individual contacts between the West, on one hand, and the Soviet Union and the so-called People's Democracies, on the other, and even for the conclusion of a nonaggression pact between them; and

Whereas at the same time we see no appreciable change in either the ultimate goal of communism to rule the world—a goal that is irreconcilable with the basic aims of the United States, Canada and their democratic partners—or in the reluctance of the Soviet Union to loosen its grip on the "satellite" countries of Eastern Europe, including Bulgaria, which remain to this day in virtual political, economic and spiritual bondage: Now, therefore, be it

Resolved:

(1) That we continue, individually and through our organization, to keep pointing out that the world is still confronted with a most imperialist and oppressive force—Soviet communism—and that this force is not only continuing to hold 100 million East Europeans in bondage, but, while playing the tune of "peaceful co-existence," already stretches its tentacles—through Cuba—even into the Western Hemisphere;

(2) That while we recognize the desirability of all efforts for the peaceful solution of existing international problems, we find it necessary to observe that, in the light of past experience, there can be no guaranty for freedom and security from the Communist conspiracy except through firm determination, backed by adequate strength;

(3) That we restate our concern over the fact that, while the great movement for the emancipation of former colonial peoples is sweeping the underdeveloped continents with the active help of the United Nations and the free world generally, the plight of the once-free nations of Eastern Europe tends to be overlooked;

(4) That we, therefore, strongly urge our American and Canadian Governments—still the main hope of the Bulgarian and other enslaved peoples behind the Iron Curtain—never to agree to any step that would tend to freeze the present division of Europe, or could be interpreted as endorsing the Soviet-Communist regimes and domination in the Eastern part of that continent; for hardly anything could better assure the perpetuation of that domination than for the Western powers, particularly the United States, to recognize the status quo in Eastern Europe as permanent and the fate of the people therein as irrevocable;

(5) That, finally—being convinced in the determination of these same governments not to rest until all of Eastern Europe, including Bulgaria, is free again—we also urge them to reopen the question of wartime and postwar agreements with the Allies, and to insist that the Soviet and other Communist governments begin at last to abide both by the letter and the spirit of same agreements. The latter, as is well known, provide, among other things, for withdrawal of all Soviet military, paramilitary and civilian forces from the countries of Eastern Europe, and for carrying out free and secret elections under international supervision. Only thus will it be possible for that part of the world—if not for the entire world—to really relieve its tensions and be launched on the road to just and lasting peace.

RAMPART DAM, LIKE THE COLUMBIA BASIN, SHOULD MEAN MORE DUCKS AND GEESE

Mr. GRUENING. Mr. President, I have, on a number of occasions, taken the floor of the Senate to call attention to the exciting potential for strengthening the economy of the United States represented by the proposed Rampart Dam on the Yukon River in Alaska. As has been pointed out repeatedly, this great resource of power is of national significance, since its 5-million-kilowatt capacity would give the United States the largest hydroelectric power project in the free world. It would give us belated parity with the Soviet Union in the field of hydroelectric power development. The significance of this, not only to our domestic economy, but to our defense requirements, is apparent.

Not only the dramatic supply of power which would be provided at Rampart, but its low cost—about 2 mills at the damsite; only 3 mills per kilowatt-hour at tidewater—makes this one of the most important power projects—indeed, the greatest one—ever planned in the United States.

Unfortunately, in advance of thorough study of the matter, there have begun to be disparaging comments intended to delay construction of Rampart. These come from individuals and organizations who, I believe, have entirely unfounded fears as to effects of Rampart upon wildlife resources. For example, a recent issue of the Living Wilderness, a publication of the Wilderness Society, cites certain unsubstantiated "facts" concerning wildlife population in Alaska, the implication of the statements being that, somehow, Rampart would cause destruction to wildlife on such a scale that the dam should not be constructed.

Numerous arguments can be made to oppose this hypothesis, and they will be thoroughly presented in the course of obtaining Rampart's authorization.

In this connection, it is of particular interest to note an article, which appeared in the Seattle Post-Intelligencer on September 27, commenting on the very interesting increase in supplies of ducks and geese in the Columbia River Basin as a result of the greatest development of water power resources we have, so far, seen in this country. The article points out that, as a result of construction of the great projects on the Columbia River, the nesting environment for fish and waterfowl has been greatly improved. The article states that:

> The dams created impoundments, holding back the water for irrigation, and the impoundments themselves presented an environment for fish and waterfowl. This environment was further extended by raising the water table to create the seep lakes, and by irrigation overflow which created the ever-expanding wasteways.
>
> And with the water, the marshes, and the vegetation, came the ducks.

I believe this article cites a most interesting precedent for the proposition that construction of Rampart Dam will enhance wildlife propagation in Alaska. Far from destroying habitats favorable to producing migratory fowl, and far from reducing fishery resources, there seems to be good reason to think that the enormous reservoir—larger than Lake Erie—that would be created with the construction of Rampart will very likely provide sportsmen with a new paradise and will greatly increase numbers of various species of wildlife which we all wish to preserve and encourage. Likewise, the lake will make possible the creation of a great inland fresh water commercial and sport fishery.

I ask unanimous consent that the article, entitled "Ducks, Geese Flock to Columbia Basin Impoundments, Seep Lakes," from the Seattle Post-Intelligencer of Friday, September 27, 1963, be printed in the RECORD at the conclusion of these remarks.

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

[From the Seattle Post-Intelligencer, Sept. 27, 1963]

DUCKS, GEESE FLOCK TO COLUMBIA BASIN IMPOUNDMENTS, SEEP LAKES

(By Blaine Freer)

The amazing surge of the Columbia Basin counties as a sportsman's paradise is not confined to pheasants. There are also ducks and geese.

The dams created impoundments, holding back the water for irrigation, and the impoundments themselves presented an environment for fish and waterfowl. This environment was further extended by raising the water table to create the seep lakes, and by irrigation overflow which created the ever-expanding wasteways.

And with the water, the marshes and the vegetation, came the ducks.

A decade ago, with the water just starting to back up behind the first dams, there were virtually none. Last year in Grant County alone 105,000 were harvested. And even this number is not an alltime high. Three years ago the figure was 128,000 during a liberal season, and this year with more resident ducks and more migrating on the Pacific flyway, it should approach the record year.

Fortunately, as the duck potential began to reveal itself in the early 1950's, the game department was able to secure some key property which has become a rich recreational heritage. Much of it was turned over to the department by the Bureau of Reclamation.

At present seven public shooting areas, totaling 125,000 acres, are controlled by the department and affords hunting for both ducks and pheasants. They are the Winchester wasteway south of Ephrata; the

Quincy game range southwest of Quincy; the Gloyd seeps north of Moses Lake; the Potholes game range south of Moses Lake; the Banks Lake game range north of Coulee City; the Stratford and Long Lakes game range north of Stratford off Highway 7 east of Soap Lake, and the Frenchman Hills wasteway west of O'Sullivan Dam.

There is also considerable duck hunting on over 200,000 acres of public land administered by the Bureau of Reclamation, as well as along the various drains and waterways. Duck hunting on private land comprises but a small part of the total as opposed to pheasants.

The duck species available are composed of about 65 percent mallard, 12 to 15 percent green wing teel, around 12 percent widgeon and pintail with the balance made up of gadwall, shoveler, blue wing teal, scaup, ruddy and golden eye, and ringneck.

The most popular area for Seattle goose hunters is the Stratford-Long Lake game range, and the big honkers should just about now be coming in. There is a pass-shooting area in which the hunter lies in wait until the geese leave the lake to fly out to the nearby fields for feeding, then let 'em have it.

Another method is to discover what field geese continually feed on and then, in the still of the night, to dig a pit about 5 feet deep, haul the dirt away, crawl in, pull some camouflage over your head and then wait for the arrival of the hungry honkers.

But the farmer who owns the field had better be a darn good friend of yours.

There are other birds in the basin, Huns, sharptail grouse, quail, and chukars, but they are pretty much incidental.

Surprisingly there are also a few deer taken, around 250 to 400 each year. They are muleys and are found mostly in the hilly country north of Ephrata toward Grand Coulee.

ADDRESS BY PRESIDENT KENNEDY BEFORE NATIONAL CONFERENCE OF STATE LEGISLATIVE LEADERS

Mr. MUSKIE. Mr. President, I ask unanimous consent to have printed in the RECORD the remarks of the President of the United States before the Fifth Annual Legislative Conference of State Legislative Leaders held in Boston, Mass., September 21, 1963. This brief address, which was relayed to the conference by telephone, provides eloquent testimony of the President's dedication to our traditional system of intergovernmental relations. In emphasizing the need for a joint response to common problems, he highlights the increasing interdependence of relationships between the States and the Federal Government. At the same time, Mr. President, in stressing the cooperative rather than the competitive approach to solving these problems, the President again clearly reaffirms his devotion to our "indestructible union of indestructible States."

I commend this address to all who labor under any misapprehensions concerning this matter.

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

REMARKS OF THE PRESIDENT BEFORE THE FIFTH ANNUAL NATIONAL CONFERENCE OF STATE LEGISLATIVE LEADERS, HOTEL STATLER HILTON, BOSTON, MASS.

Thank you, Senator Powers, Senator Bidwell, George Smith and Judge Elliott, members of the National Conference of Legislative Leaders.

I am delighted that the facilities of modern communications have made it possible for me to be with you for a few minutes. Each of you plays a very leading part in an important branch of government, and I cannot think of anything more important than that all of you in the State legislatures of our country should gather together and work as closely as possible together.

The indestructible union of indestructible States, created by the Constitution, has been envied and imitated by many other nations. It is the best system yet devised. But we have to make it work. It should have constant attention. And I think this conference permits that kind of attention. This conference permits you to discuss the problems which are common to every State. You can develop coordinated actions and the machinery to achieve results, and you can mobilize public opinion, the opinion of our American citizenry to meet the basic needs of our country. Much that you do affects Federal responsibilities, and many Federal actions have an effect upon your responsibilities. This is one country with 50 States. The problems of Government are becoming more and more complex, and the relationships between State and Federal Government more and more interdependent. We are all engaged, both in the State and Federal levels and the local level, in a common effort to reduce unemployment, and to eliminate poverty among our people; to make our urban centers a better place in which to live; to guarantee equal opportunity in all fields; to conquer mental retardation and mental illness; to keep this country strong; to keep it in a position where it can fulfill its responsibilities to all the free world.

New techniques and new arrangements for coordinating State and Federal efforts to achieve these goals are being considered. The Advisory Commission on Intergovernmental Relations in which Senator Powers and others play a very vital role, is helping develop these devices. The important point is to recognize, I think, that we are allies under the Constitution, that we must work closely together. Too often it is suggested that the Federal Government and the State governments are competitors or in competition. Instead, we must work closely together for the benefit of our country which all of us seek to serve. And in the last analysis we in Washington know that the success of any program or effort depends upon local control and local support. Our system of intergovernmental relations works best when there is complete coordination and cooperation between every level of government. I commend you for your contribution to our common goals.

We will study, I can assure you, the results of your deliberations. And I can promise you that in the months ahead that we will work closely together in the Nation and in the States for the benefit of our country.

I am glad you have come to Boston. I know you are welcome there. And I commend you for what you are doing to serve the United States. Thank you, and good night.

NO MORE NASHVILLE

Mr. MUSKIE. Mr. President, I ask unanimous consent to have printed in the RECORD an informative article by Mitchell Gordon which appeared in the September 4, 1963, issue of the Wall Street Journal. In this article, entitled "No More Nashville," Mr. Gordon examines in detail a noteworthy experiment in county government that is being conducted in Davidson County, Tenn. Various approaches are being attempted throughout the country to meet the serious challenges of urbanization. The city-county approach is but one of these, and the Nashville-Davidson County case study constitutes one of the most important experiments in this particular approach to solving metropolitan problems. I recommend this article to all students of intergovernmental relations. It furnishes further evidence that much strength exists still at the county and local levels of government in these United States and that local initiative is capable of providing answers to the complexities of mushrooming metropolitan development.

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

[From the Wall Street Journal, Sept. 4, 1963]

NO MORE NASHVILLE: NEW TENNESSEE METRO POINTS UP WAYS CITY-COUNTY MERGERS BOOST EFFICIENCY

(By Mitchell Gordon)

The city of Nashville, Tenn., no longer exists. Neither does Davidson County, in which it was located. Their places have been taken by the metropolitan government of Nashville and Davidson County.

Nashville-Davidson, as it is commonly known, is not the Nation's first metro government. But it is the newest, having come into being only last April 1 following an election in June 1962. More important, it is the most far-reaching experiment of its kind in the United States.

Simply stated, metro stands for a unified government spanning an entire metropolitan area. With the exception of a few cities such as Phoenix which have been able to keep abreast of urban sprawl by pushing their city limits outward through annexation, most metropolitan areas in the Nation today are patchquilts of local governmental units. As such, they're often unable or unwilling to join together to provide more effective and efficient areawide services, such as mass transit or refuse disposal.

The problem of patchquilt local government grows more serious as central cities lose their affluent taxpayers and civic leadership to the suburbs, being saddled instead with deteriorating property values and low-income people in need of costlier schooling, welfare, police, and other services.

There are several ways to equip a metropolitan area with the necessary fiscal and legal authority to cope with at least some of its metropolitanwide problems. One is for a single governmental unit to provide services to other municipalities by a contract, as Los Angeles County does; but that system doesn't tackle the problem of the deteriorating central city and its declining ability to meet its mounting costs.

CREATING A SPECIAL DISTRICT

Another is to create a special district or authority to provide and support a specific areawide service; but special districts tend to multiply as the need for various services increases, thereby adding to the confusion of local government while leaving the basic financial problem of the central city largely unsolved.

Annexation solves much of this jurisdictional problem by permitting the city to encompass the entire metropolitan area as it pushes outward. But most big cities are already surrounded by other jurisdictions or don't have the legal authority to easily swallow outlying areas whose residents object to bearing the city's fiscal burden.

To avoid these obstacles to area wide government, a number of cities around the world have in recent years been turning to one sort of "metro" government or another.

The most famous effort to establish a general "metro" in the United States in recent years has been that of Dade County, Fla.,

which includes the city of Miami and 26 other independent municipalities. The Dade "metro," however, can only exercise those powers turned over to it by the individual cities.

The result has been a never-ceasing skirmish at the polls and in the courts between Dade's "metro" government and municipalities attempting to strip back its power or prove they never existed in the first place. Though the Dade metro is making some progress in asserting itself, its functions are still largely limited to such relatively noncontroversial areas as operation of the seaport and the control of traffic.

As an outright consolidation of city and county government—the only one involving a metropolis of any size to be effected in a good many years—the metropolitan government of Nashville and Davidson County is the area's sole provider for practically all types of local services ranging from police and fire protection to the provision of education and recreation. The only municipalities that continue to exit within the 553-square-mile area, more than half of whose 400,000 population live in what was once the city of Nashville, are 6 small cities whose size has prevented them from offering many local services.

None of those 6 cities, Belle Meade, Berry Hill, Forest Hills, Goodletsville, Lakewood or Oak Hill—has as many as 6,000 people or covers as much as 10 square miles.

Because it is not having to fight the battles over already existing services that has debilitated the Dade metro from the time it came into being in 1957, Nashville-Davidson is already moving rapidly ahead in streamlining its local government.

REDUCED PUBLIC PAYROLLS

Nashville-Davidson's mustachioed Mayor Clifton Beverly Briley, formerly a county judge, figures consolidation has enabled him to provide the same level of local services with approximately 10,000 employees, including teachers, previously provided by 11,000 to 12,000 separate city and county employees. A new "metropolitan police department," with a gold and blue emblem on its sleeve, for example, now patrols former Nashville and "county" areas with a skeletonized sheriff's department largely confined to probate services. And, although the area continues to grow (from a population of approximately 250,000 20 years ago), the 49-year-old mayor expects to lop off "a good many more employees from the municipal payroll in the next 3 or 4 years, mainly through attrition."

The mayor figures the reductions in government personnel effected since consolidation will save taxpayers over $1 million the first year on a budget of approximately $67 million. "And we're taking care of 4,100 more students in our school system this year, too," he adds.

The Tennessee metro is already extending its civic services. It has started lighting up all its major highways outside the old city area at a cost of approximately $250,000 a year for a total of 85 to 90 miles; that will be 4 to 5 years in the works. It is in the process of extending the municipal water system and placing it on a service charge basis so tax revenues are no longer required to make up deficits. And it is planning an extension of the old city library system. It is also in the process of unifying its many separate school and fire districts.

Though the area's mass transit is provided entirely by privately owned bus companies at present, Mayor Briley figures the new Nashville-Davidson metro opens the way for service improvements through the landing of Government grants ($400,000 was recently obtained for the purpose) to underwrite service improvements. And, if need be, a publicly owned areawide system can be created through the purchase of the private systems much more easily than if the city were to attempt to do so alone, he says.

SOME BUMPS IN ROAD

The Tennessee metro is not, naturally, having smooth going at every corner, and it is bound to run into problems in the future. Its efforts, nevertheless, will be watched with considerable interest both within the State itself—where the climate for consolidation was vastly improved by new enabling legislation in 1957—and outside the State among theorists who've long championed the idea of an unencumbered metro. Indeed, three other Tennessee counties are already having new charters fashioned after that of the Nashville-Davidson metro while a fourth, Montgomery, just west of Nashville-Davidson, is drafting a metro school system.

Voters both inside and outside the central cities involved in these charter changes must approve the new charters before they can take effect. Two of those counties—Shelby, where Memphis is located, and Knox, where Knoxville is, have defeated similar efforts once before: the third county, Hamilton, which includes Chattanooga, has yet to put the proposition to the test. But there are ways of enlisting support, as metro's proponents demonstrated after Davidson County voters defeated the proposition once before, by 19,235 to 13,794 back in 1958.

First of all, the city itself frightened county residents by embarking on a vigorous annexation program immediately after consolidation was defeated: County voters eventually came around to the idea that consolidation might be a lesser evil since it at least gave them a stronger voice in local government than they likely would have had in the city.

Secondly, there was also the fear among county residents that the big city was coming more and more under domination of the Negro: Negro support for consolidation inside the big city, at the same time, was won by arguing that the whole area stood to benefit from areawide taxes and the leadership that could be provided by the suburbs.

"Not a single member of the chamber of commerce of the city of Nashville lived inside the city at the time of consolidation," notes Mayor Briley.

APPORTIONING COSTS

In addition, a device for apportioning municipal services and their costs between urban and suburban areas that has apparently worked reasonably well in the parish (county) of Baton Rouge in bringing metro government to that area some years ago, is also being utilized in the new Nashville-Davidson metro. That device consists of an urban service district corresponding to the 73-square-mile area of the old city and of a so-called general services district, corresponding to the old county area, in which the level of urban services and their costs are provided and borne separately but can be more easily varied as the need changes.

Annexation laws being what they are in some States, where those outside the central city can veto attempted takeovers by the city, and local pride being what it is, it is hardly likely that a spate of city-county consolidations will sweep the Nation's metropolitan areas no matter how successful Nashville-Davidson proves.

An increasing number of States, however, are modifying their annexation laws to favor big city growth. And the rising cost of local government, along with the increasing difficulty of providing more badly needed areawide services, might likewise force a gradual compromise in local pride.

MORAL BASIS FOR CIVIL RIGHTS REAFFIRMED

Mr. KEATING. Mr. President, the Interreligious Committee on Race Relations in the District of Columbia recently issued a statement on the subject of civil rights, which deserves the attention of every Member.

The statement refutes very effectively the argument that there is an inherent conflict between property rights and the rights of Negroes to equal opportunity, particularly in the use of public accommodations. The statement reminds those who fear that equal access to public accommodations for all citizens may violate property rights of the extent to which provisions for enforced racial segregation are now being imposed upon property owners by State and local ordinances, often at considerable cost to such owners. In the words of the committee:

> An equal accommodations law is no more an interference with private property rights than an unequal accommodations law.

The chairman of the 46-member Interreligious Committee on Race Relations is the Most Reverend Patrick A. O'Boyle, Catholic Archbishop of Washington. The cochairmen are Episcopal Bishop William F. Creighton, Methodist Bishop John Wesley Lord, Bishop Smallwood Williams of the Bible Way Church Worldwide, and Rabbi Lewis A. Weintraub, president of the Washington Board of Rabbis. Their affirmation of the high moral objectives of pending civil rights legislation underscores the spiritual basis of the struggle for equal justice and equal opportunity in which our Nation is now engaged.

Mr. President, I ask unanimous consent that the statement issued by the Interreligious Committee on Race Relations be printed following my remarks in the RECORD.

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

STATEMENT OF INTERRELIGIOUS COMMITTEE ON RACE RELATIONS

The Interreligious Committee on Race Relations in the District of Columbia, consistent with its declared purpose of advancing the right of the American Negro to equal opportunity under the Constitution, welcomes the introduction of the Civil Rights Act of 1963, and endorses the high moral objectives expressed in the President's message of transmittal to the Congress.

While the efforts of the committee have been directed chiefly toward righting century-old wrongs against Negro citizens, it is of course concerned also with maintaining the rights of citizenship guaranteed by the Constitution to all Americans, regardless of race, color, or creed. One of these rights is what has been referred to broadly as property rights.

Some have argued that there is an inherent conflict between property rights and the rights of Negroes to equal opportunity, particularly in the use of public accommodations. It has been assumed by those who hold this view that, because of this alleged conflict, the rights of Negroes to free and equal access to stores, restaurants, and other facilities serving the general public must in some way be compromised.

As individuals who occupy responsible positions in our religious community, we must record our emphatic and united conviction that no such conflict exists. Neither law nor morality sanction the concept of the absolute right of private property. Both insist that the owner must use his property in a socially responsible manner.

Those who fear that equal access to public accommodations for all citizens may violate private property rights should be reminded of the extent to which provisions for enforced racial segregation are now being imposed upon property owners by State and local ordinances, often at considerable cost to such owners. An equal accommodations law is no more an interference with private property rights than an unequal accommodations law.

In many States and cities, discrimination in the use of public accommodations is already prohibited by law. The broadening of such a prohibition by Federal statute is not only logical but an exercise of simple justice.

We recognize the difficulties of drafting legislation which, while seeking to secure the rights of all citizens guaranteed by the Constitution, will, by the persuasiveness of its appeal to human justice and charity, win the acceptance of all men of good will. Without this conviction, rooted in the inherent dignity of man and the precept of true love of neighbor, legislation alone cannot be fully effective.

It is our prayer and our belief that the Congress of the United States will rise to this historymaking challenge to its statesmanship and its high moral principles by enacting at this session the provisions of the civil rights bill of 1963.

WOOL TEXTILE IMPORTS ARE STEADILY INCREASING

Mr. HRUSKA. Mr. President, the steady growth in imports of woolen textiles is a source of increasing concern to the domestic industry.

A few days ago the Special Textile Subcommittee of the Senate Commerce Committee issued a report calling attention to the rise in imports and the damage done to domestic producers, the closing down of mills and the destruction of jobs in the industry. Data given in the report show that between 1958 and the 12-month period ending last March 30, imports of apparel made of wool increased from 7.5 million pounds, clean fiber equivalent, to 26.6 million pounds, and total imports of all wool textile products increased from 32.3 million pounds to 85.4 million pounds. Imports climbed to the point where they supplied 19 percent of the total domestic market.

Later figures supplied me by the Department of Commerce show still further increases in imports. For the fiscal year ended June 30, 1963, apparel imports amounted to the equivalent of 28.1 million pounds of raw wool, and total imports of wool textile products were 86.1 million pounds. Transshipments of goods through the Virgin Islands into the United States, under an arrangement through which the normal duty may be largely avoided, amounted to 5.9 million pounds during the 12-month period, nearly 7 percent of the total. At the end of my remarks I ask unanimous consent that there be inserted the table on page 9 of Senate Report No. 524, which gives data on imports, and on domestic production and consumption of wool textile products for a number of years back; and also a table supplied to me by the Department of Commerce extending these figures on the same basis to the most recent dates available.

There being no objection, the tables were ordered to be printed in the RECORD. (See exhibit 1.)

Mr. HRUSKA. Mr. President, assurances have been given repeatedly, by President Kennedy and by other administration spokesmen, that increasing imports of wool textile products would not be permitted. These commitments have been not merely in generalities, but in specific terms. For example, in August of 1962, Mr. Myer Feldman, deputy special counsel to President Kennedy said:

The President, under his seven-point program for textiles * * * has expressed his concern about the importation of all textiles, including those made of wool and manmade fibers, and indicated his determination to take steps to deal effectively with these imports * * *. Limitation of textile imports to prevent market disruption is an essential element of administration policy. We intend to implement this policy with regard to all textiles, and particularly to prevent market disruption such as would result from an increase over current levels of imports.

Despite these words, imports have been permitted to increase substantially over the levels of last year, with no administration action to limit them.

On August 28, 1962, Secretary of Commerce Luther W. Hodges, in a letter to Congressman F. Bradford Morse of Massachusetts said:

We are determined that imports of wool textile products will not be permitted to exceed current levels and we will take all necessary steps to prevent this.

However, no such steps have been taken.

On pages 21 and 22 of the subcommittee hearings, no less than 11 different occasions are listed, from May of 1961 to date, on which commitments in these or similar terms were given by the President or those speaking for him. Still no concrete actions have been taken. Any discussions with foreign countries looking toward an international agreement have apparently been little more than casual conversations and have not been pressed energetically to any conclusion. Imports have continued to rise. And there are no quantitative limitations or other barriers to prevent them from rising still further.

The promises that have been made are direct and the commitments are clearcut. They do not admit of misunderstanding. In my judgment the basic good faith of the administration is at stake. I do not see how that issue can be evaded any longer.

EXHIBIT 1

Wool textile products: Imports, exports, and domestic consumption (in millions of pounds of clean fiber equivalent) and ratios of imports to domestic production and domestic market

1958–62 AND YEARS ENDING JANUARY, FEBRUARY, AND MARCH 1963 [1]

	1958	1959	1960	1961	1962	Year ending Jan. 31, 1963	Year ending Feb. 28, 1963	Year ending Mar. 30, 1963
Imports: [2]								
Tops and yarns	4.2	10.6	11.2	10.1	16.9	16.5	18.2	18.6
Woven fabric	18.6	25.7	33.6	21.8	30.5	31.4	31.8	32.4
Apparel	7.5	13.4	15.6	15.6	25.8	25.9	26.2	26.6
Other manufactures	2.0	2.4	2.5	4.1	6.4	6.1	6.9	7.8
Total imports	32.3	52.1	62.9	51.6	79.6	79.9	83.1	85.4
Exports	2.5	3.5	3.2	2.6	2.6	2.6	2.7	2.8
Domestic production [3]	317.3	369.5	333.1	341.6	365.6	366.4	367.8	367.7
Apparent domestic market [4]	347.1	418.1	392.8	390.6	442.6	443.7	448.2	450.3
Ratio: Imports to domestic production	10.2	14.1	18.9	15.1	21.8	21.8	22.6	23.2
Ratio: Imports to apparent domestic market	9.3	12.5	16.0	13.2	18.0	18.0	18.5	19.0

YEAR ENDED MAY 31, 1963, AND JUNE 30, 1963 [1]

	May 31, 1963	June 30, 1963
Imports: [2]		
Tops and yarns	18.4	18.5
Woven fabric	[5] 26.9	26.6
Apparel	[5] 27.6	28.1
Other manufactures	7.2	7.0
Transshipments through Virgin Islands	6.9	5.9
Total imports	87.0	86.1
Exports	2.8	2.7
Domestic production [3]	364.7	363.6
Apparent domestic market [4]	448.9	447.0
Ratio: Imports to domestic production	23.9	23.7
Ratio: Imports to apparent domestic market	19.4	19.3

[1] Calculated in accordance with procedures adopted by the Interagency Textile Administrative Committee, Mar. 1, 1963. All fibers used on the woolen and worsted system are taken into account. Import and export data are increased 5 percent to adjust for processing waste and 8 percent further to adjust for use of reprocessed fibers.

[2] Includes transshipments through the Virgin Islands.

[3] Measured in terms of mill consumption of fiber including the following fibers consumed on the woolen and worsted systems: Raw apparel wool; reprocessed wool; reused wool, mohair, alpaca, etc.; cotton; manmade fibers; other fibers. The latter 3 are reduced 50 percent to adjust for nonwool products manufactured on the woolen and worsted systems.

[4] The apparent domestic market is domestic production plus imports less exports.

[5] Revised.

Source: U.S. Department of Commerce.

WARSAW GHETTO

Mr. KEATING. Mr. President, more than 10,000 visitors viewed the exhibit prepared by the Yivo Institute for Jewish Research commemorating the 20th anniversary of the Warsaw ghetto uprising during the 10-week period it was on display in New York. More viewed it during its tour of metropolitan areas throughout the country. Seeing this fantastic display of photographs, documents, and portraits one could not help but be moved by the tragic days of the Warsaw ghetto—days of brutal human sacrifice in a hopeless struggle for freedom.

Mr. President, in the last Congress, I was proud to author a resolution which became law requesting that the President designate April 21, 1963, as a day of commemoration for the courage displayed by the Jews against the Nazis. More than 20 years ago 320,000 Jews were brutally massacred in this determined uprising against Nazi tyranny.

Today, this tragic symbol—the Warsaw ghetto—brings back horrifying memories of Nazi cruelty. It remains a lasting reminder of man's struggle for freedom against tyranny. The very tragedy of the Warsaw ghetto should strengthen the United States in its determination to continue the battle against the forces of oppression.

Mr. President, articles appeared in the New York Post, the New York Mirror, and the New York World Telegram which tell the story of this exhibition. I ask unanimous consent that following my remarks here today, the text of these articles be printed in the RECORD.

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

[From the New York Post]

EXHIBIT BARES GRIM FACTS OF GHETTO REVOLT

(By Sally Hammond)

"The number of Germans killed is not important. More important was the appearance of a psychological turning point. The entire Polish underground was full of praise for us."

So wrote a youth of the Jewish fighters organization in a letter smuggled to a friend outside the Warsaw ghetto. It was January 18, 1943. The ZOB organization had led the first armed resistance to further German mass deportations that had meant death, in 6 months, to some 320,000 ghetto Jews.

The daring buildup of arms and defiance that culminated in the Warsaw uprising on the eve of Passover, April 19, 1943, which stung and astonished the German military, is told in the extraordinary array of photos, letters, and Nazi documents on view beginning Monday at the Yivo Institute for Jewish Research, 86th Street and 5th Avenue.

GRIM STORY FRANKLY TOLD

It takes a strong constitution to see the story in pictures, most of them taken by Nazis. The most harrowing scenes of starving, barefooted children, the sick and dying huddled in doorways, invariably show unconcerned Nazi soldiers looking on, or snapping pictures of misery as though it were a tourist attraction.

The exhibit is expertly laid out in symbolic pattern, beginning on the ground floor with portraits of magnificently bearded Jewish scholars of the prewar years, when Warsaw was 30.1 percent Jewish.

The winding gallery then traces the fall of Warsaw, September 29, 1939, the German occupation, and the herding into the ghetto whose walls were sealed shut November 15, 1940. Here, on a simulated brick wall is inscribed "Halt."

The progressive pauperization of the Jews and the staggering tabulations of death from hunger and disease are relieved by brave scenes of schools, self-help projects, raising potatoes in God knows what plot of earth, and the indomitable cultural programs of music, drama, and religious observances that is the marvel of the ghetto story.

Here, the exhibit moves upstairs to scenes of the uprising.

The exhibit ends with a vast panorama of rubble, a picture of the flattened synagogue and memorial photos of the heroic Jewish fighters, both men and women, whose faces show expressions not seen in any other exhibits. In contrast, the Nazis' faces no longer look jaunty, but haggard.

[From the New York Sunday Mirror]

WARSAW GHETTO EXHIBIT

(By Charles A. Wagner)

You enter the old Vanderbilt mansion on Fifth Avenue and suddenly history plays you a strange trick and you are in the Warsaw ghetto where the Nazis are decimating the Jewish population behind the wall of fate. That's transformation for you.

In this exhibit, the city's most stirring and most meaningful, mazes of rare photos, documents, captured movie film, and a portrait gallery of the real heroes of the uprising spring to life again. For they dared to fight back.

Gathered from Poland, Israel, and other countries, the displays at the YIVO Institute for Jewish Research dramatize some of the darkest chapters in the annals of modern man (1048 Fifth Avenue through May).

[From the New York World Telegram]

EXHIBIT MARKS REVOLT IN WARSAW GHETTO

An exhibit which depicts the persecution of the Jews of Warsaw during World War II will go on view Sunday at the headquarters of the YIVO Institute for Jewish Research in conjunction with the 20th anniversary of the Warsaw ghetto uprising.

The exhibit, which includes pictures, documents, and maps, shows Jewish life in Warsaw before the Nazi persecution began and traces the steps which led to extermination of the city's Jews in 1943. YIVO headquarters is at Fifth Avenue and East 86th Street.

Other events commemorating the ghetto uprising include:

A meeting and memorial service at 1 p.m. Sunday at Manhattan Center. Featured speakers will be Edward Drozniak, Polish Ambassador to the United States, and retired Brig. Gen. Hugh B. Hester.

A memorial meeting at 8:30 p.m. Sunday at Bronx House, 990 Pelham Parkway, Bronx. Joseph Kutrzeba, who fought in the ghetto uprising and later volunteered for service with the U.S. Army in the Korean fighting, will be the principal speaker.

A commemorative meeting at 8:15 p.m. Monday at the Community Center, 270 West 89th Street. Senator KENNETH B. KEATING, Republican, New York, and Haim Zohar, Israeli consul, will be the featured speakers.

A joint commemorative meeting sponsored by 30 national and local Jewish organizations will be held at 1:30 p.m. Sunday at Carnegie Hall. Senator JACOB K. JAVITS, Republican, New York, heads the list of speakers, and a dramatic presentation depicting the sacrifices of the ghetto fighters is planned.

DISABLED AMERICAN VETERANS FAVOR VETERANS' COMMITTEE

Mr. KEATING. Mr. President, for years I have urged the creation of a Committee on Veterans' Affairs in the Senate. Earlier this week, I had the privilege of talking with the national commanders of the major veterans' organizations of this country who are beginning to question whether the Senate has forgotten about the creation of such a committee.

Veterans' affairs are today so far-reaching in scope and volume that they urgently require a standing committee with special competence. The heavy burdens of the Finance Committee and of the Labor and Public Welfare Committee no longer leave sufficient time for Senators or staff members to consider legislation affecting veterans in depth.

To postpone consideration of a Veterans' Committee until congressional reform and reorganization is studied would be ill-advised and frustrate a need recognized by a large number of this body. I have previously placed in the RECORD earlier today a number of resolutions approving of the establishment of a Senate Veterans' Committee.

NEBRASKA LEADS NATION IN DURABLE GOODS GROWTH RATE

Mr. HRUSKA. Mr. President, while agriculture remains the basic industry of Nebraska, we have long recognized the need for an increased diversification into various fields of manufacture.

Marked success has been made in this effort, principally in the processing of agricultural products.

It is particularly gratifying to note that a recent economic study reveals that Nebraska now leads the Nation in its rate of growth in the production of durable goods.

While our total production in this category is relatively modest, it is encouraging to observe that since the 1957 to 1959 period our State has led all others in terms of growth in hard-goods production.

This fact is a tribute to the many forward-looking citizens and business leaders of Nebraska who have been working to bring industry to the State.

I ask unanimous consent to have printed in the RECORD an article from the Omaha World-Herald which describes this growth.

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

NEBRASKA'S HARD-GOODS GROWTH RATE LEADS UNITED STATES

(By Nathan Nielsen)

Nebraska stands first in the Nation in the rate of growth of durable goods production, according to a New York investment counseling and economic consulting firm.

Lionel D. Edie & Co., which conducts studies of economic conditions and trends, charted growth rates by States since 1957–59 and found Nebraska in the lead in the durable goods category.

In total manufacturing growth since 1957–59, the Edie & Co., copyrighted report said Nebraska is now the eighth growth State.

The report referred strictly to growth—not comparisons by States in manufacturing volume. In volume, according to Census Bureau reports, Nebraska stands far down the list.

Durable goods produced in Nebraska, according to Edie & Co., are primary metals and nonelectrical machinery.

Other items classified as durable goods but which the company doesn't list for Nebraska are ordnance and accessories, lumber and wood products, furniture, and fixtures, stone, clay, and glass products, fabricated metal, electrical machinery, transportation equipment, instruments, sporting goods, and jewelry.

The Edie & Co., determination of growth rates is based on the company's own statistical work, said George F. Frey, senior account executive.

"For the last several years we have been in the process of developing a major breakthrough in the uses of indexes of production for each of the continental 48 States," he said.

"The significance of our work is that it enables us to measure economic activity on a State-by-State basis, thus providing a comparison of relative economic growth rates," Mr. Frey said.

The growth rate comparisons appeared in an Edie & Co. banking bulletin which commented:

"It is apparent that many banks are witnessing an outstandingly superior rate of growth in their commercial loans. To the extent that they are in superior growth States, their loan demand should be superior."

John F. Davis, president of the First National Bank of Omaha, said the Edie & Co., report helps explain some of the unusually strong demand the Omaha banks have had for loans the last 2 years.

Edie & Co., supplies speakers for the First National Bank's annual forum of finance.

The latest survey of manufacturers, published by the U.S. Department of Commerce Bureau of the Census in January, covered 1961. The survey showed that, in Nebraska:

Total employees in manufacturing in 1961 were 62,074, compared with 58,625 in 1958.

The total payroll for manufacturing employees grew to $319,520,000 in 1961 from $289,198,000 in 1959.

The value added to products through manufacturing—derived by subtracting costs from the value of finished products—rose to $658,836,000 in 1961 from $569,929,000 in 1959.

CIA ACTIVITY IN SOUTH VIETNAM

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article by Arthur Krock in the New York Times of today, October 3, 1963. It discusses a report which is highly critical of the CIA and its activity in South Vietnam. This report, to which Mr. Krock refers, likens the CIA to a malignancy and states that twice that Agency has flatly refused to carry out instructions from Ambassador Lodge.

As one who has followed the work of the CIA since its inception and closely since the time Allan Dulles and now John McCone have been its Directors, I can testify as to its responsibility, its intelligent activity and loyalty to our Chief Executives and their administrations.

Of course the Agency has made mistakes, but it has never been disloyal to its boss and it is not now in carrying out its activities in South Vietnam. Any report to the contrary will be proved to be without foundation. Of that I am confident.

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

THE INTRA-ADMINISTRATION WAR IN VIETNAM

(By Arthur Krock)

WASHINGTON, October 2.—The Central Intelligence Agency is getting a very bad press in dispatches from Vietnam to American newspapers and in articles originating in Washington. Like the Supreme Court when under fire, the CIA cannot defend itself in public retorts to criticisms of its activities as they occur. But, unlike the Supreme Court, the CIA has no open record of its activities on which the public can base a judgment of the validity of the criticisms. Also, the Agency is precluded from using the indirect defensive tactic which is constantly employed by all other Government units under critical fire.

This tactic is to give information to the press, under a seal of confidence, that challenges or refutes the critics. But the CIA cannot father such inspired articles, because to do so would require some disclosure of its activities. And not only does the effectiveness of the Agency depend on the secrecy of its operations. Every President since the CIA was created has protected this secrecy from claimants—Congress or the public through the press, for example—of the right to share any part of it.

WITH HIGH FREQUENCY

This Presidential policy has not, however, always restrained other executive units from going confidentially to the press with attacks on CIA operations in their common field of responsibility. And usually it has been possible to deduce these operational details from the nature of the attacks. But the peak of the practice has recently been reached in Vietnam and in Washington. This is revealed almost every day now in dispatches from reporters—in close touch with intra-administration critics of the CIA—with excellent reputations for reliability.

One reporter in this category is Richard Starnes of the Scripps-Howard newspapers. Today, under a Saigon dateline, he related that, "according to a high U.S. source here, twice the CIA flatly refused to carry out instructions from Ambassador Henry Cabot Lodge * * * [and] in one instance frustrated a plan of action Mr. Lodge brought from Washington because the agency disagreed with it." Among the views attributed to U.S. officials on the scene, including one described as a "very high American official * * * who has spent much of his life in the service of democracy * * * are the following:

The CIA's growth was "likened to a malignancy" which the "very high official was not sure even the White House could control * * * any longer." "If the United States ever experiences—an attempt at a coup to overthrow the Government—it will come from the CIA and not the Pentagon." The agency "represents a tremendous power and total unaccountability to anyone."

DISORDERLY GOVERNMENT

Whatever else these passages disclose, they most certainly establish that representatives of other executive branches have expanded their war against the CIA from the inner government councils to the American people via the press. And published simultaneously are details of the Agency's operations in Vietnam that can come only from the same critical official sources. This is disorderly government. And the longer the President tolerates it—the period already is considerable—the greater will grow its potentials of hampering the real war against the Vietcong and the impression of a very indecisive administration in Washington.

The CIA may be guilty as charged. Since it cannot, or at any rate will not, openly defend its record in Vietnam, or defend it by the same confidential press briefings employed by its critics, the public is not in a position to judge. Nor is this Department, which sought and failed to get even the outlines of the Agency's case in rebuttal. But Mr. Kennedy will have to make a judgment if the spectacle of war within the executive branch is to be ended and the effective functioning of the CIA preserved. And when he makes this judgment, hopefully, he also will make it public, as well as the appraisal of fault on which it is based.

Doubtless recommendations as to what his judgment should be were made to him today by Secretary of Defense McNamara and General Taylor on their return from their fact-finding expedition into the embattled official jungle in Saigon.

ORDER OF BUSINESS

Mr. PROXMIRE obtained the floor.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from Texas [Mr. TOWER] for 4 minutes without losing my right to the floor.

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

Mr. TOWER. Mr. President, I thank the Senator from Wisconsin.

COSTS OF SENATE STAFFING

Mr. TOWER. Mr. President, Mr. Felton West, chief of the Washington bureau of the Houston Post, is one of the most astute and determined newsmen covering the Nation's capital.

The Monday, September 22, edition of the Post carried an article about the costs of Senate staffing which attests to Mr. West's skill. Since this so-called hush-hush matter is of considerable consequence to Senators, I commend Mr. West's article to the attention of my colleagues and the general public, and ask unanimous consent to have the article printed in the RECORD.

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

SENATORS' STAFF PAY HUSH-HUSH

(By Felton West)

WASHINGTON—One of the most hush-hush subjects on Capitol Hill, it was found last week, is that of how much U.S. Senators can spend to hire their office staffs.

A taxpayer might think he is thoroughly entitled to a frank disclosure and discussion of this from the Senate employees who disburse the money and keep the books. If not from them, at least from any Senator.

After all, it is public money and there is no security question involved—except possibly the security of the Senators and their rather exclusive club.

It would be a cold day in the boiler room when a Senator could not find out how much an executive department agency was allowed to spend for salaries unless national security was involved. The House of Representatives Disbursing Office speaks frankly about the limits on spending for House Members' staffs.

But finding out what limits there are on the Senators' payrolls becomes a major task.

A query about this to the Office of the Secretary of the Senate, which publishes quarterly reports showing how much each Senator actually pays his office employees dur-

ing each quarter, was referred to the Senate Disbursing Office.

Robert A. Brenkworth, the $18,880-a-year financial clerk in charge of such funds in the Senate Disbursing Office, refused to say what the limits are.

Perhaps, he suggested, the Texas Senators would tell.

Brenkworth said the limits are spelled out in the law in title 2 of the United States Code. But he declined to explain the law and discouraged the reporter even from sitting down in his office and studying it.

"I think you would be a lot more comfortable up in the law library," said Brenkworth, putting his law book away.

The reporter found the law, in the library, quite confusing, in the absence of any explanation from anybody who understood the payroll system.

He failed to find anybody on the staff of the Senate Rules and Administration Committee, which has jurisdiction over the Senate contingent fund, from which office payroll salaries come, who would discuss the payroll limits. Ditto for the Senate Appropriations Committee, where a staff member said the committee has nothing to do with the limits (although the committee is in charge of appropriations for the contingent fund).

So then, Senators RALPH W. YARBOROUGH, Democrat of Texas, and JOHN G. TOWER, Republican of Texas.

Senator YARBOROUGH said each Senator has a specific lump sum for staff and purchase of equipment (typewriters, copy machines, etc.) for his office. There is a complicated formula of limits, based on the population of States and thus varying, he said.

For big States like Texas, this allowance is not adequate, he said.

"What is allowed for States like Texas and California is plain murder," he said. "They take a terrible clobbering."

But what the limits are for Senators of the various States—even his own limit—YARBOROUGH refused to reveal.

Asked why they should not be public knowledge, he said, "I don't object to your finding out, but this is the business of the Rules Committee and I'm not going to tell you what isn't my business and have a bunch of Senators jumping on me. I'm not going to meddle in the Rules Committee's business."

When told that the information could not be obtained at the Rules Committee or the disbursing office, YARBOROUGH said he did not know the limits for the other States, anyway.

"I could go over and find out," he said. "But I've got 10 million people to represent and I don't have time to go meddling in things like that."

He called efforts by newspapers to check into Senators' staff expenditures "nit picking" that was bad for the morale and efficiency of Senate employees.

"I refuse to help downgrade the efficiency of the Senate," he said, as further explanation of his refusal to reveal the limits.

YARBOROUGH said the greatest weakness of the Senate is failure to hire enough staff. This is true of Senate committees even more than of individual Senators' offices, he said.

"The legislative branch is constantly losing power to the executive branch," he said. "The executive is voted a budget of $100 billion a year and Congress is not even voted enough money to hire people to answer mail."

Senator TOWER said he would not violate Senate "practice" by discussing the spending limits for Senators in general.

"It would seem to me that the limits should be public knowledge," he granted, "and it would be all right with me if they were all made public. I don't mind telling you mine."

Then he checked up quickly and revealed that there is a base limit of $67,980 for spending by Texas Senators for clerk hire and office equipment.

This limit is a rather indefinite one because it does not precisely determine how much a Senator can spend. Depending on how he handles his fund, a Senator can spend the limit but actually spend more or less than another complying with the same limit.

The base limit is related to the basic salaries of senatorial employees in the extremely complicated and confusing legislative pay system. Base salaries of Senate employees were set many years ago. As the cost of living increased, numerous incremental pay raises have been approved to match raises given classified civil service employees in the executive branch. In figuring actual salaries, these increments are added to the old bases, which have not been changed.

It is only the base salaries that must be counted in determining whether a Senator stays within the base limit for staff salaries—the $67,980 base in Texas case.

But the total of actual salaries resulting can vary considerably depending on the number of employees the Senator hires and the salaries he pays them. There is no set limit on the number he can hire and, except that he can pay no salary higher than $18,880 (and that to only one person) and a maximum salary limit on a few other top employees, the Senator has a free hand as to what he pays them—as long as he does not exceed the base limit.

If he hired a lot of low-paid workers, the amount he could spend for salaries would be greater than what another Senator would spend if he hired fewer employees and paid them more. One employee with a $60 base, for example, grosses $1,020.72 salary, while one employee with a $300 base grosses $1,586.28. Thus five $60-base employees hired in lieu of one $300-base employee would gross $5,103.60.

A Houston Post compilation of actual spending for staff salaries by the Texas Senators in the 1963 fiscal year, ending last June 30, as reported in the quarterly reports of the Secretary of the Senate, shows YARBOROUGH's payroll totaled $149,507.31, while TOWER's totaled $147,042.90. Their expenditures for office equipment are not shown in these reports.

YARBOROUGH currently has 25 employees, including 4 part-time workers, on his staff. TOWER now has 18 employees.

Later, despite the official refusals to furnish the information, the base limits for Senators in other States were learned.

It was learned that Texas is in a category for States with 9 million through 10 million population—a category which also includes Ohio and Illinois.

Although the population of Ohio is about the same as that of Texas, Senator FRANK LAUSCHE, Democrat of Ohio, and Senator STEPHEN M. YOUNG, Democrat of Ohio, spent considerably less than YARBOROUGH and TOWER for staffs in fiscal 1963. LAUSCHE spent $110,388.98 and YOUNG $115,174.94.

Illinois Senators, Democrat PAUL DOUGLAS and Republican EVERETT DIRKSEN, spent $160,239.02 and $156,836.93, respectively, although Illinois population is about the same.

The base limits for other categories are: $52,980 for States with less than 3 million people; $55,980 for States with 3 million; $58,980 for States with 4 million; $61,980 for States with 5 million through 6 million; $64,980 for States with 7 million through 8 million; $70,980 for States with 11 million through 12 million; $73,980 for States with 13 million through 14 million; $76,980 for States with 15 million through 16 million, and $79,980 for States with 17 million or more.

Whether this formula is equitable would appear to be questionable.

Under it, for example, Alaska Democratic Senator ERNEST GRUENING spent $123,526.82 in fiscal 1963 for a staff to serve a State which had an estimated population of only 246,000 people in 1962. But TOWER and YARBOROUGH spent a little less than $150,000 for staffs to serve an estimated (1962) population of 10.1 million.

And Republican Senators JAVITS and KENNETH B. KEATING of New York, serving an estimated 17.4 million people in New York, spent $192,804.32 and $181,831.35, respectively for staffs.

Ten million people, or 17 million, can generate a lot more mail, telephone calls and visits to a Senator's office than 246,000. Is about $26,000 more or about $70,000 more, for a Senator's staff salaries enough to cope with serving so many more people?

The inequity, if it exists, may never be remedied if Senators just will not even talk about the figures.

COMMODITY CREDIT CORPORATION PURCHASE OF BLANKET-BOND INSURANCE FOR WAREHOUSEMEN

Mr. TOWER. Mr. President, within recent weeks I have received complaints from small, independent, insurance agents concerning the actions of the Department of Agriculture's Commodity Credit Corporation in purchasing a blanket-bond insurance for warehousemen operating under the Uniform Grain Storage Agreement.

After investigating the matter I feel that I, too, must complain. I must say that the Department's action does nothing to further the concept of free enterprise and competitive business in the United States. In fact, it operates to the disadvantage of both.

Commodity Credit Corporation has purchased a blanket bond, or insurance policy, from a single mutual insurance company, thereby taking business away from thousands of agents throughout the country. The CCC claims that this blanket-bond will make management easier, coverage bigger, and costs cheaper.

I do not doubt that CCC is correct in its analysis of this, as far as the analysis goes. But a look at the overall picture of our economy, and our systems of government and economics, reveals a somewhat different picture. We see here just one more step in big government encouraging big business at the expense of small, independent businessmen, in this case between 8,000 and 10,000 insurance agents.

There can be little doubt that the Department could save money in the short run by dealing with a single agency on insurance. The Defense Department could probably save money, at the expense of free, competitive business, if it placed all its orders with a single, mammoth corporation. But what would this do to the thousands of other, and smaller, businessmen who must pay taxes to support the defense effort.

The CCC action in this regard illustrates once again this administration's drive for a centralization of authority and management, and its almost complete disregard for the system of economics that has made this Nation preeminent in the affairs of the world. I believe time will prove it to be an unwise act, if we are to cling fast to the belief that our future is best served by free, competing citizens in a diverse society.

Mr. President, if this system is continued and extended, the taxpaying insurance agents will lose the hazard insurance now being carried on grain facilities affiliated with the CCC in quite the same way and for the same strained reasons that the bonding business has been jerked from their files.

Far from being good business for the Government, this blanket-bond policy may operate to enable many operators to qualify for increased coverage who otherwise would be unable to do so. This results in unfair competition among warehousemen and prospective warehousemen. It enhances the risk in grain handling by permitting licensing of previously unqualified grain operators. That could increase the risk to the Government.

This compulsory insurance requirement does not restrict only the business rights of the insurance agents. It also deprives the warehouseman of his traditional and correct freedom to purchase his insurance from an agent of his choice. The agent loses business; the warehousemen lose freedom of choice. And the economy loses a little of its vitality.

Mr. President, I call upon the Commodity Credit Corporation, the Secretary of Agriculture, and the President to put an immediate end to this discrimination against the insurance agents and warehousemen. I have called upon them to repudiate this elimination of American business and individual freedoms and to shut down this shameful operation immediately.

TRIBUTE TO J. EDGAR HOOVER

Mr. TOWER. Mr. President, the Texas chapter of the FBI National Academy Associates now is completing a very successful retraining session in Fort Worth, Tex.

I ask unanimous consent that there be printed in the RECORD a resolution passed at that session, commenting upon the leadership of J. Edgar Hoover, Director of the Federal Bureau of Investigation. As all Americans know, Mr. Hoover has been the guiding light of the FBI through many trying years. He has suffered in silence the wrath of the left-wing fringe in this country, so I think it is highly appropriate that we consider these few words of commendation for both Mr. Hoover and for Assistant Director Joseph J. Casper, who attended the retraining session as a personal representative of Mr. Hoover.

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

Whereas the members of the Texas chapter of the FBI National Academy Associates are concluding their 12th annual retraining session in Fort Worth, Tex., which has been exceptionally successful through the presentation of a most informative program and a renewal of their past associations and discussions of their mutual problems; and

Whereas the Honorable J. Edgar Hoover, Director of the Federal Bureau of Investigation, has, through his creation of the FBI National Academy, made it possible for selected law enforcement officers to receive the finest training available today in the performance of their duties as law enforcement officers and has thereby made a contribution of inestimable value in elevating the ethics and standards of law enforcement to where, as a profession, it has risen to new heights, achieving the respect, confidence, and admiration of the citizenry of this Nation; and

Whereas the Honorable J. Edgar Hoover has signally honored the members of this association by making it possible for Assistant Director Joseph J. Casper to attend as his personal representative and participate in this training session; and

Whereas Assistant Director Joseph J. Casper has, as a principal speaker on our program, so effectively analyzed the problems confronting law enforcement today and our individual responsibilities as the leaders in that profession through his inspiring address: Therefore be it

Resolved, That we, the members of the Texas chapter of the FBI National Academy Associates in session assembled this 24th day of August 1963, at Fort Worth, Tex., pledge our complete confidence and wholehearted assistance to Mr. Hoover and his associates of the FBI in furthering the advancement of the profession of law enforcement; and therefore, be it further

Resolved, That its members unanimously go on record, this the 24th day of August 1963, in Fort Worth, Tex., as expressing their sincere appreciation to the Honorable J. Edgar Hoover and Assistant Director Joseph J. Casper for the outstanding contribution made by them to the success of this, their 12th Annual Retraining Session; and therefore, be it further

Resolved, That copies of this resolution be forwarded to His Excellency the Honorable John F. Kennedy, President of the United States; the Honorable Robert F. Kennedy, Attorney General of the United States; and to the Honorable Senators Ralph W. Yarborough and John Tower of the State of Texas.

N. I. FISHER
President.
J. HERBERT SAWYER,
Secretary.

Mr. TOWER. I thank the Senator from Wisconsin.

Mr. PROXMIRE. I congratulate the Senator from Texas for his rapidity.

Mr. President, I ask unanimous consent that I may yield to the Senator from Minnesota [Mr. HUMPHREY], for 2 minutes.

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

THE SENATE MUST SAVE "ALIANZA"

Mr. HUMPHREY. Mr. President, I was amazed and distressed over the action of the House of Representatives in cutting the appropriation for the Alliance for Progress by 25 percent, or some $150 million. I can only believe that this error will lead Latin Americans to conclude that the United States has repudiated its commitment to the other American governments under the Punta del Este Charter. It is for the Senate to see that this grievous mistake is immediately righted.

After some 2 years of frustration and disillusionment, the Alliance has finally taken hold and is fostering a growing commitment to reform and to the stated goals of the Alliance. Mr. President, it is true that we have established a foothold, but there is still a long way to go toward realizing the reforms envisioned in the charter, and I contend that this would be the worst possible moment to weaken the program monetarily. On the contrary, this is the time to strengthen our support, if need be.

Mr. President, I ask unanimous consent that an article from Life magazine of September 27, 1963, which deals with the pitfalls of cutting back the Alliance for Progress appropriation, be printed at this point in the RECORD.

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

THE SENATE MUST SAVE "ALIANZA"

The U.S. Senate, about to consider the foreign aid bill, has a chance to repair a grave error made last month by the House. In a mood of diffuse hostility to the continuing aid burden on the U.S. taxpayer, the House slashed the administration's request by about a billion dollars, including a 25-percent cut in the Alliance for Progress. Although no foreign aid figure should be thought sacrosanct, this particular cut was a poor idea.

The Alliance for Progress is a long-term U.S. policy based on two-way agreements with Latin American republics. Congress in 1962 endorsed the policy by authorizing $600 million a year for 4 years ahead. Both Washington and the Latin Americans have relied on this endorsement in planning the new schools, housing projects, farm-development loans, mobile medical units, food for peace and numerous other programs which are helping Latin America try to make itself a modern democratic society. If the U.S. share is cut by $150 million, not only must many of these programs be cut back but the stanchest Latin supporters of the Alianza will feel that Congress has welshed on a long-term commitment. Castro's radio gloated over the House action, saying it proved you can't trust the U.S. imperialists.

To Teodoro Moscoso, U.S. Coordinator of the Alliance, the cut was a particular blow because, after a slow start, he had really begun to make the Latin Americans take their part in the Alliance seriously. They have undertaken tax and land reforms and other self-help programs which do not come easy for them but are beginning to bear fruit. "They've had 400 years of bad practices," says Moscoso. "They need confidence in themselves, in us, in the whole Alliance program. The House action has been a blow to all this."

The Alliance is too well-conceived and strategic a U.S. policy to be toyed with like that. The Senate will, we hope, restore our commitment and the confidence of our hemisphere allies.

FAIR EMPLOYMENT PRACTICES

Mr. HUMPHREY. Mr. President, I ask unanimous consent that two items be printed in the RECORD at the conclusion of my remarks. One is an item from Tony Weitzel's column in the July 12, 1963, issue of the Chicago Daily News, relating the story of successful civil rights action taken 20 years ago by one of this country's leading citizens, Mr. Modie Spiegel, of Chicago, Ill. If more of our citizens had followed Mr. Spiegel's lead, the commendable action taken recently by the Washington Hebrew Congregation, stated in the second item, would not be necessary today. Both are strong testimony that employment policies based on merit, not race or religion, have a moral as well as an economic base.

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

EXCERPT FROM THE CHICAGO DAILY NEWS, JULY 12, 1963

(By Tony Weitzel)

You might find a moral in this story somewhere. It begins with a meeting of prominent businessmen at the Morrison Hotel. Some 10 guests were asked to make brief speeches. One of the speakers was a young Negro attorney, Aaron H. Payne.

At the end of the meeting, one of the VIP's walked up Clark Street with Payne to his office. They chatted of many things. Next day, Attorney Payne's phone rang. The VIP asked Payne if he had time to drop in on a meeting of his company directors.

Payne said he did. He walked a couple of blocks to the meeting and found himself in a very serious discussion the moment he walked in the door.

The company, said his friend of 24 hours, wanted to integrate its personnel. From Payne they wanted suggestions on how to start. Payne asked, "Why are you considering integration?"

Snapped his friend, "Because it's the right thing to do." Payne asked, "What jobs are you considering for persons of color?" The answer, "We shall place them in any jobs for which they're qualified."

Payne was satisfied. "You ought to begin," he said, "by hiring a Negro trained in personnel management. I think I know a woman who can qualify. I met her only once. That was when she dropped into my office to solicit funds for the Urban League. I talked with her some 15 minutes. She has a master's degree in business administration. She's trained for personnel work."

The man at the head of the table said, "Let's get her over here." Payne rounded up the girl in 30 minutes. In another 30 minutes she was hired.

The punch line of the story is this: It happened 20 years ago.

Aaron Payne's VIP friend was, and is, Modie Spiegel, of the mail-order empire. The young woman took on the integration chore was, and is, Mrs. Ora Higgins, still assistant personnel director of Spiegel's. And for the last 20 years Spiegel's has been comfortably and happily job integrated.

As I said, there might be a moral there someplace.

STATEMENT OF WASHINGTON HEBREW CONGREGATION

AFFIRMATION OF OUR CONGREGATION'S PROGRAM FOR RACIAL JUSTICE

Two and one-half millenia since Moses won the first successful struggle to redeem the slaves, 100 years since the Emancipation Proclamation freeing the slaves, and 9 years since the Supreme Court decision declaring segregated schools unconstitutional, millions of our fellow Americans are still living as second-class citizens.

The resolution of America's race problem is not the exclusive responsibility of any single group, of Negroes or whites, or of Christians or Jews. It is the collective responsibility of all Americans. However, we, who every Passover still relive the lash of the taskmaster, and who still recall that the ghetto was invented to segregate Jews, have a special commitment to fulfill the covenants of our Jewish and democratic heritage.

Today we are confronted by a new urgency in the effort to eradicate every semblance of discrimination. We must not be a passive participant in the struggle but must take initiative and assume positions of leadership true to the essence of Judaism that "not the word but the deed is primary."

In order to fulfill our moral responsibilities, we, the rabbis, officers, and board of managers of the Washington Hebrew Congregation, herewith declare that the following principles are the official policy of the congregation:

I. Racial justice in our congregation's administrative policies

1. Our congregation and each of its auxiliaries does not knowingly patronize or sponsor any activity at a place of public accommodation which discriminates against anyone because of race, religious, or ethnic origin.

2. Our congregation pursues a policy of nondiscrimination in all relationships with our employees.

3. Our congregation will require a nondiscrimination employment clause in any contract to build or improve our physical facilities.

4. Our congregation will not be party to any restrictive covenant or gentleman's agreement in the purchase, sale, rental, or use of property.

5. Our congregation tries to avoid any relationship with financial institutions and purveyors of equipment, supplies, and services who are known to have discriminatory employment policies or discriminatory policies of any nature.

6. Our congregation will continue to welcome as members all Jews, regardless of their racial origins.

II. Racial justice in our congregation's education, cultural, and worship programs

We will continue to stress in our temple's worship services, in our schools and other educational activities, and in the programs of our auxiliaries, the great dangers to our democratic institutions of any manifestation of racist or religious bigotry which poisons the minds and hearts of men. These are totally and irrevocably inconsistent with the Jewish religious tradition. To this end we will encourage each of our members to bring the profound influences of the home to reinforce and emphasize the ethical demands of racial justice in every aspect of their day-to-day lives. We will continue to create and participate in temple programs whereby our children and our adult members can develop a sympathetic insight into human beings of varying races, creeds, and cultural traditions.

Implementation of the policy set forth above is the responsibility of the officers, the board of managers, the professional staff of the congregation, each of the operating committees of the board, and the auxiliaries of the congregation.

Approved this 9th day of September 1963.

TREASURY WILLING TO THINK OF REFORM OF INTERNATIONAL MONETARY MECHANISMS

Mr. HUMPHREY. Mr. President, I wish to call attention to what is reported as a change of attitude of the Treasury toward consideration of reform in the international monetary mechanisms. The shift is noted in a current article in Foreign Affairs, by Robert V. Roosa, Under Secretary of the Treasury.

There have not been any changes of significance in international monetary agreements since the Bretton Woods agreements of nearly 20 years ago. Massive economic changes have taken place since in the world, requiring more and more improvisations and cooperative arrangements, mostly ad hoc among the major industrial countries of the non-Communist world. These have been necessary to keep the trade expansion so essential to the well-being of that world.

In it all, we know we have incurred a chronic "balance-of-payments deficit" which gives us concern. Mr. Roosa says that regardless of what international monetary reforms ensue, we are going to correct our balance-of-payments deficit.

It may be precisely this which will cause a different kind of problem in the trade situation of the free world. This situation is this: It is our deficit, our gold and dollars added to the reserves of other countries which is sustaining the credits given by them. We are the main banker, the real source of the "liquidity" in international credit arrangements.

When we correct our problem, another is created, or rather an intrinsic one exposed; namely, a shortage of a liquidity necessary to sustain an expansion of international trade. The Treasury appears sensitive now to problems raised in the Salant report by the Brookings Institution, to which I called attention on September 3. I am pleased to see this evidence of intention to look ahead and to be open at least to the evolution of policy at the International Monetary Fund meetings.

I ask unanimous consent to have printed in the RECORD a news item and an editorial from the New York Times, which summarize the current Treasury attitude.

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

[From the New York Times, Sept. 20, 1963]

U.S. URGES STUDY OF WORLD CREDIT

(By Edwin L. Dale, Jr.)

WASHINGTON, September 18.—The United States, in a major evolution of policy, formally advocated today that the world's leading nations study the problem of the future sufficiency of "international liquidity."

The policy statement came in the form of an article in Foreign Affairs by Robert V. Roosa, the Under Secretary of the Treasury. The article was timed to appear just in advance of next month's annual meeting of the International Monetary Fund, at which the proposal for a study of liquidity will be taken up.

International liquidity is the term used to describe the total of countries' reserves of gold and foreign exchange plus their automatic access to credit. It is the "international money supply."

REFORMS DEBATED

There has been a swelling international debate on the question of whether future liquidity will be sufficient to keep the Western world's economy prospering and world trade expanding and, if not, whether the international monetary system should be reformed.

Until Mr. Roosa's article appeared today, the United States had adopted a largely negative attitude toward the question of reform—an attitude shared by nearly all the nations of continental Europe but not by Britain. Whether the continental nations will accept even the idea of a study remains to be seen, but there is some chance of a decision at next month's meeting.

Mr. Roosa said today, "There is not any reason to presume that daring or revolutionary approaches will in fact emerge for the future. The process of evolution may take us where we want to go.

CONDITIONS ESTABLISHED

"But the needed preconditions have been established for wide-ranging governmental consideration of any possible needs, and of practical operating procedures for accomplishing them, without setting off speculative disturbances based on market apprehensions that there might be grave shortcomings in present arrangements."

After rejecting several radical proposals, such as fluctuating exchange rates or an increase in the price of gold, he suggested that the inquiry would probably look into four possibilities for making sure the world's large trading nations have sufficient reserves in the future:

Continue the present system but "actively enlarge the cooperative credit arrangements that have been recently developed," mainly in connection with the recent difficulties of the United States and Britain in their balance of international payments. These include such devices as borrowing foreign currencies.

Endorse the first move, but also enlarge the resources of the International Monetary Fund for lending to members running low on reserves.

Endorse the first and second proposals but also begin the use of a "new grouping of some of the other leading currencies" as a supplement to the use of the dollar and the pound as "reserve currencies." Reserves now are held almost exclusively in gold plus either dollars or pounds.

With or without the first three moves, "reconstitute the I.M.F. by endowing it with the capacity to create credit and the power to allocate such credit among members." This, the most radical possibility, would amount to the formation of a "world central bank."

Mr. Roosa emphasized today the "sharp separation" between a study of future liquidity needs, which he said would take a long time to bear fruit, and the immediate problem of the United States balance of payments deficit. He said the United States had demonstrated emphatically its determination to correct its own deficit independently of any future reforms in the world monetary system.

Mr. Roosa went further by saying it was a mistaken impression to think that a new world system of credits could soon be created that would free the United States from the balance-of-payments disciplines under which it is presently struggling.

He said no system would provide any more credit than the United States is currently receiving to cover its deficit, and added that the future credit needed until the deficit is eliminated will probably have to be negotiated directly with the various countries whose payments positions are strong.

Mr. Roosa recognized, however, the keystone of the argument of those who have advocated reform—that the real problem of insufficient liquidity would arise when United States deficits cease. These deficits have supplied most of the recent growth in world liquidity by pumping dollars and gold into other nations' reserves.

He said, "It is quite possible, once the flow of new dollars into monetary reserves ceases, that the present excess of dollars will be quickly absorbed and that the prospects of an imminent shortage of international liquidity will appear."

The article stressed that, even if a reform or improvement of present international credit arrangements had not been agreed upon by that time, there would be a way out through the announced United States willingness to purchase foreign currencies for dollars in controlled amounts. This would add to other countries' holdings of dollars.

[From the New York Times, Sept. 19, 1963]

EXAMINING THE MACHINERY

The United States is now prepared to explore new ways to improve and strengthen the world's monetary mechanism.

In an article in the current issue of Foreign Affairs, Under Secretary of the Treasury Robert V. Roosa, chief architect of the administration's battle plan to defend the dollar, now agrees on the need for a searching examination to determine whether there is a sufficient supply of credit to insure a sustained increase in world trade. This represents a shift from Mr. Roosa's position at last year's meeting of the International Monetary Fund, when he took the orthodox view that there was nothing wrong with the mechanism.

There has not been a thorough review of the world's monetary mechanism since the Bretton Woods Conference that set up the International Monetary Fund in 1944. Enormous changes have taken place in the last 20 years, particularly with the advent of convertibility in 1958. The free world has managed to avert crises only through the piecemeal adoption of cooperative facilities created for specific emergencies. It is possible that the present mechanism, with all its ingenious innovations, is adequate, as both Mr. Roosa and the annual report of the International Monetary Fund contend. But they are taking an enlightened approach in demonstrating a willingness to consider improvements.

The recent study on the balance of payments published by the Brookings Institution points out that, under the present system, the U.S. deficit has been the main source of expansion in international liquidity. If the outflow of dollars shrinks, then liquidity—and trade—might be affected. While Mr. Roosa argues that there is no threat of a liquidity shortage, especially as long as the deficit remains so large, it is not at all certain that there will be enough credit to go around. This issue demands attention.

The machinery has been working, but it can be made to work even better. We hope that the forthcoming meeting of the IMF will begin an examination to insure that the machinery will have the flexibility to stimulate an expansion in international trade as well as the ability to cope with crises.

"TEX" THORNTON AND LITTON INDUSTRIES

Mr. HUMPHREY. Mr. President, I wish to call attention to a most significant cover story in the October 4 issue of Time magazine on "Tex" Thornton and Litton Industries. I am glad to see this well-deserved recognition accorded this newly adopted Minnesotan.

As part of the expansion of Litton Industries, chronicled in the Time story, we have witnessed the development of two major plants in Minnesota. These plants are a testimony to the unerring executive judgment of "Tex" Thornton, to the skilled, hard-working labor resources available in my State of Minnesota, and to other factors favorable to industrial growth.

While some industries bemoan taxes and Government policy and look backward with nostalgia to "the good old days," "Tex" Thornton and Litton Industries exemplify the American success story by seeking new opportunities and meeting new challenges. The executive drive and initiative of Thornton, Roy Ash, and others of the Litton executive team is a credit to them, to our system, and to our Nation. They recognize the value of the partnership of business and government. They are also aware that the current rapid rate of change is a dynamic factor which insures our economic growth and is a necessary component of our effort to maintain our free world leadership.

I request unanimous consent to have printed in the RECORD at this point the Time story, "Corporations: An Appetite for the Future."

I commend the reading of this to every Member of Congress.

The PRESIDING OFFICER (Mr. GORE in the chair). Is there objection to the request by the Senator from Minnesota?

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

CORPORATIONS: AN APPETITE FOR THE FUTURE

The husky, ruddy-faced man looked like a tough trail boss in a TV western as he mounted his palomino and set off across the rugged mountain country north of Los Angeles. He wore threadbare khaki trousers over his riding boots, a red western shirt and a modified stetson, and packed an automatic pistol to deal with any rattlesnakes, bobcats, or mountain lions he might encounter. For several hours he rode, traversing mountain and valley, following deer trails and nudging his horse skillfully along rocky paths. Occasionally, he crunched out a cigarette on a heavy leather glove worn as a horseback ashtray, or reined his mount to a halt and gazed out over the green valleys below.

This was no performer recreating the Old West, but the boss of a huge and exciting corporation that is dedicated to a relentless pursuit of the future. He is Charles Bates Thornton, 50, the chairman of California-based Litton Industries—and he was busy on horseback at the most important facet of his job: thinking. When "Tex" (he came from a small Texas town) Thornton has a problem to mull over, he finds that he does his best thinking on a solitary 30- or 40-mile ride through the mountains, where he can "look at the world down there, and the world beyond. It is my way of getting away from it all, getting out where I can clear my head of the traffic of everyday business."

Thornton has plenty of traffic to clear. Since he took over Litton just 10 years ago next month, when it was only a tiny microwave-tube company, it has developed into one of the most remarkable growth companies of the age. In that decade, Litton has increased its sales 18,570 percent and its earnings 10,175 percent. It has never had a quarter in the red. In one of the greatest acquisition sprees of all time, it has absorbed some 40 other corporations, now has 71 plants in the United States and 12 other countries.

Litton now ranks as the Nation's 100th biggest corporation, with sales that have already passed the half-billion-dollar mark and will probably reach $750 million this fiscal year. By next year, if this growth continues, its sales should lift through the billion-dollar mark and put it among the top 50 U.S. companies. As for Thornton, the organizer of Ford's celebrated Whiz Kids and onetime boss of such talent as Defense Secretary Robert McNamara and present Ford president Arjay Miller, Litton's success has made him a millionaire 40 times over. It has also made millionaires out of 20 other Litton executives.

BROAD AND AMBITIOUS

For want of a better description, this remarkable company is formally classified as an electronics firm. That is a bit like calling Albert Schweitzer an organist. Litton is really an amorphous giant with interests and appetites as broad as the universe. Its 200 products range from hulking nuclear submarines to tiny electronic tubes that can send radio and TV signals back to earth from millions of miles out in space. Its plants turn out the electronic brains that have transformed business methods and the trading stamps that have conquered the housewife. Litton makes guidance systems that fly planes virtually without human help, devices that generate light beams to burn holes in thick steel plates and gyroscopes that smooth the sickening roll of a *Queen Elizabeth* caught in an ocean storm.

Litton's Monroe Division is one of the leaders in sales of calculating machines. Its Westrex Division ranks first in sales of sound-recording systems, and its Western Geophysical Division first in seismic explorations. Litton is the Nation's third biggest private shipbuilder. Its systems division sells more inertial-guidance systems than anyone else, and its Sweden-based Svenska is the world's second largest maker of cash registers. Across the world, Litton men are mapping underground volcanic activity in Hawaii, searching for oil beneath the North Sea, scouring the jungles of Surinam for precious minerals.

To many businessmen used to working within well-defined industry lines, all this seems more like a potpourri than a company. Almost every time that Litton announces a new product or acquisition—which is almost every week—there is a new flurry of predictions that at last the fast-stepping Texan has gone too far. If Tex Thornton's business philosophy often confuses his critics, it is perhaps because it is so breathtakingly broad and ambitious. He is interested in change, and pursues it wherever he can. Litton's present and future are tied together by a commitment to capitalize on the products, projects, and processes that are growing out of a great new technological revolution.

LIKE A JIGSAW PUZZLE

That revolution is reshaping the comfortable contours of the world's industries. The age of science has not only had a vast impact on society, but has also transformed the world of business more thoroughly than anything since the industrial revolution. Business has always been faced with changing situations, but never has the change been so constant, powerful, and full of hazards. "The flowering of technology goes on faster and faster," says George R. Harrison, MIT's dean of sciences, "because man's understanding of science is like working out a jigsaw puzzle—the more pieces fit together the easier it is to fit more pieces together."

A proliferation of new materials has threatened such well-rooted industries as steel and textiles. Companies searching in their laboratories for new products can hardly get the products to market before someone else has duplicated them—or produced better ones. The whole new space-military complex is devoted to the idea of constant change and advance. Scientists have discovered so many basic new ways of doing and making things that one bright scientist in a lab can sometimes render obsolete the basis of a whole industry. Many companies, particularly those that have long concentrated on a few products, find it increasingly hard to come up with the management know-how and the funds to finance the advanced research needed just to keep up.

Tex Thornton has thought about this revolution perhaps more than any other man. "We are experiencing technological change at by far the fastest rate man has ever known," he says. "In the past 20 years we have seen more technological change than in all recorded history. It took 112 years for photography to go from being discovered to a commercial product, 56 years for the telephone, 35 years for radio, 15 years for radar, 12 years for television. But it took only 6 years for the atom bomb to become an operational reality, and 5 years for transistors to find their way from the laboratory to the market. You might say we are in danger of being engulfed by change."

IN A LOW KEY

Change brings its hazards, of course, but it also brings many unprecedented opportunities—and it is Thornton's job to see that Litton takes advantage of the opportunities. Many men in both business and Government consider Thornton to be the best executive in the United States today. Yet his gifts are not always on display, and in many ways the low-key Texan does not fit the usual conception of a dynamic manager at work in an exciting industry.

Deeply involved in technology, Thornton is neither a professionally trained engineer nor a technician, and, though he is a great believer in running things under tight statistical control, he places little reliance on electronic logic in making management decisions. In a field where speed is a motto, he snaps out no instant decisions, likes to take his time about making up his mind. He overcomes a problem by attacking it with dogged tenacity, painstakingly learning all the facts, then turning them over slowly in his mind many times until they fit together into a decision—a decision that often comes to him on horseback or in his Cessna, which he sometimes uses (with a hired pilot) to get up into the clouds to think.

Thornton is a dreamer and a visionary who talks constantly about the way-out future, yet he is also an intensely practical man who has made realities out of many of his early dreams. Immensely wealthy and forever faced with decisions about spending millions, he is nonetheless a penny pincher who makes waiters and taxi drivers scowl at his meager tips, is indifferent to carrying cash (his secretary presses pocket money on him just before he goes on every trip) and always takes a single room rather than a suite when he is staying in a hotel. He is often shy and inarticulate among strangers, yet he has managed to dazzle some of the Nation's top businessmen with his knowledge and versatility. "Everybody loves Tex," says Buff Chandler, wife of Los Angeles Times President Norman Chandler, "but nobody really knows him."

NO SAFE NICHE

Far from being a lonely decision maker in an isolated executive suite, Thornton shows his true executive quality in the ability to pick good men and give them free rein. He has surrounded himself with an intensely loyal group of managers, who are independent thinkers not afraid to question his judgment or to lunge at opportunities without waiting for his nod. More often than not, Thornton's decision merely sets off a spirited debate that produces a compromise solution that the company finally follows.

To keep the exchange of ideas from bogging down in bureaucracy, Thornton and Litton President Roy Ash, 44, who helped to found the company, have held the staff in their modest Beverly Hills headquarters down to a manageable (and somewhat overworked) group of 114—despite the fact that the firm's total work force has swelled to 43,000. This way, no one has time to write lengthy memos, which Thornton does not like to read. In fact, if Litton's experience is any guide, one of the happiest aspects of the technological revolution may be the death of the kind of organization man who tries to burrow into a safe, obscure niche, far from the dangers of difficult decisions. There are no such niches at Litton.

COKES AND SMOKES

Thornton and Ash have come to work together as smoothly as if they were held on course by one of Litton's inertial-guidance systems. Thornton is the man with the intuition and the flair for the right deal at the right time; Ash is the lively and witty coordinator who keeps a day-to-day watch on Litton's ever-expanding activities. Chain smoking (at least two packs a day) and sipping Cokes, Thornton spends at least 4 hours a day on the telephone talking with managers, investigating mergers, gathering facts and keeping up with the work of Litton's five main divisions. He talks in cello-like tones, never raising his voice.

Vice presidents and executives from out of town are urged to pop in on Thornton and Ash at any time, and headquarters has a freewheeling quality. Thornton and Ash feel that keeping their men well-informed and making their responsibilities clear is the best way to get the most effort from them. "Our system works," says Roy Ash, "only because the individuals and the system work together. If we had a highly institutionalized system, our people would be frustrated; if we had institutional-type people, we as a company would be frustrated." Litton is not noted for paying its executives high salaries but gives them a powerful incentive in a stock option plan whose value can best be seen in the rise of Litton stock from 8½ to 85½ in the past 5 years (allowing for a 2-for-1 stock split).

NO USELESS LEISURE

Tex Thornton himself has few broad interests outside of work. "I can't stand useless leisure," he says. Thornton and Ash take vacations only in alternate years, but after a few days Thornton usually finds himself hankering to get back to work. Thornton lives in a Spanish style ranch house in the fashionable Holmby Hills section of Los Angeles, among such Hollywood names as Walt Disney, Bing Crosby and Claudette Colbert (he bought the house for $250,000 from Frank Sinatra's first wife Nancy). He and his tall, graceful wife Flora live there during the week but usually move on weekends to Thornton's 200-acre ranch 40 minutes away, where he raises a string of prize horses. They have two sons: Charles B. Jr., 21, a Stanford senior, and William Laney, 18, a Harvard freshman.

On workdays, Thornton bounds out of bed at dawn without the aid of an alarm clock, after a glass of orange juice (and occasionally a swim in his pool) begins making phone calls to the east coast, which is 3 hours ahead of California. Before 8 he is off in his 300 horsepower black Ford Galaxie to the office, 10 minutes away. Even on his frequent trips to Washington to consult with Pentagon brass or Government procurement officers, he keeps the same farm-boy hours, sometimes showing up at fellow Whiz Kid McNamara's office as early as 6 a.m. "I often find them there just finishing breakfast when I get in at 7:20 a.m.," says Deputy Defense Secretary Roswell L. Gilpatric.

FORTY-EIGHT-HOUR LIEUTENANT

Though it often is only retrospect that sees in childhood the signs of future accomplishment, Tex Thornton certainly got early lessons in responsibility. Born in the tiny north-central Texas farm town of Haskell, he never enjoyed a normal family life. His restless, adventurous father, Word Augustus Thornton, ran off soon after Tex was born and built a small fortune (which he lost in the 1929 crash) blowing out oil well fires with nitroglycerin. Tex grew up as the man of the family. He seldom saw his father, who was later murdered by a hitchhiking couple he befriended. Tex's firm mother, determined that he would not travel the same road as his father, stressed the need for responsibility until it enveloped him like a Sunday suit.

When he was 12, his mother encouraged him to buy land and pay for it with money he earned doing odd jobs. He accumulated nearly 40 acres, and by the time he was 14 every store in town would accept his personal check. At 19, he and a chum set up a successful gasoline station and dealership for Plymouth and Chrysler, but Tex left it after a few months to go to Texas Technological College in Lubbock. He switched from engineering to business administration, quit impatiently in his junior year and borrowed $50 to go to Washington, where in 1934 he landed a $1,440-a-year clerk's job at the Department of the Interior and continued his studies at night.

Thornton might have disappeared from sight and fame right there except for a single assignment: the job of writing a report on the financing of low-cost Federal housing.

He showed his ability for boiling down a massive amount of statistics and information into its basic essentials. The report he turned out was a minor masterpiece of clarity and vision that somehow got to the desk of Robert Lovett, Assistant Secretary of War for Air. Deeply impressed, Lovett talked Thornton, then 28, into joining the pre-Pearl Harbor Army as a second lieutenant charged with the unusually heavy responsibility of finding a way to put the Army's air arm on a businesslike basis.

Thornton set some sort of record by remaining a second lieutenant for only 48 hours. After a series of whirlwind weekly promotions, he became one of the youngest full colonels in the Army Air Force. With the war now on, Thornton got to work with a determination that the Pentagon still remembers. He not only established training programs for 1,700 different kinds of specialists, but also devised the first system of statistical control the Armed Forces had ever seen. Thornton calls that "a fancy name for finding out what the hell we had by way of resources and when and where it was going to be required."

At one point, Colonel Thornton had 2,800 officers all over the world under his command. Among them were nine who became particularly expert at Thornton's new concept of statistical control. After V-J day, he talked them into offering themselves as a team—with him as the captain—to apply the knowledge they had acquired to the business world. This was the beginning of the famous "Whiz Kids," who then ranged in age from 26 to 34.

DREAM PROJECT

Hearing that Ford Motor Co. was struggling with the task of resurrecting itself into a modern corporation, Thornton fired off a cocky telegram to Henry Ford II, offering to use the "10's" ability to bring the sprawling, money-losing company under control. Ford checked with Lovett, invited Thornton to Detroit. There Thornton negotiated salaries ranging from $8,000 a year for the least experienced of the group up to $16,000 for himself. It was quite a deal for Ford; in one package, it got two future presidents and four divisional bosses.

Ford was a dream project for the hot-shot young Air Force team, bent on applying its service-learned management-control methods to industry. The 10 began a department-by-department survey of the company, asked so many questions that they were dubbed the "Quiz Kids" by resentful Ford oldtimers. When they swung into action, the name was derisively changed to Whiz Kids. They switched Ford's capital, long left fallow, into interest-bearing accounts that promptly began earning Ford $4,500,000 a year, analyzed everything from assembly lines to suppliers' carburetors to learn how to trim costs, and set up the modern management techniques that are still used at Ford today.

Thornton liked being the top man, and he chafed at being held back by Executive Vice President Ernest R. Breech, who had come to Ford from General Motors, after the Whiz Kids arrived. In 1948, after 2 busy years with Ford, Thornton quit to take a job with eccentric industrialist Howard Hughes, who made him vice president and general manager of Hughes Aircraft. Thornton convinced Hughes that not enough companies were working full time on developing the advanced weapons technology the Nation was sure to need. He reorganized Hughes Aircraft, building its sales from $1,500,000 to $200 million in 5 years, and prepared it to be practically the first company to get into missile work. But Hughes' cost-conscious advisers balked at spending the extra money needed to keep up the pact. Thornton decided to quit to form his own company.

A PACKAGE OF WEALTH

Roy Ash, whom Thornton had lured to Hughes from a post as top statistician at the Bank of America, and Hughes Engineer Hugh W. Jamieson agreed to join Thornton in his new venture. Thornton at one point approached Joe Kennedy about the project, but finally turned for capital to Lehman Bros., Wall Street's prestigious investment house. "I told them," he says, "that I wanted to start a company that would become a strong blue chip in the scientific and technological environment of the future. It would be a balanced company—not just engineering, not just manufacturing, not just financial. You can't win a ball game with only a pitcher and a catcher, and you can't have a strong company unless it's balanced."

Thornton wound up his sales pitch by bashly outlining how he would achieve $100 million in sales in 5 years. The Lehman partners gasped; his ideas were good, but the sales projection made him sound like a windy promoter. Nonetheless, they agreed to back a $1,500,000 financing to be raised by selling investors a package of stocks and bonds worth $29,200 each. Thornton made his sales boast good in only 3 years—and each package is now worth $3,200,000. Any prescient investor who put $1,000 into Litton at the start would have an investment worth $85,000 today. Coming full circle, Thornton earlier this year was elected a member of Lehman's board of directors.

BUYING TIME

To get a base to build on, Thornton, Ash, and Jamieson had selected a microwave-tube company (annual sales: $3 million) bearing the name of its engineer-owner, Charles Litton. Litton suspiciously refused to take stock in the new company, instead demanded $1 million in cash; the stock, of course, would now be worth $85 million. With stock, cash, credit, and persuasive argument, Thornton and his friends began buying up a series of little-known outfits that made printed circuits, computers, servomechanisms, communications, and navigation equipment. Thornton felt that Litton had to grow big and muscular in a hurry to survive the jolt of changing technology—but he had a reason behind every move. "We have never acquired companies as such," he says. "We have bought time, a market, a product line, a plant, a research team, a sales force. It would take us years to duplicate all this from scratch."

Litton's biggest acquisition came in 1958, when it took over Monroe Calculating Machine (sales: $40 million a year) after a fervent courtship of many months. The business-machine field was changing rapidly, but Litton needed a well-known name and ready facilities to take advantage of the change. To tie in with Monroe, it then picked up a succession of outfits: a Swedish cash register maker, a maker of tickets and labels, a company that now prints more trading stamps than the U.S. Government does postage stamps. When Ingalls Shipbuilding Corp. of Pascaguola, Miss., was first offered for sale in 1961, Thornton was totally uninterested. But he brooded over the possibilities for weeks, finally concluded that the nuclear submarines that Ingalls was building were really just a collection of electronic machines and devices packed into a hull, and therefore an excellent destination for the products of Litton's expanding electronics complex. He bought Ingalls.

DEAD RECKONING

While collecting a spate of companies and a crack managing team, Thornton and Ash (Jamieson left in 1958 to found his own electronics company) have made surprisingly few mistakes. Nowadays Litton gets an average of 10 merger offers a week and turns most of them down. But once it does acquire a company, it usually lets the old management function freely. Ingalls Boss Fred Mayo had the shipyard in the black within 90 days after Litton took over and untied his hands to make necessary changes. Fred R. Sullivan runs Monroe Calculating as if it were his own company.

Despite numerous acquisitions, more than half of Litton's sales growth has been generated from inside by a scramble for new business and new products. The growth has been so fast that profits have not kept up; Litton's after-tax profit on sales is only 4 percent. "That is hardly a terrific achievement," says Thornton, "but we hope to do better." He believes strongly in plowing back profits into the company to finance growth, and Litton has never paid a cash dividend, though it has paid five stock dividends.

Perhaps Thornton's greatest contribution to the company is his superb sense of timing—an intuitive dead reckoning that tells him when to move with a product and when to hold back. While other defense companies were vying for contracts to produce whole missile systems, Litton backed off and concentrated on providing the highly complex components for the space vehicles. This gave the company more customers to sell to and the opportunity to get financing for invaluable research in a wide range of products. When transistors were industry's glamour product, Thornton held back and saved Litton the agony of the shakeout period that transistor makers are now going through.

Other firms rushed into making inertial-guidance systems for missiles, but Litton devised lightweight models for airplanes—correctly guessing that planes would need more machine guidance as speeds went farther over the sound barrier. Litton now has more than 90 percent of this market. Rather than join other computer makers in challenging IBM with big models, Thornton went after small models; recently Monroe introduced the Monorobot XI, which is the smallest business computer on the market (price: $25,000).

EYES ON THE SEA

Litton has its share of space projects; it made the first space chamber and spacesuit, is making a relief map of the moon so that astronauts will know what they are in for, has created a wind tunnel that simulates the problems of reentry by speeding up gases. But Thornton is convinced that there isn't room in space for all the companies trying to get there, has turned the company's eyes downward into the sea. Ingalls has five contracts worth $145 million to build the Navy's new nuclear-powered attack submarines, which may be the destroyers of the future. Litton's Western Geophysical Co., with its fleet of 20 ships, is the world's largest explorer of the ocean depths for minerals. It is currently searching the oceans for the best site for Project Mohole, a much-delayed attempt to bore deeper than ever before into the earth's crust; Western won the contract to test at four sites after other companies made an initial boring off lower California to test equipment. "Oceanography[1] is as challenging as space," argues Thornton, "and it may have even greater potential."

Litton is making plenty of other bets on the future. It is at least 2 years ahead of the field in making portable command and control systems that can be airlifted by helicopters to act as battlefield operations centers. It is working on a device to control the weather, on an electronic retrieval system for libraries, and on quick-cooking microwave ovens—Litton's first real consumer

[1] A word that the professionals in the field now consider inexact. With the in-deep set, the word is oceanology.

product—for the potentially big electronic cooking field. Though Litton is now selling thousands of electronic and computer projects individually, it is quietly gearing up for a massive entry into complete electronic systems that will make a business as fully automated as its owners want it to be.

Such technological changes worry many economists and sociologists. They fear that the unskilled worker, the artisan, and the officeworker will more and more find their jobs disappearing or changing radically. They see extra leisure for workers as at least a partial answer to the problem, but then they worry about how people will be able to use that extra leisure creatively. Almost everyone agrees that the United States is entering what University of California President Clark Kerr calls the age of the knowledge industry, when men and women of all ages will have to be continuously educated through their lifetimes to adjust to continued technological changes.

SCIENCE FACT

The men at Litton are aware of the problems, but they are optimistic about the long-range effects of technological revolution, believing that great new industries will arise to create even more employment. Thornton sees technology as eventually "freeing man's intellect for decisionmaking, and freeing his creative powers for the contemplation, theorizing and development of yet newer technologies that can put into use the great abundance of energy available to mankind." For a man like Thornton, who wants to build and keep building, the exciting possibilities ahead far outweigh any possible hazards.

Thornton believes that atomic energy will be used to melt icecaps, explore space, turn the wheels of industry, and even change the weather so that citrus trees can grow in Central Park and the smog problem in Los Angeles can be solved. Newspapers and magazines will be transmitted by radio and either stored on tape or printed on receivers right in the living room. Pocket-sized communications devices will keep everyone in instant touch, and physical ailments will be diagnosed by computer and cured in many cases by replacing worn-out parts with factory-made ones. Money may be eliminated; customers will merely present their thumbs to an electronic scanner that will automatically deduct the purchase price from their distant bank accounts.

Many of these possibilities seem as far off as present technological advances did only a few years ago, but Litton is already working in many areas that could lead to them (the company is studying, for example, submarine cargo ships that could cruise serenely beneath the surface, ignoring the turbulent weather above). "These things are going to happen," says Roy Ash. "We have already crossed the technical boundary. It is only the economic boundary that has to be crossed. So it is no longer science fiction, but science fact and economic fiction."

"During the next 10 years," adds Tex Thornton, "there should be more scientific and technological advancement than in all history—more than double that of the past 20 years." This means no letup for a company devoted to profiting by change. Litton's confident executives do not expect growth to level off until the company reaches at least $2 billion in sales—a point that could be reached within 4 years at the company's present growth rate, and that would rank it fifth among U.S. corporations. "There's really no place to stop," says Tex Thornton. "We will never reach our destination."

The onrush of technology has caught up thousands of people in its path and given man mastery over areas that he never dreamed of conquering. It has also created a few problems that never existed before, of course, but Tex Thornton and Litton Industries are confident that man will be able to solve them. Recently, for example, the automatic garbage-disposal unit in Thornton's home broke down. He called a repairman to fix the intricate device, but the man had no success. So Thornton did the job himself in a Thornton-like way. He gave the problem some thought, then simply got an empty Coke bottle and dropped it smack into the maw of the machine, which came to life immediately and chewed the bottle to bits.

Mr. HUMPHREY. I thank the able Senator from Wisconsin for his characteristic generosity.

Mr. PROXMIRE. I thank the Senator from Minnesota, who once was quoted as saying, when he was told he would have 12 minutes to make a speech, that the last time he took 12 minutes to talk was to say "hello" to his mother.

Mr. HUMPHREY. That was 5 minutes.

Mr. PROXMIRE. The Senator showed, only a minute ago, that he can make a great deal of sense in 2 minutes.

TAX CUT FURTHER SETBACK FOR BALANCE OF PAYMENTS

Mr. PROXMIRE. Mr. President, on October 1 the Secretary of the Treasury, the Honorable Douglas Dillon, spoke to the annual meeting of the International Monetary Fund which is currently taking place in Washington. There is much in this speech with which I am in agreement. Secretary Dillon emphasizes that the United States should not "view possible improvements in the methods of supplying international liquidity as relieving it of the compelling and immediate task of reducing its own payments deficit." Certainly the United States has a significant problem in its balance of payments and domestic actions must be taken to meet this problem. Secretary Dillon recognizes this when he states that:

> In shaping domestic policies and choosing from the various tools available for us, their varying impact upon our external accounts, and upon those of our trading partners, must be taken fully into account.

The Secretary then in his speech mentions a number of the proposals recommended by this administration for making adjustments in our balance of payments. In general, I believe that these specific policies are desirable and I laud the administration for making such proposals.

ADMINISTRATION OVERSELLS TAX CUT

However, Secretary Dillon then goes on to make what seems to me to be a completely contradictory argument. We all know that the administration is pushing as hard as it can for enactment of its tax bill. This drive for enactment sometimes places members of the administration team in the anomalous position of tying tax reduction to other problems for which tax reduction is either irrelevant or completely inappropriate. A classic example is represented in Secretary Dillon's speech. In order to get additional support for the tax bill, Secretary Dillon states that tax reduction will aid our balance-of-payments position. Nothing could be further from the truth, as almost all economists know.

The Secretary's strained reasoning is summarized in the following paragraph. According to the Secretary:

> The tax bill will provide an impetus to the domestic economy in a manner consistent with our international position. It will give increased flexibility to our monetary authorities in meeting balance-of-payments requirements. The added incentives for use of capital in the United States will enhance the relative attractiveness of investment here for Americans and foreigners alike. At the same time, the increased productivity associated with rising investment, together with greater incentives to develop and market new products and to apply more rapidly the fruits of our vast research capabilities, will reinforce the efforts we are making to increase our exports.

Just about everything is wrong with this line of reasoning. First, it assumes that the tax cut will significantly stimulate the domestic economy. There are many reasons, as I have indicated on prior occasions, why this seems doubtful. Much of the tax reduction is being given to potential savers rather than to consumers; many consumers will not change their consumption patterns as a result of increased after tax incomes; investments will probably not be stimulated because of present excess capacity; it will be necessary for the Federal Government to depress the economy by borrowing from individuals in order to meet the increased deficits occurring as a result of the tax cut, and so forth.

TAX CUT UNLIKELY TO STIMULATE INVESTMENT

Let us assume, however—although I do not think it is true—with Secretary Dillon that the economy is stimulated as a result of the tax cut. Almost the entire concentration in the Secretary's address is placed upon the effects of this alleged stimulus upon the capital accounts in our balance of payments, that is, upon foreign and domestic investments. Yet it seems highly doubtful that, even assuming a stimulus in the economy, additional foreign investment will be attracted to our shores and less domestic investment will be lured overseas. In the first place, sufficient excess capacity both of physical and financial capital exists, so that even with a fairly significant stimulus in the economy, net rates of return on investments within the United States will probably not vary much. Thus, there will probably not be much change in the present relationships between interest rates here and overseas. Yet this is the only circumstance—I repeat, the only circumstance—under which flows of investment funds would be altered.

This is the entire case for improving our balance of payments by a tax cut—that the tax cut would encourage people overseas to invest in this country. That is the whole case.

Let us assume, however, that Secretary Dillon is also correct in his case that interest rates will rise in this country. This assumption, while it may be consistent with the conclusion that some additional foreign investment will be induced to come to this country, is completely inconsistent wih his earlier assumption that the economy will be simulated by tax reduction. All economists tend to agree that a rise in interest

rates will discourage investment generally and therefore will be depressive upon the economy rather than stimulative. Thus, the very mechanism which Secretary Dillon is relying upon to adjust our balance of payments is also a mechanism by which the domestic economy will be repressed.

LAST YEAR'S INVESTMENT TAX CUTS WORSENED BALANCE OF PAYMENTS

One of the inconsistencies in Secretary Dillon's statement can be seen by interrelating two points which he makes. He points out quite correctly that we already, last year, provided a substantial amount of tax reduction directly for investors. This was done through the investment tax credit and the accelerated depreciation methods. These two tax reductions amounted to over $2 billion in revenue loss for the Government and increased after-tax profits for corporations and other businesses. This is exactly the sort of policy which Secretary Dillon is urging in order to rectify our balance-of-payments position. Yet look at what has happened to our balance of payments since these tax reductions were initiated.

We are fortunate that we have a case in experience—not a distant, hypothetical case, but an actual, practical case that occurred last year.

In 1962 our net balance-of-payments deficit was $2.2 billion. In the first quarter of 1963 it was at an annual rate of $3.4 billion. This was after the tax reductions were made.

In the second quarter of 1963 the preliminary figures indicate that the deficit is running at an annual rate of over $5 billion. In other words, precisely the policies which Secretary Dillon recommends have been associated in the immediate past with a very significantly worsening in our balance-of-payments position.

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

Mr. PROXMIRE. I am happy to yield to the distinguished Senator from Tennessee.

Mr. GORE. The Senator will recall that vast assertions were made as to the stimulation of investment which enactment of investment credit would bring. Do not the facts show that a very large portion of investment credit—which was only another name for tax reduction of a special form—went not into investment, but into either savings or larger corporate dividends?

Mr. PROXMIRE. The Senator is correct. I think the statistics are very compelling on this score. I recall that McGraw-Hill made estimates of what the investments would be. The estimates, which have been consistently good in the past, were based on the assumption that no investment credit legislation would pass. But the investment credit did pass, and what has been the level of investment? About the same McGraw-Hill estimated with no investment credit. So the statistics indicate that investment credit went into either savings or dividends, and did not go, as the Senator from Tennessee has suggested, into a substantial or visible increase in investment.

Mr. GORE. Does the Senator agree that the real stimulus for investment is not liquidity of position or availability of cash, but the expectation of making a profit?

Mr. PROXMIRE. The Senator could not be more correct. No businessman is going to make an investment unless he has a market, unless he has a profitable opportunity. He is then going to invest, and he is going to invest under those circumstances even if it is difficult to obtain capital. But before the investment credit, we had the largest amount of cash flow or cash available for investment by our corporations, in our history. It was enormous.

Mr. GORE. Is there any scarcity of investment capital?

Mr. PROXMIRE. There is no shortage of investment capital. The great corporations are having trouble knowing what to do with their cash. They are putting it in Treasury bills and short term Treasury obligations. They cannot make attractive investments within their own corporate areas.

Mr. GORE. If a corporation or partnership or entirely privately owned business is convinced of the profitability of an investment, this investment is likely to be made whether the funds must be borrowed or drawn from reserves. Is that not correct?

Mr. PROXMIRE. The Senator is correct.

Mr. GORE. On the other hand, it matters not how much cash is in the coffer. Unless an attractive investment, with the hope and expectation of profit appears, an investment is not likely to be made. Does the Senator agree with that statement?

Mr. PROXMIRE. The Senator is correct. So the argument of the Secretary of the Treasury that any tax cut which makes more capital available will result in heavier investment simply does not stand up; and certainly it does not stand up with regard to the assertion that funds from abroad would be attracted by investment in this country.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield.

Mr. GORE. I find it particularly interesting, as the Senator has, that the Secretary of the Treasury would say on the one hand that the proposed tax reduction is going to help balance of payments because it will stimulate the economy and because it will increase interest rates. I should like to ask the Senator if he is aware that when the tax bill is carefully analyzed, the amount of tax reduction in the first fiscal year is found to be relatively small.

If that be true, how would the Senator compare the magnitude of the repressive influence on our economy with an increase in interest rate on a $5 billion economy, which moves in large part on credit?

Mr. PROXMIRE. In my judgment, there is no question that higher interest rates will have a far more repressive effect, and will far more than counterbalance any stimulating effect from the tax cut. Statistics, again, are overwhelming on this score. They show that even with a full tax cut, even if it were concentrated and all spent, the increased income from the tax cut would, after 2 full years, be about $11 billion per year in a $600 billion economy, or less than 2 percent. As the Senator from Tennessee has indicated, in the first fiscal year the effect would be less than 1 percent. The effort to stimulate the economy with that kind of influence does not work. We have had a wealth of experience with it. We had it all during the depression, when we ran deficits of 4 percent of the gross national product for 10 consecutive years. What was the result? Fourteen percent of our work force was out of work.

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

Mr. PROXMIRE. I yield to the Senator from Tennessee.

Mr. GORE. At one time, when I was not a very good athlete, the coach pulled me out of the game one day and said, "You are trying too hard." That may have been an unusual thing to have said to one. However, I remembered that statement as I listened to the speech of the distinguished Senator from Wisconsin. I wondered if the Secretary was not trying a little too hard to pass a tax bill.

Mr. PROXMIRE. I could not agree more completely with the Senator from Tennessee. It seems to me that there may be a good argument made for a tax cut—although I am opposed to it, as the Senator knows—but certainly one argument in favor of it is not that it will improve our international balance-of-payment position. It is bound to worsen it, and significantly worsen it.

For further evidence on this score, let us look at what happened as the economy moved from the low recession period of 1961 into the recovery period of 1962.

What I am trying to say in the next few paragraphs is that as the economy improves—and there are many benefits from an expanding economy—one of the problems in an improving economy is that there is an unfavorable effect on the balance of payments for a myriad of reasons. As the economy worsens, there is a favorable effect on the balance of payments, for many reasons. Let us look at the experience we have had in this field.

In the first half of 1961 the current trade balance was at a seasonally adjusted annual rate of $6 billion in our favor. At the same time, private capital flows were running at the rate of $3.1 billion against us. In 1962, after the economy was well into the recovery period, our net current trade balance had diminished from the $6 billion rate to a rate of only $4.3 billion, largely due to increased imports. At the same time, private capital flows had actually worsened, going from a negative 3.1 to a negative 4.1. Surely there is no evidence here that a stimulus to the economy is associated with an improvement in our balance of payments.

The old classical argument, which was sound in this respect, showed that what

happens is that as a country moves into a depression people in that country tend to buy less from abroad, their prices drop, and they sell more abroad, and the balance-of-payment situation improves.

This is true, however sorrowful it may be.

One of the factors explaining this worsening position is in the investment area. In 1962 our long-term portfolio of U.S. private capital was in a net negative position of $1.2 billion. In the first quarter of 1963 our net negative position was worsened to an annual rate of $2 billion and the second quarter preliminary figures indicate it has worsened still further to $2.5 billion at an annual rate. Similar figures could also be shown for other investment portions of the balance of payments.

A second, though less important, reason which Secretary Dillon gives for assuming that a tax reduction will aid our balance of payments is that an expanding domestic economy will place us in a better competitive position vis-a-vis foreign countries. At the present level of American industrial production with the exception of a relatively few types of industries, per unit costs tend to rise as production increases. Therefore, if Secretary Dillon's initial premise is correct, that the economy will be stimulated by tax reduction, this expansion of production by individual firms will raise their per unit costs and hence put our domestic firms in a weaker position to compete with foreign firms. Certainly this additional demand would tend to raise domestic prices. There would seem to be no justification for assuming that our firms generally will be in a better competitive position as a result of expanding output.

As income rises in this country, we buy more from abroad. This is well recognized by virtually every economist in the world in the relationship between economic prosperity and recession and balance of payments.

DILLON FORGETS IMPORTS WILL INCREASE

The final and ultimate answer to Secretary Dillon's line of reasoning, however, is to be found in the section of the balance of payments which the Secretary did not mention; namely, the so-called current account. This portion of the balance of payments involves imports and exports of goods and services. Secretary Dillon had good reason for not mentioning this account. If his assumption is correct that the economy will be stimulated by tax reduction, then it must be stimulated in large part through increased consumption. Yet part of our total consumption is consumption of goods and services from abroad. Thus, if total consumption increases, presumably our net consumption of foreign goods and services will increase. The result must be that a stimulus to the economy will result in a worsening of our balance-of-payments position because we will be buying more from foreigners. Increases in our own U.S. prices will presumably discourage some foreigners from buying from us. Thus, our export position will presumably deteriorate somewhat at the same time that our imports are increasing. As a consequence, our net current account in the balance of payments will presumably be substantially worsened as a result of tax reduction.

Our balance-of-payments deficit is now running at a rate of about $5 million a year. This rate will tend to worsen if the tax bill now before the Senate Finance Committee is passed.

SUMMARY

In conclusion, and to sum up:

First. In 1962 we tried an investment tax cut and our balance of payments suffered.

Second. If tax reduction stimulates the domestic economy, the stimulation must be largely in individual consumption. This consumption includes purchases of imported goods. These increased imports will hurt our balance of payments.

Third. Recent history proves that domestic economic improvement worsens even the investment portion of our balance of payments. In the first half of 1961, when the economy was in poor shape, net capital outflows to foreign countries were less than they were during 1962 in a recovery period.

Fourth. Any economic stimulus will result in some increased domestic prices and these will discourage purchases by foreigners from us. This is another way in which our balance of payments will be hurt.

Fifth. If businesses produce more because of tax reduction, unit costs will tend to rise. As a consequence, American firms will be less able to compete with foreign companies. This is still another example of the adverse effects on our balance of payments from tax reduction.

Sixth. Even assuming that the tax bill will stimulate the domestic economy, so much excess capacity of physical and financial capital exists that domestic interest rates should not rise unless the Federal Reserve Board tightens money sharply. Yet, the only reason for assuming improvement in the balance of payments is to attract additional foreign capital to our shores by higher interest rates.

Seventh. Even assuming that domestic interest rates rise, the effect of these increased interest rates will be to repress the domestic economy and therefore negate any benefits obtained from tax reduction.

Mr. President, I think the conclusion is clear. The tax bill now before the Senate Finance Committee will hurt, not help, our balance-of-payments position. When we consider this tax bill on the floor of this Chamber, every Member of the Senate should ask himself whether he is willing to encourage the continuation of our gold outflows and our deteriorating balance-of-payments position by voting for the tax reduction.

Mr. President, I ask unanimous consent that a release reporting the remarks of Hon. Douglas Dillon, Secretary of the Treasury, before the annual meeting of the International Monetary Fund, be printed at this point in the RECORD.

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

REMARKS OF THE HONORABLE DOUGLAS DILLON, SECRETARY OF THE TREASURY OF THE UNITED STATES, AND U.S. GOVERNOR OF THE INTERNATIONAL MONETARY FUND, BEFORE THE ANNUAL MEETING OF THE INTERNATIONAL MONETARY FUND, TUESDAY, OCTOBER 1, 1963

At the outset of my remarks, I ask you to join with me in paying tribute to our late, great colleague and good friend, Per Jacobsson. Firmly dedicated throughout his long and distinguished career to the cause of financial stability, he guided the International Monetary Fund with a deep understanding of the needs and realities of his times. The responsibilities of Managing Director have now passed into the capable hands of Pierre-Paul Schweitzer. His willingness to assume these duties provides us with fresh assurance that the Fund, building on its current strength and influence at the center of the international monetary system, will successfully meet the fresh challenges that lie ahead.

It is also a pleasure to welcome to the Fund family an unusually large number of new members, bringing our group to more than 100. The election of a 19th Executive Director who will cast the votes of a group of the many new African members is symbolic of the increasing usefulness of the Fund to the emerging nations.

I am sure that each of these new members will profit from the important assistance the Fund can render to their further development through its expanding program of technical assistance in the areas of central banking and fiscal practices and policies, through its regular consultations, and by providing timely financial support for well-conceived stabilization programs. In addition the new compensatory financing facilities announced last March mark an important and constructive advance in the services available to members heavily dependent upon exports of primary commodities.

These activities in support of balanced, dynamic growth are, of course, complemented by those of the Fund's companion Bretton Woods institution, the World Bank and its affiliates, now under the able direction of George Woods. I should mention particularly at this year's meeting the work of the International Development Association, whose activities in so short a span of time offer so much promise for the future. Action by the part one countries on the proposals for increasing its resources will mark another milestone in the work to which it is dedicated and in which we are all joined together.

The successive annual reports of the International Monetary Fund have expertly traced the evolution of our international monetary system since World War II. They have also made clear that new problems have a way of emerging as older ones are solved. The report for 1963 is no exception. In particular, it deals at some length with the adequacy of existing arrangements for providing international liquidity during the coming years. The authors point out that liquidity is not simply a matter of the aggregate of official holdings of gold or foreign exchange, and they review the progress made in recent years—in considerable part under the auspices of the Fund itself—in supplementing these resources with international credit. But the report also recognizes that the needs of nations for assured means of financing balance-of-payments deficits—either by drawing upon a stock of liquid assets or by means of borrowing—can be expected to increase over time. At the same

time, as the deficit in the balance of payments of the United States is narrowed and closed, that deficit will no longer contribute to the liquidity of other nations in the manner and magnitude of the last few years.

The Fund's report has now been supplemented by the thoughtful and important statement of its new Managing Director. Mr. Schweitzer indicated that the Fund expects to study the problem of international liquidity and has expressed the Fund's readiness to cooperate with others in such a study. He points out that studies of this problem are timely even though there is at present no sign of any shortage in international liquidity. He has also given us his view that the Fund should be at the center of whatever strengthening of the international monetary system may prove to be desirable. The United States finds itself in general agreement with all of these thoughts.

But in discussing this matter, I would like to make one point crystal clear: The United States does not view possible improvements in the methods of supplying international liquidity as relieving it of the compelling and immediate task of reducing its own payments deficit. Indeed, it is largely the prospect of the elimination of the United States payments deficit that makes it necessary and advisable to undertake these studies.

Nor can the provision of appropriate facilities for international liquidity relieve nations of their joint responsibilities for effective and timely action to eliminate such imbalances in trade and payments as may arise in the future. In a world of fixed exchange rates and convertible currencies, deficits and surpluses emerge from a wide variety of causes, both domestic and international. The necessity to make cash outlays for defense and aid, shifts in the basic pattern of demand for internationally traded goods, the development of new producers, resources, and production techniques, and developments in capital markets can be just as important as changes in average price levels and aggregate demand within countries.

The adjustments necessary to correct these deficits and surpluses take time if they are to proceed in an orderly fashion, without damaging consequences for either domestic growth and stability or the free flow of trade among nations. That is why, as part of the adjustment process, a country experiencing deficits needs reserves to draw upon, or credit that it can rely upon. That is also why a country receiving the counterpart in surpluses needs assets of assured value, in amounts and forms that will not disrupt its own economy. But in the last analysis without effective adjustments by both deficit and surplus countries, no amount of liquidity will enable us to achieve the mutual benefits of a closely integrated world economy within a framework of steady growth accompanied by monetary stability.

The challenge implicit in this situation is clear. Side by side with our studies of possible liquidity needs, we must consciously seek out means of improving the process of international adjustment itself, while preserving our separate abilities to meet our respective domestic needs.

This is a large order, but one that is well within our capacities. Much has been learned from the experience of recent years. We have come to recognize that in shaping domestic policies and choosing from the various tools available for use, their varying impact upon our external accounts, and upon those of our trading partners, must be taken fully into account. There is greater awareness of the need to identify and eliminate those market rigidities that inhibit the process of adjustment. And we are learning that new techniques can be developed for assisting the process of adjustment that are consistent with domestic goals and competitive markets.

Much of this can be illustrated by analysis of the position of the United States, faced as we are with the twin tasks of achieving more rapid growth at home while simultaneously closing the troublesome gap in our balance of payments. And many of the lessons of this experience, I believe, will prove sooner or later to be more generally applicable to the problems of international adjustment.

Business activity in the United States has continued to expand over the past year at a fairly steady pace. Total output has now reached a rate of over $585 billion a year—in real terms more than 13 percent above the level of early 1961.

Measured against other peacetime expansions of the past 40 years, this performance has been encouraging. All but one of these recovery periods have now been equaled or exceeded in terms of percentage increase in output, and that single exception took place only after the steep declines in production during the early 1930's. Prices of manufactured goods have remained virtually unchanged during the current expansion, extending the period of stability that has existed since 1958. However, unemployment is still excessive. And we are not fully utilizing our available savings of our existing productive plant capacity. True, investment activity has risen in response to increases in demand and to measures introduced a year ago to liberalize the tax treatment of depreciation and provide an investment tax credit. But new investment still remains below the levels required to support a full employment economy and to assure the position of our industry among the leaders in technological progress.

At the same time, our overall balance of payments has responded slowly to the series of measures we have undertaken since 1961. The overall deficit was reduced to $2.2 billion in 1962, from $3.9 billion in 1960, and $2.4 billion in 1961. But the deficit grew markedly larger during the first half of 1963.

When this situation first became apparent, we made a thoroughgoing review of our entire balance-of-payments program, which culminated in a series of decisions announced by the President on July 18. Resulting programs now underway will, by the end of next year, bring a reduction of $1 billion in the annual rate of dollar expenditures abroad for defense, aid, and other Government programs. Savings of similar magnitude are also expected on capital account as a result of the proposed interest equalization tax and the firmer structure of short-term interest rates accompanying the recent one-half percent increase in the Federal Reserve discount rate. We can already see indications that the deterioration in our accounts during the first half of the year is being arrested.

These new actions will complement and reinforce the longer-run measures we have been taking to achieve both external balance and more rapid domestic growth. Basic to our strategy for achieving these twin goals is a broad program of individual and corporate tax reduction totaling $11 billion, which, after passage by our House of Representatives last week, is now before our Senate. It will provide an impetus to the domestic economy in a manner consistent with our international position. It will give increased flexibility to our monetary authorities in meeting balance-of-payments requirements. The added incentives for use of capital in the United States will enhance the relative attractiveness of investment here for Americans and foreigners alike. At the same time, the increased productivity associated with rising investment, together with greater incentives to develop and market new products and to apply more rapidly the fruits of our vast research capabilities, will reinforce the efforts we are making to increase our exports.

Our ability to expand production—which is implicit in our current unemployment, in our rapidly growing labor force, and in our margin of underutilized industrial capacity—provides protection against upward price pressures as the stimulus from the tax program takes hold. Meanwhile, we are continuing successfully to finance our budgetary deficit outside the banking system. For instance, in the year that ended August 31, the latest date for which figures are available, the combined holdings of Government debt in the hands of our Federal Reserve and commercial banks declined by more than $1½ billion. We have also made further progress in improving the maturity structure of our marketable debt. As a result of our latest advance refunding, the average life of that debt exceeded 5¼ years for the first time since 1956. We are not faced, therefore, with the kind of excessive liquidity that could fuel inflationary developments as our economy moves toward fuller employment.

Perhaps most significant of all in terms of the outlook for prices, our manufacturing labor costs per unit of output have declined over the past 3 years—the first time since World War II that this basic measure of our competitive strength has improved for so long a period, or during a time of substantial recovery. And the rate of wage increases in our manufacturing industry is holding within the range of past and anticipated productivity increases.

In this way, we are encouraging basic corrective forces in terms of costs and prices that should provide a firm base for improving our trading position, thus contributing to the orderly adjustment of our entire balance of payments. Highly tentative, but nonetheless encouraging, signs of an improvement in our international competitive position are developing. But it is clear that the contribution that exports can make to overall balance will be heavily dependent upon the adjustment policies of other nations as well. By this I do not, of course, mean to suggest that surplus nations have a responsibility to inflate, any more than it would be consistent with our internal needs to force deflation. Nor, in our particular situation, would it be reasonable to look only—or primarily—to increases in our commercial trade balance as the solution for our payments problem.

But opportunities do exist for surplus nations, in instances where inflationary pressures are evident, to serve the interests both of their own domestic stability and of external balance by reducing or eliminating barriers to imports, including those from the United States. In the search for effective adjustment mechanisms within the context of a convertible currency system, this kind of action, it seems to me, can become, for surplus countries, a modern substitute for the inflationary price adjustments that we must all do everything we can to avoid.

A basic factor in our own deficit position has been the heavy burden we carry for the defense of the free world and for assisting the development of less favored nations. This burden, in a wider context, is an inescapable part of the kind of world we live in. But we are also learning that methods of handling these Government outpayments, and more appropriate distribution of their balance-of-payments impact, can also contribute to the adjustment process without subverting their essential purpose.

Important savings have already been made in this area, reducing net outflows under our defense and aid programs from $3.8 billion in 1960 to $3 billion in 1962. A large portion of this improvement can be traced to the recognition by some European countries of their growing capacity to assume a greater share of the foreign exchange costs of the common defense. As a result, the drain on our payments from maintaining our troops in Germany and Italy is now virtually fully offset by their purchase of military equipment and supplies from the United States—

equipment which, because of the size and flexibility of our defense industry, can be produced more rapidly and more economically in the United States than in their own countries. Thus these arrangements have simultaneously strengthened the free world's military and economic defenses.

In addition, we have adopted a policy of providing the great bulk of our economic aid to developing countries in the form of goods and services, so that it can be brought within the limits of our capacity without impairing its effectiveness. When current commitments are fully reflected in actual disbursements, only some 10 percent of the aid from our various foreign assistance programs will be provided in the form of dollars. At the same time, I believe that we must guard against any tendency to make the "tying" of aid into a subtle new form of protection for home industries. Rather, the logic of our efforts to expand multilateral trade and promote international efficiency through competition among the producers of all nations demands that it be used as a temporary device, reserved for periods of balance-of-payments strains.

With forces of adjustment underway in both our Government and our commercial trade accounts, the most pressing problem in terms of our balance of payments has been the recent acceleration in the outflow of long-term capital. The net outflow of such capital during the first half of this year reached an annual rate of $3.8 billion. This was fully $1.3 billion higher than the already substantial figures for 1962, and nearly double the rate maintained over the years 1959–61. While some of this recent increase stemmed from direct investment, a flood of new foreign borrowings totaling nearly $1 billion in only 6 months was the major factor. This is considerably more than three times the volume we have been accustomed to.

It is entirely consistent with restoration of full equilibrium in international payments that the United States, with its capacity to generate large savings, continues to supply reasonable amounts of capital to aid the development of other nations. But, it is perfectly clear that maintenance of outflows at the recent pace, far from being a constructive force in world payments, would soon put intolerable strains on the international monetary systems as a whole.

As our program of tax reduction takes hold and there are stronger incentives to employ a larger portion of our savings at home, normal market forces will work strongly in the direction of reducing this outflow of long-term capital to more tolerable levels. But the experience of the past year makes clear that we cannot rely on these longer-term forces of adjustment to meet our immediate problem. Nor is it feasible to speed the process of adjustment by artificial attempts to force our entire structure of long-term interest rates sharply and suddenly higher. If possible at all in the face of the huge supply of savings flowing into our markets, this course of action would require so drastic a tightening of credit as to seriously jeopardize the prospects for domestic expansion.

In this situation, we have recommended enactment of a temporary interest equalization tax which will have the effect of raising the costs of portfolio capital in our market by 1 percent for borrowers in the developed countries abroad. This will bring these costs into a rough alinement with those in most other industrialized countries. The purpose is quite simple—to speed the essential redirection of capital flows in a manner comparable to an equivalent, but presently impracticable, rise in our entire structure of interest rates.

We view this tax solely as a necessary—but temporary—expedient to meet a specific situation that has arisen in large part out of a structural imbalance in the capital markets of the free world. Borrowers from deficit and surplus countries alike converge upon the New York market, not only because of our lower structure of long-term interest rates—since equivalent or lower rates can be found in at least two other countries—but because it is still the only source for international capital in whatever size and form desired, freely available to any borrower able to meet the normal market test of creditworthiness, and offering highly efficient distribution facilities with low issuing costs. In contrast, potential alternative markets are in most cases subject to official controls or have difficulty in supplying the needed funds in the volume required. And, with few exceptions, they are characterized by high and rigid rate structures. In the face of this situation, we must temporarily help to redirect the demands pressing on our market through a tax that will increase the costs of long-term borrowing here by foreigners.

The impediments to the development of more adequate European capital markets are currently under close and continuing study within the Organization for Economic Cooperation and Development, and progress is beginning to be visible. As efforts to improve European capital markets come to fruition and the remaining controls and restrictions are eliminated—and as our own domestic demands for capital put increased pressures upon our supply of savings—there is every reason to believe that the need for extraordinary action of the kind we are now taking will be eliminated.

When the Fund was established, there was great apprehension that sudden and massive short-term capital movements might again become a disruptive influence as they had in the disturbed climate of the 1930's. Gratifying progress has been made in developing sturdy defenses against such threats to our convertible currency system through the concerted cooperative efforts of the industrialized countries. A chain of new facilities for coping with such pressures is now in place and tested, and there are grounds for confidence that the processes of adjustment can be shielded from perverse speculative flows in the future.

With the restoration of convertibility, however, it has become apparent that a sizable volume of capital is ready to move from country to country in response to relatively small shifts in interest rates. Thus, the stability of exchange rates and freedom of markets toward which we have all worked in the postwar period carries with it the implication that short-term interest rates in the major trading countries must inevitably be kept reasonably well in line with each other.

Both problems and oportunities are implicit in these circumstances. Domestic objectives will sometimes limit the practicable range of fluctuation in interest rates that can be undertaken for facilitating balance-of-payments adjustment. But, since the margin between rate relationships that attract or repel short-term funds is likely to be relatively narrow, it will usually be feasible to encourage small changes in short-term rates in the interest of speeding restoration of international equilibrium without disturbing the domestic economy.

Most promising of all in terms of facilitating the adjustment process is the increasingly close and continuous consultation on these matters that has developed in the forums provided by this institution, by the Organization for Economic Cooperation and Development, and by the Bank for International Settlements. This has been particularly evident in the area of short-term capital flows and interest rates. But we are also coming to understand that this same kind of consultation and cooperation is essential in other areas as well. We know that any adjustment demands offsetting changes in the position of deficit and surplus nations. We also know, in the last analysis, that these adjustments must take place, for no workable international monetary system will allow a nation to continue to run a deficit—or for that matter a surplus—for an indefinite period.

The critical question is how the adjustments are to be made. Balance can be—and too often in the past has been—forced by measures that endanger domestic stability or the prospects for growing trade. Those alternatives are not open to us today if the bright promise of all that has been accomplished since Bretton Woods is to be fulfilled. Nor can the industrialized countries afford to undermine the defenses of freedom or to withdraw their support of the developing nations.

The only realistic solution is to find effective ways for reconciling the requirements of a convertible currency system based on fixed exchange rates with the freedom of each nation to pursue domestic growth and stability. No methods will work instantaneously, and one prerequisite to their proper functioning is the availability of adequate liquidity—in the form of international reserves or ready access to credit. The studies now being launched provide fresh assurance that these liquidity needs will be met effectively in the more distant future, just as they are being met effectively today.

But adequate liquidity will not make our machinery of adjustment work automatically, nor can its development be safely put off until emergencies arise. Instead, its effective use will require governments of all nations with a stake in a liberal trading order to work together continuously in many areas: in developing a mix of domestic policies appropriate to external circumstances—in adjusting trade policies—in sharing the burdens of aid and defense—in providing long-term capital—and in eliminating rigidities and inefficiencies in their economies that impede and distort the adjustment process. That willingness, I believe, is now being demonstrated more fully than at any time in the past. This is the real source of my confidence—not only that the United States will restore balance in its own accounts, we intend to carry out that responsibility in any event—but also that a true equilibrium can be restored within a framework of expanding trade, flourishing growth, and monetary stability.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Tennessee [Mr. GORE] for his helpful participation in the colloquy.

I yield the floor.

SOFT GOODS FOR HARD CURRENCY

Mr. PELL. Mr. President, "Soft Goods for Hard Currency" is the five-word precept that should guide our trading relationships with the Communist nations. I encourage our administration to enlarge these relationships. If we can exchange soft consumer goods, no matter what they be, for hard currency or precious metals, we are advancing American national interests.

If we sell some of our surplus wheat, corn, food, or textile products, or other consumer goods such as costume jewelry, and receive in return for these sales hard currency from the Communists, I believe we will have greatly benefited. It does not matter if we extract this hard currency from the Soviet Union, Communist China, or any other nation which we oppose.

By this process we would be mopping up our opponents' supplies of hard currency, so that it would be much more difficult for them to buy capital goods,

machinery, arms, or even to engage in subversive activities within the West.

We all know that the financial resources, implied in the words "hard currency," are what provide the sinews of war, and if we can drain our enemies of these particular resources, I believe we—the United States—and the West will have gained.

INTEREST OF LOCAL PUBLIC AGENCIES IN WATER RESERVOIRS CONSTRUCTED BY THE GOVERNMENT

Mr. MANSFIELD. Mr. President, I move that the pending business be laid aside temporarily and that the Senate proceed to the consideration of Calendar No. 532, H.R. 1696.

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

The LEGISLATIVE CLERK. A bill—H.R. 1696—defining the interest of local public agencies in water reservoirs constructed by the Government which have been financed partially by such agencies.

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

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

Mr. MANSFIELD. Mr. President, it is my understanding that the bill was reported by the committee unanimously. It meets with the approval of the leadership on the minority side and with the members of the Committee on Public Works.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement in explanation of the bill.

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

PURPOSE OF THE BILL

The purpose of H.R. 1696 is to make the rights for storage space acquired by States or local interests in reservoirs constructed by the Corps of Engineers available to such agencies as long as the space designated for their purpose may be physically available. The provision would be applicable to all dams and reservoirs which have been or will hereafter be constructed by the Corps of Engineers of the U.S. Army in which local interests have contributed or will hereafter contribute to the Government, or have contracted or will hereafter contract to pay the Government over a specified period of years, money equivalent to the cost of providing space to be used for the storage of water. Under present conditions the customary practice is to make these contracts applicable over a 50-year period. It includes further provisions that the interest of the local interests would be made subject to their fulfillment of the conditions under which they had executed their contractual agreements.

GENERAL STATEMENT

The existing statutory authority under which storage for water supply has been provided to local communities, does not define specifically the rights of local interests after payment of the allocated cost of the water storage has been completed. In the negotiation of past contracts, in many cases local interests have felt very strongly that their rights should be defined, not only for 50 years, which is the maximum payment period of the contracts, but for the physical life of the projects as well.

The bill permits consideration to the effects of the terms of the lease agreement, on reservoir sedimentation and other physical and legal aspects, which might require a review of these terms after the original lease has reached its conclusion. For example, reservoirs constructed by the Corps of Engineers are designed to have sufficient silt storage space for a 50-year accumulation. After the storage space reserved for siltation is filled, the collection of silt will encroach on the live storage capacity allocated to flood control, navigation, hydroelectric powers, water supply, and any other purpose for which storage was to be provided in the reservoir. At such time as the storage capacity is reduced by the accumulation of sediment, adjustments should be made in the storage capacities for all other purposes.

The bill does not change existing requirements as to amounts of payments or reimbursement, but extends the equity of local interests in the reservoir beyond the present scheduled payout period of 50 years.

The Department of the Army believes it desirable to clarify these local rights, and provide uniform treatment of all local interests obtaining storage in Corps of Engineer reservoirs, including those for which the renewal clause was not provided in the original contracts or instruments. H.R. 1696 would also permit continued assessment of annual operation and maintenance costs beyond the payout period, provide for sharing by local interests of any reconstruction or rehabilitation costs necessary to continue project operation, and in the event that the Government concludes that it can no longer usefully and economically maintain and operate the facility, to negotiate a contract with the affected local interest for continued operation of such part of the facility as is necessary for utilization of the storage space allocated to it, under terms which will protect the public interest and absolve the Government from all liability in connection with such operation.

This legislation would apply to all contracts for use of water storage space contracted for by any local agencies in reservoirs constructed by the Corps of Engineers. Although in many cases these agencies are of a State or local public nature, in some cases they are private water companies serving public needs or private concerns having major water requirements.

Section 8 of the Flood Control Act of 1944, which applies to storage utilized for irrigation purposes in reservoirs constructed by the Corps of Engineers, would not be affected or modified by the provisions of H.R. 1696.

COMMITTEE VIEWS

The committee is of the opinion that enactment of H.R. 1696 will remedy an inequitable situation that now exists. Under the provisions of the Water Supply Act of 1958, water supply storage for municipal and industrial purposes may be included in reservoir projects, with the cost of such storage repaid within the life of the project, but in no event to exceed 50 years after the project is first used for the storage of water for water supply purposes. Normally the useful life of a project would extend 50 years beyond the time the project is completed, and in some instances the effects of sedimentation may become a factor after that period. When the use of water based on the future demand commences, which may be sometime after completion of the project, the cost of the storage must still be paid out within 50 years. Although the act establishes a maximum payout period of 50 years for the water supply storage, it does not define the non-Federal right at the end of that period.

The committee believes that agencies which have contracted for storage space in reservoirs of the Corps of Engineers to meet water supply needs should not be faced with the uncertainty of losing their rights to the water or lack of recognition of their interests at the end of an arbitrary period expiring in 50 years. The physical life of these projects normally extends far beyond this period of time, and active storage space in the reservoir for designed purposes will not begin to be depleted until after 50 years have passed.

The committee further believes that any local interests should have ample assurance that their rights will be continued at the end of the contract period, and that any existing contract may be revised to indicate the conversion of such rights if deemed advisable, subject to certain continued obligations in accordance with the provisions of the bill.

The bill would define the equity of local interests in water supply storage in reservoir projects after the payout period; encourage participation and local contributions in the multiple use of such reservoirs, facilitate passage of local bond issues to provide payment for water supply storage, and add to the development of the water resources of the country. Accordingly, the committee recommends enactment of H.R. 1696.

ESTIMATED FEDERAL COST

Enactment of H.R. 1696 would result in no additional cost to the Federal Government.

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

The bill (H.R. 1696) was ordered to a third reading, was read the third time, and passed.

DEDUCTIBILITY OF ACCRUED VACATION PAY

Mr. MANSFIELD. Mr. President, I move that the pending business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 472, H.R. 6246.

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

The LEGISLATIVE CLERK. A bill—H.R. 6246—relating to the deductibility of accrued vacation pay.

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

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

Mr. MANSFIELD. Mr. President, I understand that the same reasoning applies to this bill as to the previous one. I make a similar request.

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

I. SUMMARY OF BILL

H.R. 6246 provides that a deduction for accrued vacation pay is not to de denied for any taxable year ending before January 1, 1965, solely because the liability for it to a specific person has not been fixed or because the liability for it to each individual cannot be computed with reasonable accuracy. However, for the corporation to obtain the deduction, the employee must have performed the qualifying service necessary under a plan or policy which provides for vacations with pay to qualified employees and the liability must be reasonably determinable with respect to the group of employees involved. This is a continuation for 2 more years of the treatment which has been available for taxable years ending before January 1, 1963.

II. GENERAL STATEMENT

Under the 1939 code (sec. 43), the period of time for taking deductions was stated to be the taxable year in which the expenses were "paid or accrued" or "paid or incurred,"

depending upon the method of accounting, "unless in order to clearly reflect the income, the deductions or credits should be taken as of a different period." Under this provision, it was held that vacation pay for the next year could be accrued as of the close of the taxable year in which the qualifying services were rendered. However, under the employment contract, all of the events necessary to fix the liability of the taxpayer for the vacation pay must have occurred by the close of the taxable year. In determining whether the events necessary to fix the liability of the taxpayer for vacation had occurred, the fact that the employee's rights to a vacation (or payment in lieu of vacation) in the following year might be terminated if his employment ended before the scheduled period was not regarded as making the liability a contingent one (rather than a fixed one). It was held that the liability was not contingent since the employer could expect the employees as a group to receive the vacation pay and, therefore, that only the specific amount of the liability with respect to individuals remained uncertain at the close of the year (GCM 25261, C.B. 1947-2, 44; I.T. 3956, C.B. 1949-1, 78).

In 1954, Congress enacted section 462 of the 1954 code which provided for the deduction of additions to reserves for certain estimated expenses. With this provision in the Internal Revenue Code, it was thought that reserves for vacation pay generally would be covered and, therefore, that it was no longer necessary to maintain the liberal administrative position described above with respect to vacation pay. As a result, in Revenue Ruling 54-608 (C.B. 1954-2, 8), the Internal Revenue Service revised its position on the deductibility of vacation pay. In this ruling, it held that no accrual of vacation pay could occur until the fact of liability with respect to specific employees was clearly established and the amount of the liability to each individual employee was capable of computation with reasonable accuracy. It was thought that taxpayers accruing vacation pay under plans which did not meet the requirements of the strict accrual rule set forth in this ruling would utilize section 462 of the 1954 code. This ruling was initially made applicable to taxable years ending on or after June 30, 1955.

Because section 462 of the code was repealed, the Treasury Department in a series of actions continued to postpone the effective date of Revenue Ruling 54-608 until January 1, 1959 (the last of these postponements was made in Revenue Ruling 57-325, C.B. 1597-2, 302, July 8, 1957). It stated that Revenue Ruling 54-608 was to be inapplicable to taxable years ending before January 1, 1959, and also that in cases involving an agreement with a labor union which was in effect on June 30, 1957, which expired after December 31, 1958, the ruling was to be applicable for the first time to taxable years ending on or after the 90th day following the date the labor agreement expired.

Congress, in the Technical Amendments Act of 1958, further postponed the effective date of Revenue Ruling 54-608 for 2 more years, making it inapplicable to taxable years ending before January 1, 1961. Subsequently, Congress in Public Law 86-496 still further postponed the effective date of Revenue Ruling 54-608. This law provided that this ruling was not to become effective with respect to deductions for accrued vacation pay for any taxable year ending before January 1, 1963.

This bill postpones for 2 more years the effective date of Revenue Ruling 54-608. As a result, deductions for accrued vacation pay will not be denied for any taxable year ending before January 1, 1965, solely by reason of the fact that the liability for the vacation pay to a specific person has not been clearly established or that the amount of the liability to each individual is not capable of computation with reasonable accuracy. This additional time is provided by this bill so Congress will have an opportunity to consider the problem of the deduction of accrued vacation pay and other similar accrual-type deductions prior to the application of this Revenue Ruling 54-608 which provides stringent rules in this area.

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

The bill (H.R. 6246) was ordered to a third reading, was read the third time, and passed.

REMOVAL OF CERTAIN LIMITATIONS WITH RESPECT TO WAR RISK INSURANCE UNDER MERCHANT MARINE ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 502, S. 927.

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

The LEGISLATIVE CLERK. A bill (S. 927) to amend title 12 of the Merchant Marine Act, 1936, in order to remove certain limitations with respect to war risk insurance issued under the provisions of such title.

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

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment on page 2, at the beginning of line 3, to strike out "February 1, 1962" and insert "the date of enactment"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1209(a)(2) of the Merchant Marine Act, 1936, is amended—

(1) in the first sentence by striking out all beginning with *"Provided, however"* through *"Provided further"* and inserting in lieu thereof *"Provided"*; and

(2) in the second sentence by striking out all beginning with *"Provided, however"* through *"And provided further"* and insert in lieu thereof *"Provided"*.

SEC. 2. The amendments made by this Act shall be applicable to war risk insurance coverage attaching after the date of enactment.

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.

ORDER FOR RECESS UNTIL MONDAY AT 11 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business tonight, it take a recess until Monday, at 11 a.m.

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

ORDER FOR CONSIDERATION ON MONDAY OF SENATE BILLS 927 AND 1172, AMENDING THE MERCHANT MARINE ACT OF 1936

Mr. MANSFIELD. Mr. President, I ask unanimous consent that immediately following the convening of the Senate on Monday, it proceed to the consideration of Calendar No. 502, Senate bill 927, to amend title 12 of the Merchant Marine Act, 1936, in order to remove certain limitations with respect to war risk insurance issued under the provisions of such title, and that half an hour be available on each amendment and 1½ hours on the bill; that, immediately thereafter, the Senate proceed to the consideration of Calendar No. 450, Senate bill 1172, to amend Public Law 86-518 and section 506 of the Merchant Marine Act, 1936 to authorize the amendment of contracts between shipowners and the United States dealing with vessels whose life has been extended by Public Law 86-518, and that half an hour be available on each amendment, and 1 hour on the bill itself.

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

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Monday, October 7, 1963, the Senate, upon its convening, proceed to the consideration and disposition, in order, of the following bills, under the unanimous-consent agreement hereafter indicated: S. 927 (Calendar No. 502), a bill to amend title 12 of the Merchant Marine Act, 1936, in order to remove certain limitations with respect to war risk insurance issued under the provisions of such title, and S. 1172 (Calendar No. 450), a bill to amend Public Law 86-518 and section 506 of the Merchant Marine Act, 1936, to authorize the amendment of contracts between shipowners and the United States dealing with vessels whose life has been extended by Public Law 86-518.

Ordered further, That on each of the two bills debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to one-half hour each, and that on the question of final passage of S. 927 debate shall be limited to 1½ hours, and that on final passage of the bill S. 1172 debate shall be limited to 1 hour, and that the provisions of the usual unanimous-consent agreement form be deemed to be effective in the consideration of the two said bills.

Mr. MANSFIELD. Mr. President, for the information of the Senate, let me state that those two bills will be the first two orders of business for consideration on Monday; it is the intention to have the Senate then commence the consideration of Calendar 531, House bill quality of vocational education and to 4955, to strengthen and improve the expand the vocational education opportunities in the Nation. This announcement is made for the information of the Senate. It is a little unusual, I realize; but in this instance I believe it is understood.

Mr. KUCHEL. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield.

Mr. KUCHEL. So that there will be no mistake, let me state that I understand that under the agreement, half an hour will be available on each amendment. Is that correct?

Mr. MANSFIELD. Yes.

Mr. MAGNUSON. In connection with the two bills to be considered on Monday, let me state hearings were held by the distinguished Senator from Alaska, who is familiar with these bills, and also by other members of the committee. The chairman was not at the hearings on these maritime bills, because he was engaged in other committee work. One of them is a very complicated bill, but I am sure there will be no objection to it when it is presented to the Senate. It will take care of a readjustment in the way the recapture of these vessels is handled. Congress has passed a bill changing the life of the ships; it was approved by the Comptroller General and others.

But if on Monday it appears that there is a great deal of opposition to these two bills, I might have to suggest that we postpone the final vote on at least one of them until the Senator from Alaska is present. I am sure he will return by Tuesday or Wednesday. Probably there will be no controversy; but if there were to be much opposition, I would not feel particularly qualified to handle the bills in the absence of the Senator from Alaska, who can explain in great detail the one very complicated bill.

In his absence, and in the event of considerable controversy, it might be that on yea-and-nay votes, the bills might not be passed. However, I am sure that when all Senators understand the complicated bill, there will be little or no opposition to it.

Mr. MANSFIELD. Of course, that is understood; and I am sure that at that time, every consideration will be given to the Senator from Washington.

Mr. MAGNUSON. I thank the Senator.

ORDER OF BUSINESS

Mr. KUCHEL. Mr. President, will the majority leader yield again to me?

The PRESIDING OFFICER (Mr. WALTERS in the chair). Does the Senator from Montana yield to the Senator from California?

Mr. MANSFIELD. I am glad to yield.

Mr. KUCHEL. In view of the unanimous-consent agreement which has been entered into, I should like to ask the distinguished majority leader whether he anticipates that any yea-and-nay votes will be taken today?

Mr. MANSFIELD. There will be no yea-and-nay votes this afternoon. If any are requested, we shall postpone them until Monday. However, I do not anticipate any.

Mr. KUCHEL. I thank the able Senator.

TRANSFER OF CERTAIN LAND IN CITY OF DETROIT, MICH., FOR A LOW-RENT HOUSING PROJECT

The Senate resumed the consideration of the bill (H.R. 772) to provide for the transfer for urban renewal purposes of land purchased for a low-rent housing project in the city of Detroit, Mich.

Mr. MANSFIELD. Mr. President, what is the unfinished business?

The PRESIDING OFFICER. The unfinished business is H.R. 772, to provide for the transfer for urban renewal purposes of land purchased for a low-rent housing project in the city of Detroit, Mich.

Mr. SPARKMAN obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Alabama yield? I wish to suggest the absence of a quorum.

Mr. SPARKMAN. I am glad to yield to the Senator from Montana, provided it is agreed that in doing so, I shall not lose my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SPARKMAN. Very well, Mr. President; I yield for that purpose.

Mr. MANSFIELD. I thank the Senator.

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. SPARKMAN. Mr. President, I ask unaimous consent that the order for the quoroum call be rescinded.

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

Mr. SPARKMAN. Mr. President, the bill that has been called up relates to the transfer of urban renewal property in the city of Detroit. The report of the Committee on Banking and Currency—Report No. 508—is rather brief. I ask unanimous consent that an excerpt from it be printed at this point in the RECORD.

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

PURPOSE OF THE BILL

This bill would require the Housing and Home Finance Administrator and the Public Housing Commissioner to consent to the transfer by the city of Detroit of all real property, except the administration building and appurtenant land, from its low-rent housing project numbered Michigan 1–11 to its Elmwood Park urban renewal project, Michigan R–40. The requirement that consent be given is subject to certain conditions to be met by the city. Payment must be made by the city to the Public Housing Administration of the sum of $1,246,987.31 plus interest, from September 9, 1960, to the date of payment; at 2⅞ percent—this being the rate specified in the annual contributions contract between the city and the Public Housing Administration. This amount is to be applied against the city's obligations in connection with the low-rent housing project numbered Michigan 1–11, and included in the gross project cost of the Elmwood Park urban renewal project.

GENERAL STATEMENT

The committee is advised that the land involved was blighted property acquired by the Detroit Housing Commission in the early 1950's for a low-rent housing project, Michigan 1–11, which was to consist of approximately 3,800 units. The commission demolished the slum buildings on the property and made plans for the construction of the low-rent housing project. The committee is further told that conditions in the neighborhood and in the housing market in Detroit were undergoing a rapid change, and the project was postponed and reduced in size a number of times. The committee is advised that it has now been determined that the low-rent project is not needed.

The property proposed to be transferred is a four-block area comprising approximately 10 acres of land entirely within the Elmwood Park urban renewal project. The administration building and appurtenant land which will not be transferred covers an area of approximately 2¼ acres, and is located on land outside of and not contiguous to the land proposed to be transferred.

Under Michigan statutes, the local authorities which undertake low-rent housing and urban renewal projects are both agencies of the city.

The city of Detroit would, therefore, continue to have title to the property proposed to be transferred, but for urban renewal rather than low-rent housing purposes.

The committee understands that the sum of $1,246,987.31, required to be paid by the city to the Public Housing Administration, represents the cost of acquiring and clearing the land proposed to be transferred including interest costs up to September 9, 1960. This was the effective date of the advance loan note evidencing the indebtedness of the city to the Public Housing Administration with respect to the project as of that date. The sum of $1,246,987.31 does not include low-rent housing architectural or planning costs, nor any costs attributable to the administration building and appurtenant land. The sum thus represents the types of costs which would have been incurred had the area been acquired and cleared for urban renewal purposes. As the area was originally blighted, it would have been eligible for inclusion in the urban renewal project had it not been acquired and cleared for the low-rent housing project.

By letter dated September 9, 1963, to the Chairman from the Administrator of the Housing and Home Finance Agency, the committee is advised that the administration has no objection to the enactment of this bill.

Under these circumstances, and because the interests of the Federal Government are not adversely affected, the committee recommends favorable action by the Senate.

Mr. SPARKMAN. Mr. President, I yield to the Senator from Illinois.

Mr. DOUGLAS. It is always a pleasure to serve under the genial and able Senator from Alabama, who for many years has been chairman of the Housing Subcommittee of the Senate Committee on Banking and Currency. He is a great public servant. He always has the broad interests of the community at heart. He has an unruffled temperament, which bears him through the storms of life and parliamentary difficulties. It is always a great pleasure to serve with him. I wish to make it clear that I do not object to the substance of these bills H.R. 772 and H.R. 4842.

I believe that it is important to clarify for the CONGRESSIONAL RECORD, and not merely for the official minutes of the executive sessions of the Committee on Banking and Currency, some of the procedures which were followed in reporting these bills, and which, in my judgment, are in complete harmony with the rules of the Committee on Banking and Currency.

First, do I correctly understand that the bill—H.R. 4842—was automatically referred to the Subcommittee on Financial Institutions, and that the bill—H.R. 772—was automatically referred to the Subcommittee on Housing, and that no

subcommittee action was taken on either of those bills, no hearings were held, and the subcommittee did not meet in executive session to consider the bills?

Mr. SPARKMAN. The Senator is correct. They were automatically referred to the respective subcommittees that were named, and neither subcommittee considered either bill.

Mr. DOUGLAS. Do I further correctly understand that on September 10 the full Committee on Banking and Currency met in executive session, and at that time motions were made to discharge the respective subcommittees from any further consideration of the two bills, and that those motions were carried?

Mr. SPARKMAN. The Senator is correct. If my memory serves me correctly, the Senator from Illinois is the one who made the motion.

Mr. DOUGLAS. That is correct.

I now ask unanimous consent that the rules of the Committee on Banking and Currency, agreed to on January 14, 1955, and contained in the Committee print dated August 1, 1963, be printed at this point in the RECORD.

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

RULES OF THE COMMITTEE ON BANKING AND CURRENCY

(Agreed to Jan. 14, 1955)

1. A subcommittee of the committee may be authorized only by the action of a majority of the full committe.

2. Unless the committee otherwise provides, one member shall constitute a quorum for the receipt of evidence, the swearing of witnesses and the taking of testimony, and the chairman of the committee or subcommittee may issue subpenas.

3. No investigation shall be initiated unless the Senate or the full committee has specifically authorized such investigation.

4. No hearing of the committee or a subcommittee shall be scheduled outside of the District of Columbia except by the majority vote of the committee or subcommittee.

5. No confidential testimony taken or confidential material presented at an executive hearing of the committee or a subcommittee or any report of the proceedings of such an executive hearing shall be made public, either in whole or in part or by way of summary, unless authorized by the committee or subcommittee.

6. Any witness subpenaed to a public or executive hearing may be accompanied by counsel of his own choosing who shall be permitted, while the witness is testifying, to advise him of his legal rights.

7. If the committee or a subcommittee is unable to meet because of the failure or inability of its chairman to call a meeting or for any other reason, the next senior majority member of the committee or the subcommittee, who is able to act, shall call a meeting of the committee or the subcommittee within 15 days after the receipt by the Secretary of the Senate of a written request, stating the purpose of such a meeting, from a majority of the members of the committee or the subcommittee.

8. Committee or subcommittee interrogation of witnesses shall be conducted only by members and staff personnel authorized by the chairman of the committee or subcommittee concerned.

Mr. DOUGLAS. Do I further correctly understand that the procedure in the Committee on Banking and Currency which was followed on these bills is entirely consistent with the committee rules and the rules of the Senate? There is nothing in those rules to prevent the full committee from taking a bill away from a subcommittee?

Mr. SPARKMAN. Mr. President, in reply to that question, I should like to say that the meeting was a meeting of the full Committee on Banking and Currency. The chairman of the committee was unavoidably absent and asked me to preside over the meeting.

Mr. DOUGLAS. The Senator is correct.

Mr. SPARKMAN. I ruled to the effect that the Senator from Illinois pointed out. I ruled that where the committee's rules did not cover a given situation, the committee was governed by the rules of the Senate.

Mr. DOUGLAS. Is it correct that I asked the clerk of the committee if the procedure we were contemplating was in accordance with the rules of the committee, and that I was told that there was no rule to the contrary?

Mr. SPARKMAN. If I remember correctly, the Senator is correct.

Mr. DOUGLAS. I thank the chairman.

Mr. President, I believe this case establishes a very valuable record. These bills have received full consideration by the Committee on Banking and Currency. They ought to be passed by the Senate. I merely wish to make sure that there could be no possible parliamentary objection to the procedure that was followed by the committee in reporting these bills to the Senate. I believe that both bills ought to be passed by the Senate. I have no further objection to consideration of them at this time.

Perhaps I should add that this is the same basic procedure by which, in 1958, we dealt with what was called the depressed areas bill. At that time I believe the subcommittee was opposed to the depressed areas bill. By a vote of the full committee, and over the objection of the chairman, I was able to keep the bill from being assigned to the subcommittee and instead had it considered by the full committee; that motion was carried in the full committee by a vote of 8 to 5.

Mr. SPARKMAN. Of course, when the Senator refers to "chairman," he means the chairman of the full committee and not the acting chairman, because I voted for the area redevelopment bill.

Mr. DOUGLAS. The Senator is correct. A precedent has been reaffirmed, namely, that in the absence of a rule to the contrary the Committee on Banking and Currency can take bills from a subcommittee and report them to the Senate.

Mr. SPARKMAN. My rulings in connection with the bills now before the Senate were based upon what I believe to be a sound principle, and that is that the full committee has control of itself at all times and has control over its subcommittees.

Mr. DOUGLAS. I appreciate that. And I appreciate very much the help which the Senator from Alabama gave me in that historic struggle in 1958, which, in my judgment, saved the depressed areas bill.

Mr. SPARKMAN. Of course, we shall not go over old matters.

Mr. DOUGLAS. I know.

Mr. SPARKMAN. But the Senator will remember that in a report which, as chairman of the subcommittee, I made back in about 1951 I recommended an area redevelopment program for rural counties.

Mr. DOUGLAS. The Senator is correct.

Mr. SPARKMAN. The Senator's proposal applied to the entire area.

Mr. DOUGLAS. The Senator has also helped to straighten out the parliamentary procedures inside the Committee on Banking and Currency, which are now burnished bright and perhaps ready for use on another occasion. I thank the Senator from Alabama.

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. 772) was ordered to a third reading, was read the third time, and passed.

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

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

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

AMENDMENT OF THE FEDERAL CREDIT UNION ACT

Mr. SPARKMAN. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 488, H.R. 4842.

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

The LEGISLATIVE CLERK. A bill (H.R. 4842) to amend the Federal Credit Union Act to extend the time of annual meeting and for other purposes.

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

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

Mr. SPARKMAN. Mr. President, the report from the Committee on Banking and Currency on the bill is rather brief, and sets forth fully the arguments in favor of the bill, which was recommended by the departments of Government having jurisdiction over the subject. I ask unanimous consent to have an excerpt from the report printed in the RECORD.

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

PURPOSE OF THE LEGISLATION

H.R. 4842 would extend the time during which a Federal credit union may hold the annual meeting of the membership to January, February, or March, instead of confining the meeting to the month of January, as the law now requires.

H.R. 4842 also would make it optional with the individual credit union whether the treasurer should serve as the general manager. At present both positions must be filled by the same individual.

NEED FOR THE LEGISLATION

At annual meetings of Federal credit unions, directors are elected, financial reports presented on the previous year's operations, and policy decisions voted for the coming year.

The advance preparations required for annual meetings must come at a time when the workload on credit union personnel represents a major administrative burden. At the end of each year, dividend payments and interest refunds must be computed and posted, the corporate books must be closed and audited, and financial statements prepared and transmitted to members. Still another administrative chore was added, beginning in 1964, with enactment of the recent law requiring reporting to the U.S. Treasury and to the individual member of dividends paid of $10 or more.

Extending the time during which the credit union annual meeting may be held over a 3-month period will lessen or eliminate most of these problems.

As a credit union grows and moves to a full-time operation with one or more employees, it is sometimes impractical for the person who is elected treasurer to also serve as the general manager. Often someone is employed by the board of directors to fill the managerial position with the treasurer remaining as an elected part-time official. But under the present law such an employee cannot be given the title of general manager, even though this title accurately describes his position and responsibilities.

Separation of these positions within the discretion of the individual credit union would assist in properly identifying and allocating responsibilities.

H.R. 4842 should be enacted promptly if Federal credit unions are to be able to take advantage of the opportunity which would be provided by H.R. 4842 to select a date later than January for their 1964 annual meetings.

The bill is supported by the Department of Health, Education, and Welfare. A copy of the Department's letter is attached.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
September 16, 1963.

Hon. A. WILLIS ROBERTSON,
Chairman, Committee on Banking and Currency, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request of August 21, 1963, for a report on H.R. 4842, a bill to amend the Federal Credit Union Act to extend the time of annual meetings, and for other purposes.

The bill would permit the annual meetings of members of Federal credit unions to be held during January, February, or March, instead of confining such meetings to the month of January, as presently required; and would make it optional with each Federal credit union as to whether the treasurer shall serve as general manager.

Since Federal credit unions are membership organizations, maximum participation by the members is most desirable. The annual meeting of the members provides the opportunity for the election of the members of the board of directors and the credit committee and affords the members with a full report of the credit union's activities. These meetings also permit the members the opportunity to express themselves with regard to policies or management decisions and to instruct the board on any matters of general interest. Since experience has indicated that inclement weather and the press of the ordinary occupational responsibilities of the officials and members have often limited participation at membership meetings held during the month of January, it is appropriate that additional leeway in the scheduling of this important meeting be provided.

Those Federal credit unions conducting full-time operations with paid employees often find that the person who is elected as treasurer may not be able to devote sufficient time to operations to properly discharge the statutory requirement of also being the general manager. In such cases a separate individual cannot be assigned either the title or the responsibility of a full-time manager, and the treasurer, who must retain legal responsibility, is too far removed from actual operations to properly discharge that responsibility. We believe that it would be desirable to permit each Federal credit union to determine its needs with respect to a general manager, and to separate his duties and responsibilities from those of the treasurer if it feels this would be advantageous from the standpoint of efficient operation and accountability.

We therefore favor the enactment of H.R. 4842, and suggest that prompt action would be especially advantageous to Federal credit unions in scheduling their 1964 annual meeting other than in the month of January, when they will be heavily involved in the dividend reporting now required by law. The two amendments to the Federal Credit Union Act proposed by H.R. 4842, together with the four amendments to the act embodied in this Department's draft bill (submitted to the Senate on September 12, 1963), would provide greater flexibility and otherwise improve the operation of Federal credit unions.

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

Sincerely,

WILBUR J. COHEN,
Assistant Secretary.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTIONS 11 AND 13 OF THE FEDERAL CREDIT UNION ACT (12 U.S.C. 1760–1761a)

MEMBERS' MEETINGS

SEC. 11. The fiscal year of all Federal credit unions shall end December 31. The annual meeting of each Federal credit union shall be held at such time [during the month of the following January] *during the following January, February, or March* and at such place as its bylaws shall prescribe. Special meetings may be held in the manner indicated in the bylaws. No member shall be entitled to vote by proxy, but a member other than a natural person may vote through an agent designated for the purpose. Irrespective of the number of shares held by him, no member shall have more than one vote.

* * * * *

OFFICERS

SEC. 13. At their first meeting after the annual meeting of the members, the directors shall elect from their number a president, one or more vice presidents, a secretary, and a treasurer, who shall be the executive officers of the corporation. No executive officer, except the treasurer, shall be compensated as such. The offices of secretary and treasurer may be held by the same person. The duties of the officers shall be as determined by the bylaw [, except that the treasurer shall be the general manager of the corporation]. Before the treasurer shall enter upon his duties he shall give bond with good and sufficient surety, in an amount and character to be determined by the board of directors in compliance with regulations prescribed from time to time by the Director, conditioned upon the faithful performance of his trust.

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

The bill (H.R. 4842) was ordered to a third reading, was read the third time, and passed.

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

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

VOCATIONAL EDUCATION OPPORTUNITIES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 531, H.R. 4955, 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 (H.R. 4955) to strengthen and improve the quality of vocational education and to expand the vocational education opportunities in the Nation.

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, which had been reported from the Committee on Labor and Public Welfare, with an amendment, to strike out all after the enacting clause and insert:

PART A—VOCATIONAL EDUCATION

Declaration of purpose

SECTION 1. It is the purpose of this part to authorize Federal grants to States to assist them to maintain, extend, and improve existing programs of vocational education, to develop new programs of vocational education, and to provide part-time employment for youths who need the earnings from such employment to continue their vocational training on a full-time basis, so that persons of all ages in all communities of the State—those in high school, those who have completed or discontinued their formal education and are preparing to enter the labor market, those who have already entered the labor market but need to upgrade their skills or learn new ones, and those with special educational handicaps—will have ready access to vocational training or retraining which is of high quality, which is realistic in the light of actual or anticipated opportunities for gainful employment, and which is suited to their needs, interests, and ability to benefit from such training.

Authorization of appropriations

SEC. 2. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1964, $108,000,000, for the fiscal year ending June 30, 1965, $153,000,000, for the fiscal year ending June 30, 1966, $198,000,000, and for the fiscal year ending June 30, 1967, and each fiscal year thereafter $243,000,000, for the purpose of making grants to States as provided in this part.

Allotments to States

SEC. 3. (a) Eighty-five per centum of the sums appropriated pursuant to section 2 shall be allotted among the States on the basis of the number of persons in the various age groups needing vocational education and the per capita income in the respective

States as follows: The Commissioner shall allot to each State for each fiscal year—

(1) An amount which bears the same ratio to 50 per centum of the sums so appropriated for such year, as the product of the population aged fifteen to nineteen, inclusive, in the State in the preceding fiscal year and the State's allotment ratio bears to the sum of the corresponding products for all the States; plus

(2) An amount which bears the same ratio to 20 per centum of the sums so appropriated for such year, as the product of the population aged twenty to twenty-four, inclusive, in the State in the preceding fiscal year and the State's allotment ratio bears to the sum of the corresponding products for all the States; plus

(3) An amount which bears the same ratio to 15 per centum of the sums so appropriated for such year, as the product of the population aged twenty-five to sixty-five, inclusive, in the State in the preceding fiscal year and the State's allotment ratio bears to the sum of the corresponding products for all the States.

(b) The amount of any State's allotment under subsection (a) for any fiscal year which is less than $10,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States under such subsection, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than that amount.

(c) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the State's plan approved under section 5 shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such subsection for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use under the approved plan of such State for such year and the total of such reductions shall be similarly reallotted among the States not suffering such a reduction. Any amount reallotted to a State under this subsection during such year shall be deemed part of its allotment under subsection (a) for such year.

(d)(1) The "allotment ratio" for any State shall be 1.00 less the product of (A) .50 and (B) the quotient obtained by dividing the per capita income for the State by the per capita income for all the States (exclusive of Puerto Rico, Guam, American Samoa, and the Virgin Islands), except that (i) the allotment ratio shall in no case be less than .25 or more than .75, and (ii) the allotment ratio for Puerto Rico, Guam, American Samoa, and the Virgin Islands shall be .75.

(2) The allotment ratios shall be promulgated by the Commissioner for each fiscal year, between July 1 and September 30 of the preceding fiscal year, except that for the fiscal year ending June 30, 1964, such allotment ratios shall be promulgated as soon as possible after the enactment of this part. Allotment ratios shall be computed on the basis of the average of the per capita incomes for a State and for all the States (exclusive of Puerto Rico, Guam, American Samoa, and the Virgin Islands) for the three most recent consecutive fiscal years for which satisfactory data is available from the Department of Commerce.

(3) The term "per capita income" for a State or for all the States (exclusive of Puerto Rico, Guam, American Samoa, and the Virgin Islands) for any fiscal year, means the total personal income for such State, and for all such States, respectively, in the calendar year ending in such fiscal year, divided by the population of such State, and of all such States, respectively, in such fiscal year.

(4) The total population and the population of particular age groups of a State or of all the States shall be determined by the Commissioner on the basis of the latest available estimates furnished by the Department of Commerce.

Uses of Federal funds

SEC. 4. (a) Except as otherwise provided in subsection (b), a State's allotment under section 3 may be used, in accordance with its approved State plan, for any or all of the following purposes:

(1) Vocational education for persons attending high school;

(2) Vocational education for persons who have completed or left high school and who are available for full-time study in preparation for entering the labor market;

(3) Vocational education for persons (other than persons who are receiving training allowances under the Manpower Development and Training Act of 1962 (Public Law 87-415), the Area Redevelopment Act (Public Law 87-27), or the Trade Expansion Act of 1962 (Public Law 87-794)) who have already entered the labor market and who need training or retraining to achieve stability or advancement in employment;

(4) Vocational education for persons who have academic, socioeconomic, or other handicaps that prevent them from succeeding in the regular vocational education program;

(5) Construction of area vocational education school facilities, but not more than 10 per centum of a State's allotment for any year may be used for the construction of facilities for a high school department, division, or other unit described in section 8(2)(B);

(6) Ancillary services and activities to assure quality in all vocational education programs, such as teacher training and supervision, program evaluation, special demonstration and experimental programs, development of instructional materials, and State administration and leadership, including periodic evaluation of State and local vocational education programs and services in light of information regarding current and projected manpower needs and job opportunities.

(b) At least 40 per centum of each State's allotment for any fiscal year ending prior to July 1, 1968, and at least 25 per centum of each State's allotment for any subsequent fiscal year shall be used only for the purposes set forth in paragraph (2) or (5), or both, of subsection (a), and at least 3 per centum of each State's allotment may be used only for the purposes set forth in paragraph (6) of subsection (a), except that the Commissioner may, upon request of a State permit such State to use a smaller percentage of its allotment for any year for the purposes specified above if he determines that such smaller percentage will adequately meet such purposes in such State.

(c) Fifteen per centum of the sums appropriated pursuant to section 2 for each fiscal year shall be used by the Commissioner to make grants to colleges and universities, to State boards, and with the approval of the appropriate State board, to local educational agencies, to pay part of the cost of research and leadership training programs and of experimental, developmental, or pilot programs developed by such institutions, boards, or agencies, and designed to meet the special vocational education needs of youths, particularly youths in economically depressed communities, who have academic, socioeconomic, or other handicaps that prevent them from succeeding in the regular vocational education programs, and of communities having substantial numbers of youths who have dropped out of school or are unemployed.

(d) For the purpose of demonstrating the feasibility and desirability of residential vocational education schools for certain youths of high school age, there are also authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1964, and such sums as the Congress may determine for each of the next four fiscal years, for grants by the Commissioner to State boards, to colleges and universities, and to public educational agencies, organizations, or institutions for the construction, equipment, and operation of residential schools to provide vocational education (including room, board, and other necessities) for youths, at least fifteen years of age and less than twenty-one years of age at the time of enrollment, who need full-time study on a residential basis in order to benefit fully from such education. In making such grants, the Commissioner shall give special consideration to the needs of large urban areas having substantial numbers of youths who have dropped out of school or are unemployed and shall seek to attain, as nearly as practicable in the light of the purposes of this subsection, an equitable geographical distribution of such schools.

State plans

SEC. 5. (a) A State which desires to receive its allotments of Federal funds under this part shall submit through its State board to the Commissioner a State plan, in such detail as the Commissioner deems necessary, which—

(1) designates the State board as the sole agency for administration of the State plan, or for supervision of the administration thereof by local educational agencies; and, if such State board does not include as members persons familiar with the vocational education needs of management and labor in the State, and a person or persons representative of junior colleges, technical institutes, or other institutions of higher education which provide programs of technical or vocational training meeting the definition of vocational education in section 8(1) of this Act, provides for the designation or creation of a State advisory council which shall include such persons, to consult with the State board in carrying out the State plan;

(2) sets forth the policies and procedures to be followed by the State in allocating each such allotment among the various uses set forth in paragraphs (1), (2), (3), (4), (5), and (6) of section 4(a), and in allocating Federal funds to local educational agencies in the State, which policies and procedures insure that due consideration will be given to the results of periodic evaluations of State and local vocational education programs and services in light of information regarding current and projected manpower needs and job opportunities, and to the relative vocational education needs of all groups in all communities in the State, and that Federal funds made available under this part will be so used as to supplement, and, to the extent practical, increase the amounts of State or local funds that would in the absence of such Federal funds be made available for the uses set forth in section 4(a) so that all persons in all communities of the State will as soon as possible have ready access to vocational training suited to their needs, interests, and ability to benefit therefrom, and in no case supplant such State or local funds;

(3) provides minimum qualifications for teachers, teacher-trainers, supervisors, directors, and others having responsibilities under the State plan;

(4) provides for entering into cooperative arrangements with the system of public employment officers in the State, approved by the State board and by the State head of such system, looking toward such offices making available to the State board and local

educational agencies occupational information regarding reasonable prospects of employment in the community and elsewhere, and toward consideration of such information by such board and agencies in providing vocational guidance and counseling to students and prospective students and in determining the occupations for which persons are to be trained; and looking toward guidance and counseling personnel of the State board and local educational agencies making available to public employment offices information regarding the occupational qualifications of persons leaving or completing vocational education courses or schools, and toward consideration of such information by such offices in the occupational guidance and placement of such persons;

(5) sets forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State (including such funds paid by the State to local educational agencies) under this part;

(6) provides assurance that the requirements of section 7 will be complied with on all construction projects in the State assisted under this part; and

(7) provides for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this part, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(b) The Commissioner shall approve a State plan which fulfills the conditions specified in subsection (a), and shall not finally disapprove a State plan except after reasonable notice and opportunity for a hearing to the State board designated pursuant to paragraph (1) of such subsection.

(c) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State board administering a State plan approved under subsection (b), finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of subsection (a), or

(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify such State board that no further payments will be made to the State under this part (or, in his discretion, further payments to the State will be limited to programs under or portions of the State plan not affected by such failure) until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, the Commissioner shall make no further payments to such State under this part (or shall limit payments to programs under or portions of the State plan not affected by such failure).

(d) A State board which is dissatisfied with a final action of the Commissioner under subsection (b) or (c) may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner, or any officer designated by him for that purpose. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record the Commissioner may modify or set aside his action. The findings of the Commissioner as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Commissioner shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not unless so specifically ordered by the court, operate as a stay of the Commissioner's action.

Payments to States

SEC. 6. (a) Any amount paid to a State from its allotment under section 3 for the fiscal year ending June 30, 1964, shall be paid on condition that there shall be expended for such year, in accordance with the State plan approved under section 5 or the State plan approved under the Vocational Education Act of 1946 and supplementary vocational education Acts, or both, an amount in State or local funds, or both, which at least equals the amount expended for vocational education during the fiscal year ending June 30, 1963, under the State plan approved under the Vocational Education Act of 1946 and supplementary vocational education Act.

(b) Subject to the limitations in section 4(b), the portion of a State's allotment for the fiscal year ending June 30, 1965, and for each succeeding year, allocated under the approved State plan for each of the purposes set forth in paragraphs (1), (2), (3), (4), and (6) of section 4(a) shall be available for paying one-half of the State's expenditures under such plan for such year for each such purpose.

(c) The portion of a State's allotment for any fiscal year allocated under the approved State plan for the purpose set forth in paragraph (5) of section 4(a) shall be available for paying not to exceed one-half of the cost of construction of each area vocational education school facility project.

(d) Payments of Federal funds allotted to a State under section 3 to States which have State plans approved under section 5 (as adjusted on account of overpayments or underpayments previously made) shall be made by the Commissioner in advance on the basis of such estimates, in such installments, and at such times, as may be reasonably required for expenditures by the States of the funds so allotted.

Labor standards

SEC. 7. All laborers and mechanics employed by contractors or subcontractors on all construction projects assisted under this part shall be paid wages at rates not less than those prevailing as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to the labor standards specified in this section the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

Definitions

SEC. 8. For the purposes of this part—

(1) The term "vocational education" means vocational or technical training or retraining which is given in schools or classes (including field or laboratory work incidental thereto) under public supervision and control or under contract with a State board or local educational agency, and is conducted as part of a program designed to fit individuals for gainful employment as semiskilled or skilled workers or technicians in recognized occupations (including any program designed to fit individuals for gainful employment in business and office occupations, and any program designed to fit individuals for gainful employment which may be assisted by Federal funds under the Vocational Education Act of 1946 and supplementary vocational education Acts, but excluding any program to fit individuals for employment in occupations which the Commissioner determines, and specifies in regulations, to be generally considered professional or as requiring a baccalaureate or higher degree). Such term includes vocational guidance and counseling in connection with such training, instruction related to the occupation for which the student is being trained or necessary for him to benefit from such training, the training of persons engaged as, or preparing to become vocational education teachers, teacher-trainers, supervisors, and directors for such training, travel of students and vocational education personnel, and the acquisition and maintenance and repair of instructional supplies, teaching aids and equipment, but does not include the construction or initial equipment of buildings or the acquisition or rental of land.

(2) The term "area vocational education school" means—

(A) a specialized high school used exclusively or principally for the provision of vocational education to persons who are available for full-time study in preparation for entering the labor market, or

(B) the department, division, or other unit of a high school providing vocational education to persons who are available for full-time study in preparation for entering the labor market, or

(C) a technical or vocational school used exclusively or principally for the provision of vocational education to persons who have completed or left high school and who are available for full-time study in preparation for entering the labor market, or

(D) the department, division, or other unit of a junior college or community college or university which provides vocational education, under the supervision of the State Board, leading to immediate employment but not leading to a baccalaureate degree,

if it is available to all residents of the State or an area of the State designated and approved by the State Board, and if, in the case of a school, department, division, or other unit described in (C) or (D) it admits as regular students both persons who have completed high school and persons who have left high school.

(3) The term "school facilities" means classrooms and related facilities (including initial equipment) and interests in land on which such facilities are constructed. Such term shall not include any facility intended primarily for events for which admission is to be charged to the general public.

(4) The term "construction" includes construction of new buildings and expansion, remodeling, and alteration of existing buildings, and includes site grading and improvement and architect fees.

(5) The term "Commissioner" means the Commissioner of Education.

(6) The term "State" includes, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(7) The term "State board" means the State board designated or created pursuant to section 5 of the Smith-Hughes Act (that is the Act approved February 23, 1917 (39 Stat. 929, ch. 114; 20 U.S.C. 11-15, 16-28)) to secure to the State the benefits of that Act.

(8) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, or any other public

educational institution or agency having administrative control and direction of a vocational education program.

(9) The term "high school" does not include any grade beyond grade 12.

(10) The term "Vocational Education Act of 1946" means title I, II, and III of the Act of June 18, 1936, as amended (20 U.S.C. 15i–15m, 15o–15q, 15aa–15jj, 15aaa–15ggg).

(11) The term "supplementary vocational education Acts" means section 1 of the Act of March 3, 1931 (20 U.S.C. 30) (relating to vocational education in Puerto Rico), the Act of March 18, 1950 (20 U.S.C. 31–33) (relating to vocational education in the Virgin Islands), and section 9 of the Act of August 1, 1956 (20 U.S.C. 34) (relating to vocational education in Guam).

Advisory Committee on Vocational Education

SEC. 9. (a) There is hereby established in the Office of Education an Advisory Committee on Vocational Education (hereinafter referred to as the "Advisory Committee"), consisting of the Commissioner, who shall be chairman, one representative each of the Departments of Commerce, Agriculture, and Labor, and twelve members appointed, for staggered terms and without regard to the civil service laws, by the Commissioner with the approval of the Secretary of Health, Education, and Welfare. Such twelve members shall, to the extent possible, include persons familiar with the vocational educational needs of management and labor (in equal numbers), persons familiar with the administration of State and local vocational education programs, other persons with special knowledge, experience, or qualification with respect to vocational education, and persons representative of the general public, and not more than six of such members shall be professional educators. The Advisory Committee shall meet at the call of the chairman but not less often than twice a year.

(b) The Advisory Committee shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of this part, the Vocational Education Act of 1946, and supplementary vocational education Acts, including policies and procedures governing the approval of State plans under section 5 and the approval of projects under section 4 (c) and (d).

(c) Members of the Advisory Committee shall, while serving on the business of the Advisory Committee, be entitled to receive compensation at rates fixed by the Secretary of Health, Education, and Welfare, but not exceeding $75 per day, including travel time; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b–2) for persons in the Government service employed intermittently.

Amendments to George-Barden and Smith-Hughes Vocational Education Acts

Sec. 10. Notwithstanding anything to the contrary in title I, II, or III of the Vocational Education Act of 1946 (20 U.S.C. 15i–15m, 15o–15q, 15aa–15jj, 15aaa–15ggg), or in the Smith-Hughes Act (that is, the Act approved February 23, 1917, as amended (39 Stat. 929, ch. 114; 20 U.S.C. 11–15, 16–28)), or in supplementary vocational education Acts—

(a) any portion of any amount allotted (or apportioned) to any State for any purpose under such titles, Act, or Acts for the fiscal year ending June 30, 1964, or for any fiscal year thereafter, may be transferred to and combined with one or more of the other allotments (or apportionments) of such State for such fiscal year under such titles, Act, or Acts, or under section 3 of this part and used for the purposes for which, and subject to the conditions under which, such other allotment (or apportionment) may be used, if the State board requests, in accordance with regulations of the Commissioner, that such portion be transferred and shows to the satisfaction of the Commissioner that transfer of such portion in the manner requested will promote the purpose of this part;

(b) any amounts allotted (or apportioned) under such titles, Act, or Acts for agriculture may be used for vocational education in any occupation involving knowledge and skills in agricultural subjects, whether or not such occupation involves work of the farm or of the farm home, and such education may be provided without directed or supervised practice on a farm;

(c) any amounts allotted (or apportioned) under such titles, Act, or Acts for home economics may be used for vocational education to fit individuals for gainful employment in any occupation involving knowledge and skills in home economics subjects;

(d) any amounts allotted (or apportioned) under such titles, Act, or Acts for distributive occupations may be used for vocational education for any person over fourteen years of age who has entered upon or is preparing to enter upon such an occupation, and such education need not be provided in part-time or evening schools;

(e) any amounts allotted (or apportioned) under such titles, Act, or Acts for trade and industrial occupations may be used for preemployment schools and classes organized to fit for gainful employment in such occupations persons over fourteen years of age who are in school, and operated for less than nine months per year and less than thirty hours per week and without the requirement that a minimum of 50 per centum of the time be given to practical work on a useful or productive basis, if such preemployment schools and classes are for single-skilled or semi-skilled occupations which do not require training or work of such duration or nature; and less than one-third of any amounts so allotted (or apportioned) need be applied to part-time schools or classes for workers who have entered upon employment.

Extension of practical nurse training and area vocational educational programs

SEC. 11. (a)(1) Section 201 of the Vocational Education Act of 1946 (20 U.S.C. 15aa) is amended by striking out "of the next eight fiscal years" and inserting in lieu thereof "succeeding fiscal year".

(2) Subsection (c) of section 202 of such Act is amended by striking out "of the next seven fiscal years" and inserting in lieu thereof "succeeding fiscal year".

(b) Section 301 of such Act (20 U.S.C. 15aaa) is amended by striking out "of the five succeeding fiscal years" and inserting in lieu thereof "succeeding fiscal year".

Periodic review of vocational education programs and laws

SEC. 12. (a) The Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary"), shall, during 1966, appoint an Advisory Council on Vocational Education for the purpose of reviewing the administration of the vocational education programs for which funds are appropriated pursuant to this Act and other vocational education Acts and making recommendations for improvement of such administration, and reviewing the status of and making recommendations with respect to such vocational educational programs and the Acts under which funds are so appropriated.

(b) The Council shall be appointed by the Secretary without regard to the civil service laws and shall consist of twelve persons who shall, to the extent possible, include persons familiar with the vocational education needs of management and labor (in equal numbers), persons familiar with the administration of State and local vocational education programs, other persons with special knowledge, experience, or qualification with respect to vocational education, and persons representative of the general public.

(c) The Council is authorized to engage such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Council such secretarial, clerical, and other assistance and such pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out such functions.

(d) The Council shall make a report of its findings and recommendations (including recommendations for changes in the provisions of this part and other vocational education Acts) to the Secretary, such report to be submitted not later than January 1, 1968, after which date such Council shall cease to exist. The Secretary shall transmit such report to the President and the Congress.

(e) The Secretary shall also from time to time thereafter (but at intervals of not more than five years) appoint an Advisory Council on Vocational Education, with the same functions and constituted in the same manner as prescribed for the Advisory Council in the preceding subsections of this section. Each Council so appointed shall report its findings and recommendations, as prescribed in subsection (d), not later than July 1 of the second year after the year in which it is appointed, after which date such Council shall cease to exist.

(f) Members of the Council who are not regular full-time employees of the United States shall, while serving on business of the Council, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding $75 per day, including travel time; and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b–2) for persons in Government service employed intermittently.

Work-study programs for vocational education students

SEC. 13. (a) There are hereby authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1964, and for each of the next four fiscal years such sums as may be necessary, for the purpose of making grants to States as provided in this section.

(b)(1) From the sums appropriated pursuant to subsection (a) for each fiscal year, the Commissioner shall allot to each State an amount which bears the same ratio to the sums appropriated under subsection (a) for such year as the population aged fifteen to twenty, inclusive, of the State, in the preceding fiscal year bears to the population aged fifteen to twenty, inclusive, of all the States in such preceding year.

(2) The amount of any State's allotment under paragraph (1) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the State's plan approved under subsection (c) shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under paragraph (1) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year and the total of such reductions shall be similarly reallotted among the States not suffering such a reduction. Any amount reallotted to a State under this paragraph during such year shall be deemed part of its allotment for such year.

(c) To be eligible to participate in this section, a State must have in effect a plan

approved under section 5 and must submit through its State board to the Commissioner a supplement to such plan (hereinafter referred to as a "supplementary plan"), in such detail as the Commissioner determines necessary, which—

(1) designates the State board as the sole agency for administration of the supplementary plan, or for supervision of the administration thereof by local educational agencies;

(2) sets forth the policies and procedures to be followed by the State in approving work-study programs, under which policies and procedures funds paid to the State from its allotment under subsection (b) will be expended solely for the payment of compensation of students employed pursuant to work-study programs which meet the requirements of subsection (d), except that not to exceed 1 per centum of any such allotment, or $10,000, whichever is the greater, may be used to pay the cost of developing the State's supplementary plan and the cost of administering such supplementary plan after its approval under this section;

(3) sets forth principles for determining the priority to be accorded applications from local educational agencies for work-study programs, which principles shall give preference to applications submitted by local educational agencies serving communities having substantial numbers of youths who have dropped out of school or who are unemployed, and provides for undertaking such programs, insofar as financial resources available therefor make possible, in the order determined by the application of such principles;

(4) sets forth such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State (including such funds paid by the State to local educational agencies) under this section;

(5) provides for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

(d) For the purposes of this section, a work-study program shall—

(1) be administered by the local educational agency and made reasonably available (to the extent of available funds) to all youths in the area served by such agency who are able to meet the requirements of paragraph (2);

(2) provide that employment under such work-study program shall be furnished only to a student who (A) has been accepted for enrollment as a full-time student in a vocational education program which meets the standards prescribed by the State board and the local educational agency for vocational education programs assisted under the preceding sections of this part, or in the case of a student already enrolled in such a program, is in good standing and in full-time attendance, (B) is in need of the earnings from such employment to commence or continue his vocational education program, and (C) is at least fifteen years of age and less than twenty-one years of age at the commencement of his employment, and is capable, in the opinion of the appropriate school authorities, of maintaining good standing in his vocational education program while employed under the work-study program;

(3) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session, or for compensation which exceeds $45 in any month or $350 in any academic year or its equivalent, unless the student is attending a school which is not within reasonable commuting distance from his home, in which case his compensation may not exceed $60 in any month or $500 in any academic year or its equivalent;

(4) provide that employment under such work-study program shall be for the local educational agency or for some other public agency or institution;

(5) provide that, in each fiscal year during which such program remains in effect, such agency shall expend (from sources other than payments from Federal funds under this section) for the employment of its students (whether or not in employment eligible for assistance under this section) an amount that is not less than its average annual expenditure for work-study programs of a similar character during the three fiscal years preceding the fiscal year in which its work-study program under this section is approved.

(e) Subsections (b), (c), and (d) of section 5 (pertaining to the approval of State plans, the withholding of Federal payments in case of nonconformity after approval, and judicial review of the Commissioner's final actions in disapproving a State plan or withholding payments) shall be applicable to the Commissioner's actions with respect to supplementary plans under this section.

(f) From a State's allotment under this section for the fiscal year ending June 30, 1964, and for the fiscal year ending June 30, 1965, the Commissioner shall pay to such State an amount equal to the amount expended for compensation of students employed pursuant to work-study programs under the State's supplementary plan approved under this section, plus an amount, not to exceed 1 per centum of such allotment, or $10,000, whichever is the greater, expended for the development of the State's supplementary plan and for the administration of such plan after its approval by the Commissioner. From a State's allotment under this section for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years, such payment shall equal 75 per centum of the amount so expended. No State shall receive payments under this section for any fiscal year in excess of its allotment under subsection (b) for such fiscal year.

(g) Such payments (adjusted on account of overpayments or underpayments previously made) shall be made by the Commissioner in advance on the basis of such estimates, in such installments, and at such times, as may be reasonably required for expenditures by the States of the funds allotted under subsection (b).

(h) Students employed in work-study programs under this section shall not by reason of such employment be deemed employees of the United States, or their service Federal service, for any purpose.

Federal control

SEC. 14. Nothing contained in this part shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

Short title

SEC. 15. This part may be cited as the "Vocational Education Act of 1963".

PART B—EXTENSION OF NATIONAL DEFENSE EDUCATION ACT OF 1958

Amendment to title I—General provisions

SEC. 21. (a) Section 103(a) of the National Defense Education Act of 1958 is amended by inserting "American Samoa," after "Guam," each time it appears therein.

(b) Subsections (g) and (h) of such section 103 are amended by inserting "or, if such school is not in any State, as determined by the Commissioner" after the words "as determined under State law" wherever such words appear in such subsections.

(c) Subsection (i) of such section 103 is amended by striking out "does not include" and inserting in lieu thereof "includes" and by inserting before the period ", except that no such school or institution shall be eligible to receive any grant, loan, or other payment under this Act".

(d) Subsection (k) of such section 103 is amended by inserting before the period at the end thereof ", or any other public institution or agency having administrative control and direction of a public elementary or secondary school".

Amendments to title II—Loans to students in institutions of higher education

SEC. 22. (a) The first sentence of section 201 of the National Defense Education Act of 1958 is amended by striking out "$90,000,000 each for the fiscal year ending June 30, 1962, and for the two succeeding fiscal years, and such sums for the fiscal year ending June 30, 1965, and each of the three succeeding fiscal years as may be necessary to enable students who have received a loan for any school year ending prior to July 1, 1964, to continue or complete their education" and inserting in lieu thereof "$90,000,000 each for the fiscal year ending June 30, 1962, and the next fiscal year, $125,000,000 for the fiscal year ending June 30, 1964, $135,000,000 for the fiscal year ending June 30, 1965, $145,000,000 for the fiscal year ending June 30, 1966, $150,000,000 for the fiscal year ending June 30, 1967, and such sums for the fiscal year ending June 30, 1968, and each of the next three fiscal years as may be necessary to enable students who have received loans for school years ending prior to July 1, 1967, to continue or complete their education".

(b) Section 202 of such Act is amended by striking out "1964" wherever it appears therein and inserting in lieu thereof "1967".

(c) Effective with respect to fiscal years beginning after June 30, 1963, section 203 (b) of such Act is amended by striking out "$250,000" and inserting in lieu thereof "$800,000".

(d)(1) Subparagraph (2)(A)(i) of subsection (b) of section 205 of such Act is amended by inserting "or at a comparable institution outside the States approved for this purpose by the Commissioner" after "at an institution of higher education".

(2) Subparagraph (3) of such subsection is amended by inserting "or in an elementary or secondary school overseas of the Armed Forces of the United States" after "State".

(3) The amendment made by paragraph (1) of this subsection shall apply to any loan (under an agreement under title II of the National Defense Education Act of 1958) outstanding on the date of enactment of this Act only with the consent of the institution which made the loan. The amendment made by paragraph (2) of this subsection shall apply with respect to service as a teacher (described in such section 205(b)(3) of the National Defense Education Act of 1958) performed during academic years beginning after the enactment of this Act, whether the loan was made before or after such enactment.

(e) Section 206 of such Act is amended by striking out "1968" wherever it appears therein and inserting in lieu thereof "1971".

Amendments to title III—financial assistance for strengthening science, mathematics, and modern foreign language instruction

SEC. 23. (a) Section 301 of the National Defense Education Act of 1958 is amended by striking out "five succeeding fiscal years" wherever it appears therein and inserting in lieu thereof "eight succeeding fiscal years".

(b)(1) The second sentence of subsection (a)(2) of section 302 of such Act is amended by striking out "as soon as possible after the enactment of this Act, and again between July 1 and August 31 of the year 1959" and inserting in lieu thereof "between July 1 and August 31 of each odd-numbered year". The third sentence of such subsection is amended to read as follows: "Each such promulgation shall be conclusive for each of the two fiscal years in the period beginning July 1 next succeeding such promulgation, except that the allotment ratios promulgated in 1959 shall be conclusive for each of the four fiscal years in the period beginning July 1, 1960, and ending June 30, 1964."

(2) Effective with respect to allotments under section 302 or section 305 of such Act for fiscal years beginning after June 30, 1963, such section 302 is further amended by striking out subsection (a)(4) and by adding at the end thereof the following new subsection:

"(c) The amount of any State's allotment under subsection (a) or (b) of this section, or section 305(a), for any fiscal year which the Commissioner determines will not be required for such fiscal year shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsections (a) and (b) of this section, and section 305(a), respectively, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reallotted to a State under this subsection during a year from funds appropriated pursuant to section 301 shall be deemed part of its allotment under subsection (a) or (b) of this section, or section 305(a), as the case may be, for such year."

(c) Section 303(a)(1)(A) of such Act is amended (1) by inserting "and published" after "printed", and (2) by inserting "of test grading equipment for such schools and specialized equipment for audiovisual libraries serving such schools, and" after "or both, and".

(d) The second sentence of subsection (b) of section 304 of such Act is amended by striking out "four succeeding fiscal years" and inserting in lieu thereof "seven succeeding fiscal years".

Amendments to title IV—National Defense Fellowships

SEC. 24. (a) Section 402 of the National Defense Education Act of 1958 is amended by striking out "five succeeding fiscal years" and inserting in lieu thereof "eight succeeding fiscal years".

(b) Such section is further amended by inserting "(a)" after "SEC. 402.", and by adding at the end thereof the following new subsection:

"(b) In addition to the number of fellowships authorized to be awarded by subsection (a) of this section, the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this section but vacated prior to the end of the period for which they were awarded; except that each fellowship awarded under this subsection shall be for such period of study, not in excess of the remainder of the period for which the fellowship which it replaces was awarded, as the Commissioner may determine."

(c) Subsection (b) of section 404 of the National Defense Education Act of 1958 is amended to read as follows:

"(b) In addition to the amounts paid to persons pursuant to subsection (a) there shall be paid to the institution of higher education at which each such person is pursuing his course of study $2,500 per academic year, less any amount charged such person for tuition."

Amendments to title V—Guidance, counseling, and testing

SEC. 25. (a) Section 501 of the National Defense Education Act of 1958 is amended by striking out "$15,000,000 for the fiscal year ending June 30, 1959, and for each of the five succeeding fiscal years" and inserting in lieu thereof "$15,000,000 for the fiscal year ending June 30, 1963, and $17,500,000 each for the fiscal year ending June 30, 1964, and the three succeeding fiscal years".

(b)(1) Effective with respect to allotments under section 502 of such Act for fiscal years beginning after June 30, 1963, the third sentence of such section is amended by striking out "$20,000" wherever it appears therein and inserting in lieu thereof "$50,000".

(2) Effective with respect to allotments under such section 502 for fiscal years beginning after June 30, 1963, such section 502 is further amended by inserting "(a)" after "SEC. 502." and by adding at the end thereof the following new subsection:

"(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the State plan (if any) approved under this title shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such subsection for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year for carrying out the State plan; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reallotted to a State under this subsection during a year from funds appropriated pursuant to section 501 shall be deemed part of its allotment under subsection (a) for such year."

(c)(1) Subparagraph (1) of subsection (a) of section 503 of such Act is amended to read as follows:

"(1) a program for testing students who are not below grade 7 in the public elementary or secondary schools of such State, and if authorized by law in corresponding grades in other elementary or secondary schools in such State, to identify students with outstanding aptitudes and ability, and the means of testing which will be utilized in carrying out such program: *Provided*, That no such program shall provide for the conduct of any test, or the asking of any question in connection therewith, which is designed to elicit information dealing with the personality, environment, home life, parental or family relationships, economic status, or sociological or psychological problems of the pupil tested; and".

(2) Subparagraph (2) of subsection (a) of such section 503 is amended by striking out "public secondary schools" and inserting in lieu thereof "public elementary or secondary schools", and by inserting "who are not below grade 7" after "students" in clause (A) thereof.

(d)(1) The second sentence of subsection (a) of section 504 of such Act is amended by striking out "four succeeding fiscal years", and inserting in lieu thereof "seven succeeding fiscal years", and by inserting before the semicolon ", including amounts expended under the State plan for State supervisory or related services in public elementary or secondary schools in the fields of guidance, counseling, and testing, and for administration of the State plan".

(2) The first sentence of subsection (b) of such section 504 is amended by striking out "the cost of testing students in any one or more secondary schools", and inserting in lieu thereof "the cost of testing students, who are not below grade 7, in any one or more elementary or secondary schools", and by striking out "five succeeding fiscal years" and inserting in lieu thereof "eight succeeding fiscal years".

(e)(1) Section 511 of such Act is amended to strike out "five succeeding fiscal years" and to insert in lieu thereof "eight succeeding fiscal years".

(2) Such section is further amended to insert "who are not below grade 7 in elementary or" after "students", and to insert "elementary or" after "counseling or guidance in a public".

Amendments to title VI—Language development

SEC. 26. (a) Section 601 of the National Defense Education Act of 1958 is amended by striking out "1964" wherever it appears therein and inserting in lieu thereof "1967".

(b) Section 611 of such Act is amended (1) by striking out "five succeeding fiscal years" and inserting in lieu thereof "eight succeeding fiscal years", and (2) by adding at the end thereof a new sentence as follows: "As used in this section 'modern foreign language' includes English when taught to persons for whom English is a second language.".

Amendments to title VII—Research and experimentation in more effective utilization of television, radio, motion pictures, and related media for educational purposes

SEC. 27. (a) Section 701 of the National Defense Education Act of 1958 is amended by inserting "printed and published materials," after "motion pictures," and after "auditory aids,".

(b) Section 731 of the National Defense Education Act of 1958 is amended by inserting "printed and published materials," after "motion pictures," wherever appearing therein.

(c) Section 761 of the National Defense Education Act of 1958 is amended by inserting "printed and published materials," after "motion pictures," wherever appearing therein.

(d) Section 763 of the National Defense Education Act of 1958 is amended by striking out "five succeeding fiscal years" and inserting in lieu thereof "eight succeeding fiscal years".

Amendments to title X—Miscellaneous provisions

SEC. 28. (a) Section 1008 of the National Defense Education Act of 1958 is amended by inserting "American Samoa," after "Guam,".

(b) Section 1009(a) of such Act is amended by striking out "five succeeding fiscal years" and inserting in lieu thereof "eight succeeding fiscal years".

PART C—FEDERALLY AFFECTED AREAS

Amendments to Public Law 815

SEC. 31. (a)(1) The first sentence of section 3 of the Act of September 23, 1950, as amended (20 U.S.C. 631–645), is amended by striking out "1963" and inserting in lieu thereof "1966".

(2) Subsection (b) of section 14 of such Act is amended by striking out "1963" each time it appears therein and inserting in lieu thereof "1966".

(3) Paragraph (15) of section 15 of such Act is amended by striking out "1960–1961" and inserting in lieu thereof "1963–1964".

(b) Section 15(13) of such Act is amended by inserting "the District of Columbia," after "Guam,".

Amendments to Public Law 874

SEC. 32. (a) Sections 2(a), 3(b), and 4(a) of the Act of September 30, 1950, as amended (20 U.S.C. 236–244), are each amended by striking out "1963" each place where it appears and inserting in lieu thereof "1966".

(b) Section 9(8) of such Act is amended by inserting "the District of Columbia," after "Guam,".

Effective dates

SEC. 33. The amendments made by sections 31 and 32 shall be effective July 1, 1963.

Mr. MANSFIELD. Mr. President, the purpose of placing H.R. 4955 before the Senate is to bring home to the Senate the fact that, even though it will be the unfinished business on Monday next when the Senate meets under the unanimous consent agreement which has been entered into, it will be displaced temporarily by S. 927, to amend title 12 of the Merchant Marine Act, 1936, in order to remove certain limitations with respect to war risk insurance issued under the provisions of such title, and also by S. 1172, to amend Public Law 86–518 and section 506 of the Merchant Marine Act, 1936, to authorize the amendment of contracts between shipowners and the United States dealing with vessels whose life has been extended by Public Law 86–518; and that on completion of the time limitations attached to those proposals the Senate will once again return to consideration of the vocational education bill.

PRIVATE VERSUS PUBLIC SHIPYARD WORK

Mr. INOUYE. Mr. President although the recent action on the Defense appropriations bill, H.R. 7179, did not drastically change the so-called 35/65 formula for private versus public shipyard work, I would still like to go on record as requesting a continuing study of the problem. Many of us in the State of Hawaii feel that insufficient attention has been paid to some of the following arguments.

In recent months, the release of the Andersen report dealing with the difference between U.S. Navy shipbuilding costs at naval and private shipyards has generated in many circles the alarming and misleading conclusion that the operations of private shipyards are vastly more efficient and economical than naval shipyards. This has led to a clamor that we sharply curtail the operations of naval shipyards and even that we close several or all of our naval shipyards.

As a result, I sincerely feel that these erroneous conclusions, which have an immediate and direct bearing on the allocation of Navy repair, alteration, and conversion work to privately owned shipyards, should be promptly exposed lest they form the basis for future legislative decisions which will seriously jeopardize the security of our Nation and the free world.

The dangers to our democracy are multifarious and often difficult to recognize. They can originate from outside the geographic boundaries of our United States but just as often, they can emanate from within the boundaries of our States. They can be of a military nature involving missiles and men, or they can be of an economic nature involving the outflow of gold or undesirable subsidies. They can take the form of subversion and espionage or they can take the form of internal strife and disorder. They can be formulated by the forces of communism bent upon burying our democratic form of Government, or they can be unwittingly fostered by loyal Americans unaware of the detrimental impact of their goals and objectives on the security and welfare of our Nation.

To a large extent, I speak to these loyal Americans, whose relentless and concerted campaign to obtain the bulk of Navy repair, alteration, and conversion work has blinded them and their advocates to national considerations more vital than profits and purported Government competition. I am of the opinion that if these Americans are presented with the true picture and the overriding reasons for the accomplishment of repair, alteration, and conversion work in naval shipyards, they too will come to appreciate the merits of the present balance of naval versus private shipwork allocation and, as dedicated citizens, support the continuation of such work by naval shipyards.

The major arguments advanced by those who propose that all or most of our naval ship building and repair work be accomplished by private shipyards are; first, that naval shipyards should not compete with private shipyards and, second, that private shipyards can do naval shipwork faster and cheaper than naval shipyards. Let us examine each of these contentions in its proper perspective so that we can determine its validity and propriety.

With regard to the oft repeated accusation that naval shipyards are in competition with private shipyards, I contend that if the primary objective of private shipyards is to function as an integral part of our naval service, then I am ready fully to acknowledge that naval shipyards are indeed in competition with private shipyards. However, as we are all well aware, this is a distorted relationship. Merchant ships and private shipyards are instruments of commerce and our free enterprise system. Warships and naval shipyards are instruments to preserve the freedom of the seas and the security and sovereignty of our Nation. When it has been proven to be in the best interest of the Nation to allocate shipwork to private shipyards for the purpose of establishing a sound mobilization base, the Navy has taken the initiative to channel such work to private industry. For example, it should be acknowledged that a preponderance of new naval construction has been allocated to private shipyards. In January 1961, a naval ship construction and conversion program having a total cost of over $4 billion was under contract with private yards. Approximately 31 private shipbuilding firms throughout the country participated in this program. In addition, substantial amounts of Navy business have been awarded to private industry other than private shipyards in continuous recognition and support of the producers of materials used in Navy ships. Finally, since World War II, a substantial dollar value of certain types of ship repair work also has been allocated to private shipyards. As a result, insofar as employment is concerned, private shipyard employment on Navy work increased from 26,069 in 1957 to 41,743 in 1960, almost doubling the workforce of private yards engaged in Navy work. Thus, it can be readily seen that the Navy not only fully recognizes the mobilization potential of private industry but is also a firm advocate and vigorous supporter of private enterprise. On the other hand, when the safety of the fleet and the security of the Nation is at stake, such work has been retained in the naval shipyards in order to preserve the proven structure of our Navy's fighting organization.

To truly appreciate the fact that naval shipyards are not in competition with private shipyards, please permit me to provide a better picture of the significant role of our naval shipyards and their great importance to our Navy.

Naval shipyards were created as an integral part of our naval service and their long and illustrious existence attests to their vital and significant role in the Navy's organization. From the year 1797 when the Naval Committee of the House of Representatives recommended that a sum be apportioned for a proper site for a Navy yard, naval shipyards have functioned as an important and indispensable arm of our Navy. Throughout our glorious American history, from wooden ships to nuclear submarines, shipyards have sustained the ships and sailors of our Navy.

Nowhere is the mission of shipyards to our Navy's fighting ships more aptly described than by the Pearl Harbor Naval Shipyard's stirring slogan "We keep them fit to fight." In these times of cold war and hot tensions, our naval shipyards more than ever form a vitally essential component of our Navy's time-tested organization as they strive to keep our warships "fit to fight."

Our naval shipyards are as inseparable a part of our operating forces afloat as the mighty warships which protect and control the waterways of the seas. Controlling the seas and supporting our forces overseas is at best a dangerous, unpredictable, intricately complicated mission, especially in this age of missile warfare and continual international unrest. With intercontinental ballistic missiles, Polaris missiles, and swift manned aircraft, the world is measured by hours and minutes instead of hundreds of thousands of miles. Never before in the history of warfare have our military commanders felt an infinitely greater need for maximum control of their logistics forces. For the parallel and simultaneous use of these ever ready and responsive logistics forces, whether they be supply ships or naval shipyards, can mean victory or defeat—democracy or communism.

Deny our naval commanders at sea the free and flexible use of our naval shipyards in the sacrosanct name of free enterprise and non-Government competition and we may well contribute to spelling the doom of that very economy. For freedom, whether it be free enterprise or free speech, is a costly commodity which demands considerable restraint and great sacrifice. In this uneasy world of international strife and

turmoil, we cannot afford to make mistakes. Let us at least not make the grave mistake of hindering our naval commanders and endangering our fine naval organization by weakening or eliminating our responsive naval shipyard support system.

Our naval shipyards are an integral part of our Navy's shore establishment which exists to provide optimum material and operational readiness support to our forces afloat. As essential links in the naval chain of command, naval shipyards function as military-industrial organizations whose operations are closely tied in to the military requirements of our naval commanders ashore or at sea. They are designed, staffed, and equipped to fulfill this primary purpose and thereby serve to enhance the posture of our naval strike forces which are positioned in various parts of the world. Thus, when a warship enters a naval shipyard for repairs or overhaul, it is still an active ship ready to be shifted or shuffled at any moment's notice by our naval commanders to meet the various exigencies which may arise. This is especially true of naval warships which are part of a fleet deployment but have returned to the naval shipyard for repair and work to insure optimum operational readiness.

Closely communicating with other activities of the shore establishment team and smoothly integrated with the operational schedules and plans of the numerous naval shipyards and activities, the efforts of naval shipyards coincide with and contribute to the overall long-range objectives of our Navy tactical planners.

On the other hand, private shipyards are motivated essentially by profits. They are in many instances limited by staff, facilities, and equipment deficiencies. They must weigh profit against loss and select only that work which will yield the greatest gain. In nearly every instance, the margin of profit will determine when, where and how quickly a ship can be returned to a state of readiness. Under such conditions, it can be readily seen that the potential strength of our forces afloat would be seriously weakened unless private shipyards could be organized or oriented to provide the same degree of responsiveness and capability offered by our naval shipyards.

As integral units of the shore establishment organization, our naval shipyards are an indivisible part of our Navy's strategically dispersed naval base complex. When a ship visits port or is scheduled for repairs at the naval shipyard, the naval base provides training, medical, recreational, and other community facilities for our Navy men who spend much of their lives on the lonely sea. The naval base also provides a focal point for naval communities so that these men can also look forward to being with their loved ones for relatively brief periods of time and enjoying family life which most of us take for granted. Increase the amount of work performed by private shipyards or eliminate the naval shipyards and our Navy men, who already suffer considerable privation, will be deprived the facilities of a naval base and even more important, will be unable to see their families and their loved ones for unbearable periods. It is not often that a low bidder is located in the immediate vicinity of a naval base or a naval community.

Without the assurance of necessary naval facilities and some periods of family life, I can almost predict an alarming turnover in naval personnel. In a survey of enlisted men being separated at Norfolk, Va., almost one quarter of the personnel stated that family separation was their most important reason for not reenlisting. So we can see that the desire of families to be together is deepseated and universal. In the interest of minimizing turnover of our highly trained and skilled naval personnel who are so desperately needed to operate the intricate warships and complex weapons systems of our modern Navy, it is not only necessary but essential that we insure the continuation of naval shipwork at naval shipyards.

Naval shipyards are geared to the numerous military, technological, and scientific changes that continuously evolve throughout our Navy organization. Almost daily, new discoveries are being made to produce a dynamic, hard-hitting, versatile type of seapower which will enhance the defense posture of our Nation. But with the introduction of long-range, deep-diving nuclear powered vessels, deadly combat weapons systems, sensitive navigational devices, and a host of other marvelous technological innovations come the rigid requirements of quality workmanship and rigid inspection to assure the safety and integrity of our naval warships. The experience of our Navy demonstrates that the successful operation of nuclear powerplants, combat weapons systems, as well as the multitude of intricate devices on board a ship, depends on the reliability of the sum total of all the parts and components of a warship. Experience has also shown that lack of or inattention to quality control measures has almost invariably ended in unnecessary cost and even tragedy. Too much is at stake, and too many lives are involved to accept merely satisfactory standards of industrial workmanship. What is needed and indeed required of every naval shipyard performing work on naval warships are highly trained and experienced journeymen, supervisors, engineers, inspectors, and technical personnel who have a complete understanding of every phase of work on a warship, the manufacturing and inspection process, the technical or trade processes and the high standards of quality required to insure the integrity of the weapons system or the ship. The cost of recruiting the most competent and dependable type of personnel, training these personnel, establishing effective quality control procedures, and inspecting to insure rigid adherence to specifications, is exceedingly great. The cost of maintaining a large supervisory force to insure implementation of effective quality assurance procedures is also extremely heavy. The cost of additional equipment, tools, and facilities to verify the soundness of work performance is also high. And finally, the cost of a reduced productive pace or delays to insure quality workmanship is also a great burden. But to our Navy and our naval commanders, these costs are as necessary as the cost of national defense. They are costs which private shipyards are not generally in a position to bear because of the intense competition which presently prevails in the shipbuilding industry. Thus, were private shipyards to undertake the entire spectrum of work on naval warships, I dare say that the price would determine the quality of work since the lowest bidder is almost always awarded the contract. Under such circumstances, were the bulk of naval shipwork allocated to private shipbuilders, we would be guilty of trifling with the lives of men who have dedicated themselves to our defense. On the other hand, if private shipbuilders were to establish quality assurance organizations and implement quality control procedures equal to that of the naval shipyards, it is probable that their overhead would rise considerably, thereby reflecting a truer comparison of ship repair costs with naval shipyards.

Naval shipyards are complete entities designed and developed to fulfill military as well as industrial needs, peacetime as well as wartime needs, and specialized as well as general needs. They cover large areas and contain a diversity of material, equipment, facilities and structures. They are forever confronted with ever-changing types of work and are continually pressed to keep pace with the rapid advance of technology and science. They are staffed with highly skilled artisans, technicians, engineers, scientists, administrators and managers to enable our naval shipyard to effectively handle every phase and every requirement of our progressive Navy. They conduct experimental and developmental work and complete work which private shipyards are not equipped or staffed to accomplish. In short, naval shipyards serve not only the current military needs of our naval forces but are also staffed, equipped and maintained to immediately cope with any emergency or mobilization needs. Thus, in the Korean incident, the Lebanon landing, and the Cuban crisis, our naval shipyards were swiftly mobilized to the extent necessary to cope with the expanded requirements of each emergency. Despite the additional cost of maintaining naval shipyards as firstline mobilization bases, both our Navy and our Nation have good reason to appreciate their investment, for the naval shipyard system has proven many times over its worth in terms of national prestige and power. Private shipyards can ill afford to staff, operate and equip their plants to meet the multitudinous needs of our Navy. Such profit-type organizations of necessity must limit their operations or specialize in certain areas of shipwork. This in turn poses considerable problems for our Navy in the attainment of quality work in the time allotted. Therefore, the allocation of the bulk or all of naval shipwork would almost certainly disrupt fleet operational schedules and require enormous amounts of costly planning, coordination, progressing and inspection

effort which would increase private shipbuilding costs greatly.

The attainment of optimum operational and material readiness are watchwords to our Navy, and especially to the fleet commanders. No other condition, I believe, stands out so paramount in all activities and at all levels of our naval organization. The retention and control of naval shipwork in naval shipyards assures our naval commanders of the ready and responsive logistics support of our warships at any time and any condition. This is not true in private shipyards where the right to strike can and has been rightfully exercised. Were the bulk of naval ship repair work to be accomplished by private shipyards, the chances are indeed great that labor unions would exercise their right to strike to attain their objectives. The monetary cost of these strikes would be enormous but an even greater cost to our country would be the reduced operational and material readiness of our fighting forces. This potential problem should loom very large in the minds of those who advocate the curtailment or elimination of naval shipyards for it can cause serious and detrimental harm to the security and welfare of our country.

I have gone to great lengths to demonstrate the great value and significance of naval shipyards to our Navy. I have attempted to show that as indispensable instruments of defense, naval shipyards provide responsive, adaptable, versatile, and reliable support to our naval forces and their continued retention at maximum operating capacity is in the best interest of our public welfare.

On the other side of the coin, I have tried to demonstrate that private shipyards are primarily instruments of commerce and that they operate under severe restrictions and handicaps as instruments of defense. Thus, the great differences in their nature, their purpose, and their objectives do not support the contention that naval shipyards are in competition with private shipyards. Rather, it can be said that private shipyards in their legitimate and mobilization role complement the efforts of naval shipyards to provide responsive, adaptable, versatile, and reliable support to our Navy's operating forces. If those who seek to reduce the workload of or eliminate naval shipyards entirely could understand the proper role and relationship of both naval and private shipyards, I am confident they will revise their thinking in the interest of our Nation's security and welfare.

And now, let us analyze the second popular notion that private shipyards can do naval shipwork faster and cheaper than naval shipyards.

Since the Andersen report has been heralded by many detractors of the naval shipyard system as the tablet of truth which proves the superior performance of private shipyards over naval shipyards, I shall use this report to show an equally comparable performance on the part of naval shipyards. Before proceeding, I would like to emphasize that the Andersen report was sponsored by the Department of Defense and the Navy's Bureau of Ships in a genuine effort to learn more about the comparative costs of private and naval shipyards in accomplishing naval shipwork. To my mind, such a step on the part of a Government agency in sponsoring an unbiased study which may be subject to cosiderable public scrutiny and criticism is indeed commendable. The report, together with other programs, plans, and procedures, exemplifies the sincere and determined effort of our Navy to make every cent in the dollar count for the American taxpayer while at the same time provide for the strongest defense of our country.

Although the Andersen report is considered by many to be the most complete and comprehensive study of costs between private shipyards and naval shipyards and has revealed certain potential areas for improvement in the naval shipyard system, I do not consider that it has proven that private shipyards can perform naval shipwork cheaper than naval shipyards.

The general conclusions of the Andersen report are as follows:

First. Certain private shipyards perform new construction work at less cost to the Department of Defense.

Second. Conversion, repair and alteration costs are roughly equal.

Third. The two principal factors contributing to higher overhead costs in naval shipyards are higher fringe benefits and more indirect salary or wage personnel per nonsupervisory hourly worker in production shops.

The Andersen report, however, shows that ships in the repair category were completed 3 days faster in naval shipyards than in private shipyards. Further, in a sample of 175 ships, it was found that ships overhauled by naval shipyards operated 21.3 months before being overhauled again while those overhauled by private shipyards operated only 20.1 months. The difference of 1.1 percent in operating time means that our Navy would have to have at least 2 more ships in order to have an equal number available to our forces afloat if all 175 were overhauled at private yards. This greater longevity of naval shipyard overhauls must surely indicate the greater emphasis and attention placed on high caliber and high quality workmanship by our Navy. The value of placing warships in the most durable and lasting condition can only be fully appreciated by the men who sail these ships and whose lives depend upon how effectively they function.

Now that we have disposed of the claim that private shipyards can do naval shipwork faster than naval shipyards, let us evaluate whether they can do naval shipwork cheaper. At the outset, I would like to emphasize that in considering the question of cost, the Andersen report makes absolutely no allowance for the various costly, intangible, but highly essential elements involved in maintaining naval shipyards in a constant state of readiness as an indispensable arm of our naval service. The neglect of these all-important elements which I enumerated in my discussion on the alleged competition of naval shipyards obviates the validity of any conclusions contained in the Andersen report since the foundation of the study is based only on comparability of work but ignores comparability of purpose and objectives. Even in the area of comparability of work, the Andersen report admits great difficulty in developing samples of comparable work and in the ship repair area was unable to do so at all. In order to present my analysis in an orderly and logical manner I will develop this important point in its proper context later.

In taking issue with the conclusions of the Andersen report, that private shipyards can perform work cheaper than naval shipyards when taken as an average, I would like to point out that other experts have noted:

First. An extremely large depreciation allowance was added to new construction and conversion costs for naval shipyards. Since the practice of accruals for depreciation is not followed by naval shipyards, it is incorrect to charge on the basis of overstated expenditures more than was actually provided. Furthermore, funds to partially allay actual depreciation in many instances are included in normal shipyard operating costs. This is borne out by the fact that naval shipyards expended, during the period of the study, 12 cents more per productive hour for plant maintenance than private shipyards.

Second. The cost of doing business with private shipyards in new construction and conversion work was not included in the adjustment of charges while similar functions performed by military personnel at naval shipyards were charged. Additional costs in preparing commercial procurement requests, holding bidder conferences, auditing prospective contractors' financial condition, and awarding of negotiating contracts were some of the charges excluded.

Third. The deductions from private shipyards' new construction and conversion cost for Federal income tax were based on profit and losses on specific ships included in the study sample. This is completely unrealistic since taxes are based on the overall annual profits and losses—as well as deductions and other "tax shelters"—of the private shipyard and not on a specific ship or group of ships.

Fourth. An inordinate charge was added to the cost of naval shipyards for interest on invested capital without taking into account the fair market value of our naval shipyards and without considering whether they will ever be disposed of.

While it is difficult to establish a valid basis for recomputing all of the adjustments which have been contested, we consider it fair and reasonable to reduce depreciation charges to 27 percent of the amount used in the Andersen report and to eliminate the interest on invested capital.

Taking just these two factors into consideration, there are naval experts who find that the private shipyards purported cost advantage for new construction work has been whittled down as follows:

First. For the 598 class of nuclear attack submarines from 15.2 percent to 10.9 percent.

Second. For the 598 class of Polaris submarines from 20.3 percent to 16.9 percent.

Third. For the DLG–9 *Coontz* class guided-missile frigate from 18.7 to 13.6 percent.

Fourth. And for the CVA–59 class of supercarrier from 29 to 24.2 percent.

Let us now consider another area of adjustment which I feel will bring the costs of private shipyards and naval shipyards into closer and sharper focus. As repeatedly emphasized in the Andersen report, the fringe benefits paid by naval shipyards constitute a significantly large overhead burden. Such benefits as annual leave, sick leave, holidays, jury duty and military leave boost naval shipyard costs, based on overall averages, to $1.29 per direct labor hour as compared to $0.84 for private shipyards; a big difference of $0.45 per direct labor hour. For new construction work the difference is $0.57 per hour, which, in the construction of a Polaris submarine, penalizes naval shipyards by over $3 million.

If we again make an adjustment for fringe benefits to reflect a truer and more accurate statistical picture by combining this fringe benefit adjustment with the adjustments for depreciation and interest on invested capital, naval experts find that the cost advantage of private shipyards have been pared as follows:

First. For the 598 class of nuclear attack submarines from 15.2 to 4.5 percent.

Second. For the 598 class of Polaris submarines from 20.3 to 10.8 percent.

Third. For the DLG–9 *Coontz* class guided-missile frigate from 18.7 to 8.2 percent.

Fourth. And for the CVA–59 class of supercarrier from 29 to 17.2 percent.

At this point, I would like to note that naval shipyard fringe and other personnel measures and benefits are the result of legislation which you and I have supported in the past. These fringe benefits, as well as other measures which we have enacted into law, represent additional costs to our Federal agencies. But I know full well that we knew within our conscience why we made these laws and what their price would be. We knew that any advancement of human welfare, human dignity and human rights was well worth the price and that as the Nation's largest employer, we should and must establish a shining example for the Nation's industries to follow. And we also knew that what we strive for is not work accomplished at the cheapest price through the exploitation of people, the endangering of lives, and the neglect of human rights, but the safeguarding and enhancement of our Nation's welfare through the effective use and motivation of the American workingman. I hope we will continue to motivate greater worker productivity and satisfaction with such incentives as fringe benefits but I also hope that we will realize that the higher cost of naval shipyard operations are due in some degree to our actions.

And now, let us turn to the contention I previously made: That the Andersen report makes no allowance for the various costly, intangible, but highly essential elements involved in maintaining naval shipyards in a constant state of readiness as an indispensable arm of our naval service. I do not propose to make any further statistical adjustments based on the above factor to the cost advantages provided by the Andersen report to private shipyards because I feel the pendulum of cost advantage would swing so far in favor of naval shipyards that it would precipitate another lengthy debate. However, to refresh our memories, please permit me to summarize again the reasons why naval shipyards are vitally essential to the military effort of our Navy.

First. Naval yards are inseparably a part of our naval forces afloat and like the warships of our fleet must respond immediately and completely to the needs of our naval commanders—and the late experience of Lebanon, Taiwan, and Cuba clearly show they do.

Second. They form an integral part of our Navy's Shore Establishment organization which is tightly knitted and coordinated with other naval activities to provide our naval forces with optimum logistics support.

Third. They are an essential part of our strategically dispersed naval base complex which provides facilities and a community focal point for our men of the sea.

Fourth. They are staffed with highly experienced and hard to recruit artisans, engineers, technicians, and administrators who are trained and inculcated with the need for quality and precision work to ensure the integrity of our warships and safety of our sailors.

Fifth. They are fully developed, equipped, staffed and stocked to fulfill the wide range of complicated technical requirements of our forces afloat from development to new construction to repair and overhaul of warships. As such they form our Navy's primary mobilization base which can expand overnight with a minimum of effort and difficulty.

Sixth. They are spared the crippling blow of labor strikes but recognize the need for increased worker satisfaction and productivity through excellent fringe benefits, enlightened personnel practices, and so forth.

Thus, in all ways, our naval shipyards are oriented and directed to the vital considerations of safety and preparedness—to our Nation, to our ships, to our sailors and to our shipyard civilians. Unlike that of private shipyards whose basic motivation is profit, their incentive is that of serving the fleet and keeping it fit to fight. Place private shipyards in the position of serving the fleet and keeping it fit to fight, make shipyards follow the same rules and regulations required of naval shipyards; devise a truly comparable military-industrial organizational complex and you will find private shipbuilding costs soar much higher than their present claims.

In all seriousness, and in conclusion, I would like to stress that I, too, am a firm and stanch believer in the time-tested concept that government should not compete with private industry. Likewise, I am equally firm in my belief that private industry should not compete with government in those areas wherein the public security and welfare will be threatened or jeopardized. This is the case where private shipyards are vigorously and relentlessly attempting to secure a majority of naval shipwork and to curtail or eliminate the operations of our naval shipyards. If private shipyards are successful in obtaining the lion's share of naval shipwork, then I assure you that we are spelling the beginning of the doom of the crucial and successful naval shipyard system. Can we afford to take this chance in this era of nuclear and missile warfare when we may have only one chance and only one fleeting moment of time to deter any act of aggression? I fervently maintain we cannot for if we do so, we are remiss in our duty and we stand guilty of gambling with the security and welfare of our free Nation. Cut off our naval shipyards as an indispensable arm of our naval service and you destroy to a large extent the effectiveness, the efficiency, and the strength of a well balanced, dynamic, fighting organization. Replace naval shipyards with private shipyards and you substitute something which can never feel or be totally responsive to the manifold needs of our fighting Navy.

Today, as in the past, "the price of liberty is eternal vigilance." Let us have the wisdom, the foresight and the moral determination to know fully within our hearts and conscience that the price we pay for the perpetuation of the naval shipyard system is eternal vigilance which can never be reduced to accounting and statistical comparisons of costs.

Mr. President, in closing I wish to pay a tribute to my many friends of the Pearl Harbor Naval Shipyard. The preparation of the foregoing remarks would not have been possible were it not for the many hours spent by the men at Pearl Harbor in assisting me in the preparation of the speech. I wish to pay special tribute to a very dear friend, Mr. Philip T. S. Ho, a valued member of the Pearl Harbor Naval Shipyard staff, who took a special leave of absence to assist me in the compilation of the facts and figures. I wish to take this opportunity of extending to them my special and very sincere salute.

Mr. McINTYRE. Mr. President, I wish to warmly commend my good friend, the able and distinguished junior Senator from Hawaii for what I consider to be one of the most well-prepared and convincing arguments in defense of our naval shipyards I have yet heard.

For some years now, wealthy and powerful interests have been trying to undermine the image of this Nation's naval shipyards. Their intent is the gradual downgrading of the naval shipyards, with a long-range objective of having the public shipyards completely shut down.

Mr. President, I say we cannot let this happen. The naval shipyards have been intimately involved in the security of America since the first man-of-war to carry this country's flag, the *Ranger*, slid down the ways at the Portsmouth, N.H., Naval Shipyard.

Like many other phases of our security system, naval shipyards are taken for

granted in time of peace. But, Mr. President, let us not forget that in times of conflict—when the dollar sign is forgotten and the cry is "Give us ships!"—the naval shipyards are ready and able to give us ships. They have proven this time and again, and, God forbid, should another great conflict break upon us, we must have these installations ready—just as we must have our Armed Forces and our weaponry ready.

We hear over and over about the cost differential on construction, conversion, repair and alterations between ships at naval and private shipyards. From my studies, there is little, if any, substantiation to the charges of a wide disparity in cost. Figures can be made to tell many different stories. Let us look again at the Andersen report, of which the junior Senator from Hawaii spoke earlier.

In the field of new construction, the report compared 14 ships built at five private shipyards with 10 constructed at naval yards. Of the 14 ships built by the private yards, 5 were constructed at a loss. And, now, I quote from the report:

> If the Navy had paid for three of these ships on the basis of contractor's costs, the average cost to the Department of Defense would have been practically the same as the average for two ships of the same class built at a naval shipyard.

Now, Mr. President, I do not mean to imply that these ships were built at a loss intentionally to bring down the average cost for the public yards, but I do want to emphasize the fact that naval yards cannot build a ship at a loss. They are built at contractor's costs. I submit this is a perfect case of trying to compare apples with oranges—you may be dealing with equal numbers, but you just cannot compare them.

As to conversions, the Andersen report went to the guided missile carrier program, the only one involving both private and naval yards during the period of the study. The differential in cost was a mere 1.2 percent, based on cost to the Department of Defense. Again to quote the report:

> Since the percentage differentials are small and the adjustments required to establish comparability were both large and unusual, we can reach no conclusion with respect to the relative costs of these conversions.

In the field of ship repairs, the report concluded:

> We found in our study that it was not possible to establish reasonably comparable work performed on specific ships for either a total ship overhaul or specific work items.

So the report used for comparison a group of work items on underwater hull overhaul, admitting:

> The costs of the group of items are not reasonably comparable on a ship-by-ship basis.

But even using this incomplete method of comparison, the report indicated the costs to the Department of Defense at private yards was only 3.4 percent lower than at naval shipyards.

Here is what the Andersen report said about ship alterations:

> Based on comparisons for 149 occurrences of 28 different ship alterations, it appears that there were no significant differences between naval and private shipyard costs.

The report concludes that what differential in costs does exist is due to higher overhead costs at naval shipyards. And the two principal factors leading to this are indirect salaries and wages—including military pay and allowances—and fringe benefits to naval shipyard workers. These factors can hardly be blamed upon poor management practices or lack of ability among the workers at the naval shipyards.

Mr. President, there is indeed a differential built into the operation of our naval shipyards. This differential is the security and well-being of the people of the United States of America. The naval shipyards are there, keeping the "eternal vigilance" of which the Senator from Hawaii spoke.

If our security is to be maintained, the naval shipyards must be kept in a state of readiness—always.

I wish to associate myself with the able and well-reasoned remarks of the distinguished Senator from Hawaii [Mr. INOUYE] and at the same time to congratulate him for his fine and timely speech.

Mr. INOUYE. Mr. President, I thank the distinguished Senator from New Hampshire for his valuable contribution to the discussion. I express my gratitude to him for his kind remarks.

POSSIBLE SALE OF SURPLUS WHEAT TO IRON CURTAIN COUNTRIES

Mr. MILLER. Mr. President, another burning issue has now come before the people of our country. Following so closely on the heels of ratification of the test ban treaty, it might appear that there was some connection. Actually, there is none; and there should not be any. The situation in the Soviet Union which produced the shortage of bread, flour, and wheat predated the negotiation and signing of the treaty. The possible sale by the United States of surplus wheat to Iron Curtain countries would have come up regardless of the outcome of the test ban treaty.

What puzzles many Americans is the manner in which this issue has arisen: by its suddenness, following the return of the Secretary of Agriculture from his trip behind the Iron Curtain and his statement that there was no apparent interest there in purchasing our excess agricultural commodities; the Canadian wheat sale to Russia amounting to $500 million; the publicity releases about grain brokers from the United States talking with Soviet Union traders in Ottawa; the news about a certain gentleman from Minneapolis, having the right political connections but no knowledge of the grain business, trying to arrange a fee for setting up the talks; and then a statement by the head of the Soviet wheat delegation yesterday to the effect that Russia is not interested in buying U.S. surplus wheat.

Meanwhile, all sorts of conjectures have arisen in Washington. The Secretary of Commerce says that he has the power to change our policy regarding trade with Iron Curtain countries in the matter of surplus wheat. But because of a congressional declaration of policy appearing in a preamble to the Food and Agricultural Act of 1961, the administration is trying to obtain an informal consensus from key committees of Congress of what modification of our policy there should be. The President is reported to have been on the point of making a decision within 72 hours. Now the reports are that the decision is indefinitely postponed.

All of this indecision by the administration has played havoc with the grain market—not only wheat futures but feed grains and soybeans, as well. I am advised that one of the large grain brokers dropped its bid on soybeans by 4 cents a bushel yesterday immediately following the statement by the Soviet wheat negotiator. Some people have made a lot of money; others have lost a lot of money. One wonders whether there is any connection between the news and publicity releases and the profits that have been made. I think this should be investigated.

This confusing picture was best summed up in the New York Times of October 3. It noted—and I quote:

> The administration's difficulty in deciding whether to sell wheat to the Soviet Union was matched tonight by the Russians' difficulty in deciding whether they really want it. A flurry of statements from all sides left the impression that the Russians were probably still in the market—but not necessarily—and that President Kennedy would probably approve the sale—but not necessarily.

Regardless, the proposed sale—variously estimated at 110 million bushels for $250 million—at first sight seems to provide simple answers, hardly worthy of a controversy: It would, so it is said, help with our growing balance-of-payments deficit; it would help reduce our 1.2 billion-bushel surplus stockpile of wheat.

But let there be no mistake about it, Mr. President, there is more involved here than that alone. Like a pebble tossed into a still pond, the swirling ripples of this proposal spread far beyond the pebbled dollar figure.

In his remarks appearing on page 18545 of the CONGRESSIONAL RECORD of October 2, the distinguished Senator from Kentucky [Mr. COOPER] placed his finger on the crux of the matter.

He said:

> There may be good and sufficient reasons for a change in our total trade policies with respect to Russia and the Communist-dominated countries. I can see from such information that I have that some changes could be made. It may be that limited trade would be helpful to the economy of our country and not in derogation of our national security. But if that is correct, I believe the administration would be on firmer ground if, before embarking on a new course, it would review our entire trade

policy and that of our allies with the Soviet Union, and present its conclusions to the appropriate committees of Congress. If the Congress should indicate its approval of a change in trade policy, it would be very helpful to the executive branch, and to a definition of our trade policy and its effect upon our domestic and foreign policy. Even if the Congress did not concur wholly, the President, unless actually prohibited, would have the authority to make such decisions as he might consider to be in the national interest, and he would be buttressed by the fact that he had presented to the Congress and to the Nation the reasons which he felt demanded a change in our trade policy.

Mr. President, therein lies the grain of the problem. The mere fact that this sale proposal has entered the public domain through the columns of space devoted to it in the newspapers and magazines and the hundreds of thousands of words on television and radio, clearly underscores the possibility that the direction of our foreign policy could be changing. The discussions will leave their imprints on this policy for some time. Masked beneath is the effect on our farm program.

The mere fact that we are willing to enter into trade negotiations with the Soviet Union indicates that a new front has been opened in our thinking. But we must avoid the euphoria of falling into the belief that such a sale portends vast new vistas of trade with the Soviet Union. This is not true. The Soviets will trade only when it serves a purpose; this proposal, it must be emphasized, probably is only a one-shot deal since the Soviet Union's serious crop failure has placed it, as Premier Khrushchev said, in a "difficult position."

It cannot be overlooked that Khrushchev has obtained Canadian wheat to offset his shortage at home. The Washington Post of October 3 reported that West Germany has agreed to sell 300,000 tons of flour to the Soviet Union; that Italy will sell 40,000 tons; and that France has signed an agreement to sell 80,000 tons.

However, so much attention has been and is being centered on the new trade avenues with Russia that we are overlooking the most obvious markets of the free world.

It is time that we regrasped the initiative in setting the pace and direction for expanded trade with the free world; all the factors appear to be in our favor at this moment. All we need to do is to awaken to where we want to go; at this crossroad in our economic life, it need not necessarily be in the direction of the Soviet Union.

The issue is no longer theoretical; it is an actuality, born of a wheat sale which can be summed up as a policy in search of a direction.

Because this new situation is more than the sum of its specific parts, we must reexamine our agricultural philosophy in order to forge our many economic interests into one common policy. The only way to preserve our economic advantage is to have this commonness of purpose; if we do not, we will find ourselves in an oasis of mirages in the years to come.

The New York Times, in an editorial published on September 18, at the time of the Canadian transaction, very ably pointed the way. It said:

But Washington can make constructive use of the sale of wheat by Canada. We will directly benefit from Russian sales of gold, which will mean less pressure on our own gold stock. The indirect benefits, however, are incalculable. * *

With Western Europe short of grain, the United States is now in a position to dispose of a major part of our own surplus, which has been so expensive and seemingly so permanent a burden. Our aim should not be to make a quick killing simply to improve our balance of payments. Rather, we now have the bargaining power to persuade the European Economic Community to abandon its effort to achieve self-sufficiency in agriculture by increasing its protectionist policies.

To accomplish this end, the United States must be prepared to turn away from our own artificially high agricultural price supports. The support program has given the Common Market an excuse to reject the American demand for a more liberal European attitude. Moreover, our huge and continuing surpluses have served as a deterrent against change, for there seemed no rational way to reduce them. But the administration now has an opportunity to adopt more flexible policies, geared to the new conditions, that will encourage an expansion in foreign trade.

The Times went on to say:

If persistent agricultural failure is the Achilles' heel of the Soviet economy, the United States has never been able to exploit the Herculean strength of our own capacity to produce on the farms.

Eliot Janeway, of the Chicago Tribune-New York News Syndicate, in a perceptive article appearing in the Evening Star of September 30, was probably a little more blunt. Speaking of the Canadian wheat deal, Mr. Janeway commented:

Economically, it's adding up to a bailout for Canada, and to a bonanza for the grain and shipping markets. But, politically, it looks more like a coup for Russia. In terms of guidelines and peril points for national policy, the United States needs the bailout and wants the bonanza, and there's a very specific reason why we should be able to trade it out for ourselves without inviting Russia to score another political coup at our expense.

He went on to say:

The reason is that the entire European land mass seems to have suffered a wheat crop failure this year, while nature has been bountiful on this side of the Atlantic. Theorizing apart, no one knows how severe the failure may have been within Russia itself; how much of a reserve she may have; or how much of her present purchases are really scheduled not for her own internal use but instead for resale throughout free Europe and for rationing and political bribery among the satellites.

Then followed the heart of the entire question:

We don't need Russia to get in between us and our allies and friends in free Europe, and to resell our premium commodities to them for their good money when they are our creditors. It is to the mutual interest of all in the Atlantic community for us to earn more by direct sales to Europe. No doubt about it, free Europe needs wheat, and it has the money to pay for it. True, Russia will offer to pay us in gold, which we badly need, but so will Europe.

There, Mr. President, is the path to pursue. We can act now to channel wheat and other grain to Europe and other free world nations, and thus better our position in the years to come. A one-shot deal with Russia will not do this, and should only be used after the possibility of increased wheat sales to Western Europe and our other allies has been exhausted.

We hold the aces. Let us see why.

The U.S. wheat supply, according to the U.S. Department of Agriculture, at the beginning of the 1963–64 marketing season was estimated at 2,328 million bushels, 4 percent below the 1962–63 supply. Canada's supply is placed at 1,185 million bushels, an alltime record. This provides about 800 million bushels above needs for domestic use and for carryover. Australia's mid-year wheat stocks were estimated at 150 million bushels.

Argentina was the only one of the four major producing countries to show reduced wheat stocks—85 million bushels. Although slightly above the total a year earlier, stocks were well below average on July 1.

According to the U.S. Department of Agriculture, wheat import requirements are showing up unexpectedly large. The Soviet Union's poor crop is reflected in the commitments to buy large quantities in both Canada and Australia. The 239-million-bushel purchase from Canada by Russia will deplete Canada's stocks and will fairly well put her out of competition in world markets for this year, at least. Another contract has been agreed upon, between the Soviet Union and Australia, for wheat and flour totaling at least 58 million bushels, with an option to buy an additional 6 million. In view of Australia's continued commitments to mainland China, she is fairly well out of the picture.

The New York Times, in an article published on September 17, reported that Canada has notified some customers that she cannot fulfill all her wheat commitments.

So with the three major competitors sorely pressed to meet their own commitments, other nations must turn to the United States.

Instead of the May wheat referendum defeat's contributing to "chaos in world markets," as Mr. Freeman forecast earlier this year, the United States has been placed in a position of strength. And since overplanting is not to be the case, also despite predictions from officials, we have a golden opportunity to rid ourselves of much of our surplus.

The economic research service of the U.S. Department of Agriculture noted, in the September issue of the Farm Index, that—

The 1963 wheat crop totals 1,151 million bushels. * * * Beginning carryover for the

current marketing year was 1,189 million bushels. Total supply in 1963–64 is down substantially from the high level in 1960–61, and heavy disappearance is expected * * * so carryover next July 1 probably will be reduced for the third consecutive year. These conditions point to strong prices for wheat during most of 1963–64 * * * toward end of year, however, prices will weaken with substantially reduced loan rate on 1964 wheat.

In its 1964 Outlook issue of August on the wheat situation, the U.S. Department of Agriculture noted that—

Increase in exports to the estimated 675 million bushels, compared with 639 million in 1962–63, is likely to be primarily reflected in Hard Winter and Soft Red Winter wheats based on current availabilities. * * *Disappearance of wheat in 1963–64 is expected to again be heavy, totaling as much as 1,290 million bushels.

How does this stack up with Mr. Freeman's comment, according to a New York Times article of September 23, that farmers should not rely on having stronger farm wheat prices result from Canada's decision to sell $500 million worth of wheat and flour to Russia? I suggest that the wheat farmer is going to be in an even better position.

A nation's actions abroad mirror the economic aggressive policies adopted at home. And this is our opportunity.

The Foreign Agricultural Service of the U.S. Department of Agriculture pointed out in its September 1963 statistical report on "World Agricultural Production and Trade," that wheat production in Western Europe is tentatively forecast to be some 300 million bushels below the record crop in 1962. Both acreage and yields are smaller; the reduced acreage is due mainly to heavy winter damage and subsequent shift of wheat acreage to other grains. France, a continental competitor of ours in certain wheat areas, was the country most affected, and the acreage harvested there was down 2 million acres. After a late start in the spring, the outlook for Europe's crop was good, until prolonged rains interrupted harvesting. This caused very high moisture content and sprouting of grain still in the fields. Total production in Western Europe is expected to drop from the 1,615 million bushels recorded in 1962 to 1,305 million bushels in 1963. Only one country in Europe—West Germany—is expected to produce more in 1963 than the production in 1962. France has been importing bread wheat, in addition to usual requirements for imported Durum. Syria's crop has been reduced by almost half, and exports will be small. Spain's crop is about 5 percent smaller, and the country is expected to be on a net import basis again, this year. Production in Italy is down more than 5 percent, requiring net imports. Damage to Sweden's grain crop appears to have been heavy, and import requirements will be larger than expected.

The report estimates that Eastern Europe's wheat production probably will reach 645 million bushels, about 5 percent above the 1962 total. But this is only a guess, and the situation in Russia could well be repeated elsewhere behind the Iron Curtain.

Together, Eastern and Western Europe production will sink from 2,225 million bushels of 1962 to 1,950 million bushels this year.

Although wheat production is estimated at an alltime high in Asia, unfavorable growing conditions in Japan have reduced the crop there from an expected 56 million bushels to 33 million. This, therefore, increases import requirements; and the USDA's current estimates put imports at about 110 million bushels, an increase of 20 percent over the 1962–63 season.

In addition, Australian and New Zealand wheat production is expected to decline from 316,440,000 bushels to 285 million this year.

The estimated world total is placed at 8,325 million bushels, much below the 8,730 million of 1962.

A regional breakdown by U.S. Department of Agriculture of July 1 stocks of wheat shows U.S. total wheat stocks of 1,189 million bushels accounting for most of the total 1,944 million bushel stock of the principal exporting countries.

Many of our best customers are crying for closer trade relations.

I should like to quote from an advertisement which appeared in the August issue of Fortune magazine. This is Masayoshi Ohira, Minister for Foreign Affairs for Japan, speaking:

Interdependence is the word that best characterizes the present relationship between Japan and the United States. Nothing more eloquently testifies to this fact than our relations in the field of trade, representing in 1962 an exchange totaling $3.2 billion—$1.8 billion in Japanese imports from and $1.4 billion in exports to the United States. The United States is Japan's best customer and Japan is the United States second best after Canada. And this trade is growing. By 1970 when the current Japanese program to double the national income in the decade of the sixties comes to an end, it is forecast that Japanese imports from the United States will have increased by as much as 300 percent. Since trade is a two-way street, we expect that the United States will receive, in corresponding measure, the varied products of our growing industries. While it is in our mutual interest and profit to expand our bilateral trade, our countries have a vital role in liberalizing and expanding trade among all nations. Here is an area where close cooperation between us can help to promote the greater prosperity of the world on which our own depends.

Wheat is the focusing spotlight for our entire agricultural trade. If we act with determination, our agricultural exports of fiscal year 1962–63 of $5,084 million can be topped. Of this total, dollar sales totaled an estimated $3,545 million.

The areas of exploitation are there. USDA reports that nearly half of the record $5.1 billion of agricultural exports in fiscal year 1961–62—the last year for which a breakdown is available—went to Europe, while Asia accounted for one-fourth. The sharp upsurge in foreign demand for U.S. farm products, including wheat, since the mid-1950's reflects largely the rapid growth of industrialized countries of Western Europe and Japan, the new effective demand resulting from stepped-up economic development in newly developing countries. A significant change in the pattern of U.S. trade is the steady rise in farm exports to Africa, from only $88 million in 1956–57 to $380 million in 1961–62.

All that is needed is a more aggressive U.S. export promotion program plus the basic initiative of the American trade to capture more markets.

In any discussion of this nature, the external financial positions of foreign countries must be considered. The U.S. Department of Agriculture, in its July-August issue of "Foreign Agricultural Trade of the United States" focuses some attention on this; it looks at considerations involved in analyzing factors determining a foreign country's financial condition to establish a classification intended to approximate its estimated relative ability to pay dollars for imports.

Let me repeat that analyzing factors determining a foreign country's financial condition to establish a classification intended to approximate its estimated relative ability to pay dollars for imports.

In other words, the countries best able or least likely to pay dollars for our agricultural commodities. A concentrated push could well result in more of these dollars flowing to the United States.

U.S. Department of Agriculture classifies countries into four categories: Excellent, good, fair, and poor.

Here is the definition of these categories:

Excellent: large foreign exchange holdings more than ample to pay for usual imports; balance-of-payments situation satisfactory or favorable; outlook favorable.

Good: Exchange holdings, if prudently managed, adequate to meet current import needs without difficulty; balance-of-payments situation stabilized; outlook either favorable or stable and without major adverse elements.

Fair: Experiencing payments difficulties which limit the ability to import freely; reserves either (a) barely sufficient to maintain essential import needs, with the outlook tolerable to favorable, or (b) currently adequate but deteriorating, with no indications of reversal of the trend; balance-of-payments situation either basically weak, or shifting to unfavorable.

Poor: Exchange holdings low or being depleted; balance-of-payments situation unfavorable and earnings insufficient for import needs; deficit financed by drawing down on reserves and/or foreign borrowing and assistance; import capability severely limited; foreign indebtedness often large; outlook uncertain or unfavorable.

Most of those countries are in our trade circle now. Fourteen of them are rated as in excellent financial position, 22 are rated as good, 21 fair, and 36 are listed as poor.

The U.S. Department of Agriculture declares that such a listing can usefully serve for general guidance to those whose decisions rest partly on appraising financial abilities of foreign nations to effect dollar repayment for goods—either on a cash or deferred-payment basis, to accept the burden of additional debt servicing, or to adopt internal monetary policies—which may be the necessary adjunct to a program of external aid.

Mr. President, I feel our course has been well plotted; all we have to do is to act.

I ask unanimous consent that tables and newspaper articles bearing on the wheat situation be printed in the RECORD.

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

WORLD AGRICULTURAL PRODUCTION AND TRADE, SEPTEMBER 1963, U.S. DEPARTMENT OF AGRICULTURE, FOREIGN AGRICULTURAL SERVICE

Wheat: Acreage, yield per acre, and production in specified countries, year of harvest, average, 1955–59, annual, 1961–63 [1]

Continent and country	Acreage [2]				Yield per acre [3]				Production			
	Average, 1955–59	1961	1962	1963 [4]	Average, 1955–59	1961	1962	1963 [4]	Average, 1955–59	1961	1962	1963 [4]
	1,000 acres	*1,000 acres*	*1,000 acres*	*1,000 acres*	*Bushels*	*Bushels*	*Bushels*	*Bushels*	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*
North America:												
Canada	22,730	25,316	26,817	27,566	20.4	11.2	21.1	25.2	465,618	283,394	565,554	694,331
United States	49,128	51,551	43,576	44,501	22.3	24.0	25.1	25.5	1,095,357	1,234,743	1,092,562	1,134,051
Mexico	2,214	2,016	1,818	2,051	20.2	25.5	29.0	28.1	44,615	51,500	52,650	57,690
Estimated total [5]	74,160	78,970	72,300	74,200	21.7	19.9	23.7	25.4	1,606,000	1,571,000	1,712,000	1,887,000
Europe:												
Austria	634	682	668	600	32.8	38.3	38.8	39.4	20,802	26,150	25,950	23,630
Belgium	498	510	516	495	53.6	52.0	57.2	56.4	26,672	26,540	29,520	27,900
Denmark	179	260	381	321	58.8	61.3	62.1	59.5	10,521	15,950	23,660	19,100
Finland	314	586	706		23.9	28.9	21.9		7,514	16,930	15,490	
France	10,432	9,876	11,294	9,262	34.3	35.6	45.7	36.7	358,210	351,800	516,380	340,000
Germany, West	3,045	3,435	3,245	3,380	45.5	43.1	51.8	52.7	138,676	148,000	168,000	178,000
Greece	2,704	2,637	2,697	2,312	21.4	22.2	24.1	22.9	57,762	58,560	65,017	52,850
Ireland	361	345	319	229	42.3	50.0	50.6	51.4	15,279	17,250	16,130	11,760
Italy	12,145	10,738	11,257	11,011	27.2	28.4	31.1	26.7	329,880	305,000	349,830	293,950
Netherlands	250	304	328	312	57.2	58.2	67.6		14,294	17,700	22,160	
Norway	35	24	24	25	32.4	41.7	31.2	36.0	1,134	1,000	750	900
Portugal	2,009	1,631	1,631	1,483	12.1	9.7	12.5	12.1	24,286	15,800	20,360	18,000
Spain	10,728	9,610	10,507	10,030	15.4	13.1	16.8	16.8	165,400	126,100	176,700	169,000
Sweden	831	679	776	619	33.7	43.9	41.3	41.2	28,030	29,840	32,030	25,500
Switzerland	243	272	268	274	44.7	40.1	56.5	36.5	10,860	10,900	15,140	10,000
United Kingdom	2,098	1,827	2,256	1,926	48.5	52.6	60.1	52.3	101,720	96,100	135,560	100,800
Estimated total, Western Europe [5]	46,560	43,470	46,930	42,990	28.2	29.1	34.4	30.4	1,313,000	1,265,000	1,615,000	1,305,000
Bulgaria	3,466	3,212	3,015		19.6	19.5	19.9		68,100	62,500	60,000	
Czechoslovakia	1,818	1,589	1,658		30.0	37.8	36.4		54,500	60,000	60,400	
Germany, East	1,026	932	1,045		41.1	41.0	44.0		42,160	38,200	46,000	
Hungary	3,112	2,505	2,706		22.0	28.4	26.6		68,500	71,100	72,000	
Poland	3,581	3,462	3,442		23.4	29.6	28.7		83,900	102,500	98,700	
Rumania	7,302	7,337	7,518		16.2	19.8	19.8		118,600	145,000	148,940	
Yugoslavia	4,750	4,843	5,090		21.5	24.1	23.6		102,000	116,500	120,000	
Estimated total, Eastern Europe [5]	25,310	24,130	24,720	25,180	21.4	24.9	24.7	25.6	542,000	600,000	610,000	645,000
Estimated total, all Europe [5]	71,870	67,600	71,650	68,170	25.8	27.6	31.1	28.6	1,855,000	1,865,000	2,225,000	1,950,000
U.S.S.R. (Europe and Asia) [6]	159,000	155,000	166,545		12.0	12.3	12.0		1,910,000	1,900,000	2,000,000	
Asia:												
Iran									95,950	103,000	99,200	102,880
Iraq	2,540	3,200	3,931		10.7	9.4	10.1		27,118	30,000	39,885	
Israel	137	118			17.6	19.0			2,418	1,900		
Jordan	638	675	704		8.6	7.6	5.8		5,458	5,100	4,115	
Lebanon	162	143	146	138	10.4	9.0	12.6	12.0	1,682	1,290	1,840	1,650
Syria	2,540	3,249	3,314		10.2	5.1	12.9		25,942	16,500	42,880	22,000
Turkey	16,990	15,500	16,000		13.4	14.5	15.7		228,000	225,000	250,000	285,000
China, mainland									900,000			
India	30,393	32,047	33,240	33,500	10.9	12.6	13.1	13.7	329,926	403,900	433,830	459,290
Japan	1,551	1,603	1,585	1,436	32.5	40.8	37.8	23.1	50,482	65,440	59,890	33,180
Korea, Republic of	317	310	330		14.1	20.0	18.2		4,469	6,200	6,000	
Pakistan	11,496	11,603	12,571	12,140	11.6	12.2	12.1	12.3	133,192	141,340	151,720	149,330
Estimated total [5]	141,960	139,320	144,970	144,080	13.3	13.4	13.7	14.1	1,890,000	1,865,000	1,985,000	2,035,000
Africa:												
Algeria	4,658	4,622	4,522		10.0	5.2			46,364	24,200		
Egypt	1,561	1,436	1,515	1,634	34.4	36.8	38.9	38.6	53,778	52,800	58,970	63,000
Morocco	3,888	3,845	3,677	4,085	9.2	6.1	12.5	12.5	35,723	23,300	45,800	51,200
Tunisia	2,908	2,000	2,100		6.1	4.5	6.9		17,798	9,000	14,500	
South Africa, Republic of [7]	2,906	3,100	2,921		9.5	10.5	8.7		27,554	32,500	25,360	
Estimated total [5]	17,610	16,850	16,570	17,790	11.1	9.5	12.7	12.1	195,000	160,000	210,000	215,000
South America:												
Argentina	11,598	10,374			19.5	18.3			225,676	190,000	190,000	
Brazil	2,386				10.3				24,460	7,500		
Chile	2,030	2,097	2,082		20.0	18.8	22.4		40,597	39,370	46,600	
Colombia	412	395	408		12.8	13.2	14.6		5,288	5,220	5,950	
Peru	365	379	390	371	14.2	14.9	14.8		5,166	5,640	5,770	
Uruguay	1,604	1,077	990	1,075	11.8	12.7	16.8		18,950	13,650	16,610	
Estimated total [5]	18,680	16,040	15,590	16,650	17.3	16.5	18.0	18.0	323,000	265,000	280,000	300,000
Oceania:												
Australia	9,629	14,723	16,171	16,500	17.5	16.7	19.0		168,320	246,000	307,200	
New Zealand	103	186	210		46.7	42.1	44.0		4,814	7,835	9,240	
Total, Oceania	9,732	14,909	16,381	16,700	17.8	17.0	19.3	17.1	173,134	253,835	316,440	285,000
Estimated world total [5]	493,010	488,690	504,010	503,150	16.1	16.1	17.3	16.5	7,955,000	7,880,000	8,730,000	8,325,000

[1] Years shown refer to years of harvest in the Northern Hemisphere. Harvests of Northern Hemisphere countries are combined with those of the Southern Hemisphere which immediately follows; thus, the crop harvested in the Northern Hemisphere in 1963 is combined with preliminary forecasts for the Southern Hemisphere harvests which will begin late in 1963 and end early in 1964.

[2] Figures refer to harvested areas as far as possible.

[3] Yield per acre calculated from acreage and production data shown.

[4] Preliminary estimates for Northern Hemisphere countries; for Southern Hemisphere, preliminary forecasts based largely on acreage and weather conditions to date.

[5] Estimated totals, which in the case of production are rounded to millions, include allowances for any missing data for countries shown and for other producing countries not shown.

[6] Tentative unofficial estimates for production.

[7] Production on European holdings only.

Source: Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source material, reports of U.S. agricultural attachés and Foreign Service officers, results of office research, and related information.

TABLE 20.—*Wheat, including flour (grain equivalent): Total exports and Government exports by programs, United States, average 1954–58, annual 1954–62*

[In thousands of bushels]

Item	Year beginning July—									
	Average, 1954–58	1954	1955	1956	1957	1958	1959	1960	1961	1962 [1]
Total exports	402,324	273,634	345,564	548,558	401,762	442,101	509,024	660,882	717,815	637,500
Under Government programs:										
Quantity	264,734	158,027	240,693	375,119	246,826	303,002	374,552	457,720	491,072	482,280
Percentage of total	65.8	57.7	69.7	68.4	61.4	68.5	73.6	69.3	68.4	75.7
For dollars:										
Quantity	137,590	115,607	104,871	173,439	154,936	139,099	134,472	203,162	226,743	155,220
Percentage of total	34.2	42.3	30.3	31.6	38.6	31.5	26.4	30.7	31.6	23.4
Government exports by programs, Public Law 480: [2]										
Title I	145,124	23,802	94,347	200,536	179,023	227,914	300,648	327,214	379,110	407,315
Title II	13,039	15,991	11,864	12,188	14,290	10,861	10,722	30,490	25,702	30,971
Title III:										
Barter	46,026	46,459	66,716	87,086	9,807	20,062	25,662	34,090	41,337	8,848
Donations	10,740	[3] 963	2,788	11,735	17,993	20,219	24,256	30,358	35,098	28,825
Title IV									7,286	4,976
AID [4]	49,805	70,812	64,978	63,574	25,713	23,946	13,264	35,568	2,539	1,345
Total	264,734	158,027	240,693	375,119	246,826	303,002	374,552	457,720	491,072	482,280

[1] Preliminary.
[2] The Agricultural Trade Development and Assistance Act of 1954.
[3] Army civilian supply program shipments for civilian feeding in occupied areas. This is included in the average shown for donations under title III.
[4] Agency for International Development (sec. 402, Public Law 480, as amended). In earlier years this program was known as the Marshall plan, Economic Cooperation Administration, and International Cooperation Administration.

Source: "1964 Outlook Issue of Wheat Situation," Economic Research Service, USDA, August 1963.

TABLE 18.—*Wheat: Supplies available for export and carryover in the United States, Canada, Argentina, and Australia, July 1, 1951–63*

[In million bushels]

Item	United States	Canada	Argentina	Australia	Total
Total season supplies: [1]					
1950–51	1,456	579	228	228	2,491
1951–52	1,420	743	97	179	2,439
1952–53	1,584	919	285	212	3,000
1953–54	1,784	1,018	300	236	3,338
1954–55	1,922	951	343	264	3,480
1955–56	1,983	1,056	281	291	3,611
1956–57	2,047	1,153	317	222	3,739
1957–58	1,875	1,126	283	141	3,425
1958–59	2,347	1,047	315	233	3,942
1959–60	2,424	1,033	275	266	3,998
1960–61	2,679	1,118	210	338	4,345
1961–62	2,652	891	225	275	4,043
1962–63 [2]	2,420	949	203	329	3,901
Domestic disappearance for 12 months:					
1950–51	690	149	113	80	1,032
1951–52	689	170	88	81	1,028
1952–53	661	150	131	72	1,014
1953–54	634	144	128	77	983
1954–55	611	162	122	68	963
1955–56	603	164	129	77	973
1956–57	588	155	148	71	962
1957–58	591	159	138	71	959
1958–59	608	164	156	66	994
1959–60	600	156	127	77	960
1960–61	606	157	135	79	977
1961–62	611	142	135	75	963
1962–63 [2]	592	150	130	78	950

Item	United States	Canada	Argentina	Australia	Total
Exports beginning of season to June 30: [3]					
1950–51	366	209	68	74	717
1951–52	475	313	4	47	839
1952–53	318	341	29	64	752
1953–54	217	234	58	35	544
1954–55	275	232	78	62	647
1955–56	346	281	60	65	752
1956–57	550	239	61	63	913
1957–58	403	295	39	25	762
1958–59	443	275	67	49	834
1959–60	510	260	48	75	893
1960–61	662	324	30	128	1,144
1961–62	719	336	77	125	1,257
1962–63 [2]	639	312	45	134	1,130
Balance on July 1 for export and carryover:					
1951	400	221	47	74	742
1952	256	260	5	51	572
1953	605	428	125	76	1,234
1954	933	640	114	124	1,811
1955	1,036	557	143	134	1,870
1956	1,034	611	92	149	1,886
1957	909	759	108	88	1,864
1958	881	672	106	45	1,704
1958	1,296	608	92	118	2,114
1960	1,314	617	100	114	2,145
1961	1,411	637	45	131	2,224
1962	1,322	413	13	75	1,823
1963 [2]	1,189	487	28	117	1,821

[1] Carryover stocks and production, except for United States which includes imports.
[2] Preliminary.
[3] Season begins July 1 for United States, Aug. 1 for Canada, and Dec. 1 for Argentina and Australia. U.S. exports include flour and other products in wheat equivalent.

Source: "1964 Outlook Issue of Wheat Situation," Economic Research Service, USDA, August 1963.

TABLE 16.—*Wheat: Supply and disappearance, United States, annual, 1955–63, and July–December and January–June periods, 1958–63*

[In thousands of bushels]

Year beginning July	Supply				Disappearance								
					Continental United States								
	Carry-over	Production	Imports [1]	Total	Civilian food [2]	Seed	Industrial	Feed [3]	Total	Military procurement [4]	Exports [5]	Shipments [6]	Total
Annual:													
1955	1,036,178	937,094	9,933	1,983,205	469,437	68,056	678	53,143	591,314	8,213	346,273	3,918	949,718
1956	1,033,487	1,005,397	7,783	2,046,667	469,736	57,995	497	47,397	575,625	8,636	549,536	4,040	1,137,837
1957	908,830	955,740	10,947	1,875,517	474,529	62,960	276	41,978	579,743	7,605	402,918	3,878	994,144
1958	881,373	1,457,435	7,769	2,346,577	485,653	64,287	114	46,861	596,915	7,372	443,294	3,930	1,051,511
1959	1,295,066	1,121,118	7,410	2,423,594	487,297	62,864	86	40,545	590,792	6,525	510,239	2,520	1,110,076
1960	1,313,518	1,357,272	8,232	2,679,022	487,339	63,963	83	45,721	597,106	6,433	661,945	2,360	1,267,844
1961 [7]	1,411,178	1,234,743	5,885	2,651,806	491,640	55,968	64	54,395	602,067	6,855	718,694	2,320	1,329,936
1962 [7]	1,321,870	1,092,562	5,556	2,419,988	492,866	60,737	69	29,147	582,819	6,500	639,103	2,160	1,230,582
1963 [7]	1,189,406	1,150,527	5,000	2,345,000									

See footnotes at end of table.

TABLE 16.—*Wheat: Supply and disappearance, United States, annual, 1955–63, and July–December and January–June periods, 1958–63*—Continued

[In thousands of bushels]

Year beginning July	Supply				Disappearance								
					Continental United States								
	Carry-over	Production	Imports [1]	Total	Civilian food [2]	Seed	Industrial	Feed [3]	Total	Military procurement [4]	Exports [5]	Shipments [6]	Total
Half years:													
1958:													
July–December	881,373	1,457,435	3,047	2,341,855	249,348	48,215	58	13,139	310,760	3,749	204,815	2,100	521,424
January–June	1,820,431		4,722	1,825,153	236,305	16,072	56	33,722	286,155	3,623	238,479	1,830	530,087
1959:													
July–December	1,295,066	1,121,118	2,857	2,419,041	250,304	47,148	39	36,470	333,961	3,110	205,941	1,335	544,347
January–June	1,874,694		4,553	1,879,247	236,993	15,716	47	4,075	256,831	3,415	304,298	1,185	565,729
1960:													
July–December	1,313,518	1,357,272	2,906	2,673,696	251,146	48,700	39	2,298	302,183	3,359	298,930	1,205	605,677
January–June	2,068,019		5,326	2,073,345	236,193	15,263	44	43,423	294,923	3,074	363,015	1,155	662,167
1961: [7]													
July–December	1,411,178	1,234,743	2,031	2,647,952	257,599	42,553	28	[8] −7,053	293,127	3,241	367,801	1,220	665,389
January–June	1,982,563		3,854	1,986,417	234,047	13,415	36	61,448	308,940	3,614	350,893	1,100	664,547
1962: [7]													
July–December	1,321,870	1,092,562	1,485	2,415,917	254,472	46,645	34	14,726	315,877	3,000	278,449	1,085	598,411
January–June	1,817,506		4,071	1,821,577	238,394	14,092	[9] 35	14,421	266,942	3,500	360,654	1,075	632,171
1963: [7]													
July–December	1,189,406	1,150,527											
January–June													

[1] Imports include full-duty wheat, wheat imported for feed, and dutiable flour and other wheat products in terms of wheat. They exclude wheat imported for milling in bond and export as flour, also flour free for export.

[2] Excludes shipments to U.S. territories, Hawaii, and Alaska and wheat for military food use at home and abroad.

[3] This is the residual figure, after all other disappearance has been taken into account; feed for 1961 appears to be larger than it should be.

[4] Takings for military food use at home and abroad.

[5] Exports are of wheat, including flour wholly from U.S. wheat and other wheat products in terms of wheat. They include exports for relief or charity by individuals and private agencies.

[6] Shipments are to U.S. territories, Hawaii, and Alaska.

[7] Preliminary.

[8] For the period July–December 1961, known disappearance from the July 1 supply, without an allowance for quantities fed, is about 7,000,000 bushels larger than that indicated by Jan. 1 stocks. This discrepancy may be accounted for by possible inexactness in data, including some duplication in stocks reported in the various positions by different agencies.

[9] Estimated quantity.

Source: "1964 Outlook Issue of Wheat Situation," Economic Research Service, USDA, August 1963.

Countries of the world classified according to external financial position [1]

[Country designations as shown in U.S. foreign trade statistics]

Current rating, June 1963	Previous ratings [2]	
	February 1962	March 1961
I. Excellent financial position:		
Australia	E	E
Austria	E	E
Bahrein, State of	E	E
Belgium-Luxembourg	E	E
France	E	E
Germany, Federal Republic of	E	E
Italy	E	E
Kuwait	E	E
Netherlands	E	E
Panama	E	E
Saudi Arabia	E	G
Sweden	E	G
Switzerland	E	E
United Kingdom	E	E
II. Good financial position:		
Canada	E	E
Denmark	G	G
El Salvador	G	G
Ireland	G	G
Israel	F	P
Japan	G	E
Lebanon	G	G
Libya	F	P
Malaya, Federation of	G	G
Mexico	G	G
Netherlands Antilles [3]	G	G
New Zealand and Western Samoa	F	G
Nigeria	G	G
Norway	G	G
Portugal	G	E
Rhodesia and Nyasaland, Federation of	G	F
South Africa, Republic of	F	F
Spain	G	P
Sudan	G	F
Surinam (Netherlands Guiana) [3]	G	G
Thailand	G	G
Venezuela	G	G
III. Fair financial position:		
Afghanistan	F	F
Algeria		
Burma	F	F
Costa Rica	F	F
Dominican Republic	P	F
Ecuador	F	G
Ethiopia	F	F
Finland	F	F
Free Territory of Trieste, Palestine, and Arabia Peninsula States [3]	F	F
Ghana	G	G
Greece	P	P
Guatemala	F	F
Honduras	F	F
Iran	F	F
Iraq	F	F
Liberia	G	G
Nicaragua	F	F
Peru	F	F
Philippines, Republic of	F	F
Tanganyika		
Uganda		
IV. Poor financial position:		
Argentina	F	P
Bolivia	P	P
Brazil	P	P
Burundi		
Cambodia	P	P
Ceylon	P	P
Chile	P	P
China (Taiwan)	P	P
Colombia	P	P
Congo (Léopoldville)	P	P
Cuba	P	P
Cyprus	P	P
Guinea	P	P
Haiti	P	P
Iceland	P	P
India	P	P
IV. Poor financial position—Con.		
Indonesia, Republic of	P	P
Jamaica		
Jordan	P	P
Korea, Republic of	P	P
Laos	P	P
Mali		
Morocco	P	P
Nepal	P	P
Pakistan	P	P
Paraguay	P	P
Rwanda		
Sierra Leone	P	
Somali Republic	P	P
Syrian Arab Republic	P	P
Tunisia	P	P
Turkey	P	P
United Arab Republic (Egypt)	P	P
Uruguay	P	P
Vietnam, South	P	P
Yugoslavia	P	P
Former French African territories: [4]		
Cameroon		
Malagasy Republic (Madagascar)		
Western Africa, n.e.c.: [5]		
Dahomey		
Ivory Coast		
Mauritania		
Niger		
Senegal		
Togo		
Upper Volta		
Western Equatorial Africa, n.e.c.: [5]		
Central African Republic		
Chad		
Congo (Brazzaville)		
Gabon		

[1] With 2 exceptions, dependent oversea territories and departments, including trust territories and the Canal Zone, are considered as in the same category as the mother country. The exceptions are Netherlands Antilles and Surinam, which hold their foreign exchange separately from the mother country and exercise a high degree of independence in its utilization.

[2] Key:
E—Excellent.
G—Good.
F—Fair.
P—Poor.

[3] The Arabia Peninsula States, on which very little information is available, comprise Yemen, Oman, Qatar, and trucial shiekdoms.

[4] Foreign exchange assets of these newly independent states are held centrally in Paris under joint control with France. Data on the amounts of such assets are not available. Balance-of-payments information is fragmentary. Dollars and other nonfranc exchange are freely obtainable from the central pool within the limits of current nonfranc earnings; exchange beyond these limits is obtainable only under special arrangements requiring French agreement. In view of (a) these pay-as-you-go exchange arrangements, (b) generally limited and potentially vulnerable exchange earnings, and (c) potentially large requirements for economic development, these countries may as a practical matter be considered as in a poor or fair external financial position.

[5] Not elsewhere classified.

Source: Foreign Agricultural Trade of the United States, Economic Research Service, USDA, July-August 1963.

TABLE 11.—*U.S. agricultural exports under specified Government-financed programs, exports outside specified Government-financed programs, and total agricultural exports: Value by commodity, calendar year 1962*

[In millions of dollars]

Commodity	Public Law 480					Public Law 87-195, sec. 402, sales for foreign currency and economic aid [3]	Total agricultural exports		
	Title I	Title II	Title III		Title IV				
	Sales for foreign currency	Famine and other emergency relief	Foreign donations [1]	Barter [2]	Long-term supply and dollar credit sales		Under specified Government programs	Outside specified Government programs [4]	Total
Wheat	527.3	60.1	2.2	35.4	16.6	3.3	644.9	296.4	941.3
Wheat flour	51.2	23.6	52.6	2.4	.1	.8	130.7	61.9	192.6
Rye				.3			.3	20.1	20.4
Corn, except seed	24.6	37.0	1.6	42.7		2.0	107.9	419.9	527.8
Grain sorghums	2.6	1.4		21.8			25.8	96.3	122.1
Barley	18.2	1.1		2.3		.3	21.9	95.1	117.0
Cornmeal		.9	16.7				17.6	4.0	21.6
Wheat cereal foods to be cooked		[5] .6	[5] 8.4				9.0	.3	[6] 9.3
Rice, milled	77.1	3.8			1.3	4.0	86.2	66.5	152.7
Cotton	135.8				15.3	2.0	153.1	374.8	527.9
Tobacco, unmanufactured	22.1			31.0	.4	.3	53.8	319.6	373.4
Soybeans					2.8	7.2	10.0	396.1	406.1
Tallow, edible and inedible	14.9					2.8	17.7	74.6	92.3
Soybean oil	58.6	2.3	[7] 11.0		3.0	1.0	75.9	69.0	[6] 144.9
Cottonseed oil	27.2	.9	[7] 7.4				35.5	23.2	[6] 58.7
Shortening, 100-percent vegetable oil		.1	20.1				20.2	1.7	[6] 21.9
Oilcake and meal					2.1	2.5	4.6	86.4	91.0
Feeds and fodders, except oilcake and meal					.2	.3	.5	49.1	49.6
Essential oils						.1	.1	15.1	15.2
Milk:									
Evaporated and condensed	6.5					4.5	11.0	10.3	21.3
Whole dried	1.1					.1	1.2	6.4	7.6
Nonfat dry	.7	8.8	43.2	1.0			53.7	21.4	75.1
Cheese			4.0				4.0	2.3	6.3
Butter			1.4	.5			1.9	1.5	[6] 3.4
Anhydrous milk fat	(8)		5.0				5.0	4.1	[6] 9.1
Infants' and dietetic foods						.7	.7	9.3	10.0
Eggs, dried	(8)						(8)	4.3	4.3
Poultry, fresh or frozen	1.1						1.1	71.9	73.0
Hides and skins						2.7	2.7	80.2	82.9
Beans, dry edible, except seed	.2	2.6	4.7				7.5	13.2	20.7
Fruits and juices, fresh, frozen, and canned	.3						.3	238.1	238.4
Crude rubber and allied gums						.1	.1	.3	.4
Other agricultural commodities								593.1	593.1
Total agricultural exports	969.5	143.2	178.3	137.4	41.8	34.7	1,504.9	3,526.5	5,031.4

[1] Foreign donations are authorized under sec. 416 of the Agricultural Act of 1949 and sec. 302, title III, Public Law 480.

[2] The barter program is authorized under the Charter Act of the Commodity Credit Corporation; sec. 303, title III, Public Law 480; and other legislation.

[3] Agency for International Development (AID) programs, principally sales for foreign currency.

[4] Total agricultural exports outside specified Government-financed programs (sales for dollars) include, in addition to unassisted commercial transactions, shipments of some commodities with governmental assistance in the form of (1) extension of credit for relatively short periods, (2) sales of Government-owned commodities at less than domestic market prices, and (3) export payments in cash or in kind.

[5] Bulgur wheat under title II; $8,100,000 for bulgur wheat and $300,000 for rolled wheat under title III donations.

[6] The value shown for total agricultural exports of wheat cereal foods to be cooked, soybean oil, cottonseed oil, and shortening, 100-percent vegetable oil, butter, and anhydrous milk fat includes value reported by Bureau of the Census, plus the value shown as foreign donations under title III. Relief shipments of the commodities are not separately reported by the Bureau of the Census.

[7] Reported as soybean and cottonseed oil. Breakdown between the 2 oils estimated.

[8] Less than $50,000.

[From the New York Times, Sept. 17, 1963]

UNITED STATES HOPES TO GAIN FROM WHEAT SALE—CANADIAN-SOVIET DEAL SAID TO OPEN WORLD MARKET

WASHINGTON, September 16.—U.S. agricultural officials speculated cautiously today that Canada's $500-million sale of wheat to the Soviet Union might benefit American producers.

Any benefit, it was said, would come from Canada's leaving open some world markets and from the United States filling demands with dollar sales. Some officials said the United States could increase its wheat sales by more than 200 million bushels in the next year as a replacement for Canadian wheat. This could raise U.S. wheat exports to a record.

While farm officials speculated on possible benefits, officials at the State Department said the Soviet plan to send Canadian wheat to Cuba posed no issue between the United States and Canada.

The State Department officials said that wheat was in the category of food and that Washington had never prohibited the shipment of food and drugs to Cuba under Premier Fidel Castro. Traditionally, they said, the United States has acted on humanitarian grounds—even toward Communist China.

POLICY UNDER STUDY

Washington also wonders whether the Soviet purchase will spur the United States to open its surplus agricultural products to the Soviet Union and to other Communist countries.

There is no legal prohibition of government-to-government sales with the Soviet Union, provided that commercial exporters obtain export licenses from the Department of Commerce. The policy, however, has been to rule out trade in farm products with Communist countries other than Poland and Yugoslavia.

This issue has agitated Congress for several years. Congress has prohibited aid to any country known to be dominated by communism or Marxism. But it has permitted sales and gifts of surplus farm products where the President finds them in the national interest.

Senator HUBERT H. HUMPHREY, of Minnesota, the Democratic whip, asserted today that the United States must change its "outdated" export policies if it was to share in world markets.

Wheat is not a war material, he told the Senate in commenting on the Canadian-Russian agreement. Canada, he said, is getting dollars for its wheat at a time when the United States needs gold to help its dollar balance.

HODGES FAVORS EXPANSION

There was no official indication that the Soviet purchase had stimulated a reexamination of the U.S. policy. Earlier today Secretary of Commerce Luther H. Hodges said he had planned to suggest to President Kennedy that the United States might expand trade with Communist countries in the wake of the easing of tensions and the treaty for a limited ban on nuclear tests.

Mr. Hodges spoke on the television program "Today" over the National Broadcasting Co. network before Canada announced the Soviet agreement. He did not specifically include farm products. The Secretary said, "We ought to follow somewhat more what our allies have been for the last several years; namely, to sell goods."

The Department of Commerce will hold a White House conference tomorrow on promoting exports. President Kennedy will speak, and Mr. Hodges said he planned to carry his plea to the President then.

Analysts of Soviet agriculture and the Department of Agriculture commented that the Canadian sale might indicate that the Russian grain shortage was worse than had been believed. But they had no definite word.

Agriculture officials indicated that if the United States could add to its exports, wheat prices would generally be strengthened. But they pointed out, this applied to the current wheat crop and would have no effect on the 1964 crop.

PRICE DROP EXPECTED

Official predictions are that wheat prices will drop sharply next year. This is based on producers' rejection of the administration's tough new wheat-output control proposal earlier this year. That program would have guaranteed producers $2 a bushel compared with the predicted 1964 price of about $1.30.

One cause for worry, officials said, is that with the Canadian sale opening sales for U.S. wheat, and with a resultant stiffening of prices, producers may be induced to plant more. Winter wheat, the bulk of the U.S. crop, is going into the ground now for harvest next year.

One reason for caution by farm officials is that Canada has had two successive bumper wheat crops. The 1962 production was 550 million bushels; this year's yield, estimated at 706 million, could amount to 750 million.

Canada could easily handle the 550 million bushels for domestic and export needs, the officials said, but this year's crop provided her with a 200 million bushel surplus to be drained off by the Soviet Union. At the same time, they noted, Canada has notified some customers that she cannot fulfill all her commitments.

[From the New York Times, Sept. 18, 1963]

OPPORTUNITY IN WHEAT

The significance of the huge Russian purchases of Canadian wheat goes far beyond the immediate economic consequences to both countries. It reflects serious internal difficulties for the Soviet Union, already beset by its intense ideological struggle with China. It affords an opportunity for the West, particularly for the United States, to carry out our objective of expanding world trade.

Ten years ago this month Nikita Khrushchev won the center of the stage in post-Stalin Russia for the first time by delivering a slashing speech exposing Soviet agricultural weaknesses and proposing radical reforms. Since then Soviet farming has constantly been his main domestic concern. Now Premier Khrushchev has had to take the radical—and for him personally humiliating—step of buying $500 million worth of wheat and wheat flour from Canada after all his torrent of words about the superiority of Socialist agriculture.

The money Moscow is spending for this wheat will be unavailable to buy the Western machinery needed for Premier Khrushchev's ambitious industrialization goals. Consequently, there may well have to be some cutbacks in the new 2-year plan for 1964–65 now in preparation. Furthermore, the impact of this defeat upon the political structure of Soviet Russia raises intriguing possibilities. Every Soviet citizen knows how many panaceas for Russia's agricultural ills Khrushchev has offered this past decade. He has spent immense sums to open up the virgin lands of Kazakhstan and Siberia, promising that oceans of wheat would be grown there. He has wiped out the old machine tractor station, raised the prices paid to farmers, overhauled the agricultural administrative apparatus time and again, and introduced new systems of crop rotation wholesale.

But in 1963, after all this, he has had to turn to Canada for the grain the Soviet Union's Socialist agriculture could not grow. We may be sure that the Chinese Communists will use his failure to undermine Khrushchev's authority as the final arbiter of Communist policy. It will be surprising if there are not ambitious men in the Kremlin who will try to do the same.

The United States cannot take an active part in the fight behind the Kremlin's walls. But Washington can make constructive use of the sale of wheat by Canada. We will directly benefit from Russian sales of gold, which will mean less pressure on our own gold stock. The indirect benefits, however, are incalculable.

With Western Europe short of grain, the United States is now in a position to dispose of a major part of our own surplus, which has been so expensive and seemingly so permanent a burden. Our aim should not be to make a quick killing simply to improve our balance of payments. Rather, we now have the bargaining power to persuade the European Economic Community to abandon its effort to achieve self-sufficiency in agriculture by increasing its protectionist policies.

To accomplish this end, the United States must be prepared to turn away from our own artificially high agricultural price supports. The support program has given the Common Market an excuse to reject the American demand for a more liberal European attitude. Moreover, our huge and continuing surpluses have served as a deterrent against change, for there seemed no rational way to reduce them. But the administration now has an opportunity to adopt more flexible policies, geared to the new conditions, that will encourage an expansion in foreign trade.

If persistent agricultural failure is the Achilles' heel of the Soviet economy, the United States has never been able to exploit the Herculean strength of our own capacity to produce on the farms. The Canadian-Russian deal offers a chance to move out of the rut created by rigid adherence to artificial prices and by European countermeasures.

The path to trade expansion and greater integration in industry and agriculture is now open. We should not hesitate to undertake new policies that will hasten progress toward these objectives.

[From the New York Times, Oct. 3, 1963]

CONFUSION RISING OVER WHEAT DEAL—SOVIET NEGOTIATIONS INDICATE UNCERTAINTY ON BID TO UNITED STATES

(By Max Frankel)

WASHINGTON, October 2.—The administration's difficulty in deciding whether to sell wheat to the Soviet Union was matched tonight by the Russians' difficulty in deciding whether they really want it.

A flurry of statements from all sides left the impression that the Russians were probably still in the market—but not necessarily—and that President Kennedy would probably approve the sale—but not necessarily.

In any case, the plot was thickening on all phases of the deal, diplomatic, political, and economic.

In Winnipeg, Leonid Matveyeu, the head of the Soviet Grain Board, told the Associated Press that his delegation had now bought wheat to tide his country over until next season "without having to buy any from the United States this year."

Mr. Matveyev appeared to be saying what Premier Khrushchev said a week ago, in remarks published in Moscow yesteray. Further examination, however, developed that the Soviet official was repeating his Premier's statement without knowing what it meant.

"Have you seen the Khrushchev statement?" he asked a questioner who reached him by telephone. He meant the Premier's remark that if Russians used bread economically, "the resources we now have will be sufficient for the normal supply of the population."

"Well," Mr. Matveyev continued in Russian with some agitation, "what do you want me to say? What can I say except what the Premier says? It means they know better in Moscow than I do here."

Apparently the Khrushchev statement overtook Mr. Matveyev's negotiating instruction and he was awaiting clarification. He was heard to be arguing with some of his colleagues near the telephone.

SEEKS GOP SUPPORT

U.S. officials decided that Mr. Khrushchev's remark did not rule out a deal with the United States. Russians had reiterated their interest in buying after they completed agreements to buy wheat and flour from Canada and Australia last month. They seemed to be waiting for an unofficial invitation to make a formal offer.

Whether to tender that invitation has been the administration's problem and high officials insisted tonight that no decision had been reached. Their studies of the different ways in which a deal could be handled are not completed, they said. What is more, their certainty that the Russians are also interested seems to have been slightly shaken.

Above all, President Kennedy was represented as eager to obtain more forthright Republican support for the deal, presumably to head off a partisan controversy during next year's presidential election.

Leading Republicans, especially those from Middle Western farm States, have shown neither enthusiasm nor opposition. They appear to be balancing the views of farmers eager to sell their surpluses and conservative forces opposed to trading with Communist countries.

But the outright opposition in Congress is weak and unorganized, so supporters of the deal are predicting a favorable Presidential decision within a few days. That view, however, was voiced before the Russians indicated their own confusion.

BID TO EISENHOWER REPORTED

Most administration leaders favor a sale of wheat, flour, and corn that would bring this country at least $200 million. They became convinced that the Russians wanted to make a firm offer if only they had a sign from Washington that they would not be rebuffed.

The President's strategy was to solicit expressions of support from the Congress and the country, to test public sentiment about a reversal of past trade policies, to disarm the political opposition and to gain time to study the best way of handling the sale.

He was particularly eager to obtain the backing of the Republican leaders in Congress. Senator EVERETT MCKINLEY DIRKSEN of Illinois, and Representative CHARLES A. HALLECK of Indiana.

Some reports said Mr. Kennedy had also solicited the views of former President Dwight D. Eisenhower, but this has not been confirmed.

Senator DIRKSEN was still reserving judgment, but his colleagues said he had not helped to organize any formal opposition. Representative HALLECK has also avoided the issue so far, asking only that the President indicate whether he could prevent resale of the wheat to Cuba or North Vietnam and whether American taxpayers would have to subsidize only wheat that was sold.

Privately, administration officials have already indicated they could not control Soviet export policies. But they have also warned that other Western countries, such as France and West Germany, would make the sales if the United States did not.

Subsidies are paid on every bushel of wheat sold for export, because the domestic price is higher than the world market price.

Senator JOHN SHERMAN COOPER, Republican of Kentucky, came out against the sale, arguing that the United States ought to be more deliberate and systematic if it now wished to change its trade policies toward the Communist bloc. Since Russians are not going hungry, he said, the only reason for a trade was to "secure the purchase price in dollars or gold." He said he did not think the country should be chasing after Russian gold in a "grubby manner."

Most Senators, however, remained noncommittal. And Senator COOPER said he was not impressed by the size or organization of the opposition.

Senator HUBERT H. HUMPHREY, of Minnesota, the Democratic whip, a strong supporter of the deal, predicted that President Kennedy would decide the issue within 2 days. Secretary of Commerce Luther H. Hodges said he expected a decision late this week or early next week.

[From the Washington Post, Oct. 3, 1963]

WHEAT SALE TO SOVIET FACES DELAY

(By Frank C. Porter)

Political chaff from the congressional mill is apparently delaying a Presidential decision on wheat sales to the Soviet Union.

By contrast, it was learned yesterday, West Germany, France and Italy have all made commitments to sell flour to the grain-hungry Russians.

News of the Bonn deal came ironically at the very time Majority Leader MIKE MANSFIELD, Democrat of Montana, took to the Senate floor to blast West German Chancellor Konrad Adenauer for criticizing wheat sales to the Soviet Union by other Western countries.

Meanwhile, the urgency of the Soviet wheat shortage was further underscored in reports by Reuters that bread rationing has been started in Moscow. This development tended to discount a statement by Russian Grain Board Chief Leonid Matveyeu, reported by the Associated Press from Winnipeg, that his country no longer has need of American wheat.

DEAL ALREADY DISCUSSED

President Kennedy has been reported on the verge of reversing Government policy to permit a huge wheat deal already discussed by Soviet emissaries and private American traders in Ottawa. The total value has been variously estimated from $150 to $300 million.

However, the President was said to be doubtful that this is the time to change American policy, and would not do so without the backing of Republican leaders in Congress.

This support has not yet materialized. House Minority Leader CHARLES A. HALLECK, of Indiana, yesterday called on the President to answer publicly a number of knotty policy questions before approving the deal. In particular, HALLECK wanted to know what guarantees have been devised to prevent the Soviet Union from reselling the wheat to such countries as Cuba or Vietnam.

A day earlier, Senate Minority Leader EVERETT M. DIRKSEN, of Illinois, said he had not made up his mind on the issue. He said Congress should be consulted about such a change and suggested that the United States might obtain concessions such as the removal of Russians from Cuba in exchange for the wheat.

LONG DELAY POSSIBLE

Against this background of Republican coolness, Secretary of Commerce Luther H. Hodges emerged from a White House conference and denied earlier reports that a tentative decision to permit the shipments had been made.

In contrast with a Tuesday statement by Senate Majority Whip HUBERT H. HUMPHREY that he expected a decision in 72 hours, Hodges told reporters it may not be forthcoming until next week.

And Walt W. Rostow, key Presidential adviser and Chairman of the State Department's Policy Planning Council, told United Press International in New Orleans that the decision may be a long time in coming.

An Agriculture Department source confirmed that West Germany has agreed to sell 300,000 tons of flour to the Soviet Union. He also said it is reliably reported that Italy will sell 40,000 tons.

Paris trade sources said France has signed an agreement to sell 80,000 tons to the U.S.S.R.

NINETEEN MILLION BUSHELS TOTAL

These shipments combined would be the equivalent of about 19 million bushels of wheat—a small order compared with the more than 240 million bushels the Soviet is buying from Canada and the 110 million reportedly sought from the United States.

But the new agreements are expected to give impetus to the argument that the United States should cash in on this lucrative trade currently enjoyed by her allies. The point is also made that such sales would not only substantially reduce the 1.2 billion-bushel American wheat surplus but would also materially cut this Nation's critical balance-of-payments deficit.

Although a majority of Congress is reported to favor this view, resistance by a minority has continued to harden. In the Senate, for example, the wheat sale has been publicly opposed by Senators THOMAS J. DODD, Democrat, of Connecticut; WILLIAM PROXMIRE, Democrat, of Wisconsin; FRANK J. LAUSCHE, Democrat, of Ohio; STROM THURMOND, Democrat, of South Carolina; and PAUL H. DOUGLAS, Democrat, of Illinois.

LEGION AMONG OPPONENTS

Off Capitol Hill, such a deal has recently been attacked by the American Legion, former Agriculture Secretary, Ezra Taft Benson, and the head of the American Farm Bureau Federation, Charles B. Shuman.

Chancellor Adenauer Tuesday night came out against any aid to the Soviet without assurances of peaceful intentions from Moscow. After pointedly referring to sales of wheat to Russia by other Western nations, Adenauer suggested that "every Western country that is ready to put Soviet Russia in a position to be a really dangerous enemy to us is acting unwisely and making a great mistake."

MANSFIELD acidly observed in his floor speech that "there is in this comment of the German chancellor something of a hypocritical preachment: 'Do as I say but not as I do.' "

West German trade with Russia alone amounted to $400 million in 1961, MANSFIELD continued, "roughly equal to all of our trade with Eastern Europe in that year."

Figures furnished the Washington Post by the Agriculture Department showed that the United States exported 450,000 metric tons of wheat to West Germany in the 1961–62 season. The same year Bonn sold the flour equivalent of 604,000 metric tons to Communist countries, including 385,000 to Red China and 83,000 to North Korea. The Soviet Union was a net exporter of wheat at the time.

[From the Washington Post, Oct. 1, 1963]

WHEAT PLAN SOWS AMITY FOR BIG THREE—SOVIET CASH OFFER EXPECTED AT U.N. TO SPUR ACCORD

(By Warren Unna)

UNITED NATIONS, N.Y., September 30.—The give and take of East-West relations took shape here tonight as Secretary of State Dean Rusk, Soviet Foreign Minister Andrei A. Gromyko, and British Foreign Secretary Lord Home met with United Nations Secretary General U Thant for a harmonious dinner.

And the biggest note of harmony, according to American officials, may arise from wheat. The Americans think the Soviets not only want to buy perhaps some $250 million worth of U.S. wheat, corn and oats, but are prepared to do so pretty much on a cash basis.

At least the Soviets, in their feelers to private U.S. grain dealers last week, gave no indication that they were going to quibble over credit terms in their desire to obtain more grain to supplant their current crop shortage.

SUBSIDY CURES DISCOUNTED

And official American sources, for their part, indicated that they are not too impressed with Congress' restrictions against selling subsidized grain to unfriendly nations since the subsidized price of 40 to 50 cents a bushel goes to the American wheat farmer, not the wheat purchaser.

These highly authoritative sources also indicated that the subsidy money already has been paid out, to the tune of some 30 million tons of surplus wheat now piled up in storage.

And they noted that the United States, which currently is battling for buyers for this wheat in world markets, might find it very difficult to pass up a hard offer from the Soviet Union.

But the hard offer has yet to be made to the U.S. Government. American officials here said that the current discussions between the Kennedy administration and Congress are designed to clear the deck for action within the next 2 days in order to be ready for the Soviet Union when it comes up with that hard offer.

CUBA SEEN TOP ISSUE

Another important development in the current East-West discussions here involves Cuba.

Official American sources think the Soviet Union now is persuaded that Cuba currently stands out as the one major stumbling block to improved Soviet-U.S. relations.

They also think that Cuban Premier Fidel Castro may have a point when he suspects that his country may be given the heave-ho by the Soviets if they are determined to improve their American relations.

The United States has made it plain to the Soviets that it has two preconditions regarding Cuba:

An end to Soviet military and political connections there.

An end to Cuban involvement and penetration in the rest of the American Hemisphere.

U.S. sources do not see how Castro could permit these two changes in his national policy and still be able to survive politically. So, by extending this logic, a Soviet change of heart regarding Cuba would mean a Soviet change of heart regarding Castro personally.

The United States, it was learned here, also has made it plain to the Soviets that if a wheat deal is concluded the terms must include a restriction against transshipment of grain to Cuba.

Another outcome of the current East-West discussions here, within and without the United Nations, is what has been termed the Soviet preoccupation with Communist China.

Major Soviet issues with the West reportedly have been simply pushed to the back burner because of Moscow's challenge from Peking and, perhaps secondarily, Moscow's concern to obtain wheat to keep its people fed.

Gromyko, it was learned, surprised Rusk by not even bringing up the subject of a nonaggression pact between the North Atlantic Treaty Organization and the Soviet satellites at the Big Three foreign ministers' first conference last Saturday. Neither, surprisingly, were Berlin and West Germany, two traditional Soviet concerns, introduced into the Big Three agenda.

Official American sources also are said to be impressed with the way the Soviet's European satellites have been "clearing the decks of unnecessary harassments" during the past few months in an obvious attempt to improve their relations with the West.

Bulgaria's Foreign Minister Ivan Bashev reemphasized this impression when he saw Rusk today. He, like his Czech counterpart last week, put out a feeler that the satellites, as well as the Soviet Union itself, are interested in buying American wheat to help out this year's poor harvest.

Note also was made here that settlement of back debts—a major barrier to U.S. trade with the satellites—now has been worked out

with Poland, Rumania and Bulgaria and is in the process of being worked out with Czechoslovakia.

[From the Washington Star, Sept. 30, 1963]

RUSSIAN WHEAT DEAL HOLDS SURPLUS BENEFIT, SOME PERIL

(By Eliot Janeway)

NEW YORK.—Even before the test ban treaty was signed, it was clear what the next step in good relations with Russia was going to be. Trade was certain to follow diplomacy. And it is. Russia has turned up with at least a partial answer to our No. 1 farm problem—what to do with our perennial wheat surplus?

This is a particularly pressing problem this year, farm spending standing as an obstacle in the way of a tax cut, the wheatgrowers having voted down the Kennedy administration's plan to limit production, the United States needing more export income, and U.S. wheat exports needing subsidies Washington can no longer afford to pay. Russia's answer to this ominous array of problems is that she wants to buy some of our surplus wheat—for cash.

This proposition follows on the heels of Russia's purchase of wheat in Canada, which strengthened grain prices and shipping rates all over the world.

Like it or not, the question is not whether the United States is going to do more business with Russia, but on what basis—beginning with the basis on which we let her ease our wheat problem. Russia's wheat-buying binge is producing one of those political switches for which American history is famous.

The unions are suspicious of any trade dealings with Russia, while the conservative-drifting farm belt will obviously welcome it. In all probability, business—worried about the dollar, hoping for a tax cut but fearful of farm spending as an obstacle—will welcome it, too. In any case, legislation will be needed, and so the question becomes one of national policy.

The way Russia played her hand in Canada suggests guidelines and peril points. The Canadian Government has been so worried about its financial situation in general, and its wheat surplus in particular, that it apparently did not dare stop to ask any questions (especially as the present opposition has its political base in the western wheat provinces). But hungry though the United States is for wheat customers, any new trade deal with Russia is certain to be subjected to searching scrutiny and debate.

Before Russia cleaned out the Canadian wheat surplus, no outsider knew how much she was short for her own domestic requirements; and no one knows even yet. All that anyone knows is that some of the wheat she bought will be resold to Cuba; that China, which needs Canadian wheat and has been buying a great deal of it, is temporarily frozen out of the Canadian market; and that Russia's satellites in Eastern Europe will share a ration with Cuba.

Economically, it's adding up to a bailout for Canada, and to a bonanza for the grain and shipping markets. But, politically, it looks more like a coup for Russia. In terms of guidelines and period points for national policy, the United States needs the bailout and wants the bonanza, and there's a very specific reason why we should be able to trade it out for ourselves without inviting Russia to score another political coup at our expense.

The reason is that the entire European land mass seems to have suffered a wheat crop failure this year, while nature has been bountiful on this side of the Atlantic. Theorizing apart, no one knows how severe the failure may have been within Russia herself; how much of a reserve she may have; or how much of her present purchases are really scheduled not for her own internal use but instead for resale throughout free Europe and for rationing and political bribery among satellites.

We don't need Russia to get in between us and our allies and friends in free Europe, and to resell our premium commodities to them for their good money when they are our creditors. It is to the mutual interest of all in the Atlantic community for us to earn more by direct sales to Europe. No doubt about it, free Europe needs wheat, and it has the money to pay for it. True, Russia will offer to pay us in gold, which we badly need, but so will Europe.

The satellites need our wheat even more, and this is a time for us to trade out a tangible political return on all that we have been giving to Poland and to Yugoslavia, as well as for us to look for our own back in Hungary and Czechoslovakia.

[From the New York Times, Sept. 23, 1963]

UNITED STATES SEES WHEAT EXCESS BELOW EARLIER ESTIMATE

(By William M. Blair)

HANNIBAL, Mo., September 22.—Early estimates of winter wheat plantings now underway in the Midwest indicate that overplanting may be less than had been feared after farmers rejected a new production-control program earlier this year.

If this is borne out, Federal officials said today, the anticipated runaway wheat situation may not develop, although a sizable increase in surplus output is still expected.

The officials believe that wheat producers, fearful of a predicted sharp drop in prices and the loss of a Federal price guarantee, will plant 5 million fewer acres than had been expected. This would represent half the 10 million acres of overplanting predicted when farmers turned down the administration's control plan in a national referendum last May.

The decreases would mean that instead of a harvest of as much as 1.5 billion bushels, the crop may be closer to 1.2 to 1.3 billion bushels.

Nevertheless, there would still be a surplus of 200 million bushels.

This year's wheat crop was about 1,100 million bushels, 7 percent below the 1957–61 average but still 4-percent above.

Winter wheat, which makes up the bulk of the wheat crop, is going into the ground now for harvest next spring.

Overplanting is the amount of wheat sown above Federal allotments made to producers. By staying within these allotments farmers are guaranteed a Federal price support of $1.25 a bushel, beginning next year. There is no price guarantee for producers who do not stay within their acreage allotments.

When farmers rejected the control plan, the Federal allotment restrictions remained in farm law but the price support dropped from $2 a bushel to $1.25. The control program would have guaranteed $2 a bushel.

The prospects of a $1.25-a-bushel support was expected to produce heavy overplanting as farmers fought to maintain income. The overall income loss to wheat producers has been figured at about $700 million for next year.

AMENDMENT'S INFLUENCE

An amendment to the wheat law appears to be a major factor in slowing down overplanting. It was enacted by Congress in 1958 and is named for former Representative Victor L. Anfuso of Brooklyn, now a State judge.

The Anfuso amendment provides that a farmer who overplants his Federal allotment will lose history should he decide to get back under the Government program in later years. Loss of history means that he would lose a percentage of allowable or allotted acres. This loss could run as high as 8 percent of the acres allotted to wheat.

In brief, the Government would cut a farmer's allotment if he overplanted this year and stayed out of the Federal program, then decided that next year he wanted to get back in.

Secretary of Agriculture Orville L. Freeman heard pleas for suspension of the amendment during a tour of the Midwest last week. However, he was adamant about retaining it.

To suspend it, he said, would not be fair to farmers who stayed within their acreage restrictions.

A House agriculture subcommittee has supported Mr. Freeman's stand.

The Secretary took another vote last night of farmers on the question of selling surplus wheat to the Soviet Union. The result was 3 to 1 in favor of such sales if the Russians paid in dollars.

The show of hands at a packed meeting in the Hannibal High School, however, represented about one-fourth of the 1,500 persons.

RUSSIANS SALES CAUTIONED

Mr. Freeman, who sounded out sentiment in Iowa, Kansas, Illinois, and Missouri, too, again cautioned that any decision to sell surplus foodstuffs to Russia would be made only after careful study.

He told the farmers they should not rely on stronger farm wheat prices to result from Canada's decision to sell $500 million worth of wheat and flour to Russia.

Mr. Freeman's visit here was another in the series of 13 "report and review" sessions he is holding throughout the country to answer farmers' questions and listen to their problems.

Overplanting of wheat appears much greater in the western end of the Great Plains States where wheat ranches run to sections of 640 acres. In the central and eastern areas, where farms are smaller, officials report that producers seem to be staying within their Federal allotments.

It was noted, however, that the western wheat men traditionally overplant because the weather is a risk in the area.

[From the New York Times, Sept. 17, 1963]

HUGE WHEAT SALE CLOSED IN CANADA—SOVIET TO PAY HALF A BILLION FOR 198 MILLION BUSHELS—CUBA TO GET PART

(By Raymond Daniell)

OTTAWA, September 16.—Canada closed an agreement today to sell the Soviet Union nearly $500 million worth of wheat, the largest sale of grain for delivery in 1 year ever transacted.

Cuba was a direct beneficiary. Of the total 198 million bushels in the agreement, 16.5 milion bushels of wheat and flour worth $33 million are for delivery by the Soviet Union to Cuba.

The only transaction comparable in size is a $580 million foreign aid sale of U.S. wheat to India. That agreement, to expire June 30, 1964, covered a 3-year period.

The agreement, the third between the two countries, calls for deliveries five times as large as those provided for under any previous agreement with the Soviet Union. The Soviet purchase is also larger by about 40 million bushels than the recent long-term purchase by Communist China of 187 million bushels.

UNITED STATES INFORMED

Mitchell Sharp, Minister of Trade and Commerce, who negotiated the agreement for Canada, said the United States had been informed that part of the wheat was to be delivered to Cuba and had offered no objections. The Soviet Union will be responsible for transporting the wheat, he said.

Recently, the Ontario Wheat-Marketing Board, acting on its own, sold 1.8 million bushels of wheat to a foreign buyer and it was reported that it was destined for Cuba.

Canada has been selling skimmed-milk powder to Cuba directly for some time.

Under the terms of the agreement signed today, Canada will deliver at its ports 5.3 million long tons or 198 million bushels of wheat and 575 long tons or 29.5 million bushels of wheat flour by July 1954. From the ports, the Soviet Union has the responsibility of transporting the grain.

The agreement was signed by Mr. Sharp, and S. A. Borisov, Soviet First Deputy Minister of Foreign Trade, who has been here as head of a Soviet trade delegation for the last 2 weeks to negotiate the purchase.

The agreement provides for short-term, Government-guaranteed credit through July 1964. The Soviet Union has agreed to buy 500,000 long tons or 18.7 million bushels more wheat or flour in 1965. This would be worth about $36 million, a relatively small amount, which it was said might be increased if the Soviet Union needs to supplement its own crop further.

It is understood that the Soviet Union is acting as an intermediary for Cuba because Havana lacks the dollars to buy wheat directly. The Soviet Union is understood to have accrued the necessary dollars through recent gold sales. Mr. Sharp noted that Canada insists on payment in dollars.

VOLUME SURPRISING

What is most surprising about the agreement is the volume of deliveries. Fulfillment of the commitment within a year will pose serious logistical problems, tax the capacity of Canadian flour mills and lower the reserve in Canadian graneries to about the safety level of less than 500,000 bushels.

Mr. Sharp said at a news conference that the agreement, coming after Canada's sale this summer of 187 million bushels of wheat to Communist China over a 3-year period, would not interfere with commitments to supply major markets in Britain, Europe, Japan, Asia and elsewhere under the International Wheat Agreement.

It might, however, prevent Canada from carrying out her planned expansion of foreign aid to underdeveloped countries in the form of gifts of grain.

Canada, Mr. Sharp said, will not try to sell any more wheat this year. However, it is reported that a Polish delegation is coming to try to make additional purchase. Poland has bought Canadian wheat for several years.

Mr. Sharp said the Soviet delegation had made no secret of its intention to distribute some of the huge grain purchase among its satellites in Eastern Europe as well as in Cuba.

Mr. Borisov said in a statement, read in Russian and translated, that weather in the Soviet Union had adversely affected the Soviet wheat crop, forcing his country to buy from other countries. The Soviet Government has also bought substantial quantities of wheat from Australia.

Future purchases of wheat from Canada for delivery to Soviet ports near Canada could be "economically justified and proper," Mr. Borisov said. He declared that this would "depend on how much Canada is able to enlarge its purchases of Soviet goods." Because the economies of Canada and the Soviet Union are somewhat similar, any great expansion of Russian exports to this country is regarded as unlikely.

The wheat sale was made possible by the Export Credit Insurance Corporation, a Government body, which agreed to provide guarantees to a maximum of $200 million at any one time. The sale was for 25 percent cash for each shipment, with one-third of the balance payable after 6, 12 and 18 months from the date of shipment.

The agreement is expected to set a record for wheat export in a single year. The Canadian Wheat Board, whose chairman, W. C. McNamara, took part in the negotiations, estimated that total exports this year would amount to 550-million bushels, against 386-million bushels in 1952–53, the best postwar year. Sales of 550-million bushels would represent foreign-exchange earnings of more than $1 billion.

Wheat sales to Communist China and the Soviet Union will go a long way toward enabling Canada to cover its chronic imbalance of trade with the United States, running at the rate of about $1 billion a year.

The wheat and flour purchased by the Soviet Union for delivery this year, including purchases outside the agreement, amount to 239 million bushels.

Because of the immense volume of grain movements to the ports in so short a time, N. R. Crump and Donald Gordon, presidents of the Canadian Pacific and the Canadian National Railways, were consulted on the ability of their lines to handle the traffic. They expressed confidence that they could do so, although it would mean doubling the traffic.

Arrangements have been made, Mr. Sharp said, to speed the movement of grain carriers through the St. Lawrence Seaway for the time left in the ice-free season and from the time it reopens next spring.

Even if Canada is able to get the required amount of grain from the prairies to the ports on her east and west coasts, it was suggested that the Soviet Union might find trouble in getting ships to carry the cargoes to its own ports.

HARVEST FAILURE FORCES BUYING

Moscow, September 16.—Disappointing grain harvests and widespread waste of bread in the Soviet Union apparently forced the Kremlin to make its huge purchase of wheat from Canada today. The trade agreement comes after what amounted to a form of bread rationing in the Soviet Union.

CHARGES AGAINST OTTO F. OTEPKA, STATE DEPARTMENT OFFICE OF SECURITY

Mr. MILLER. Mr. President, I was not pleased to read in the September 27 issue of the Washington Evening Star an article entitled "Storm Brews on Charges Facing State Security Aid"; in the Des Moines Register of the same date an article entitled "Seek To Oust Official Who Defied 'Gag' "; and in the September 29 issue of the Washington Evening Star an article entitled "Don't Talk to Senators, Officers at State Told."

The sum and substance of these articles is that a State Department official by the name of Otto F. Otepka, a 48-year-old lawyer and long-time official of the State Department, apparently has been ousted because of what is alleged to have been a breach of the security regulations in the State Department. The articles indicate that the case is not quite as simple as the allegations would seem to make it.

The problem arises over an effort on the part of one of the committees of the U.S. Senate to obtain from the State Department information deemed vital to our security interests and the cooperation of Mr. Otepka with the committee and the lack of cooperation and resistance on the part of some of his colleagues in the office concerned.

I understand that continued efforts will be made by the committee of the Senate to obtain all information necessary to discharge its responsibilities. I trust that efforts will also be made to see to it that officials who have reprimanded and ousted Mr. Otepka, who sought to cooperate with the committee of the Senate, are appropriately disciplined.

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

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

[From the Washington (D.C.) Evening Star, Sept. 27, 1963]

STORM BREWS ON CHARGES FACING STATE SECURITY AID

A storm seems to be brewing over administrative charges filed against Otto F. Otepka, Chief of the Division of Evaluation in the State Department's Office of Security.

A department spokesman said the 48-year-old Otepka had until October 3 to reply to charges which could lead to his discharge. He refused to say what the charges are.

Robert Morris, former chief counsel of the Senate Internal Security Subcommittee, said in Dallas last night that he had heard that the essence of the charges is that Mr. Otepka collaborated with the present chief counsel of the Internal Security Subcommittee, J. G. Sourwine.

WON'T HOLD WATER

Mr. Sourwine said that if that is the basis "then the charge won't hold water."

Mr. Morris said he had heard that Mr. Otepka had been accused of disclosing secret information to the Senate.

Mr. Morris said the charges brought against Mr. Otepka "include giving 'Confidential' and 'For Official Use Only' information to the chief counsel. Both of these classifications are relatively low and in fact were inserted on the information by Mr. Otepka himself."

Early in the year, Mr. Otepka and other State Department security officers testified before the subcommittee during an investigation of William A. Wieland, a career diplomat and desk officer on Cuban affairs during Fidel Castro's rise to power.

Mr. Morris called the charges "a travesty of justice."

"If Mr. Otepka collaborated with Sourwine, he collaborated with the U.S. Senate itself," he said. "This should not be considered a crime."

Mr. Morris said that "Mr. Otepka's burn-basket was ransacked, his desk searched, and he himself subjected to extensive investigation. Thus today's offense seems to be collaboration not with Communists but with dutiful security officers who are trying to keep their appointed rounds in traditional fashion."

Mr. Morris now is president of the Defenders of American Liberty, a Dallas-based organization.

REFLECT DIRECTION

He said the charges against Mr. Otepka "reflect the direction in which our Nation is moving today in the face of growing Soviet power * * *. For being reasonably cooperative with this sacred arm of Congress, he (Mr. Otepka) is now up on charges that could lead to his dismissal from service."

Senator EASTLAND, Democrat, of Mississippi, chairman of the subcommittee, said the group would look into the situation.

Senator KEATING, Republican, of New York, a subcommittee member, said he didn't know what the charges were but would think the subcommittee would like to find out.

"If he's charged with misuse of documents affecting the security of our country, that's one thing," Senator KEATING said. "But if it involves documents that reflect on other officials of the Department, that's another thing.

"If it is the latter, the committee would certainly want to look into it further. But I don't know."

GIVEN TWO SPECIAL JOBS

Mr. Phillips said Mr. Otepka remains chief of the division of evaluation in the Office of Security, but since June 27 has been detailed to two special projects. These are updating of the Office of Security Handbook and preparation of guidelines for the security evaluation of personnel.

State Department officials said that there is no question of a conflict existing between the State Department and congressional committees in testimony given in response to committee questions.

There were indications, however, that the Department considered the volunteering of unauthorized information to congressional investigators to be a breach of the right of executive privilege that amounts to insubordination.

Under executive privilege, a Federal agency can withhold certain information from Congress if it feels that the disclosure of such information would hamper the executive from carrying out his duties.

In refusing to make public the charges against Mr. Otepka, the State Department said this is considered a personal action between an employer and an employee.

The employee has a right not to be tried in public by press release unless he chooses to make public the charges against him himself, the Department said.

[From the Des Moines Register, Sept. 27, 1963]

SEEK TO OUST OFFICIAL WHO DEFIED GAG

WASHINGTON, D.C.—State Department officials are seeking to oust a top security investigator for producing documents for a congressional committee that is said to contradict testimony of three high State Department officials.

Otto F. Otepka, a 48-year-old lawyer, has been served with a notice of charges that he provided State Department information to unauthorized persons. He was chief of the evaluation division of the State Department security section.

It is contended that Otepka produced the State Department records for Jay Sourwine, chief counsel for the Senate Internal Security Committee, in violation of State Department policy to refuse to produce such records.

SERIES OF JOBS

Otepka, a native of Chicago, Ill., has been a Government employee since 1936. He has served in the Agriculture Department and the Internal Revenue Service, and was an employee of the Civil Service Commission before being moved to the State Department in 1953 under the Eisenhower administration to be an assistant chief in the evaluation division of the security program.

In 1958, Otepka received the State Department's Meritorious Service Award.

He is reported to have been at odds with some of his superiors in the Kennedy administration over decisions to clear persons he regarded as having questionable records.

CONTRADICTORY DATA

The Senate Internal Security Committee questioned Otepka on a number of cases, including that of an Assistant Secretary of State.

Asked if he had documentary evidence to support his testimony, he said he did.

Later, several of Otepka's superiors were questioned on the same cases. They gave testimony that was said to contradict his.

Otepka, called again, produced documents which committee members said indicated some of his superiors had given inaccurate testimony.

TO NEW JOB

Although Otepka was allowed to retain his title as chief of the evaluation division and his $16,965-a-year salary, on June 27 he was removed from his office and from access to his records.

He was given a "special project" job, which included the assembly of a Department handbook on security matters.

For several weeks the Senate Internal Security Subcommittee has sought to question Secretary of State Dean Rusk, but he has been reported to be too busy with major international problems to appear.

In bringing the charges, the legal section of the State Department is relying upon an order drafted in 1948 by the Truman administration to bar a congressional committee from records of the security case of William Remington, who had been held to be a security risk.

The congressional committee sought to establish responsibility for the hiring and promotions of Remington, but the administration barred the inquiry.

[From the Washington (D.C.) Evening Star, Sept. 29, 1963]

DON'T TALK TO SENATORS, OFFICERS AT STATE TOLD

(By Earl H. Voss)

The State Department has forbidden its security officers and some other personnel to talk to the Senate Internal Security Subcommittee or members of its staff without permission.

This has effectively cut off all contact with Congress by the Department's Security and Consular Affairs Division, officials say.

The threatened firing of security officer Otto Otepka on a charge of furnishing information to the U.S. Senate and its investigative bodies is believed to have precipitated the order.

TEXT OF MEMO

Abba P. Schwartz, administrator of the Bureau of Security and Consular Affairs in the State Department, sent the following order to all bureau employes August 15:

"Subject: Appearance before the Senate Internal Security Subcommittee.

"You are hereby instructed that henceforth all (all is underlined) personnel of the Bureau of Security and Consular Affairs are not to appear before the Senate Internal Security Subcommittee unless the requested appearance has been cleared in advance with me personally or Mr. Mace (deputy administrator).

"This includes contact or interviews with any members of the staff of the subcommittee.

"Mr. Mace or I should be notified of any requested interview or appearance by the subcommittee or members of the staff."

John F. Reilly, Deputy Assistant Secretary of State for Security, issued similar instructions to members of his staff, including Mr. Otepka.

The order has been interpreted by most employees to mean that they should no longer maintain social contacts with Congressmen or members of their staff.

The instructions, some officials say, are contrary to title V, section 52, of the United States Code which states that the right of any member of the classified civil service to furnish information to any Member of Congress shall not be denied. This law was passed by Congress in 1948.

Congress, by concurrent resolutions of the House and Senate in 1958, declared that:

"Any person in Government service should put loyalty to highest moral principles and to country above loyalty to persons, party, or Government department."

The congressional resolution is becoming the focus of the argument in the Otepka case. The State Department has instituted proceedings for his discharge.

KEEP SILENCE

State Department officials refuse to discuss the case. They are understood to charge him with passing the Senate information about possible security risks among Kennedy administration appointees.

Officials resentful of the new Schwartz order are complaining that they are being required to place "institutional loyalty," meaning loyalty to State Department leaders, above other loyalties.

Mr. Otepka has been notified he has until Thursday to answer the charge that he furnished information to the U.S. Senate contrary to an Executive order issued in 1948 by President Truman.

The order provided that records on the loyalty of Government employees should be kept in confidence in the executive branch.

CONFLICTING RESOLUTION

The congressional resolution in 1958 encouraged employees of the executive branch to furnish information to Members of Congress.

The question now is whether a Government employee can be penalized for testifying under oath if his testimony contradicts policy of the administration in power.

Mr. Otepka is due to be suspended without pay October 23.

The Kennedy administration has been having its troubles with the Bureau of Security and Consular Affairs since the administration came to power. There have been seven chiefs of the Bureau in the last 8 years.

President Kennedy's first appointee to the office, Salvatore Bontampo, of New Jersey, retired under fire because of opposition from the late Representative Francis Walter of Pennsylvania.

THE FATE OF MARXISM

Mr. HUMPHREY. Mr. President, Dr. Mary Benyamin, a member of the department of public law and government at Columbia University, has written an incisive article on the nature and potential of the Communist philosophy which is deserving of the attention of every Senator.

It is entitled "The Fate of Marxism," and was first printed, at the request of Costa Rica's President Figueres, in the fall 1962 issue of Combate. I ask unanimous consent that this article may be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, Dr. Benyamin eloquently points out that the United States is not the country—in attitudes or in theory—that it was when Karl Marx produced his Manifesto. Nor do the terms "communism" and "capitalism" connote what they did a century ago. We must assume the task of keeping up to date on communism. We must see that the world is aware that communism in theory and communism in practice are two very different things. And we must understand the nuances of the Communist system as well as we understand our own republican pattern.

Mr. President, I suggest that Dr. Benyamin's article goes a long way toward illuminating this entire subject and I wholeheartedly recommend it to my colleagues.

Though I cannot say I agree with every paragraph in the article, it is interesting and enlightening, and surely

provocative and challenging. It is good adult education.

EXHIBIT 1

THE FATE OF MARXISM

A faith may be mortal. It can die because it loses its followers or it can be killed by those who profess to be its followers. The latter fate has befallen Marxism. It was from the first a faith beset by contradictions and limitations. Conceived by a man of a dogmatic nature, who was embittered by the established order because of its social discriminations and its economic injustices, the Marxist faith promised the inauguration of a utopian society where oppression and exploitation would cease to exist. Marx professed to demonstrate that by the very nature of society and the inexorable laws of history, the doom of "capitalism," followed by the triumph of communism, was destined to happen. His creed was brought to the test in the sequel of the Bolshevik Revolution of 1917, and Marxism suffered the fate inherent in its own success. Its triumph became the proof of its unrealism.

Yet its triumph has convulsed the 20th century. Under its banner communism holds one half of the irreconcilably divided world. Having consolidated Soviet Russia, it went on to win China and is sweeping onward through the Orient and into the islands of the Pacific. It works openly or under ground in all other lands. It is creeping into the Middle East, Africa, and Latin America. It threatens the system of Western Europe.

Communist countries may go on to vaster strength, but never any more will they be animated by the faith of Marx. Communism may make new gains, as it has been making them since the Bolshevik Revolution. But the Communist movement is not Marxism. The movement goes on but the creed is dead. The goal envisaged by Marx is no longer its objective.

The revolutionary ardor that swept Marxist communism into power over giant Russia did not cool into the same kind of retreat and partial reversal that has characterized other ideological revolutions. When a great revolution subsides there is usually a period of reaction. But in Soviet Russia no new government replaced the revolutionary government. In the language of the Marxists there was no "Thermidor." What happened was not reaction from the Communist system but the maturation and revelation of the inherent character of the system itself. The revolutionary party did not lose political power—on the contrary, it continuously increased this power. It kept on proclaiming the tenets of the faith, but the doctrine it really held and the persuasive strength it still possessed ceased to be Marxist except in name.

It is the object of this article to point out how the idealistic element in the Marxist creed, the vision of freedom, equality, and brotherhood, has been denuded of significance in the evolution of a system of state socialism.

First, let us briefly review the essential tenets of Marxism. It is a strange but fascinating ideology. At its birth there were sown, to use an expression of which Marx himself was fond, the seeds of its own decay—and doom.

I

Marx built up a system of socialism in which society moved "by dialectical necessity" to an inevitable consummation. He conceived the final outcome to be a society without class and without coercion, one in which men were awarded according to need and worked according to ability. The new system was "scientific," Marx said, because it obeyed immutable laws, and especially the "law," which Marx himself "discovered," of the inevitable decay and fall of "capitalism," when the "proletariat" took possession of political power and in turn prepared for its own abolition, to be followed by the classless and stateless society. The "law" was infallible and irresistible. It was not supported by any evidence but solely by a group of dogmas held by Marx to be eternal truths.

The underlying dogma was that "material" forces determined human history. Processes, relations, values, goals, every element within society, including modes of thought, were "rooted in the material conditions of life." This proposition in its fragmentary exposition was assumed to be self-evident. "Material" sometimes seemed to refer to "matter" in a philosophical sense; sometimes it seemed to mean "economic," sometimes "technological," sometimes "social," sometimes, more narrowly but not more clearly, it meant whatever determined the processes and forms of production. In any case, these forces would control history until society harnessed them, at which point man would gain his "spiritual" emancipation. His teacher Hegel had declared that "spirit" or "mind" determined the material world, Marx declared instead that the "material," or "social," environment determined the spiritual. In his introduction to the "Critique of Political Economy," Marx wrote: "It is not the consciousness of man that determines their existence but, on the contrary, their social existence determines their consciousness."

The second major dogma, expounded in "Das Kapital" and in other works, was that history is a continuous process in which an ascendant system generates an opposite system (thesis and antithesis), inevitably culminating in a higher unity (synthesis) that ends the whole progression. Marx borrowed this concept of continuously evolving processes—the dialectic system—from Hegel, but while Hegel's procession of stages culminated in the apothesis of the world state, Marx's procession of stages ended in the disappearance of the state itself. He explained that at any given time some social order, with its privileged class and corresponding ideology and institutions, is dominant. At the same time the dialectical forces of change accumulate against it, to upturn it in the end—not just to modify it or gradually transform it but finally to overthrow it. This dialectical pattern continues throughout the course of history until it is finally resolved when the driving force, the class struggle, ends in the Communist Revolution with its abolition of class altogether. The followers of Marx have endlessly expounded his "dialectical materialism," but no exposition makes it any more clear—or any more true. History offers no simple, no universal pattern of change. Systems change and grow and merge and pass in countless ways. The dogmatic mind postulates one way alone. The violent mind insists that it be revolutionary.

Having adapted the philosophical dialectic to the evolution of classes in precommunistic societies, Marx devoted his special attention to the study of class conflict within the industrial society of capitalism—a doctrine embodied in the formidable "Communist Manifesto." He showed that the exploiting capitalist class (bourgeoisie) strive to keep the working class (proletariat) in subjection, living on the fruits of their toil and lulling them with an ideology, including a religion. The "proletariat" at length revolts and is predestinated to victory in the war of classes. The "dictatorship of the proletariat," which follows victory, would be merely a temporary instrument, constituting "the transition to the abolition of all classes and to a society without classes." It would crush all elements of the military-capitalistic system, socialize the means of production and make other structural changes. With the completion of the revolutionary transformation, the "dialectic" would cease eternally, since the clash between the proletarian and capitalist classes represents the final stage of social conflict.

The particular way in which the capitalistic system would be overthrown is through the operation of "surplus value." The price of labor power was the value of the necessities of life required to sustain the laborer, but labor produced more than it was necessary for the subsistence of the laborer, therefore more than his wage. The balance (surplus value) which was kept by the owner of the means of production, was the source of profits and wealth of the "parasitic" capitalist class. Because of the accretion of surplus value, the capitalist system establishes an accumulation of wealth in the hands of an ever decreasing number of capitalists, corresponding with an accumulation of misery among an ever increasing proletariat. The growing proletariat eventually becomes numerous enough to overturn the system and this is the revolution.

Here another major dogma came in. It was the particular contribution of Engels. To him and to Marx the state was nothing but a special apparatus of coercion and exploitation in the hands of the ruling class. It was a symbol of irreconciliable class antagonism generated in the presocialized economy; it was the most oppressive organ in the history of mankind. Naturally, then, when the proletariat emerged triumphant with its revolutionary goals achieved, there would no longer be a need for any such organ. According to the dogma, however, the state would not be abolished but would somehow, to use Engels' own expression, "cease of itself" or "wither away," wither out of history, and as it withered the classless society would come to its own, to abide forever.

Engels explains: "The proletariat seizes the state power and transforms the means of production in the first instance into state property. But in doing this, it puts an end to itself as the proletariat, it puts an end to all class differences and class antagonisms, it puts an end also to the state as the state * * *. As soon as there is no longer any class of society to be held in subjection; as soon as, along with class domination and the struggle for individual existence based on the former anarchy of production, the collisions and excesses arising from these have also been abolished, there is nothing more to be repressed, which would make a special repressive force, a state, necessary. The first act in which the state really comes forward as the representative of society as a whole—this taking possession of the means of production in the name of society—is at the same time its last independent act as a state. The interference of the state power in social relations becomes superfluous in one sphere after another, and then ceases of itself. The state is not 'abolished,' it withers away—Anti-Duhring."

Even the most devout Marxist found the doctrine of stateless society and the withering away process somewhat disconcerting. An endless variety of interpretations was produced in the controversy over the exact meaning of this dramatic outcome in the dialectic—but it could not be cut out of the sacred text. In "The State and Revolution," the great disciple Lenin argued that it was not "good form" to ponder over what Engels meant by the end of the state "as the state." What Engels was trying to get across, according to Lenin, was the distinction between the "abolition" of the bourgeois state by the proletarian revolution and the "withering away" of the proletarian state or "semi-state" after the Socialist revolution. Lenin offered yet another explanation, declaring: "We all know that the political form of the 'state' at that time (after the Socialist revolution)[1] is complete democracy. But it

[1] We have supplied the words in parentheses.

never enters the head of any of the opportunists who shamelessly distort Marxism that Engels here speaks of democracy 'withering away,' or 'ceasing of itself.'" Here we are introduced to a new kind of state, "complete democracy," which seems to emerge out of the dictatorship. But why "complete democracy" emerges or why it should wither away, or what the words could possibly mean in this setting, remains a mystery. In his report to the Communist International (Mar. 4, 1919), Lenin spoke of "proletarian democracy" progressively leading to "true democracy," that is, "the complete dying away of any kind of state." Lenin is struggling like a theologian who is "interpreting" a sacred text he cannot literally believe so that he tries to explain away its obvious meaning.

Another line of argument taken was that when the fathers spoke of the end of the state they meant the end of the state as such. This was good Hegelian gospel. When you spoke of a thing as such you could safely say anything you like. The state as such was nothing but an "instrument of class exploitation," or as Engels preached, a "special repressive force," a "definition" that Lenin called "splendid and extremely profound." Naturally there would be no more of that. Ergo, there would be no more state. Of course the thing that ordinary men call the state did something else besides "exploit"—it governed. And after all we need a name for this thing that governs, and the only name we have is "state." The state as such passes away but the state (not as such) endures. This explanation, as anyone can see, was somewhat awkward and had awkward consequences.

So long as man lives in society—unless he descends again to the primitive condition of the cavedweller—there will always be some form of government. For order is a necessity of social existence, and no order can be secured, sustained, or developed without the central agency of government. On this point Engels himself had advanced a curious line of exposition. After the process of withering away had put an end to the state as the state, there would have to be administration in the classless society. For the government of persons there would be substituted the administration of things and the direction of the process of production. Lenin took great satisfaction in this explanation, declaring that most state functions could be reduced to registration, checking, and filing, simple innocent tasks that any worker could perform. It sounded dreamlike, but unfortunately no one has ever thought out any way in which you can administer things without also administering men or vice versa.

This then was the system that in the fullness of the time Lenin took over and sharpened into his own revolutionary sword.

II

Marxism soon became a movement. Its handbook was "The Communist Manifesto" and later the turgid "Capital" became its Bible. Its function was to foment revolution, to stir discontent and frustration into aggressive action. It won adherents in the ranks of unskilled labor, where its indictment of capitalistic exploitation had a very natural appeal. It had an attraction for those who suffered discrimination and social persecution. It appealed to the youthful idealist who believed in its prophetic promises. Its leaders were not "proletarian" but "burgeois" intellectuals, some suffering deep revulsion from things as they were, and others genuinely moved by compassion and sympathy for human suffering. Marxism promised them all a brave new world. When communism took over there would be no more poverty, no more bosses, no more class differences. Instead a wonderful and universal equality would reign, the realm of liberty for all. There would be peace and prosperity for always. So long as Marxism remained a dream, in shining contrast to the troubles and insecurities of the everyday world, it could make its gospel heard and, here and there, win credence for its offer of deliverance.

The advances of communism, however, did not follow the Marxist line. Marxism had taught that capitalism everywhere was doomed to decay and to be superseded by communism. In Western Europe and in the United States, where capitalism was most developed, the coming of communism was proclaimed to be imminent. But the laboring masses failed to respond to the appeals and demands of the cause of international revolution. Their standard of living, contrary to the prediction of Marx, was rising, in spite of occasional setbacks. The power of labor organizations was increasing. The middle class was growing, not decaying. Though the revolutionary forces gained considerable strength in the ranks of Italian and French labor, they lost momentum whenever a degree of economic prosperity returned. Though the "internationals" made big gestures, they split and dissipated. The only major party that professed to be Marxist, the German Social Democrats, was so only in name. Its actual program was left-wing liberal or at most right-wing Socialist. The failure of the Marxist forecasts stimulated tendencies to "revisionism" in Marxist circles. There was controversy, dissension, doubt. Only the coming of Marxism to power could save the movement.

Marxism did come to power, for one brief moment, for one of the most portentous moments in human history. The suffering and prostration created in Europe by the First World War gave it the opportunity. Its triumph in a country containing a large majority of peasants was an event of climactic importance. A series of amazing accidents enabled the "man of destiny" to seize the moment. Marxism came to power and immediately disproved itself. It came to power and from that moment ceased to be Marxism. But in that moment it changed the world.

In coming to power Marxism met its own reality, and it met all the other realities it had ignored. In the shock of that meeting it found its historical fate. In the achievement of communism in feudalistic Russia, it disproved the theory that communism comes after a capitalistic system had ripened into decay. And ironically Marxism had been proven wrong by the very disciple who professed to be its most faithful follower.

III

The man of destiny was "N. Lenin." His gospel, Marxism: "Marx's theory is the objective truth"—"Materialism and Empiro-Criticism." His goal, worldwide communism: "Now, struggling for the socialist system in Russia, we are struggling for the socialism of the whole world." (Speeches, 1928.) His tactics, the fomenting of violent revolution: "The substitution of the proletarian state for the bourgeois state is impossible without a violent revolution."—"The State and Revolution." His ethics, the proletarian class-struggle justifies all means: "For us morality is subordinated to the interests of the proletarian class-struggle." (Collected Articles on Religion, 1935.)

It is very characteristic of Marxism that its description of "reality" is often wholly irrelevant to the situation of the believer while its program of action wholly satisfies his emotional need. It was so with Lenin. The earlier revolutionary movement against the czarist regime was not Marxist. It was the sheer uprising of the oppressed from which all the great revolutions of the past, including the French Revolution, have stemmed. Czarist Russia was largely an agricultural feudal state, just bodering the edge of industrial development. There was practically no proletariat in the Marxist sense. The peasants accounted for at least 85 percent of the population at the time of the revolution. Lenin conveniently discovered that the class interest of the peasants and the "workers" were one and the same and that a revolutionary alliance between the two classes was the principal means of overthrowing the bourgeoisie. The "workers" were the "vanguard" in the peasants' struggle for liberation. This explanation was quite at odds with the Marxist gospel. The law of history required the passage of peasant feudalism into industrial capitalism before the age of communism could arrive. When capitalism was fully developed it would breed its opposite, communism. It would do so very simply, because the vast majority of the people would have become exploited proletarians suffering from increasing misery. The revolution would take place without any great convulsion. For Lenin, however, violent revolution was the only means by which the "proletarian" state could supersede the "bourgeois" state. In his "State and Revolution," he even went so far as to declare that violent revolution was "at the root of the whole of Marx's and Engels' doctrine." And the disciples who disagreed with this interpretation were denounced as "falsifiers" and "philistines" who were deliberately "omitting" and "distorting" the revolutionary side of Marxism.

Lenin, professing himself the orthodox follower of Marx, "reinterpreted" the master as the occasion demanded. Soviet communism, in the name of Marxism, was victorious in Russia. Though Marx had said the revolution must be on a worldwide scale, Lenin contended that the arrival of the imperialist stage of capitalism somehow made the triumph of socialism in a single country possible. While the first stage according to Marx was to be the dictatorship of the proletariat, Lenin's ruling elite was composed not of proletarians but only "revolutionary intellectuals" and "professional revolutionists." There was, in Lenin's opinion, "absolutely no contradiction" between democracy and the exercise of dictatorial powers during the transitional period from capitalism to socialism.

From the beginning Lenin showed himself a master strategist. He insisted on iron discipline. His first problem was to defeat the antirevolutionary elements and the foreign contingents that so unwisely were dispatched against the Revolution by Russia's war allies. Next, he had to subdue the surge of revolutionary emotionalism and restrain the elements of irrationality that emerged from it. Without awaiting the action of the Constituent Assembly, the new comrades had gone ahead on their own and seized land, machinery, and business enterprises. When in the aftermath of the mismanagement and economic prostration that followed these seizures, accompanied by civil war and chaos, Lenin faced the threat of complete economic collapse, he turned about and introduced the New Economic Policy (March 1921). He was ready to restore an element of private capital in order to salvage the situation, but only as a respite prior to new advances to full socialism. But he still asserted his assurance that socialism itself was only a transition stage to the Communist classless utopia of Marx.

IV

With Stalin's accession to power the deidealization of what remained of Marxism became complete. The cause of international revolution was identified with the survival and interests of the first socialist state. The process of the withering away of the state was postponed because of the danger of capitalist encirclement. While Lenin had hoped, as suggested in his report

of March 4, 1919, to increase the participation of the toilers in the Government on a gradual basis, a step which he regarded as preparing the way for the abolition of the state, Stalin claimed that the socialist state must retain its full strength, within a dictatorial framework, until the world triumph of communism abrogated the need for power.

The idea of classlessness also became more dimly remote during the Stalin regime. Under a series of 5-year plans, necessary for the purpose of speeding up the development of heavy industry and the collectivization of agriculture, Soviet Russia turned into a vast economic machine and its socialization process reached its completion. This economic transformation greatly expanded the ranks of the managerial and executive groups who together with the party elite constituted the hierarchy of a graded bureaucratic state.

Most destructive of the Marxist dream was the reign of terror that became more intense throughout Stalin's later years. The cruel party purges sent thousands to summary death and filled the prisons and concentration camps. As Khrushchev himself acknowledged in his famous secret speech, Lenin used extreme measures only against actual class enemies at a time when the regime was still struggling for survival, whereas Stalin, when the regime was strengthened and the class enemies liquidated, did away with his own personal enemies and everybody he feared as a potential rival, including practically all of the old Bolsheviks. Lenin was devoted to Marxism after his fashion. Stalin made it the mere engine of his power. Lenin compromised, as in his NEP, only to consolidate revolutionary gains, or as he himself expressed it, he took "one step backward" in order to advance "two steps forward" toward communism. Stalin compromised doctrinal demands, exploiting the fear of capitalist aggression, in order to consolidate his own personal dictatorship as a challenge to the non-Soviet world. In sum, he "abandoned the method of ideological struggle for that of administrative violence, mass repressions, and terror."

V

After Stalin's death, especially since 1956, Nikita Khrushchev appeared in the role of a liberator who would restore the true Marxism-Leninism Stalin had perverted. He promised an end of terrorism, a remission of legal and political constraints, a resumption of "collective leadership," and more initiative for the lower echelons. There was to be a "complete suppression" of the "cult of the individual" and the "total liquidation of its consequences." This was the burden of the address Khrushchev delivered before the 20th Party Congress in February 1956.

Certain significant changes followed. At the top level there was more room for discussion of policies, and even when a Stalinist group sought to displace the leader and failed, they were not liquidated as they would have been under Stalin. On the economic front reforms were carried out to reduce the rigidity of the centralized control consolidated during the last days of Stalin, which had deprived the working groups of the freedom of expression and action essential to productive efficiency. New economic councils were set up giving a larger measure of initiative to local industrial groups, and the farmers were given greater incentive to expand their collective operations. Not only were these reforms intended to bridge the division between management and workers, but to liquidate the extreme discrepancies between large and small incomes. And some enthusiasts have seen in a factory experiment promoted by Khrushchev, the Baku foundry—a small-scale affair in which the role of management was reduced, while the workers were encouraged to devise programs—an advance step toward this direction. Most significant of all changes however have been the recent measures taken to increase participation in the management of national affairs. Certain State functions have already been transferred to "public organizations"—but observe that these so-called public organizations are still strictly under party control—and this move has been described by Khrushchev as a step in the process of "the withering away of the state."

Khrushchev's conception of the withering away of the state and of the establishment of public organizations amounted to a rejection of Stalin's theory that the disappearance of the state would come about only after the achievement of full-blown communism. Khrushchev has stated that the process would not be an all-at-once affair, not like "the falling of leaves in autumn, when the trees are left bare," but would develop slowly and progressively, even prior to the triumph of communism.

Meanwhile with the vast strides made by Soviet technology so signally illustrated by its present leaderships in intercontinental missiles and in the exploration of space and with a concomitant upbuilding of its military power, Khrushchev has become sufficiently confident not only that no outside powers can successfully overthrow the Soviet system but also that it can outmatch the West in economic productivity and prosperity. Consequently Khrushchev has reverted to the Marxist position, abandoned by Lenin, that world communism could come—and was well on its way—without a military death-struggle between communism and capitalism. He places his hopes on the competitive inability of capitalism to keep pace with the economic productivity of socialism, and it is on this ground, and not on the internal "contradiction" of capitalism, that he asserts the world triumph of the Soviet system.

Khrushchev's acceptance of "peaceful coexistence" with the capitalist world and his belief that communism could triumph without resort to the incredible destructiveness of nuclear war brought him into dispute with Mao Tze-tung. The Chinese leader has taken the stand that war—even nuclear war—was inevitable in the struggle with capitalism and that only with the complete victory of communism could war cease to be inevitable. There were, moreover, certain Nationalist issues that threatened division between the two great Communist powers. China was now feeling its strength and was not going to have its policy dictated by Russia. While these disputes do not necessarily imply a rupture in political ties, they already indicate a wide gulf between Marx's vision of communistic countries united in brotherly love and the grim realities of the role of power in a totally nationalized economy.

VI

The Soviet system is unique in the history of mankind in the speed with which it turned a feudal peasant civilization into a technically efficient industrial order. It was a revolution in the educational system, in the practical abolition of illiteracy, in the productivity and power of the empire. This in the longer run is the substance of the Soviet revolution.

The horizons envisaged by Marx have disappeared in the mists of entrenched materialism. The dynamics of socialistic industrialization and modernization determine the prospects of Soviet communism. This is not the dialectic materialism of Marx, but the materialism of productive technology. Khrushchev himself has stated that the lofty ideal is to produce more and more of the good things of life. And he has predicted the materialistic (or economic) ascendancy of communism over capitalism. This is the meaning of the Soviet challenge to the West envisaged in peaceful coexistence.

The Marxist means remain but the Marxist values are dead in the Soviet world. The Marxist slogans are reiterated: the collectivist apparatus, the incitement to revolution, the subversive underground activities, the dogmatic assurance of world triumph, are all Marxist. But every single value Marx proclaimed is nullified within the system. For the abolition of class we have a new stratification headed by an elite hierarchy; for international brotherhood we have rampant nationalism; for the dictatorship of the proletariat we have the dictatorship of a party; for the graduate disappearance of the state itself, an adamant power system.

The Communist appeal is no longer directed in the main to the workers of the world, the industrial proletariat, but instead to the earth's population still living in wretched poverty, in Asia, in Africa, in Latin America. The peoples in this category are only now emerging from the inferiority and the discrimination of their colonial existence. The appeal to these people is double-edged. On the one hand communism offers liberation from capitalistic exploitation and oppression, on the other hand it promises a system of full employment, lifelong economic and social security, and leisure time for all. It is an appeal that the impoverished find all too attractive, for economic welfare must come before political freedom to those who lack both. It is an appeal that is not only enhanced by the vitality and efficiency of Soviet economy and technology, but also by the even more rapid progress of industrialization in Red China.

We do not adequately realize the strength of this appeal. We do not sufficiently appreciate the needs and the consequent attitudes of the peoples affected by it. We have made our offers of economic aid too limited. too little geared to the ways of the less developed peoples, too closely annexed to political objectives. Nor have we learned to convey to them the way in which individual liberties can be combined with economic securities. We must abolish the false presentation of ourselves as capitalist, which is so powerful a weapon of Soviet propaganda. Our system is not capitalism in the sense the Communists attach to the term. It is an ever-developing combination of freedom of enterprise with social welfare legislation. We must avoid giving support to tyranny or domination in any land. We must cease discriminating against groups and peoples—whether in our own midst or in the outside world.

An obvious conclusion is that we waste our energies in attacks on Marx and Marxism. The issue is no longer one of opposing ideologies. Nor is it any longer capitalism versus socialism. That versus belongs to the 19th century. What matters is the positive assertion of our own values, and beyond that the effective meeting of the Soviet challenge of competitive help to raise the living standard of underdeveloped countries. This we can do by giving these peoples friendly aid, intelligently directed to their needs, in a spirit of understanding. The final appeal is to the minds and hearts of men, and no matter how great our countering military might it will not bring us security unless our policies and our attitudes attest in the service of mankind to the work and the working of the fundamental liberties.

SALE OF WHEAT TO RUSSIA

Mr. HUMPHREY. Mr. President, later I will ask unanimous consent to have printed in the RECORD a number of editorials which were published recently on a subject which has been discussed at some length in the Senate, at times heatedly; namely, whether this Government should change its policy with regard to the sale of agricultural

supplies, in this instance wheat, to the Soviet Union and to the Communist countries of Eastern Europe.

I wish to make it clear that my advocacy of a change in policy; namely, the Department of Commerce's issuance of export licenses to private individuals, corporations, and grain trading firms is a suggestion that the Government of the United States merely permit American business institutions in the field of grains, in this instance wheat, to do business with the Soviet Union and with other countries in Eastern Europe exactly as they do business with Western European countries.

I also have made it quite clear that the sales should be for cash or for gold bullion or, at the most, on very short-term credit along the lines of the Canadian sales; and that we should not extend any long-term credit.

I am not recommending any particular program relating to other trade with Eastern European countries, though I believe this subject requires complete reevaluation and reexamination in the light of existing circumstances.

Last year non-Communist countries, most of them in Western Europe, sold $5 billion worth of goods to the Communist world. At the head of the list was the Federal Republic of Germany. Second was Great Britain.

Mr. President, I ask unanimous consent that a table indicating the amount of business carried on by non-Communist countries with the Communist bloc be printed at this point in the RECORD.

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

	Million
West Germany	$750
United Kingdom	393
France	320
Italy	261
Japan	213
Finland	200
Canada	175
Sweden	145
Austria	145
Egypt	135
India	130
Australia	130
United States	125

Mr. HUMPHREY. Mr. President, on Thursday of last week I stated that there is an increasing possibility of a constructive change in policy with respect to the sale of agricultural products to Soviet bloc nations. As we all know, there have been discussions on Capitol Hill between Members of Congress and certain administration officials. I gather that no firm decision has been made.

It is understandable that many questions should be raised and many points of view expressed, because this is a subject filled with all sorts of uncertainties and political pitfalls, difficulties, and controversies.

I have a feeling that the announcement by Canada of the sale of $500 million worth of wheat to the Soviet Union has caused some additional thinking in many circles in the United States about our present policy.

I have looked upon wheat not as something to shoot at people but as something designed to give life, to be available for a more peaceful world. It is my view that improvement in trade relations has a tendency to improve political climate.

I never have heard of a people who have become more placid, more pliable, or more reasonable because they were hungry. I suggest that if the Soviet Union should find itself facing severe food problems this year the Soviet tone of talk and conduct in international conferences will become more belligerent, instead of less. She will then have to find something outside the Soviet Union toward which to direct her fury and her political leadership, to arouse her own people and to maintain support for the regime within the Soviet Union.

Furthermore, we would be deluding ourselves if we believed for a single moment that a mere shortage of food in the Soviet Union would destroy the system. There have been food shortages previously. Perhaps there will be more of them. Instead of the system being destroyed, it has become more tyrannical. It has become hardened.

I cannot see much consistency or logic in the policy which we now are pursuing. I repeat what I have said to some reporters: If we do not permit the sale of this wheat directly, if the Soviet Union wishes to buy it and that, of course, is open to some question every Member of this body knows we will sell it indirectly.

We will sell it to the English, the French, the Dutch, the Scandinavians, the Germans—anybody that will buy it—and there is no regulation that provides they cannot sell it to the Soviet Union. So what it will mean is that we will have closed our eyes to the ultimate destination of the wheat in order to satisfy some political demagogery and some political considerations back home.

For example, American wheat now is being processed in Western European countries, and the flour is being sold to the Soviet Union. American wheat is being processed into flour, which flour is being subsidized out of the import levies on American wheat.

As the Secretary of Agriculture reported to us, flour has been laid down in Leningrad at prices far lower than flour could possibly be placed in the Soviet Union by the United States, and it has been manufactured from American wheat in German flour mills.

There are flour mills in this country that are not working to capacity. There are flour mill workers who are unemployed. There are hundreds of millions of bushels of wheat in surplus. The taxpayers of this country are paying hundreds of millions of dollars every year for the storage of surplus commodities. The budget of the Department of Agriculture continues to grow. The taxpayer continues to pay the bills. The balance-of-payments deficit continues to grow. The outflow of gold from this country continues.

There may yet be a possibility that we will take an honest, good look at the possibility of being able to reduce the surpluses of wheat and reduce the cost of its storage, because we will sell wheat rather than store it; reduce the cost of the wheat program to the taxpayers, because there will be fewer bushels of wheat, and improve our balance of payments by obtaining gold bullion or hard currency for the sale of our products. All this will be done for the benefit of people in the United States of America. It also will improve opportunities for workers in our mills and the opportunity for our farmers to produce, rather than be placed under more restrictions each year in the form of acreage and production controls.

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

Mr. HUMPHREY. I shall yield very shortly to the Senator from Iowa.

I know full well that the Soviet Union will in a sense benefit from a wheat purchase, but the Soviet Union has only so many dollars and so much gold bullion. The question is, Do we want it to be used for guns and for strategic materials that produce weapons, or do we want it to be used for soft goods and wheat? Wheat kernels cannot be used to shoot people.

The Soviet Union is not coming to us to buy missiles or nuclear weapons. The Soviet Union makes those weapons, and sells missiles to other countries. The Soviet Union has representatives in this hemisphere trying to buy more wheat.

A prominent banker told me a few days ago:

> I visited the Soviet Union. I found there the same problems we have. They need capital, and have to find ways to allocate the use of it. They have problems of prices and inflation.

If they have to spend money for food, that much less they will be able to spend on weapons; and if they spend money for food in this country, we will have a little more left over to do something to improve conditions in our country in connection with our schools and other needs.

I yield now to the Senator from Iowa. I appreciate his remaining in the Chamber to participate in this discussion.

Mr. MILLER. I thank the Senator for yielding to me.

Let me say, lest there be any misunderstanding, that I have already publicly made some of the statements the Senator from Minnesota has made with regard to a possible trade deal with the Soviet Union.

I think I ought to emphasize that my statement was on the premise that this was a one-shot transaction with the Soviet Union, meaning very clearly that we can be sure that the Soviet Union, if it has any kind of favorable weather conditions, will restore its wheat supply.

Perhaps it would be in the nature of euphoria for the people of the United States to get the idea that a one-shot sale of wheat to the Soviet Union—assuming it ever takes place—can take care of the balance-of-payments deficit problem and many other problems. I grant that alleviating some of those problems has some importance, but only on a very short and immediate one-shot-deal basis.

I hope the Senator from Minnesota will also indicate, when he has been criticizing the policy of the Congress, as set forth in the preamble of the Agricultural Act of 1961, regarding disposal of subsidized agricultural commodities to other than friendly nations, that he

would recommend—and I think this would be well for the administration, too—that any change in policy should actually take place in the form of a resolution passed by both Houses of Congress, upon a proper placing, before the committees concerned, of evidence indicating that events have taken place in the last couple of years which warrant a change in policy.

I hope that the Senator from Minnesota, in his position of leadership, will try to prevail upon the White House to take this action.

I am advised that some administration spokesmen believe they have the technical power to make a change in our policy. However, I understand that some contacts have been made with key Members of Congress and key committees. But I hope it will go beyond that, because I think there is some potential, so far as long-range possibilities are concerned, quite beyond the matter of wheat. If there is to be a change in our policy with respect to the Soviet Union and Iron Curtain countries, I think that change ought to be in the nature of a mutual decision on the part of the Congress and the administration.

I hope the Senator may respond to that point, because I think we may be on the verge of a change for the better in our trade policies. I dread to think that by hasty action, improper coordination, and the hard feeling that would go along with it, we might yet be moving in the wrong direction.

Mr. HUMPHREY. I thank the Senator. I am well aware of his interest in these matters. He has made a helpful statement.

If there is to be any basic change in the trade policy between the United States and the so-called Eastern European countries—the Soviet bloc—it is something that must be done in cooperation with the Congress. Congress has taken such affirmative action on it that, it seems to me, we could not change the basic policy without serious repercussions which would end up not only in partisan strife, but in criticisms by individual Members of Congress and their being worried and concerned unless the Congress were brought into the matter for appropriate action.

Mr. MILLER. The question is, What does the Senator mean by cooperation?

Mr. HUMPHREY. I mean by legislative action, or a resolution or a sense-of-Congress statement.

I agree with the Senator that the present proposal should be looked upon not as a palliative—if we make the sale—for our immediate problem of balance of payments or taxes, or anything else. It would be foolish to make this assumption.

Of course, it would be helpful if we could get $200 million in gold for some of our wheat. This would not hurt. It would help. I would rather have the cash than the surplus of wheat. But in the long term, this is no answer.

I point out that in the past years the Soviet Union has been an exporter of wheat. I understand that the Soviet Union has exported 300 million to 400 million bushels of wheat a year. So if weather conditions improve, and if the Soviet Union succeeds in placing her agriculture on a more efficient basis, we can expect that she will be a competitor in the wheat market, rather than a buyer.

For the present, however, I feel we may have missed the boat—if we ever wanted to take the ride. The Soviet Union may be making other arrangements elsewhere. I have some evidence that the Soviet Union may be arranging to buy wheat elsewhere. After all, it was quite an admission of defeat on the part of the Russians to have to come to the so-called capitalistic countries and say, "We are prepared to pay cash for wheat. We had a crop failure." It was not merely a crop failure. As Mr. Khrushchev pointed out, their system has not worked so well.

Their fertilizer program is inadequate. They have little or no irrigation. They are faced with many problems. I do not believe this is a matter which we should rush into without knowing what we are doing. Congress has a role to play. I am sure that in the long run, if any basic change in policy is to be made, there must be action by Congress. I do not mean that members of the administration should merely come and visit with us. A "sense" resolution by Congress would be helpful. It may even require the passage of a joint resolution. It may require legislative enactment, with signature by the President.

Mr. MILLER. Mr. President, I appreciate the Senator's response. There is one angle to this problem that ought to be emphasized. I cannot blame the American people for being confused about this situation. I am sure the Senator has received telephone calls, letters, and telegrams, as I have, indicating a state of confusion. I am sure the Senator is concerned about the fact that the grain futures market has been acting up.

Mr. HUMPHREY. Yes.

Mr. MILLER. It would be a healthy thing, not only for the grain market but also in alleviating the concern, if there could be an expression either from the White House or perhaps from the leadership in the two Houses of Congress, indicating that there will not be a deal with Russia or the Communist bloc of nations until this program has been considered by Congress and until the evidence has been placed before the appropriate committees of Congress.

Of course, this represents a change in policy; and I believe that until a resolution is passed by both Houses of Congress the situation will not change. If that were done, I would suggest that immediately all the speculation on the grain markets would quiet down. This is not something that has happened overnight. There have been speculators in the grain market. As I said earlier, a great deal of money is being made in the market, and no doubt some money has been lost, too.

Some press releases that have come from Canada seem to indicate that. If I were trying to do some maneuvering in the grain market, I could not do a better job than was done by those news releases. It would not be a bad idea to have them investigated to see whether there was any tie-in. I hope that the Senator, with his influence, will try to obtain some kind of statement on the point on which he apparently agrees with me, that there will not be any shift in policy. Perhaps it would be desirable to have a shift. However, I want to be sure that if there is to be, it will be on a sound ground, after the kind of consideration that characterized the deliberations on the test ban treaty, for example.

I thank the Senator for yielding to me.

Mr. HUMPHREY. I point out that in the export trade by non-Communist countries with Communist bloc countries the important items of export to the Soviet Union—amounting to about 40 percent—were in manufactured products, ranging from steel sheets to synthetic yarns. Machinery amounted to 20 percent, followed by chemicals, raw materials, and foodstuffs. It should be noted that 12 Western nations sold more to the Red bloc than did the United States. Last year the United States sold for cash, that is, hard currency, only $125 million worth of products to the entire Communist bloc. The major items of export to the Soviet Union by the United States were industrial wax, paper, synthetic fibers, hides, and skins.

According to my information, thus far this year France and the United Kingdom each have sold 750,000 tons of flour to the Soviet Union. West Germany and Italy each have sold 300,000 tons of flour to the Soviet Union. These sales of flour to Russia indirectly involve the United States, since those countries are getting from the United States much of the wheat to make the flour. The difference is that they reap the benefits.

I want the American people to know what is going on, so we do not go parading around as paragons of political virtue, in and out of Congress, and in and out of the administration. While we have in existence a congressional admonition pertaining to the sale of wheat to the Russians, we do not have this with regard to the sale of wheat to Western Europe. We presently do not allow anyone in the United States to make any money by selling wheat to the Russians. We do not allow American firms to do business directly. We do not allow American labor to be used for the milling of wheat into flour. At the same time, however, there is no doubt that some U.S. wheat which is sold to Western European countries is being milled by them and sold as flour to the Soviet Union and other Eastern-bloc countries.

I advocate—and I have spoken about this before—sales of agricultural products to the Soviet Union and Soviet-bloc countries by the private trade in the United States for hard currency, that is, dollars or gold. I believe these sales should be made under the program known in the trade as GR 345. This is the payment-in-kind, competitive bidding program. It works. No one knows better how to export than our American firms. I see no reason for the Government to become involved.

Many people have said that a change in policy will mean the Government will

have to do many different things. All the Government has to do is issue export licenses. There are individuals in the United States who know more about export sales than the Government ever will know. There is no reason for the Government becoming involved in ideological or economic disputes. After all, the Government issues export licenses for the sale of skins and hides and industrial wax and paper, as well as tallow. People say we should not issue export licenses for wheat, because it is different, in their opinion. Is not tallow also food? We send other items abroad, including synthetic fibers. These items have been sold to Communist-bloc countries. We should let the free enterprise system do the negotiating, and let private industry make its own arrangements. Let the price be negotiated, as is done in other instances. In that case we will have less trouble, less cost, less administrating fumbling, and more results. It might be a good thing to let the Russians run into some capitalist competition, negotiation, and salesmanship.

I am pleased to note that a number of newspapers of the country have expressed their point of view on this subject.

For example, I have before me the Des Moines Register of Thursday, September 26. It is one of the great newspapers of the Middle West. In its lead editorial, it states:

There is no law preventing the sale of agricultural products to the Soviet Union. U.S. law bars trade in "strategic materials" to the Communist countries.

However, there is a U.S. law which prohibits sale of U.S. farm surpluses under subsidy to Communist countries. The subsidy programs permit export of U.S. farm products at world price levels, even though U.S. prices are pegged above those levels as a means of supporting farm income.

Export under subsidy was devised as a benefit to U.S. agriculture and U.S. exporters, rather than as a donation to other countries, We are talking here of commercial exports under subsidy and not about the food-for-peace program, which is a form of foreign aid.

The Senator from Vermont [Mr. AIKEN] and I are quite familiar with the export program, since we had something to do with implementing it in Congress and making a legislative history for it some years ago. The subsidy payment that many newspapers write about is not a subsidy to the Russians; it is a subsidy to American farmers. It is a subsidy, indirectly, to the farmers through the exporter. The export company that would sell wheat to the Soviet Union at the world price, or whatever price is negotiated, gets back from the Commodity Credit Corporation a sufficient number of bushels of wheat to make up the difference between the price in the American market and the price in the world market. This is a way to compensate him so he does not go broke, since the American exporter has to get wheat in the American market at American domestic prices.

This program has been working, and we know what it does and how it works. There has been no real problem with it. The editorial in the Register states the case for it very well. It goes on to say:

At present, it would seem to be advisable to offer to sell Russia farm products for cash or gold, even if this involved subsidy to U.S. exporters in some instances, in order to permit competition with the Canadians and other farm exporters. This is good business and also good foreign policy. We do not advocate charity to the Soviet regime but hard bargaining on a trade deal of advantage to the United States.

I agree. That is an excellent statement of the case. I am delighted to see this fine editorial. I ask unanimous consent that the entire editorial be printed at this point in the RECORD.

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

[From the Des Moines Register, Sept. 26, 1963]

TRADE WITH RUSSIA

A combination of recent foreign developments has caused talk in Congress about reexamination of U.S. trade relationships with the Soviet Union. Such trade is almost nil now.

The nuclear test ban treaty has produced a better climate for Soviet-American relations in general. As President Kennedy said in his United Nations address, it has resulted in a "pause" in the cold war.

The intensifying "cold war" between the Soviet Union and China creates opportunities for diplomatic initiative in the West. The concept of world communism as a monolithic movement must be revised.

The sale by Canada of about $500 million worth of wheat to the Soviet Union whets the appetite of U.S. grain exporters, including the Federal Government. There have been signs of interest by the Soviet Union in buying wheat from the United States. U.S. private grain traders have been discussing a wheat sale with Soviet representatives.

The Soviet Union has been a large exporter of wheat in the past. The current imports (including an order from Australia, as well as Canada) are a consequence of severe drought. Grain production in the Soviet Union this year is forecast at around 115 million tons, compared with 125 million tons in 1958, a good crop year. Production was even lower in 1959 and 1960, and the series of short crops finally forced Russia to import, both for its own needs and to supply other Communist countries, including Cuba.

The off-the-cuff reaction of many Americans is that the United States ought to refuse to sell wheat to Russia. Why help Premier Khrushchev out of his farm trouble?

Iowa's state secretary of agriculture, L. B. Liddy, reflects this view. He sent a telegram to U.S. Agriculture Secretary Orville Freeman, objecting to sale of wheat to Russia "at any price." He asked whether we had reached such a level that it was necessary to place a "price tag on our principles." Then Liddy sent wires to other State secretaries of agriculture suggesting that they join him in protest. Freeman, in an earlier statement, had indicated that he would be willing to sell wheat to Russia for cash.

We believe Freeman is right on this and Liddy wrong. If the United States refused to sell wheat to Russia, some people might get righteous satisfaction out of it, but it would not injure the Soviet Union, since there is plenty of surplus wheat in Canada, Australia and elsewhere to supply the Soviet Union's needs. U.S. farmers will benefit indirectly from this new claim on world grain reserves even if the Russians do not buy American wheat.

The automatic reaction of people like Liddy against trade with the Soviet Union may come from a failure to consider the broader issues of foreign policy. Something that is good for the Soviet Union is not necessarily bad for the United States.

This may be an opportunity, not only to export surplus wheat for gold or hard currency (which the United States badly needs to correct its foreign payments deficit), but also to demonstrate a willingness for cooperation with the Russian people. The Russian people know what is going on in this wheat deal, we may be sure, despite limited announcements in the Soviet press. Soviet agricultural trouble is a tense political issue inside Russia.

This might be the opening wedge toward trade deals in other areas, including farm machinery, fertilizer plants and other things that Khrushchev says he wants to import for Soviet agriculture.

There is no law preventing the sale of agricultural products to the Soviet Union. U.S. law bars trade in "strategic materials" to the Communist countries.

However, there is a U.S. law which prohibits sale of U.S. farm surpluses under subsidy to Communist countries. The subsidy programs permit export of U.S. farm products at world price levels, even though U.S. prices are pegged above those levels as a means of supporting farm income.

Export under subsidy was devised as a benefit to U.S. agriculture and U.S. exporters, rather than as a donation to other countries. We are talking here of commercial exports under subsidy and not about the food-for-peace program, which is a form of foreign aid.

At present, it would seem to be advisable to offer to sell Russian farm products for cash or gold, even if this involved subsidy to U.S. exporters in some instances, in order to permit competition with the Canadians and other farm exporters. This is good business and also good foreign policy. We do not advocate charity to the Soviet regime but hard bargaining on a trade deal of advantage to the United States.

Mr. HUMPHREY. On September 18, 1963, the Minneapolis Star published an editorial entitled "Wheat to Soviet Union." That editorial also endorses the proposal. It reads, in part:

The transaction may lead to a reexamination of U.S. policy. Trade with Red China is prohibited by law. U.S. trade with Russia excludes strategic materials and grain seems, by someone's definition, to be banned. But there is some feeling in Congress for greater trade relations with the Soviet Union.

In the meantime, the new market for Canadian wheat is likely to keep U.S. wheat above the Government price support level for some time to come.

Mr. President, I ask unanimous consent that the entire editorial be printed at this point in the RECORD.

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

[From the Minneapolis Star, Sept. 18, 1963]

WHEAT TO SOVIET UNION

Wheat prices are up at the Minneapolis and other grain exchanges on the strength of Canada's $500 million deal with the Soviet Union. The 3-year pact calls for delivering 239 million bushels of wheat, or the flour equivalent, by the end of July 1964. Canada also is shipping vast quantities of wheat to Red China.

Wheat exports in the current crop year are expected to give Canada $1 billion in foreign exchange earnings. That's a big boost to a rather hard-pressed Canadian economy. The deals also are expected to have some indirect effects in the upper Midwest. For Canada is

selling mainly hard spring wheat, the kind that also is raised in Montana, the Dakotas, and Minnesota. With so much of Canada's production going to Communist nations, some new markets elsewhere should be opened to U.S. spring wheat.

American officials seemed less than enthusiastic when Canada first began selling grain to Red China. But the new deal with Russia had drawn favorable comment from Agriculture Secretary Freeman. Nobody seems greatly disturbed that Russia will deliver some of the Canadian wheat to Cuba.

The transaction may lead to a reexamination of U.S. policy. Trade with Red China is prohibited by law. U.S. trade with Russia excludes strategic materials and grain seems, by someone's definition, to be so banned. But there is some feeling in Congress for greater trade relations with the Soviet Union.

In the meantime, the new market for Canadian wheat is likely to keep U.S. wheat above the Government price support level for some time to come.

Mr. HUMPHREY. Mr. President, the St. Louis Post-Dispatch published two editorials, one on September 19, entitled "The U.S., the U.S.S.R., and Wheat"; the other, published on September 28, entitled "Why Not Ship Wheat?" Both editorials endorse the suggestion or the proposal that we change our regulations to permit American traders to engage in business with the Soviet Union through a hardheaded type of bargaining, if they can get customers in the Soviet Union.

I ask unanimous consent that the editorials be printed in the RECORD at this point.

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

[From the St. Louis Post-Dispatch, Sept. 19, 1963]

THE UNITED STATES, THE U.S.S.R., AND WHEAT

Canada's sale of half a billion dollars' worth of grain and flour to the Soviet Union for delivery in the next 10 months is apt to sit less than well with some Members of Congress, particularly as a portion is destined for Cuba. But Cuba has never been embargoed from food and drugs, on humanitarian grounds, and the sale is unusual only in its precedent-shattering size; Russia has been buying wheat from Canada for the past several years, as has China also. There are in fact decided advantages which the United States as well as Canada may anticipate.

For Canada's part, its wheat surplus will be reduced to safe limits; its unfavorable balance of trade, running to some $1 billion a year with the United States, will be alleviated; unemployment will be diminished and national income raised. As concerns the United States, it may expect to benefit from the enhancement of Canada's dollar supply available for trade with this country; from the possible opening up to our producers of export markets which Canada cannot supply while filling the Soviet order; from firming wheat prices; and from assuagement of frictions over wheat and trade imbalance.

The United States may itself in fact be impelled by this dramatic maneuver in grain to reexamine policies of trade with the Communist countries which have become more and more unrealistic with the advent of our own overall unfavorable balance of payments. Senator HUMPHREY, of Minnesota, the Democratic whip, has since the Canadian sale called for policy updating to increase the U.S. share of world markets. Secretary of Commerce Hodges has favored expansion of trade with Communist countries. A White House conference of more than 200 businessmen has recommended reexamination of the Government's policies toward trade with the Soviet bloc.

Already representatives of the Soviet Union, evidently hard hit by crop failures, are reported approaching private sources in the United States for wheat, with a formal Government-to-Government effort said to be prospective. Russia's contract for another $100 million worth of wheat and flour from Australia even after the huge Canadian purchase is indication that its need, the size of which is not known, may still be unfilled. With warehouses bulging and prices low, policymakers may find it hard to justify to American farmers the rejection of a major demand if it is offered.

[From the St. Louis Post-Dispatch]

WHY NOT SHIP WHEAT?

The swing toward support of changes in American export policy, to allow wheat sales to Communist nations, is clearly based on the fact that such sales would help the United States. Remaining opposition to a policy change is less clearly founded on the assumption that wheat sales would help Russia, and that anything that helps Russia must be bad.

No doubt the joint meetings of the House Foreign Affairs and Agriculture Committees, requested by President Kennedy, will study both arguments and permit some clarification of the second. The question is: Just how would American wheat help Russia?

Official export policy bars shipment of strategic goods to Communist countries, but omits food from the list of such goods. Nevertheless, policy also forbids wheat shipments. The contradiction is obvious. Wheat is not strategic goods in present circumstances. Shipment of it to Russia will help Russia generally, but it will not help Russia build up hostile military power. And failing to ship it will not injure Russia strategically, and it will not injure the Soviet Government. What it may do is cause some belt-tightening for the Russian people, despite Moscow's $500 million wheat deal with Canada.

These circumstances ought to be balanced against the obvious advantages to the United States of selling some of its surplus wheat, now valued at close to $4 billion, and of improving its serious losses in the balance of payments. A wheat sale of 200 million bushels offers major advantages in both.

No doubt that is why the prospect has drawn support from Republicans, particularly in the wheat belt. Since farmers this year voted down production controls on next year's wheat crop, support prices will be set at about $1.25 a bushel, compared to the existing rate of $1.82. The former figure is lower than the present world price of $1.30. Western Congressmen fear lack of controls may lead to overproduction and lower prices, which is one reason they find Russian overtures hard to resist.

The wheat belt's reaction to such a deal is as self-interested as the opposition is emotional. The main consideration for Congress is, simply, whether a wheat sale to the Communist bloc would help the national interest. The fact that peoples under communism would eat it seems irrelevant to the issue.

Mr. HUMPHREY. Mr. President, yesterday, the New York Times published an editorial entitled "Let Us Sell Wheat." The editorial states, in part:

The free world is not going to triumph over communism in Europe, in China, or in Cuba by trying to make people go hungry. This is a case where good morals, good politics and good business go together. We have immense quantities of surplus wheat. The Russians will pay in hard currency, and the presumption is they will pay the world market. It has been rising steadily and was $1.80 yesterday.

By any calculation, the spectacle of capitalistic, "imperialistic," America and Canada selling huge quantities of surplus wheat to the Communists is not going to do the cause of democracy any harm. A refusal to sell would.

That editorial goes to the heart of the question again: A refusal to sell would do some harm to us. To sell it would do no damage.

Mr. President, I ask unanimous consent that the entire editorial be printed at this point in the RECORD.

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

[From the New York Times, Oct. 2, 1963]

LET US SELL WHEAT

If President Kennedy was really looking for advice on whether or not to sell U.S. Government surplus wheat to the Soviet Union, he has only to heed his own Democratic Party leaders. They told him yesterday morning to go ahead and sell. There is nothing unique in sending wheat to Communist countries; we have been exporting it to Poland for a long time.

The free world is not going to triumph over communism in Europe, in China, or in Cuba by trying to make people go hungry. This is a case where good morals, good politics, and good business go together. We have immense quantities of surplus wheat. The Russians will pay in hard currency, and the presumption is they will pay the world market price. It has been rising steadily and was $1.80 yesterday.

By any calculation, the spectacle of capitalistic, imperialistic, America and Canada selling huge quantities of surplus wheat to the Communists is not going to do the cause of democracy any harm. A refusal to sell would.

Mr. HUMPHREY. Mr. President, the Russians will not become any less belligerent or any less powerful because they are short of wheat. They will not become any less belligerent or any less powerful because of the existing circumstances that affect their economy relating to wheat. If we sell wheat to the Russians, they are not going to become more powerful and more belligerent. They have ways to tighten the screws of their economy so their military establishment will receive first priority. I feel, however, that in the long run some of the suggestions that have been made by Senators make a great deal of sense. I recall that the distinguished Senator from Vermont [Mr. AIKEN] has said:

I do not recall any instance in history in which any people have been starved into democracy. They have been starved into totalitarianism, but not into democracy.

So when we look over the situation, the sale of wheat by the United States could do much good. It could open up new opportunities for business and for private trade. We could reduce our stocks of wheat and thus the cost to the taxpayers for storing that wheat, at least this year. We could improve, at least modestly, our balance-of-payments situation and improve the price received by wheat producers through an improved supply and demand situation. Those are some of the benefits which could accrue to us.

I recognize that criticism can be made that anything done now to provide wheat

to the Soviet Union will only strengthen her. Mr. President, we have not been able to boycott the Soviet Union. A one-nation boycott of the Soviet Union is ineffective, if other countries are not going to join with us. If our policy was to get all countries to close off trade with the Soviet Union and the Soviet bloc, and if that policy could be effectuated and made operative, that would be one thing. Then we could say, "No, no, no; a thousand times no. We will not sell any wheat to the Soviet Union, because we do not want to break any policy."

But the United States is the only country that has such a policy. Not only that, it is a hypocritical policy. We merely tell people we have a policy. We are telling that to people who are not, apparently, supposed to look behind the scenes. This has been going on not only in this administration but in the previous one, as well.

When the British and French can each produce and sell in 1 year 750,000 tons of flour to the Soviet Union, much of it made out of American wheat, why should anyone in this country think for a moment that we have a policy of boycotting the Soviet Union or placing an embargo on the sale of wheat, when every bushel of that wheat had an export subsidy attached to it.

When the Germans and Italians can each produce and sell in 1 year 300,000 tons of flour to the Soviet Union, flour milled out of American wheat, how can we say we are not selling wheat to Russia?

What we are really doing by this policy is denying American workers jobs. We are denying American businessmen the opportunity to make a fair profit—and I believe in the profit system. I think we can make the profit system more profitable, make it effective in stopping the onrush of communism. I believe American enterprise ought to be permitted to compete in those markets.

More importantly, let us come clean on the situation. Many arguments will be made against such a proposal. I have listened to speeches in Congress to the effect that we had better take a look; we may be helping Russia. What we are doing now is hurting ourselves, because the Russians will get the wheat.

Mr. Khrushchev said the other day he may not need any wheat at all from the United States. He is a sharp fellow. He was not born yesterday. He knows all the tricks of the game. He knows where to get wheat.

He is getting it from England, Italy, France, and Germany; and yet the Germans lecture us about our being soft on communism. Still, the Germans continue to sell wheat to the Soviet Union. Khrushchev goes to Belgium and other countries throughout the world. Soviet trade missions are active everywhere. But the good old American wheat is processed in other people's flour mills, taking jobs away from our flour industry. American subsidized wheat is supplied to foreign mills. Yet we go around saying we do not sell to Communists; we do not do business with Communists. Is that so? What we try to do is "sanitize" the wheat. Sometimes we hold executive sessions of committees of Congress and talk about "sanitizing" the hearings. We want to eliminate any security information. We let the Pentagon go through the record before it gets to the public.

But in this instance, we cannot fool the people. Trade with Russia has been going on for a long time.

If we want to have a policy which provides we will not sell 1 pound of butter or 1 pound of edible oil or 1 kernel of corn or 1 bushel of wheat to the Soviet Union, then we had better make whoever buys those products from us sign an affidavit, making them subject to the death penalty, if they violate it, that they will not sell into the Communist bloc one bit of that which they buy from us.

Of course, everyone in his right mind knows no country will do that. Every Senator knows full well our Canadian friends sell to Communist China and to Communist Russia. Canada is our good ally. I like Canada. The friendship of the United States with Canada is more important than all the wheat sales put together. But the Canadians feel they have to live too. They produce wheat. The Canadian Government tells Canadian wheat farmers to produce; we tell our wheat farmers to cut back their production. We impose on our wheat farmers regulations, restrictions, supply controls, management controls, and so forth.

Mr. President, consider the situation in the vicinity of the United States-Canada border along the northern boundary of the State of North Dakota.

To the wheat farmers on the U.S. side of the border, the Government of the United States says, "We do not want to do any business with the Communists, so you must make a 20-percent decrease in your production of wheat." But to the wheat farmers right across the border, in Canada—where our forces participate with the Canadians in the North American Command, and where our good friends, the Canadians, and the Americans work together for the common defense against the Communist menace—the Government of Canada says to the Canadian farmers, "Go ahead and plant more wheat; we have a customer."

So long as we let everyone else have the customer, our farmers will have less income and more restrictions and more acreage limitations, more of our flour mills will shut down, our workers will be without jobs, our taxes will become higher and more onerous—all for the privilege of saying, "We did not offer to do business with the Communists."

Mr. President, I believe it is time to clear up the record a little. I agree that the proposal to sell wheat to Russia should receive the most careful scrutiny of the appropriate committees in Congress; and as a loyal American and a friend of this administration, I say a decision is needed.

A decision is needed in order to prevent speculation, to prevent the kind of ups and downs we have seen in wheat futures, because that can lead to disastrous results in the grain market.

So I say, in most nonpartisan fashion, to my friends and to the administration, let us have a decision one way or the other. Let us eliminate the doubt. If we do that, at least there will again be some sense in the market, whereas today it is a hunting ground for every speculator in the world, not merely those in the United States.

Mr. CLARK. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. CLARK. Do I correctly understand that the Senator from Minnesota has been discussing the problem of the sale of wheat to the Soviet Union to the satellite countries?

Mr. HUMPHREY. I have.

Mr. CLARK. I understand the Senator has been engaged in colloquy with the Senator from Iowa on this subject?

Mr. HUMPHREY. That is correct.

Mr. CLARK. I should like to suggest a point of view to the Senator from Minnesota, and ask him whether he finds himself in agreement with it or not. I have been given to understand that the administration is anxious to have some views from Members of Congress, particularly from Senators, as to whether they would look with favor upon a sale of wheat to the Soviet Union, possibly to Czechoslovakia, perhaps to Poland and other countries——

Mr. HUMPHREY. Bulgaria, and Hungary.

Mr. CLARK. And to other countries behind the Iron Curtain. For myself, I would wholeheartedly support the administration if it decided to go ahead with such negotiations, assuming, first, that the sale was for hard currency, with relatively short-term credit, and that feasible precautions would be taken to assure that none of the grain we sent out of our country would go to Cuba.

It seems to me that this is a wise policy for the following reasons:

First, it would make a substantial contribution to bringing into balance our international balance of payments, which our top financial experts told the members of the World Bank, the International Monetary Fund, and the other international financiers gathered in Washington this week that we would endeavor to do.

I have been a congressional observer at this international banking meeting, where the World Bank, and the International Monetary Fund, and other international agencies and their leaders have been gathered. I also have the honor to be chairman of the Subcommittee on International Finance, of the Banking and Currency Committee. However, solely from the domestic point of view, I believe such a sale of wheat would be good for our country, even though little wheat is grown in Pennsylvania. I know a good deal of wheat is grown in Minnesota, and I know much more is grown in the States west of Minnesota.

Mr. HUMPHREY. Actually, neither Iowa nor Minnesota produces much wheat. Some is produced in the northwest corner of Minnesota. At one time, more wheat was produced there, but so little is produced there now that it is not even considered much of a cash crop. But to the west, vast amounts of wheat are grown.

The Twin Cities—Minneapolis and St. Paul—constitute one of the largest milling areas in the Nation and one of the largest grain trading centers in the country. Therefore, obviously I have been informed by the citizens of Minnesota about all these problems and the rules and regulations on trade. Surely there is no better way to find out what goes on than to get the information from those who earn their livelihood there.

Mr. CLARK. The Senator from Minnesota is well known in this body as one who considers the overall national interest, rather than to confine his interest to what sometime seems to be the narrow interests of one's own State. I am sure the Senator from Iowa is also prepared to rise above the parochial interests of the State of Iowa. I believe that when we look at the national picture, there can be no doubt that such a sale of wheat would make a substantial contribution to the reduction of the amount of wheat which has to be stored at the expense of the taxpayers of this country, because of the great oversupply. Is that correct?

Mr. HUMPHREY. Yes; at least for 1 year. I believe the Senator from Iowa and I both agree that this would be only a palliative for 1 year, not a permanent remedy.

No small sum of money is involved. Sales amounting to several hundred million dollars certainly should be viewed by Members of Congress as constituting a worthy project.

Mr. CLARK. One would hope that over a period of time the wise counsel of the administration with respect to the handling of our wheat surplus would have a great deal more impact on the farmers of the country and would be of more aid to them than any of the administration's present activities. At least, by means of this "shot in the arm" we could decrease substantially our present surplus; and that would be a good thing.

My final reason—and, to my way of thinking, the most important one of all—for advocating the proposed sale of wheat is that it lends itself to a further decrease of the tensions of the cold war and provides one more area in which we can cooperate with the Soviet Union. There was much belligerent talk in the Senate when the test ban treaty was being considered. A good many Senators voted for the test ban treaty with very real personal reservations. They had the feeling that the cold war would go on forever, that one can never trust the Russians about anything, and that we were heading into a situation in which the arms race must be accelerated and we must move ahead in that field.

I do not share that view at all; and I know the Senator from Minnesota does not, either—although I realize that we must keep our guard up; we must negotiate from strength; we must be careful not to be tricked.

We should consider whether the facts of international political life have changed drastically in the last 6 months or in the last year, and whether there is now a real possibility that the self-interests of both the Soviet Union and our country are tending to bring them together in an area of constantly increasing agreement in which tensions will be relaxed, so that perhaps we can look forward to a day when general and complete disarmament will no longer be a pious dream or a hope in the sky, but will be a program which the Senator from Minnesota—who has worked so ably and so long in the hope of achieving it—and I may see come into effect before we pass from the political scene.

I wonder whether he agrees that all these factors should be considered in connection with the proposed sale of wheat?

Mr. HUMPHREY. Yes.

Furthermore, let us consider the potential results or "fallout"—a word we often heard during the debate on the test ban treaty. The social and political fallout from a good trade arrangement would have very, very helpful effects in the months and years ahead. I know of no better way to build respect and understanding than by establishing a sound economic base. With a mutuality of economic interest, people get along surprisingly well and find ways and means to use brainpower, rather than a mailed fist.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. CLARK. It occurs to me that in connection with this effort, we must be sure that the necessary legalities are observed. I understand that there is substantial legal opinion to the effect that the President already has ample authority to consummate this proposal, and that the enactment of a new law by Congress will not be necessary.

It is my understanding that there is substantial and able legal opinion that he has that authority. If he has it, I hope he will use it, rather than come back to the Congress for a long wrangle, another bill that we must pass, and all of the frightening problems which arise whenever an effort is made to overcome apathy.

Mr. HUMPHREY. If we get into a basic change of trade policy between the United States and the Soviet-bloc countries, it is something that will require a complete examination by the Congress.

Mr. CLARK. I quite agree.

Mr. HUMPHREY. We have been speaking of what might be called a one-shot deal, which is a possibility. I wish to caution Senators that I am not sure the possibility is even here any longer. There is such a thing as too much delay. This great capitalistic businessman's Nation has been acting like it has paralysis of the mind, the body, and the business instinct. We have been floundering around. We are more bungling than the world's greatest bureaucracy. We are supposed to be capitalists and businessmen. When we see an opportunity to make a good deal, we are suppose to come out like a trout from a stream in Minnesota after the bait.

If our trout were no more alive than the attitude of our Government and our economic community on the question about which we have been speaking, the fishing in Minnesota would be extinct. Fishing is good in Minnesota. It is very good in the fall, by the way.

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

Mr. HUMPHREY. I yield.

Mr. CLARK. I should like to point out that the trout fishing in Minnesota is far inferior to the fishing in the Pocono Mountains of Pennsylvania.

Mr. HUMPHREY. I knew that I could get the Senator from Pennsylvania to digress.

Mr. CLARK. I hope that the Senator will come up there in this magnificent fall weather, while the leaves are changing and the streams are flowing with bright water, and let us show him what great fishing is like.

Mr. HUMPHREY. The comments of the Senator from Pennsylvania on the subject are like an introductory chapter to a travelogue that ultimately takes one into the great garden of ecstasy, delight, purity, and out of doors of Minnesota. It is like coming to the point when one anticipates a great experience, and then there are always a few additional chapters to tell him what it might be like when he arrives. The Senator from Pennsylvania has been giving us a limited version of some of the lesser pleasures in the great out of doors in the State of Pennsylvania. When he comes to Minnesota, there he will see all the wonders of nature. I welcome the Senator.

Mr. CLARK. Mr. President, will the Senator yield so that I might comment?

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

Mr. HUMPHREY. I yield first to the Senator from Pennsylvania.

Mr. CLARK. I do not wish to leave the colloquy on wheat in any fuzzy position so far as my own attitude is concerned. I believe, of course, if we are going to drastically change foreign trade policy with respect to trade with the satellite nations in the Soviet Union, and possibly even with China, it should be the subject of a very great debate in which the Congress of the United States must obviously participate, and as to which legislation would be needed. But I feel we should take this one shot now and talk about it afterwards.

I would hate to follow the advice of my good friend, the Senator from South Dakota [Mr. MUNDT], and have a great big congressional hassle on proposed legislation. Let us sell the wheat now and talk about it later.

Mr. HUMPHREY. The authority for the President to act surely is in the law. The present law gives admonition but not prohibition. However, it seems to me there ought to be a decision made as to which way we are going to go. Either we are going to ask the Congress for a sense-of-Congress resolution or we will take the action after consultations with Congress on this immediate possibility. I say "possibility" because I think the probability is more remote. On this immediate possibility I believe the administration could act after it has made its proper consultations, and I have so recommended. But on any major change of policy I think we need a very careful

dialog between the Congress and the executive branch, and then some legislative action.

Mr. President, I ask unanimous consent that a press release I issued September 26 on this subject be printed at this point in the RECORD.

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

HUMPHREY SEES INCREASED CHANCE FOR CHANGE IN EAST-WEST TRADE POLICY

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, said yesterday that there is an "increasing possibility for a constructive change in American policy on sale of agricultural products to Soviet bloc countries."

HUMPHREY reported that he based his conclusion on personal discussions with "many administration officials and members of Congress."

He said that he will continue to press the administration and Congress "to end the antiquated and costly policy which makes it impossible to trade wheat and other farm products to the Soviet Union and its satellites."

HUMPHREY was one of the first national leaders to urge a "reexamination and overhaul" of U.S. policy on trade with the Soviet Union. He made his proposals both before and after the recent announcement of Canada's sale of $500 million worth of wheat to the Soviet Union.

"Let us let American farmers be Americans," HUMPHREY said, "instead of stifling them with controls. Let them produce what is needed, seek the customers that are available, and sell when they can.

"Our American farmers developed a magnificent productive capacity through the spirit of free enterprise. They should be able to market their products in the same spirit of American free enterprise."

HUMPHREY reported that he has stressed four key points in his discussions with administration and congressional leaders:

1. The United States has agricultural products to sell, in both quantity and quality.

2. There are ready markets for those products in the Soviet Union and Eastern Europe. Our products can be sold to them for cash, for gold and for short-term credits.

3. The sale of wheat and other agricultural products and surplus can reduce costs to taxpayers for storage and other expenses and reduce the budget.

4. The sale of wheat and other commodities for dollars will relieve the severe balance-of payments situation.

HUMPHREY said that the sale of wheat and other farm products to the Soviet Union "will not adversely affect our security.

"Food will not feed the furnaces of destruction," he said. "It can help build a better world. Food is an instrument of peace, not a weapon of war."

The Senate majority whip added that increased East-West trade, "at least in agricultural products," can tend to "improve the political relationships between nations by providing a sound economic basis for cooperation."

He concluded: "Sale of wheat and other farm products means cash for our economy, jobs for our farmers and mill workers and strength for our Nation."

Mr. HUMPHREY. I now yield to the Senator from Iowa. I should like to ask him if he is going to brag about Iowa.

Mr. MILLER. My friend, the Senator from Minnesota, has yielded to me after all the discussion about fishing has taken place. However, I did think I ought to make the point that, granted the beauty of the trout streams and the wonder of the sky-blue waters in Minnesota; I deeply regret that the best information that I have is that by the time we get out of here this year, there will be no free-flowing waters, and the Senator might just as well come down to my State and do some ice fishing.

Mr. HUMPHREY. That is a mighty kind offer and I will give it serious consideration. But since the Senator from Iowa has brought up the subject of ice fishing, I would like him to know that in Minnesota we provide all the comforts of home for ice fishing. We provide those fine little huts that we put out in the lake. We chop a hole through the ice and we can see those nice walleyed pike and all the other fine and wonderful fish we have. Of course, if one should fall in, as occasionally happens, it requires a certain amount of therapeutic treatment.

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

Mr. HUMPHREY. I yield.

Mr. MILLER. The trouble is that it is so cold in the State of the Senator, and the ice is so thick, one is worn out by the time he chops the hole.

Mr. HUMPHREY. Not at all. We in Minnesota are a vigorous people.

Mr. MILLER. The cold air gets through those huts very quickly. Why not come to Iowa and be more comfortable?

Mr. HUMPHREY. I thank the Senator for his invitation. I presume everything will be taken care of.

Mr. MILLER. It is a standing invitation.

CIA IN VIETNAM

Mr. MILLER. Mr. President, in yesterday's Washington's Daily News appears a lead editorial entitled "What's Wrong in South Vietnam?" There also appeared a very excellent article on page 3 entitled "'Arrogant' CIA Disobeys Orders in Vietnam." The sum and substance of these items is that certain officials in the CIA and South Vietnam have apparently refused to follow the instructions of the American Ambassador to South Vietnam.

It is well known that in a foreign country the Ambassador is in the shoes of the President, and why such action should take place in, of all countries, South Vietnam, is difficult to understand. I hope that upon the return of Mr. McNamara and General Taylor appropriate disciplinary action will be taken against the CIA officials who have seen fit not to follow protocol in that respect. Furthermore, I hope that it will be made very clear to the Director of CIA that what has occurred is not about to take place in any other embassy of the United States in the world.

I ask unanimous consent that the editorial and article to which I have referred be printed at this point in the RECORD.

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

[From the Washington Daily News, Oct. 2, 1963]

WHAT'S WRONG IN SOUTH VIETNAM?

It is a brutally messed-up state of affairs that our man, Richard Starnes, reports from South Vietnam in his article on page 3 today.

And the mess he has found isn't Vietnamese. It is American, involving bitter strife among U.S. agencies—which may help explain the vast cost and lack of satisfactory progress in this operation to contain Communist aggression.

The whole situation, as described by Mr. Starnes, must be shocking to Americans who believe we are engaged in a selfless crusade to protect democracy in this far-off land.

He has been told that:

The U.S. Central Intelligence Agency —CIA—has flatly refused to carry out instructions from Ambassador Henry Cabot Lodge, frustrating a plan of action he took from Washington.

Secret agents, or "spooks," from CIA "have penetrated every branch of the American community in Saigon."

Who are we fighting there anyhow? The Communists, or our own people?

The CIA agents represent a tremendous power and are totally unaccountable to anyone. They dabble and interfere in military operations, to the frustration of our military officials.

The bitterness of other American agencies in Saigon toward the CIA, Starnes found, is "almost unbelievable."

On the basis of this last statement alone, there is something terribly wrong with our system out there.

Defense Secretary McNamara just has finished his investigation on the ground in Vietnam and is preparing to report to the President. Mr. McNamara is a tough man of decisive action. It may be assumed he now is in a position to assess the blame for this quarreling and backbiting inside the American family—whether it falls on the CIA or other agencies which accuse the CIA.

One way or the other, some official heads should roll.

[From the Washington Daily News, Oct. 2, 1963]

"SPOOKS" MAKE LIFE MISERABLE FOR AMBASSADOR LODGE—"ARROGANT" CIA DISOBEYS ORDERS IN VIETNAM

(By Richard Starnes)

SAIGON, October 2.—The story of the Central Intelligence Agency's role in South Vietnam is a dismal chronicle of bureaucratic arrogance, obstinate disregard of orders, and unrestrained thirst for power.

Twice the CIA flatly refused to carry out instructions from Ambassador Henry Cabot Lodge, according to a high U.S. source here.

In one of these instances the CIA frustrated a plan of action Mr. Lodge brought with him from Washington, because the agency disagreed with it.

This led to a dramatic confrontation between Mr. Lodge and John Richardson, chief of the huge CIA apparatus here. Mr. Lodge failed to move Mr. Richardson, and the dispute was bucked back to Washington. Secretary of State Dean Rusk and CIA Chief John A. McCone were unable to resolve the conflict, and the matter is now reported to be awaiting settlement by President Kennedy.

It is one of the developments expected to be covered in Defense Secretary Robert McNamara's report to Mr. Kennedy.

OTHERS CRITICAL, TOO

Other American agencies here are incredibly bitter about the CIA.

"If the United States ever experiences a 'Seven Days in May' it will come from the CIA, and not the Pentagon," one U.S. official commented caustically.

("Seven Days in May" is a fictional account of an attempted military coup to take over the U.S. Government.)

CIA "spooks" (a universal term for secret agents here) have penetrated every branch of the American community in Saigon, until

nonspook Americans here almost seem to be suffering a CIA psychosis.

An American field officer with a distinguished combat career speaks angrily about "that man at headquarters in Saigon wearing a colonel's uniform." He means the man is a CIA agent, and he can't understand what he is doing at U.S. military headquarters here, unless it is spying on other Americans.

Another American officer, talking about the CIA, acidly commented: "You'd think they'd have learned something from Cuba but apparently they didn't."

FEW KNOW CIA STRENGTH

Few people other than Mr. Richardson and his close aids know the actual CIA strength here, but a widely used figure is 600. Many are clandestine agents known only to a few of their fellow spooks.

Even Mr. Richardson is a man about whom it is difficult to learn much in Saigon. He is said to be a former OSS officer, and to have served with distinction in the CIA in the Philippines.

A surprising number of the spooks are known to be involved in their ghostly trade and some make no secret of it.

"There are spooks in the U.S. Information Service, in the U.S. Operations mission, in every aspect of American official and commercial life here," one official—presumably a nonspook—said.

"They represent a tremendous power and total unaccountability to anyone," he added.

Coupled with the ubiquitous secret police of Ngo Dinh Nhu, a surfeit of spooks has given Saigon an oppressive police state atmosphere.

The Nhu-Richardson relationship is a subject of lively speculation. The CIA continues to pay the special forces with conducted brutal raids on Buddhist temples last August 21, although in fairness it should be pointed out that the CIA is paying these goons for the war against Communist guerrillas, not Buddhist bonzes (priests).

HANDS OVER MILLIONS

Nevertheless, on the first of every month, the CIA dutifully hands over a quarter million American dollars to pay these special forces.

Whatever else it buys, it doesn't buy any solid information on what the special forces are up to. The August 21 raids caught top U.S. officials here and in Washington flatfooted.

Nhu ordered the special forces to crush the Buddhist priests, but the CIA wasn't let in on the secret. (Some CIA button men now say they warned their superiors what was coming up, but in any event the warning of harsh repression was never passed to top officials here or in Washington.)

Consequently, Washington reacted unsurely to the crisis. Top officials here and at home were outraged at the news the CIA was paying the temple raiders, but the CIA continued the payments.

It may not be a direct subsidy for a religious war against the country's Buddhist majority, but it comes close to that.

And for every State Department aid here who will tell you, "Dammit, the CIA is supposed to gather information, not make policy, but policymaking is what they're doing here," there are military officers who scream over the way the spooks dabble in military operations.

A TYPICAL EXAMPLE

For example, highly trained trail watchers are an important part of the effort to end Vietcong infiltration from across the Laos and Cambodia borders. But if the trail watchers spot incoming Vietcongs, they report it to the CIA in Saigon, and in the fullness of time, the spooks may tell the military.

One very high American official here, a man who has spent much of his life in the service of democracy, likened the CIA's growth to a malignancy, and added he was not sure even the White House could control it any longer.

Unquestionably Mr. McNamara and Gen. Maxwell Taylor both got an earful from people who are beginning to fear the CIA is becoming a third force, coequal with President Diem's regime and the U.S. Government—and answerable to neither.

There is naturally the highest interest here as to whether Mr. McNamara will persuade Mr. Kennedy something ought to be done about it.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. TALMADGE, from the Committee on Agriculture and Forestry, with amendments:

S. 1588. A bill to remove the $10 million limitation on programs carried out under section 16(e)(7) of the Soil Conservation and Domestic Allotment Act for 1964 and subsequent calendar years (Rept. No. 555).

BILL INTRODUCED

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HUMPHREY:

S. 2209. A bill for the relief of Dr. Exequiel R. Bravo; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

INTERNATIONAL CONFERENCE ON CONSERVATION OF WILD ANIMALS

Mr. YARBOROUGH submitted a concurrent resolution (S. Con. Res. 60) to recommend an International Conference on Conservation of Wild Animals, which was referred to the Committee on Commerce.

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

RESOLUTION

AUTHORIZATION FOR SUBCOMMITTEE ON EMPLOYMENT AND MANPOWER OF COMMITTEE ON LABOR AND PUBLIC WELFARE TO SIT FOR A CERTAIN PERIOD WHILE SENATE IS IN SESSION

Mr. CLARK submitted a resolution (S. Res. 209) authorizing the Subcommittee on Employment and Manpower of the Committee on Labor and Public Welfare to sit for a certain period while the Senate is in session, which was ordered to lie over under the rule.

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

AUTHORITY FOR COMMITTEE TO FILE REPORT DURING ADJOURNMENT OR RECESS—MINORITY VIEWS

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Committee on Public Works may be permitted to file a report, including minority views, on the bill (S. 649) to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to increase grants for construction of municipal sewage treatment works, to provide financial assistance to municipalities and others for the separation of combined sewers, to authorize the issuance of regulations to aid in preventing, controlling, and abating pollution of interstate or navigable waters, and for other purposes, during the recess or adjournment of the Senate.

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

REDUCTION OF INDIVIDUAL AND CORPORATE INCOME TAXES—AMENDMENT (AMENDMENT NO. 209)

Mrs. NEUBERGER. Mr. President, President Kennedy in his tax message to Congress on January 24, 1963, recommended a meaningful tax deduction for child care expenses for working mothers. The President in his message stated:

2. A MORE LIBERAL CHILD CARE DEDUCTION

Employed women, widowers, and divorced men are now allowed a deduction of up to $600 per year for expenses incurred for the care of children and other dependents who are unable to care for themselves. In its present form this provision falls far short of fulfilling its objective of providing tax relief to those who must—in order to work—meet extra expenses for the care of dependents.

I recommend increasing the maximum amount that may be deducted from the present $600 to $1,000 where three or more children must be cared for. I also recommend three further steps: raising from $4,500 to $7,000 the amount of income that families with working wives can have and still remain fully eligible; increasing the age limit of children who qualify from 11 to 12; and extending the deduction to certain taxpayers who now do not qualify—such as a married man whose wife is confined to an institution.

The revenue cost of these changes in the child care deduction would be $20 million per year, most of which would benefit taxpayers with incomes of less than $7,000.

On September 25 the House of Representatives passed tax legislation to reduce individual and corporate income taxes, in the form of H.R. 8363. I regret to report that most of the important recommendations made by President Kennedy for child care deduction are not a part of the bill.

The House-passed tax bill provides no meaningful child care deductions for working mothers. Under present law the maximum deduction of $600 is available to a married working mother only if she and her husband together have a combined income of less than $5,100. However, for every dollar they earn over $4,500 they must subtract a dollar from the maximum $600 allowance.

Under the House bill married working women remain limited to a $600 deduction. The $4,500 limitation is retained. One liberalization the House would make is to allow a $900 deduction for two or more dependents for widows, widowers, and single women; but not for married women. The House also provided an increase in the age limit of children who qualify from 11 to 12, and the deduction for a married man whose wife is confined to an institution.

It seems obvious that if the child care deduction should be increased for some categories it should be increased for all. The $4,500 income limitation was adopted as a part of the 1954 tax code, and since that time wages and the cost of living have risen considerably.

Mr. President, the joint husband-wife income limitation is so low in terms of present levels of income that the deduction is not available to most married women who have to work to supplement their husband's income. In the report of the Senate Finance Committee in 1954 in connection with the child care deduction, the committee stated:

> Moreover, it is recognized that in many low-income families, the earnings of the mother are essential for the maintenance of minimum living standards even where the father is also employed, and that in such situations the requirement for providing child care may be just as pressing as in the case of a widowed or divorced mother.

At present income levels, few families with working wives get any benefit from the child care deduction. Only 244,000 taxable returns claimed the deduction in 1960, of which 117,000 were joint returns of married couples. The median income of husbands who have wives in the labor force is $4,761, and in 1961 figures reported by the Department of Labor indicate that the median income of husband-wife families in which the wife worked at any time during the year was $7,050. For families in which the wife worked full time it was $8,517. Thus it is obvious that the present child care tax deduction has little meaning in terms of today's income.

Mr. President, the question is not whether women and mothers would be encouraged to work through the child care tax deduction. Twenty-four million women are presently employed in our working force, and I think it desirable to accept facts as they are. One worker in three in the United States today is a woman. By 1970 it is forecast that the work force will contain 30 million women. Their contribution to our society is enormous. Earlier this year recognizing this the Congress enacted the Equal Pay Act of 1963 to provide equal pay for equal work.

Mr. President, I am submitting an amendment to H.R. 8363 to carry out President Kennedy's tax recommendations with respect to child care deduction expenses for working wives. I request unanimous consent that my amendment be printed in the RECORD at the conclusion of my remarks.

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

The amendment was referred to the Committee on Finance, as follows:

> On page 64, strike out lines 18 through 24, and insert the following:
>
> "(B) The $600 limit of subparagraph (A)—
>
> "(i) shall be increased (to an amount not above $900) by the amount of expenses incurred by the taxpayer for any period during which the taxpayer had 2 dependents, and
>
> "(ii) shall be increased (to an amount not above $1,000) by the amount of expenses incurred by the taxpayer for any period during which the taxpayer had 3 or more dependents."
>
> On page 65, line 7, strike out "$4,500" and insert "$7,000."

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—AMENDMENT (AMENDMENT NO. 211)

Mr. KUCHEL. Mr. President, through a variety of successive organizations, dating back to the International Union of American Republics formed in 1890, and by means of many imaginative programs, the most recent of which is the Alliance for Progress, the United States has striven earnestly and unselfishly to better the economy, to strengthen the security and to advance the society of the many nations in our Western Hemisphere.

The underlying thought behind all of these agencies and efforts has been that the various nations of the Americas can and should work and live in comity, pooling their resources and their talents for mutual benefit and advancement.

The spirit of neighborliness and mutual respect unfortunately has been strained frequently—far too often, in recent years—by unilateral actions which one nation or another believes are essential to preserve its nationalistic character, to protect its resources, or to benefit its economy. These actions have been especially exasperating in one field—the high seas fisheries. Our Nation has become embroiled in a "wet war" in our own hemisphere.

Time after time since I began my service in this body, now more than a decade ago, peaceful, law-abiding residents of my native State of California have been victims of flagrant breaches of the spirit of neighborliness when patrol boats, even armed warships, of different Latin American countries employed force to prevent them from engaging in an honorable pursuit, catching fish in waters which—according to concepts formerly recognized almost universally—long have been considered the high seas.

Repeatedly, tuna boats sailing from San Diego and San Pedro have been boarded or otherwise taken into custody, compelled to put into a foreign port, and penalized for violating self-proclaimed territorial limits or for failing to obtain licenses and permits to operate in areas we maintain are open to all nations. Heavy fines have been levied against captains or owners. My office files contain literally scores of radio, cable, and telegraph messages relating incident upon incident, involving country after country.

In some instances, our Latin American neighbors maintain they have sovereignty out to an almost unbelievable distance of 200 miles. Others are more modest, but many contend they have the right to bar American-flag fishermen from operating within areas considerably greater than the 3-mile limit. A number insist they can compel the obtaining of a costly license to fish in prescribed sections of the adjacent seas.

This issue is not new. It began in 1954. Since that date, close to 50 American-flag tuna boats have been seized or harassed in international waters.

The United States has been long-suffering. In fact, we seem often to have turned the other cheek. I feel that after a decade of such conduct the time has arrived when we must take stern measures to assert our own rights and to protect our own interests. Discussions between countries have been largely unavailing. Negotiations in most cases appear futile. But in the light of history and in view of the increasing frequency of such instances, we cannot sweep this problem under the rug.

Such aggravations must be ended and the most effective means I can conceive for ending them is to invoke sanctions. This is a more modest and moderate course than some of the boatowners, skippers, and crews would have us take. They have messaged me frantically on many occasions asking for naval escorts and for forcible steps by warships or aircraft to obtain their release.

We have at hand one sanction which can be applied quickly and I believe meaningfully. We are extending financial and other aid generously under our mutual security programs to several of the countries which in effect show no hesitation about biting the hand which feeds them. I propose that we serve notice such assistance will be cut off if they continue to interfere with American fishermen, if they persist in trying to blackmail our boatowners and skippers. We must let these people we like to regard as good neighbors know the United States no longer will take such unneighborly treatment lying down.

The occasion to assert ourselves is in passing our annual mutual security legislation. Accordingly, on behalf of my colleague from California [Mr. ENGLE] and myself, I am submitting an amendment, which would spell out clearly a basic condition we believe should govern future extensions of financial assistance to these nations which have scant respect for the ideal of amity and comity in our hemisphere, which arrogate authority they use as a pretext for harassing and mistreating American citizens, and which at the same moment appeal fervently for American financial support, technical help, military supplies, and other assistance.

Our amendment, if adopted, would prohibit the furnishing of any assistance under the Foreign Assistance Act of 1961, as amended, to any country which has extended, or hereafter extends, its jurisdiction for fishing purposes over any

area of the high seas beyond 3 miles from its coastline and which imposes a penalty or sanction against any U.S. fishing vessel on account of its fishing activities in such an area beyond the 3-mile limit. The provisions of this amendment would not be applicable if such an extension of jurisdiction was made pursuant to an international agreement, arrangement, or understanding to which the United States was a party.

Mr. President, the time to end what might be termed the "wet war" in our hemisphere is now. The American tuna fleet, which carries on hazardous activities in a highly competitive industry, deserves stanch support and all the protection of which its government is capable. I trust that at the appropriate time the Senate Committee on Foreign Relations and the Senate will agree to our amendment barring the provision of future assistance to those who flaunt the previously cherished doctrine of freedom of the seas.

Mr. President, the amendment which I have today submitted reads as follows:

Amendment intended to be proposed by Mr. KUCHEL (for himself and Mr. ENGLE) to the bill (S. 1276) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes: On page 8, between lines 17 and 18, insert the following:

"SEC. 302. Section 620 of the Foreign Assistance Act of 1961, as amended, which relates to prohibitions against furnishing assistance to certain countries, is amended by adding the following new subsection:

"'(i) No assistance shall be furnished under this Act to any country which (1) has extended, or hereafter extends, its jurisdiction for fishing purposes over any area of the high seas beyond three miles from the coastline of such country, and (2) hereafter imposes any penalty or sanction against any United States fishing vessel on account of its fishing activities in such area. The provisions of this subsection shall not be applicable in any case in which the extension of jurisdiction is made pursuant to international agreement to which the United States is a party.'"

I ask unanimous consent that the amendment may lie on the table through Friday, October 11, 1963, to be brought up during the debate on the mutual security bill.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will lie on the desk, as requested by the Senator from California.

The amendment was referred to the Committee on Foreign Relations.

ELIMINATION OF DISCRIMINATION IN PUBLIC ACCOMMODATIONS AFFECTING INTERSTATE COMMERCE—AMENDMENT (AMENDMENT NO. 212)

Mr. COOPER. Mr. President, upon behalf of myself and the distinguished senior Senator from Connecticut [Mr. DODD], I send to the desk our amendment to S. 1732, the public accommodations bill, introduced upon behalf of the administration. On May 23, several weeks before the administration submitted its civil rights bill, Senator DODD, of Connecticut, and I introduced a public accommodations bill which 30 of our colleagues from both sides of the aisle joined in cosponsoring.

Our bill is based on the proposition that discrimination in places of business held out for public use falls within the terms of the "equal protection" clause of the 14th amendment—when such businesses are licensed or operated under the authority of a State or subdivision thereof, or subject to its regulations as a condition of carrying on its public business. For, in thus establishing conditions for the operation of a business held out to public use, it is our contention that the State has to a "significant extent, * * * become involved" in the discrimination practiced by the business held out to public use. "Involvement to a significant extent" has been determined by the Supreme Court in several cases, to be the test which brings what would otherwise be private discrimination within the terms of the 14th amendment.

Both Senator DODD and I became cosponsors of the administration's bill based on the interstate commerce clause because it is our position that the approach is constitutional and presents one method of meeting the issue.

Nevertheless, I continue to believe that our bill, S. 1591, based on the 14th amendment, presents a more direct, and comprehensive approach to the problem, that it would be fairer to the citizens whose equal rights it is designed to protect and to businesses as well, that it would avoid the litigation that the administration bill is bound to provoke, and that it would not require the promulgation of regulations by some agency of the Government which we will certainly see if only the interstate commerce approach is the basis of the legislation enacted. And finally, we hold that the 14th amendment with its emphasis on the protection of equal rights of all citizens is a loftier concept than the administration bill which is based on the thesis that discrimination is a burden on interstate commerce.

Witnesses for the administration have contended that their bill includes the 14th amendment approach, but I do not believe this to be correct. It does refer to the 14th amendment in its preamble and findings, but there is nothing in the operative sections of the bill which would give relief to any person, or provide a basis for the presentation to a court, of the question whether the right to use public accommodations is one guaranteed by the equal protection clause of the 14th amendment. I would prefer that the entire bill be based upon the 14th amendment approach, but because of the opposition of the administration to such an approach, I am convinced that the commerce committee would not report such a bill. I do think it very important, however, that any public accommodations bill reported by the commerce committee should include in one of its sections the provisions of the bill which Senator DODD and I offered. I am therefore offering our bill which we have changed in several particulars, but not in substance, as an amendment to the administration bill, S. 1732. I am informed that the Senate Commerce Committee is now engaged in determining the substance of the bill that it will report to the Senate. I submit this amendment on behalf of myself and Senator DODD to again call to the attention of the committee the bill which we had formerly introduced and to emphasize the importance of including in any bill reported to the Senate, an approach to the issue of public accommodations based on the 14th amendment.

Mr. President, I ask that the amendment be appropriately referred and that it be printed in the body of the RECORD.

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

The amendment was referred to the Committee on Commerce, as follows:

Between line 24 on page 4, and line 1 on page 5, insert the following new section, and renumber the subsequent sections of the bill accordingly:

"RIGHT TO NONDISCRIMINATION IN PUBLIC ESTABLISHMENT

"SEC. 3. (a) All persons shall be entitled, without discrimination or segregation on account of race, color, religion, or national origin, to the full and equal enjoyment of the goods, services, facilities, privileges, advantages, and accommodations of any public establishment which is operated under State authority.

"(b) For purposes of subsection (a), the term 'public establishment' means any place of business which holds itself out as offering to the public goods, services, facilities, or accommodations for sale, use, rent, or hire, including but not limited to the following:

"(1) any hotel, motel, or other place of business engaged in furnishing lodging;

"(2) any motion picture house, theater, sports arena, stadium, exhibition hall, amusement park, or other place of business engaged in offering amusement or entertainment; and

"(3) any retail shop, department store, market, drugstore, gasoline station, or other place of business which keeps goods for sale; any restaurant, lunchroom, lunch counter, soda fountain, or other place of business engaged in selling food for consumption on the premises; and any other place of business where goods, services, facilities, or accommodations are held out to the public for sale, use, rent, or hire.

"(c) For purposes of subsection (a), a public establishment is operated under State authority if the State in any of its manifestations becomes involved to some significant extent in its operation or regulation, as where such establishment is operated, or the business of such establishment is conducted—

"(1) under a State license, or

"(2) subject to conditions, regulations, or requirements imposed for the protection of the public by or under a State law which imposes civil or criminal penalties for failure to comply with such conditions, regulations, or requirements.

For purposes of this subsection, the term State license includes, with respect to any public establishment, any license (by whatever name designated) which is required, under the laws of the State in which such public establishment is located or under rules or regulations of any agency or instrumentality of such State, as a condition for operating such establishment or conducting the business of such establishment.

"(d) For purposes of this section, the term State includes the District of Columbia and the political subdivisions of a State.

"(e) The provisions of subsection (a) shall not apply to a bona fide private club or other establishment not open to the public."

CONGRESSIONAL REVIEW OF FEDERAL GRANTS-IN-AID TO STATES AND LOCAL UNITS OF GOVERNMENT—ADDITIONAL COSPONSOR OF BILL

Mr. MUSKIE. Mr. President, I ask unanimous consent that the name of the junior Senator from Indiana [Mr. BAYH] be added as a cosponsor of the bill (S. 2114) to provide for periodic congressional review of Federal grants-in-aid to State and to local units of government, and that his name be included at the next printing of the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF FOREIGN ASSISTANCE ACT—ADDITIONAL COSPONSOR OF AMENDMENT NO. 174

Mr. GRUENING. Mr. President, I ask unanimous consent that the name of the able and distinguished senior Senator from New York [Mr. JAVITS] may be added as a cosponsor of my amendment 174 to S. 1276, to amend further the Foreign Assistance Act of 1961.

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

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTION

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

Authority of September 25, 1963:

S. 2176. A bill to extend Federal meat inspection and to permit cooperation with State meat inspection services, and for other purposes: Mr. LONG of Missouri.

S. 2180. A bill to amend title VII of the Public Health Service Act so as to extend to qualified schools of optometry and students of optometry those provisions thereof relating to student loan programs: Mr. DIRKSEN, Mr. FULBRIGHT, Mr. HART, Mr. JAVITS, Mr. NELSON, and Mr. RIBICOFF.

Authorities of September 24 and 25, 1963:

S. Res. 202. Resolution to provide a suitable electrical public address system in the Senate Chamber: Mr. ANDERSON, Mr. BAYH, Mr. BENNETT, Mr. DIRKSEN, Mr. DODD, Mr. GRUENING, Mr. HARTKE, Mr. INOUYE, Mr. LONG of Louisiana, Mr. MECHEM, Mr. MORSE, Mr. MOSS, Mr. NELSON, Mrs. NEUBERGER, Mrs. SMITH, and Mr. SYMINGTON.

HEARINGS ON RESEARCH ON PESTICIDES

Mr. RIBICOFF. Mr. President, I wish to announce that the Subcommittee on Reorganization and International Organizations will resume its hearings on the use of pesticides on October 7–9, in room 3302. The hearings are scheduled for 9:30 a.m. each day.

Our current inquiry will be devoted to the question of research in the field of pesticides.

Our hearings to date have highlighted the essential fact that while a great deal is known about pesticides, at the same time there is a tremendous gap in our knowledge concerning these products. As was pointed out in the Wiesner report:

> The benefits of the substances are apparent. We are now beginning to evaluate some of their less obvious effects.

This is the role of research—to help us find the answers to some of the problems brought about by the use of pesticides—the problem of persistence of residual action, the problem of resistance, the problem of accumulation of pesticides in soil, and contamination of water, the problem of potentiation, the problem of protecting beneficial insects and fish and wildlife. These are just a few of the problems that have been presented to our subcommittee to date, to which there are not adequate answers. Until we find the answers, we will continue to ask our people to weigh known benefits against unknown risks. As was pointed out recently by the Commissioner of the New York State Department of Health, Hollis S. Ingraham, M.D., in a statement defending the use of pesticides:

> We have noted that pesticides can be devastatingly harmful to man when they are used in the wrong way—that evidence indicates existing pesticides are relatively safe to man when used properly—but that we use them with some risk because our knowledge is not—and cannot be—complete.

It is our hope that our hearings next week will add to our present knowledge, and that efforts to reduce the risk inherent in the use of any poison can be advanced.

We are fortunate to have a distinguished panel of scientific experts from government, the academic world, and industry to help us in our quest.

The witness list is as follows:

WITNESS LIST

OCTOBER 7, 1963—GOVERNMENT

Dr. John L. Buckley, staff specialist, pesticides, Patuxent Wildlife Research Center, Laurel, Md.

Dr. Edward F. Knipling, Director of Entomology Research Division, U.S. Department of Agriculture, Plant Industry Station, Beltsville, Md.

Dr. Arnold Lehman, Jr., Director, Division of Pharmacology, Food and Drug Administration, Washington, D.C.

Dr. Burroughs Mider, Director of Laboratories and Clinics, National Institutes of Health, Bethesda, Md.

OCTOBER 8, 1963—UNIVERSITIES

Dr. Jene J. Dubos, Rockefeller Institute, York Avenue and 67th Street, New York, N.Y.

Dr. Alexander Hollaender, Biology Division, Oak Ridge National Laboratory, Oak Ridge, Tenn.

Dr. R. L. Metcalf, chairman, department of entomology, University of California, Riverside, Calif.

Dr. E. O. Wilson, biological laboratory, Harvard University, Cambridge, Mass.

OCTOBER 9, 1963—INDUSTRY

Dr. John P. Frawley, chief toxicologist, Agricultural Research Division, Hercules Powder Co., 910 Market Street, Wilmington, Del.

Dr. Ernest G. Jaworski, senior scientist, Monsanto Chemical Co., 800 North Lindbergh Boulevard, St. Louis, Mo.

Dr. Julius E. Johnson, manager, bioproducts department, the Dow Chemical Co., Abbott Road Buildings, Midland, Mich.

Dr. E. F. Feichtmeir, manager, product application, Shell Development Co., Agricultural Research Division, Post Office Box 3011, Modesto, Calif.

RECESS UNTIL MONDAY AT 11 A.M.

Mr. HUMPHREY. Mr. President, if there is no further business to come before the Senate at this time, I move, pursuant to the order previously entered, that the Senate stand in recess until 11 a.m. Monday.

The motion was agreed to; and (at 6 o'clock and 17 minutes p.m.) the Senate took a recess until Monday, October 7, 1963, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate, October 3, 1963:

IN THE COAST GUARD

To be captains

The following named persons to be captains in the U.S. Coast Guard:

Russell A. Serenberg, Jr.	David M. Alger
	Arnold E. Carlson
James C. Waters	Gene R. Gislason
Walter Curwen, Jr.	Lemuel C. Sansbury

To be commanders

The following named persons to be commanders in the U.S. Coast Guard:

Hugh E. McCullough	William C. Akers
Hugh J. LeBlanc	Donald D. Davison
Thurston L. Willis	Ivan C. McLean
David T. Haislip	Edward C. Taylor
Stanley L. Waitzfelder	Franklin F. Bohlk
Harold D. Muth	John W. Cherry
Jack E. Stewart	Vincent J. Wernig
James C. Boteler	Franklin J. Miller
Richard L. Huxtable	James G. Norman
Norman P. Weinert	Russell W. Lentner
Rubin E. Young, Jr.	Harold A. French
Wesley J. Quamme	

To be lieutenant commanders

The following named persons to be lieutenant commanders in the U.S. Coast Guard:

Charles E. Martin	Ronald McClellan
Robert C. Pittman	Ernest L. Murdock
Calvin R. Crouch	Paul Nichiporuk
Harry J. Oldford	James E. Thompson
William E. Smith	Robert E. Gardner
Rudolph V. Cassani	Clayton W. Collins, Jr.
Anthony A. Alloggio	Ralph G. Isacson
Marshall K. Phillips	Eugene P. Baumann
Kenneth M. Lumsden	Louis H. Mense
Gordon R. Campbell	Richard D. Mellette
Martin F. Groff	

To be lieutenants

The following named persons to be lieutenants in the U.S. Coast Guard:

Thomas N. Morrow, Jr.	James A. Chappell
Robert Reynard	Leroy W. Peterson
Richard W. Folker	Philip M. Lebet
Lawrence E. Meyer	Harry D. Smith
Walter S. Rich	Paul J. Bouchard
James G. Heydenreich	Daniel C. Mania
Robert F. Melsheimer	Richard H. Hicks
John W. Klotz	Marvin N. Bromen
Jason M. Bowen	Bruce G. Lauther
Joel D. Sipes	Robert E. Potts
Paul A. Welling	Robert E. Diller
James E. Foels	Harold E. Stanley
Frank J. Ropiak, Jr.	Billy R. Mull
Clarence C. Atkins, Jr.	Carl W. Snyder, Jr.
William N. Schobert	Edward A. Walsh

EXTENSIONS OF REMARKS

Statement in Opposition to Federal Communication Commission Proposed Rule on Broadcasters' Time Standards

EXTENSION OF REMARKS

OF

HON. THOMAS G. MORRIS

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 3, 1963

Mr. MORRIS. Mr. Speaker, on May 15, 1963, the Federal Communications Commission adopted a Notice of Proposed Rule Making inviting comments on a proposal to incorporate the National Association of Broadcasters' time standards in its rules and regulations. This part of the NAB's codes of good practices limits the amount of commercial time which may be included in radio and television programs of various lengths. For instance, 1-hour radio programs with participating commercial announcements may include a weekly average of 14 minutes of commercial time and a maximum of 18 minutes of advertising. Only 7 minutes of advertising time plus station breaks are permitted on hour-long radio programs having a single sponsor, and 30-minute prime time television programs may include only 4 minutes of commercial time plus a 70-second station break.

As part of the NAB's codes of good practices these time standards represent an admirable industry effort to prevent overcommercialism. As part of the Federal Communications Commission's rules these same standards would place the entire broadcasting industry under unwarranted Federal regulation and would create economic hardship for a great number of broadcasting stations. The adoption of these rules cannot be justified on the grounds that they were formulated by the broadcasting industry. Their operation as a code of self-regulation by the industry and as a Federal rule are two entirely different matters.

In the first place, restriction of the amount of broadcasting time available for advertising is not a proper subject for Federal regulation. It is well recognized that the broadcasting industry should be subject to Government regulation, but the industry is not a public utility. Yet this regulation, by limiting the amount of advertising time, is in effect a form of ratesetting. Limitation of commercial time cannot help but affect the advertising rates charged, especially since advertising is the only source of revenue for most broadcasting stations. The establishment of the proposed regulations would be an unjustifiable intrusion by the Federal Government into the economic operations of the broadcasting industry. It is essential in a democracy such as ours that our communications media be subject to the minimum amount of Federal control consistent with the public interest.

This encroachment of the Federal Government into what is and should remain the business of private enterprise is all the more uncalled for because the industry itself is taking measures to correct the abuses at which the Federal regulation is directed. If its attempt to regulate itself is rewarded by the imposition of further Federal control, there is certainly no encouragement to future industrial efforts at self-regulation.

The proposed FCC rule not only would transfer enforcement of commercial time standards from the broadcasting industry to the Federal Government, but also would make these limitations mandatory instead of voluntary. This means that every one of the 3,860 AM radio stations, the 1,120 commercial FM stations, and the 575 commercial television stations on the air—as of July 1, 1963—would be forced to follow these limitations. Yet, the differences among these stations are almost too great to catalog. Some serve wealthy metropolitan areas; others serve sparsely settled rural market areas. Some AM stations have a power of 50 kilowatts; other AM stations have a power of 100 watts. Some stations operate 24 hours a day; other stations operate only during daytime hours, with their operating time decreasing during the winter. Some broadcasting stations serve stable economic markets; other stations serve summer or winter resort communities or industrial markets subject to seasonal or cyclical fluctuations. Some broadcasting stations are in a strong financial position; other stations face strong competition. Yet, these limitations would apply to each station, each hour, each day.

It seems to be generally understood that a number of broadcasting stations have not subscribed to the NAB Codes of Good Practices because it would be economically disastrous for them to abide by the time standards. What is a reasonable standard of good practice for most of the broadcasting industry is an impossible ideal for many stations providing valuable services to their listeners. Would it be in the public interest for these stations to go out of business or to become relay stations for the networks as a result of adopting these mandatory time standards? The economic consequences of Federal time standards would be extremely serious for the broadcasting industry.

It is stated as justification for adoption of this Federal regulation that the efforts of the broadcasting industry to regulate itself "have not met with success." Nineteen subscribers who refused to abide by the code review board's ruling had their membership in the code canceled. In May 1963, the National Association of Broadcasters entered into a contract with Air Check Services to monitor code subscribers' programing. NAB monitoring will cover all television code subscribers and 60 percent of radio code subscribers in 1963. By both refusing to modify time standards and by close enforcement of the code, the Codes of Good Practices have more meaning to advertising agencies as well as prospective members, who had not previously subscribed because they felt the codes had no teeth and were therefore largely worthless.

In view of these recent efforts of the broadcasting industry to improve its self-regulation and in view of the economic hardship which the proposed FCC rule would create, I wish to record my strong opposition to this proposed Federal regulation.

Reply to Gambling Figures in New Mexico

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 3, 1963

Mr. FINO. Mr. Speaker, I have noted with interest the critique of my remarks on gambling in New Mexico placed in the CONGRESSIONAL RECORD of Monday, September 23, 1963, by the gentleman from New Mexico, Congressman MONTOYA. It seems to me that the "refutation" made by the gentleman from New Mexico, embodying as it does several misconceptions and errors, constitutes fair reason for further comment.

As Mr. MONTOYA mentioned in his remarks, Mr. John Scarne of Fairview, N.J., America's leading gambling expert, testified before the McClellan Committee that $16.50 is wagered nationally off-track for each dollar legally placed in parimutuel betting. I have utilized Mr. Scarne's well-researched figures in my statements pertaining to illegal gambling in many of our States. Taking Mr. Scarne's estimate that $16.50 is bet illegally on the horses throughout the Nation for every dollar legally wagered on the tracks, Congressman MONTOYA asserts that I should have concluded that off-track betting in New Mexico is $610,500,000—New Mexico's parimutuel turnover of $37 million multiplied by $16.50. Does the gentleman from New Mexico think that off-track betting occurs only in States with parimutuel betting? His statistics indicate that he has been thus misled; witness his assertion that in each State with parimutuel betting, off-track betting is calculated by multiplying the parimutuel turnover by $16.50. Clearly, Mr. Scarne's position is that $16.50 is bet off-track nationally for every dollar bet legally in the 24 parimutuel States. It is ludicrous to allege that off-track betting does not occur in Pennsylvania or Texas, but only in those 24 States where parimutuel betting has been introduced.

My figures for off-track betting have been arrived at by taking Mr. Scarne's national off-track betting figure and apportioning it among the States on the basis of population as indicated by the 1960 census. I feel that this is the best way to allocate Mr. Scarne's carefully assessed total of off-track betting's na-

tional subsidy to crime. By my computations, New Mexico's share of crime's national off-track betting bankroll is as I have stated—$265 million.

Mr. MONTOYA does not directly deal with the veracity of the above figure, save by the argument that I should have used instead the incorrect figure he so carefully, but erroneously, derived. Having put words into my mouth—having by misapplication of mathematics constructed an off-track betting figure with which he might safely joust, the gentlemen from New Mexico nevertheless wobbles somewhat as he rides to battle. Citing his self-conceived $610,500,000 figure as an astronomical one, Congressman MONTOYA states that to reach it, "it would be necessary for every man, woman, child and baby in New Mexico to illegally gamble approximately $650,000 annually." I can only conclude a premise that the State Mr. MONTOYA so ably represents contains a population of somewhat less than 1,000 persons—unless the figure was not intended.

I wish that more people would dwell on the real financial worth to crime of the great gambling turnover in America—that worth is a product of gambling's illegal status. I believe that much of this unhappy state of affairs is susceptible of rectification on our part with but little effort, and to that end I have attempted, and shall continue to attempt, to elucidate the full magnitude and meaning of gambling in America. The illegality of gambling in America is in reality no boon to America—it is a Trojan horse within the walls of our society. I urge the Members of this House to consider, compute and reason in the manner I have tried to bring to their attention—and to work for social and fiscal sanity.

Our Puzzling Foreign Policy

EXTENSION OF REMARKS

OF

HON. RALPH F. BEERMANN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 3, 1963

Mr. BEERMANN. Mr. Speaker, I must confess that our foreign policy bewilders me. The more I see of it, the less I comprehend it. If I were alone in this lack of comprehension I would conclude that the ways of high diplomacy and the State Department simply are too much for a countryman from Nebraska. But I find that my confusion is shared by many of my able colleagues and by others whose views I respect. Even some of my liberal friends, who follow and support our serpentine foreign policy, cannot explain it to their own satisfaction, much less mine.

Let us get down to cases. Tito, the Yugoslav dictator, soon is to visit the United States. We will roll out the proverbial red carpet for him and he will be greeted genially and warmly. Offhand, one would suppose that a real friend and ally had arrived. Yet Tito is not only a dictator, and an absolute dictator, but he is a Communist. As a Communist, he is dedicated to the destruction of our system; in short, to our destruction.

Some years back, Tito broke with Stalin, who wanted to dictate to all Communists and all Communist countries. Our Government hailed this development enthusiastically, and hastened to press aid on Yugoslavia. Not too long before, the dictator's airmen had, without provocation, shot down American planes which were flying near Yugoslavia's borders. Some of our airmen were killed in cold blood. Our Government and people were indignant and upset. But all this seemed to be forgotten when the two Communist dictators fell out.

Over the years, Tito has maintained his independence of Russia, but relations between the two countries have improved and are very close. Not long ago, Khrushchev, Russia's boss, visited Tito. They hugged each other fraternally and left no doubt that any rift between the two countries, if one existed before the meeting, had been closed. Nor is there any doubt that Yugoslavia would be on the Communist side in the event of a general war. I cannot then for the life of me see why we consider it such a blessed privilege to take money from the pockets of our taxpayers to give to the Communist dictator.

In the Washington Post of September 23, Roscoe Drummond wrote glowingly about the high standard of living in Yugoslavia. He said in some areas it is higher than in the Soviet Union itself. He explained that the Yugoslav system is considerably closer to capitalism than the Soviet economy. However, there may be another explanation for Yugoslavia's comparative prosperity. Since 1945, we have given Tito around $2.5 billion, which is no inconsiderable sum even in these days. This $2.5 billion has helped the Yugoslav economy in many ways. We have underwritten communism in Yugoslavia and have underwritten dictatorship. From all indications, we will continue to do so.

In all probability, everything will go smoothly during Tito's visit here. The atmosphere will be cordial. Our liberal newspapers and spokesmen will go out of their way to discover and detail the virtues of the Communist ruler. We have a habit of feting Communist dictators and neutralists here. We even had Khrushchev himself here a few years back and gave him a most hearty reception. Nehru was greeted here with reverence. Afterwards, he launched a savage attack on Portugese Goa and the gloss rubbed off his saintliness. We have held out our arms to Sukarno, the Indonesian tyrant, and to Ben Bella, friend of Castro, who is busy turning Algeria into a socialist state.

Our fawning and truckling before Tito is disgraceful. Our invitation to him is shameful. It all adds up to a policy of appeasement which goes much further than anything which has happened since World War II. The way things are going I would not be surprised to find the White House advocating an aid program for Russia running into the billions.

Very few rightwing dictators get the opportunity to visit this country. If an invitation were extended to Franco, of Spain, he would be greeted, undoubtedly, by a loud and vociferous crowd of hecklers. The Communists would have their bands out. They would be joined by their dupes, the liberals. The Spanish dictator would have a rough trip, I am afraid. He is stanchly anti-Communist, but this would be held against him. In any event, I do not foresee any invitation to Franco any time soon.

Salazar in Portugal is called a dictator but his regime is democratic compared to that of Tito. There would be demonstrations against him all over the place. But if the Portuguese Premier visited us today, he too would have rough going. Nor are we likely to invite Salazar. We are displeased with him. Our State Department thinks he is a colonialist, a very dirty word. He refuses to give up the Portuguese Provinces of Angola and Mozambique to terrorists from the outside. Portugal says that these two Provinces are as much a part of Portugal as Hawaii and Alaska are part of the United States. We do not pay any attention. We have pressured our European Allies to give up their possessions in Africa. Thirty new states have been created in Africa since the end of World War II. Many of these new countries simply have not the resources necessary for statehood. Others are torn by tribal feuds which have erupted with the end of European rule. The continent of Africa has gone backward as an aftermath of the freedom wave. The new rules do not have the experience necessary to govern. They lack the technicians and administrators formerly supplied by the colonial powers. Moreover, they seem more concerned with their own perquisites and privileges than they are in the welfare of their masses. They live in luxurious fashion while their subjects get poorer and poorer. They would be in a bad way indeed if it were not for the money and help which Britain, France, and Belgium continue to give them.

Some African areas gained independence before they were ready for it, notably the Belgian Congo. The Belgians say we almost literally pushed them out of their former colony. In any case, chaos followed. There have been rape, riots, murder, chaos, and deterioration of the entire economy. Finally, the U.N., that organization founded to keep world peace, made war on Tshombe, the Katangan leader, and forced him to submit to Cyrille Adoula, the Congo Premier. We backed the U.N. and Adoula and now we are saddled with the bill. Already, we have spent more than $200 million to prevent the former Belgian territory from going completely to pieces. We will spend a good deal more, for things are not getting any better. The well-known African geographer, George H. T. Kimble, says it will take many years to get the Congo back to where it was before it was given the blessing of independence. To all intents and purposes, the Congo is occupied territory. U.N. troops have to stay there to keep any semblance of order. American taxpayers, in addition to paying millions to the Adoula government, will bear most of the cost of the U.N. occupation.

Our stand against colonialism is described as a matter of principle. Even

so there are aspects of our policy which puzzle me. Let me cite the case of the Papuans, who live in what used to be Dutch New Guinea, which lies between Indonesia and Australia. The area was a Dutch colony, but we wanted the Dutch to leave, pursuing steadfastly our allegedly noble opposition to colonialism. The Dutch agreed to give up their colony, suggesting that it be made a U.N. ward. About that time Sukarno, also a dictator but leftist, decided he wanted the former Dutch New Guinea. The Papuans are not related to the Indonesians, in any way whatever and there are no economic ties. It seemed plain that Sukarno wanted to make Dutch New Guinea his own colony. Did we stand steadfast and tell the Indonesian dictator that this violated our hallowed principles? Did we tell him that we had labored since World War II to end colonialism and were not about to be any part of a deal which included such a horrendous and immoral arrangement?

To answer my questions briefly, we did not. We helped work out an arrangement which turned the Papuans, who did not have anything to say about the matter, over to Sukarno. Our liberals had a ready and smug explanation. It saved, they said, trouble.

In the New York Times of Sunday, September 22, the respected columnist Arthur Krock, had this to say:

> The fate of the administration's experiment of trying to buy peace in southeast Asia by paying his blackmail price to President Sukarno of Indonesia is, however, no longer in doubt. Once the administration, in concert with Secretary General U Thant of the U.N., condoned and promoted Sukarno's use of force to annex Dutch New Guinea, in clear violation of the U.N. Charter, the usual effects of surrender to illegal violence were not long in coming. First, Sukarno found too slow the timetable for the award to Indonesia of territory for which it had neither ethnic nor historical claim. Then he became, if possible, cozier than before with the national agents of world communism definitely including Communist China. Most recently, after attempting and failing to frighten former British possessions from adhering to the peaceful new nation of Malaysia, his troops and police stood by in Jakarta while the mob the Indonesian Government had incited destroyed the British Embassy and endangered the lives of the ambassador and his staff.
>
> "These are the merited and prophesied results of an immoral United States and United Nations policy by which a loyal ally of this country and a people faithful to the Charter were denied even the transport of their own facilities to protect their territory from seizure by military aggression.

Incidentally, we have given Sukarno around a billion dollars and we are gently threatening a cutback in blackmail pay unless he stops being such a bad boy.

Our definition of colonialism seems to be a situation where whites rule a colored race. The world's foremost colonial power is Soviet Russia. But we sat supinely while the Russians shot down the Hungarian revolutionists and we seem about to resume cordial relationship with the Russian regime in Hungary. The State Department explains that things have changed and the Russian rule in Hungary is not as burdensome as it used to be. Nor do we seem bothered any longer about Red China's seizure of Tibet.

Bluntly speaking, our anticolonial policy is fraudulent and hypocritical. When it suits the devious ways of our devious and mysterious foreign policies, we not only condone colonialism, we help bring it about. A former U.S. Ambassador to Argentina, Ellsworth Bunker, was one of the principal architects of the Papuan sellout. As for Russian and Red Chinese colonialism, the administration wants nothing said about it. Nor does it want the people in slavery to rebel. That might reveal, as the Hungarian revolution did, that we will do nothing whatever to free the people under the Communist colonial yoke. But we will—and have—worked assiduously to end any semblance of colonialism on the part of our allies. In so doing, we have just about wrecked the continent of Africa, but that seems to make little difference. We are bent on wrecking it completely.

When a country falls into the hands of the Communists, we seem to give it up for dead. The people are ruled by a dictator. They may be oppressed in many ways. There may be a veritable reign of terror, but we do nothing about it, and say very little. The State Department calls for no reappraisal of policies, nor for liberalization of conditions. If there is the slightest sign that the ruler in the particular state has any freedom whatever, we rush forward with money and help. Two examples are Yugoslavia and Poland. We go much further for we are paying blackmail to Castro's admirer, Ben Bella, in Algeria, and Sukarno, also the "neutralist" Nehru.

We cannot even do anything about Cuba, which in effect is a Russian colony off our shores. Actually, we seem more concerned right now with overthrowing the anti-Communist regime in South Vietnam than in getting rid of Castro.

The explanation for our tribute to outright Communist countries is that we might wean them away from communism if we give them enough money. Just how, I do not quite see, since we make no attempt whatever to overthrow the Communist rulers and since our money props up their rule. Tito remains devoutly, stanchly Communist, but we seem to feel we have gained a great victory in our relationship with this Communist toughie. We want to congratulate him personally on letting us subsidize him, which makes things easier for the entire Soviet bloc. This sort of thing is sickening.

But in the case of rightwing dictators things are different. We never let up on them. Batista was anti-Communist but he was a bad man, our liberals said. Undoubtedly they were right, but do they think the Communist Castro is a saint? The attacks on Salazar and Franco go on and on. These rulers are anti-Communist. If they are overthrown, which they may well be, due to our State Department, then we would rush in to subsidize their leftist successors. That is what happened with Ben Bella, the far left Algerian dictator.

Why? Well, judging from the past, the excuse would be that they then would be not quite so communistic, even though they are dictators. But Salazar, Franco, and some other rightists already are anti-Communist. Surely their misgovernment, if it exists, is not any worse than the misgovernment of the communistic dictators. Why do we not try to keep them in power instead of concentrating on their faults? In this connection, a couple of columns by Joseph Alsop in the Washington Post of September 23 and 24 raises some very pertinent questions about the situation in Vietnam. They should be read and reread.

My version of the events in Vietnam is that the Communists were beginning to lose the war. They, as they frequently do, decided upon a propaganda diversion. At once, our liberals fell for the ruse and we are upset over the alleged abuses on the part of Vietnam's rulers. For the life of me I cannot understand why our liberals accept Communist misrule and dictatorship so complacently and simply go to pieces when they consider the derelictions of the rightwingers.

To me, it is very significant that Communist organs like the Worker and all the far leftists are not after the regime of President Ngo Dinh Diem. They are baying like dogs on a warm scent. I am sorry to say that they seem to have deluded some ordinarily sensible persons.

The Reverend Donald S. Harrington is secretary to a so-called Ministers Vietnam Committee. This outfit has taken full page advertisements in the New York Times and the Washington Post denouncing Diem. I am profoundly suspicious of anything with which the Reverend Harrington is connected. He is executive board chairman of the American Committee on Africa, which apparently wants all the whites run out of Africa and the Portuguese in particular. I think Communist or Communist sympathizers have infiltrated the committee. The Reverend Harrington, himself, has played footsie in the past with Communist causes and is following the Communist party line on Africa. Incredibly enough, some of the Africa Committee's members are advisers to our State Department on African policy. But this is just another in the list which adds up to the fact that much of our foreign policy is incredible.

We are rapidly approaching the point where Khrushchev, who not long ago put missiles in Cuba, will be portrayed to our public as a friendly benevolent gentleman, who wants to end the cold war. We should know better. He is out to bury us. If he signs the nuclear test ban, he doesn't do it to help us. He does it for his own reasons. Tito also would like to pat the shovel in our face, for he is a dedicated Communist. We cannot bribe such men as Sukarno. The overthrow of a rightist dictator and the substitution of a leftist does not solve our problems. This is a dangerous world, test ban treaty or no. Only strength and wariness will save us. If the framers of our foreign policies will only keep some fundamentals in mind, including the fact that we must help our friends, and oppose our enemies, perhaps in time

we will have a policy which the average American and I can understand.

I, like any sensible person, want peace. The consequences of nuclear war are horrible to contemplate. But, as I see it, American strength is our only guarantee of peace. We are not the aggressors and the reason for world tension is not atomic weapons but Communist designs for world conquest. If he wanted to, Khrushchev could remove most of the threat of world war tomorrow. He could pull out of Cuba, end the Berlin and West German controversies and many other rows which could at any time, flare into major conflict. While the Red Chinese are active and belligerent, they do not have atomic weapons. They are not the real source of martial peril.

The test ban treaty is taken by the United States on faith, and faith is a poor platform from which to deal with the Communists. We restrict the development of weapons which may be necessary to save us from slavery, or destruction. The Russians know this, in my opinion, and know the treaty gives them an advantage. Otherwise, they would not sign it.

The danger of fallout from testing in the atmosphere has been exaggerated until it befuddles our people and paralyzes our capacity for vigorous and constructive action. In signing the test ban treaty, we have risked a lot; insofar as we know the Russians have risked nothing. Now, let us wait for the next move. Once again, I am afraid, we will be asked to take the risk. The argument has been made that to continue the development of nuclear weapons means atomic war. If this is true nothing less than total disarmament will save us, and in the face of the Communist challenge this is not only asinine, it is impossible. Let me repeat, the only hope for peace lies in our strength.

No. 12—Rhode Island: The Gamblers' Paradise

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 3, 1963

Mr. FINO. Mr. Speaker, today, I would like to tell the Members of this House, more particularly the congressional delegation from the State of Rhode Island—the Nation's littlest State—about gambling in that State.

For its size, Rhode Island has quite a large parimutuel turnover each year. As a matter of fact it ranks 11th in parimutuel betting. In 1962, over $95 million was bet on the tracks. But illegal gambling is far more important.

According to the figures presented to the McClellan Committee, Rhode Island's share of the annual off-track betting came to almost one quarter of a billion dollars in 1962.

In a State the size of Rhode Island, the neighborhood bookie is never far away. Not that off-track betting accounts for all of the illegal gambling in that State. By generally accepted figures, off-track betting constitutes less than one-half of the illegal gambling total. Therefore, it is safe to report that illegal gambling in Rhode Island is about a $500 million a year business.

About 10 percent of the total turnover is skimmed off as profit by the gambling syndicates. After payoffs for protection and operation, there is more than enough left to provide a fat checkbook for the gangsters who feed on gambling profits. Little Rhode Island is a pocket-size playground of crime syndicate operations.

Mr. Speaker, it is high time that this country faced reality and put an end to a system whereby official hypocrisy is hand in hand with the tentacles of organized crime. So long as Rhode Island persists in refusing to recognize and control the humane urge to gamble, it will, by its sins of omission, remain a vital silent partner in the vast activities of the underworld.

I suggest, Mr. Speaker, that the congressional delegation from the State of Rhode Island join with me in smashing the handcuffs of hypocrisy—by establishing a national lottery.

Address of Hon. Douglas Dillon Before the Annual Meeting of the International Monetary Fund, Washington, D.C., October 1, 1963

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 3, 1963

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following address of our distinguished Secretary of the Treasury, the Honorable Douglas Dillon, before the annual meeting of the International Monetary Fund here in Washington on October 1. Secretary Dillon is the U.S. Governor of the Fund and directs his remarks toward the U.S. balance-of-payments situation, the steps we are taking to establish a more favorable balance, and our relationship to the other member nations of the Fund.

Secretary Dillon's address follows:

REMARKS OF THE HONORABLE DOUGLAS DILLON, SECRETARY OF THE TREASURY OF THE UNITED STATES, AND U.S. GOVERNOR OF THE INTERNATIONAL MONETARY FUND, BEFORE THE ANNUAL MEETING OF THE INTERNATIONAL MONETARY FUND, TUESDAY, OCTOBER 1, 1963

At the outset of my remarks, I ask you to join with me in paying tribute to our late, great colleague and good friend, Per Jacobsson. Firmly dedicated throughout his long and distinguished career to the cause of financial stability, he guided the International Monetary Fund with a deep understanding of the needs and realities of his times. The responsibilities of managing director have now passed into the capable hands of Pierre-Paul Schweitzer. His willingness to assume these duties provides us with fresh assurance that the Fund, building on its current strength and influence at the center of the international monetary system, will successfully meet the fresh challenges that lie ahead.

It is also a pleasure to welcome to the Fund family an unusually large number of new members, bringing our group to more than 100. The election of a 19th executive director who will cast the votes of a group of the many new African members is symbolic of the increasing usefulness of the Fund to the emerging nations.

I am sure that each of these new members will profit from the important assistance the Fund can render to their further development through its expanding program of technical assistance in the areas of central banking and fiscal practices and policies, through its regular consultations, and by providing timely financial support for well conceived stabilization programs. In addition, the new compensatory financing facilities announced last March mark an important and constructive advance in the services aavilable to members heavily dependent upon exports of primary commodities.

These activities in support of balanced, dynamic growth are, of course, complemented by those of the Fund's companion Bretton Woods institution, the World Bank and its affiliates, now under the able direction of George Woods. I should mention particularly at this year's meeting the work of the International Development Association, whose activities in so short a span of time offer so much promise for the future. Action by the Part One countries on the proposals for increasing its resources will mark another milestone in the work to which it is dedicated and in which we are all joined together.

The successive annual reports of the International Monetary Fund have expertly traced the evolution of our international monetary system since World War II. They have also made clear that new problems have a way of emerging as older ones are solved. The report for 1963 is no exception. In particular, it deals at some length with the adequacy of existing arrangements for providing international liquidity during the coming years. The authors point out that liquidity is not simply a matter of the aggregate of official holdings of gold or foreign exchange, and they review the progress made in recent years—in considerable part under the auspices of the Fund itself—in supplementing these resources with international credit. But the report also recognizes that the needs of nations for assured means of financing balance-of-payments deficits—either by drawing upon a stock of liquid assets or by means of borrowing—can be expected to increase over time. At the same time, as the deficit in the balance of payments of the United States is narrowed and closed, that deficit will no longer contribute to the liquidity of other nations in the manner and magnitude of the last few years.

The Fund's report has now been supplemented by the thoughtful and important statement of its new managing director. Mr. Schweitzer indicated that the Fund expects to study the problem of international liquidity and has expressed the Fund's readiness to cooperate with others in such a study. He points out that studies of this problem are timely even though there is at present no sign of any shortage in international liquidity. He has also given us his view that the Fund should be at the center of whatever strengthening of the international monetary system may prove to be desirable. The United States finds itself in general agreement with all of these thoughts.

But in discussing this matter, I would like to make one point crystal clear: The United States does not view possible improvements

in the methods of supplying international liquidity as relieving it of the compelling and immediate task of reducing its own payments deficit. Indeed, it is largely the prospect of the elimination of the U.S. payments deficit that makes it necessary and advisable to undertake these studies.

Nor can the provision of appropriate facilities for international liquidity relieve nations of their joint responsibilities for effective and timely action to eliminate such imbalances in trade and payments as may arise in the future. In a world of fixed exchange rates and convertible currencies, deficits and surpluses emerge from a wide variety of causes, both domestic and international. The necessity to make cash outlays for defense and aid, shifts in the basic pattern of demand for internationally traded goods, the development of new products, resources and production techniques, and developments in capital markets can be just as important as changes in average price levels and aggregate demand within countries.

The adjustments necessary to correct these deficits and surpluses take time if they are to proceed in an orderly fashion, without damaging consequences for either domestic growth and stability or the free flow of trade among nations. That is why, as part of the adjustment process, a country experiencing deficits needs reserves to draw upon, or credit that it can rely upon. That is also why a country receiving the counterpart in surpluses needs assets of assured value, in amounts and forms that will not disrupt its own economy. But in the last analysis without effective adjustments by both deficit and surplus countries, no amount of liquidity will enable us to achieve the mutual benefits of a closely integrated world economy within a framework of steady growth accompanied by monetary stability.

The challenge implicit in this situation is clear. Side by side with our studies of possible liquidity needs, we must consciously seek out means of improving the process of international adjustment itself, while preserving our separate abilities to meet our respective domestic needs.

This is a large order, but one that is well within our capacities. Much has been learned from the experience of recent years. We have come to recognize that in shaping domestic policies and choosing from the various tools available for use, their varying impact upon our external accounts, and upon those of our trading partners, must be taken fully into account. There is greater awareness of the need to identify and eliminate those market rigidities that inhibit the process of adjustment. And we are learning that new techniques can be developed for assisting the process of adjustment that are consistent with domestic goals and competitive markets.

Much of this can be illustrated by analysis of the position of the United States, faced as we are with the twin tasks of achieving more rapid growth at home while simultaneously closing the troublesome gap in our balance of payments. And many of the lessons of this experience, I believe, will prove sooner or later to be more generally applicable to the problems of international adjustment.

Business activity in the United States has continued to expand over the past year at a fairly steady pace. Total output has now reached a rate of over $585 billion a year—in real terms more than 13 percent above the level of early 1961.

Measured against other peacetime expansions of the past 40 years, this performance has been encouraging. All but one of these recovery periods have now been equaled or exceeded in terms of percentage increase in output, and that single exception took place only after the steep declines in production during the early 1930's. Prices of manufactured goods have remained virtually unchanged during the current expansion, extending the period of stability that has existed since 1958. However, unemployment is still excessive. And we are not fully utilizing our available savings of our existing productive plant capacity. True, investment activity has risen in response to increases in demand and to measures introduced a year ago to liberalize the tax treatment of depreciation and provide an investment tax credit. But new investment still remains below the levels required to support a full employment economy and to assure the position of our industry among the leaders in technological progress.

At the same time, our overall balance of payments has responded slowly to the series of measures we have undertaken since 1961. The overall deficit was reduced to $2.2 billion in 1962, from $3.9 billion in 1960, and $2.4 billion in 1961. But the deficit grew markedly larger during the first half of 1963.

When this situation first became apparent, we made a thorough-going review of our entire balance-of-payments program, which culminated in a series of decisions announced by the President on July 18. Resulting programs now underway will, by the end of next year, bring a reduction of $1 billion in the annual rate of dollar expenditures abroad for defense, aid, and other Government programs. Savings of similar magnitude are also expected on capital account as a result of the proposed interest equalization tax and the firmer structure of short-term interest rates accompanying the recent one-half percent increase in the Federal Reserve discount rate. We can already see indications that the deterioration in our accounts during the first half of the year is being arrested.

These new actions will complement and reinforce the longer run measures we have been taking to achieve both external balance and more rapid domestic growth. Basic to our strategy for achieving these twin goals is a broad program of individual and corporate tax reduction totaling $11 billion, which, after passage by our House of Representatives last week, is now before our Senate. It will provide an impetus to the domestic economy in a manner consistent with our international position. It will give increased flexibility to our monetary authorities in meeting balance of payments requirements. The added incentives for use of capital in the United States will enhance the relative attractiveness of investment here for Americans and foreigners alike. At the same time, the increased productivity associated with rising investment, together with greater incentives to develop and market new products and to apply more rapidly the fruits of our vast research capabilities, will reinforce the efforts we are making to increase our exports.

Our ability to expand production—which is implicit in our current unemployment, in our rapidly growing labor force, and in our margin of underutilized industrial capacity—provides protection against upward price pressures as the stimulus from the tax program takes hold. Meanwhile, we are continuing successfully to finance our budgetary deficit outside the banking system. For instance, in the year that ended August 31, the latest date for which figures are available, the combined holdings of Government debt in the hands of our Federal Reserve and commercial banks declined by more than $1½ billion. We have also made further progress in improving the maturity structure of our marketable debt. As a result of our latest advance refunding, the average life of that debt exceeded 5¼ years for the first time since 1956. We are not faced, therefore, with the kind of excessive liquidity that could fuel inflationary developments as our economy moves toward fuller employment.

Perhaps most significant of all in terms of the outlook for prices, our manufacturing labor costs per unit of output have declined over the past 3 years—the first time since World War II that this basic measure of our competitive strength has improved for so long a period, or during a time of substantial recovery. And the rate of wage increases in our manufacturing industry is holding within the range of past and anticipated productivity increases.

In this way, we are encouraging basic corrective forces in terms of costs and prices that should provide a firm base for improving our trading position, thus contributing to the orderly adjustment of our entire balance of payments. Highly tentative, but nonetheless encouraging, signs of an improvement in our international competitive position are developing. But it is clear that the contribution that exports can make to overall balance will be heavily dependent upon the adjustment policies of other nations as well. By this I do not, of course, mean to suggest that surplus nations have a responsibility to inflate, any more than it would be consistent with our internal needs to force deflation. Nor, in our particular situation, would it be reasonable to look only—or primarily—to increases in our commercial trade balance as the solution for our payments problem.

But opportunities do exist for surplus nations, in instances where inflationary pressures are evident, to serve the interests both of their own domestic stability and of external balance by reducing or eliminating barriers to imports, including those from the United States. In the search for effective adjustment mechanisms within the context of a convertible currency system, this kind of action, it seems to me, can become, for surplus countries, a modern substitute for the inflationary price adjustments that we must all do everything we can to avoid.

A basic factor in our own deficit position has been the heavy burden we carry for the defense of the free world and for assisting the development of less favored nations. This burden, in a wider context, is an inescapable part of the kind of world we live in. But we are also learning that methods of handling these Government outpayments, and more appropriate distribution of their balances-of-payments impact, can also contribute to the adjustment process without subverting their essential purpose.

Important savings have already been made in this area, reducing net outflows under our defense and aid programs from $3.8 billion in 1960 to $3 billion in 1962. A large portion of this improvement can be traced to the recognition by some European countries of their growing capacity to assume a greater share of the foreign exchange costs of the common defense. As a result, the drain on our payments from maintaining our troops in Germany and Italy is now virtually fully offset by their purchase of military equipment and supplies from the United States—equipment which, because of the size and flexibility of our defense industry, can be produced more rapidly and more economically in the United States than in their own countries. Thus these arrangements have simultaneously strengthened the free world's military and economic defenses.

In addition, we have adopted a policy of providing the great bulk of our economic aid to developing countries in the form of goods and services, so that it can be brought within the limits of our capacity without impairing its effectiveness. When current commitments are fully reflected in actual disbursements, only some 10 percent of the aid from our various foreign assistance programs will be provided in the form of dollars. At the same time, I believe that we must guard against any tendency to make the "tying" of aid into a subtle new form of protection for home industries. Rather, the

logic of our efforts to expand multilateral trade and promote international efficiency through competition among the producers of all nations demands that it be used as a temporary device, reserved for periods of balance-of-payments strains.

With forces of adjustment underway in both our Government and our commercial trade accounts, the most pressing problem in terms of our balance of payments has been the recent acceleration in the outflow of long-term capital. The net outflow of such capital during the first half of this year reached an annual rate of $3.8 billion. This was fully $1.3 billion higher than the already substantial figures for 1962, and nearly double the rate maintained over the years 1959–1961. While some of this recent increase stemmed from direct investment, a flood of new foreign borrowings totaling nearly $1 billion in only 6 months was the major factor. This is considerably more than three times the volume we have been accustomed to.

It is entirely consistent with restoration of full equilibrium in international payments that the United States, with its capacity to generate large savings, continues to supply reasonable amounts of capital to aid the development of other nations. But, it is perfectly clear that maintenance of outflows at the recent pace, far from being a constructive force in world payments, would soon put intolerable strains on the international monetary systems as a whole.

As our program of tax reduction takes hold and there are stronger incentives to employ a larger portion of our savings at home, normal market forces will work strongly in the direction of reducing this outflow of long-term capital to more tolerable levels. But the experience of the past year makes clear that we cannot rely on these longer-term forces of adjustment to meet our immediate problem. Nor is it feasible to speed the process of adjustment by artificial attempts to force our entire structure of long-term interest rates sharply and suddenly higher. If possible at all in the face of the huge supply of savings flowing into our markets, this course of action would require so drastic a tightening of credit as to seriously jeopardize the prospects for domestic expansion.

In this situation, we have recommended enactment of a temporary interest equalization tax which will have the effect of raising the costs of portfolio capital in our market by 1 percent for borrowers in the developed countries abroad. This will bring these costs into a rough alinement with those in most other industrialized countries. The purpose is quite simple—to speed the essential redirection of capital flows in a manner comparable to an equivalent, but presently impracticable, rise in our entire structure of interest rates.

We view this tax solely as a necessary—but temporary—expedient to meet a specific situation that has arisen in large part out of a structural imbalance in the capital markets of the free world. Borrowers from deficit and surplus countries alike converge upon the New York market, not only because of our lower structure of long-term interest rates—since equivalent or lower rates can be found in at least two other countries—but because it is still the only source for international capital in whatever size and form desired, freely available to any borrower able to meet the normal market test of creditworthiness, and offering highly efficient distribution facilities with low issuing costs. In contrast, potential alternative markets are in most cases subject to official controls or have difficulty in supplying the needed funds in the volume required. And, with few exceptions, they are characterized by high and rigid rate structures. In the face of this situation, we must temporarily help to redirect the demands pressing on our market through a tax that will increase the costs of long-term borrowing here by foreigners.

The impediments to the development of more adequate European capital markets are currently under close and continuing study within the Organization for Economic Cooperation and Development, and progress is beginning to be visible. As efforts to improve European capital markets come to fruition and the remaining controls and restrictions are eliminated—and as our own domestic demands for capital put increased pressures upon our supply of savings—there is every reason to believe that the need for extraordinary action of the kind we are now taking will be eliminated.

When the Fund was established, there was great apprehension that sudden and massive short-term capital movements might again become a disruptive influence as they had in the disturbed climate of the 1930's. Gratifying progress has been made in developing sturdy defenses against such threats to our convertible currency system through the concerted cooperative efforts of the industrialized countries. A chain of new facilities for coping with such pressures is now in place and tested, and there are grounds for confidence that the processes of adjustment can be shielded from perverse speculative flows in the future.

With the restoration of convertibility, however, it has become apparent that a sizable volume of capital is ready to move from country to country in response to relatively small shifts in interest rates. Thus, the stability of exchange rates and freedom of markets toward which we have all worked in the postwar period carries with it the implication that short-term interest rates in the major trading countries must inevitably be kept reasonably well in line with each other.

Both problems and opportunities are implicit in these circumstances. Domestic objectives will sometimes limit the practicable range of fluctuation in interest rates that can be undertaken for facilitating balance-of-payments adjustment. But, since the margin between rate relationships that attract or repel short-term funds is likely to be relatively narrow, it will usually be feasible to encourage small changes in short-term rates in the interest of speeding restoration of international equilibrium without disturbing the domestic economy.

Most promising of all in terms of facilitating the adjustment process is the increasingly close and continuous consultation on these matters that has developed in the forums provided by this institution, by the Organization for Economic Cooperation and Development, and by the Bank for International Settlements. This has been particularly evident in the area of short-term capital flows and interest rates. But we are also coming to understand that this same kind of consultation and cooperation is essential in other areas as well. We know that any adjustment demands offsetting changes in the position of deficit and surplus nations. We also know, in the last analysis, that these adjustments must take place, for no workable international monetary system will allow a nation to continue to run a deficit—or for that matter a surplus—for an indefinite period.

The critical question is how the adjustments are to be made. Balance can be—and too often in the past has been—forced by measures that endanger domestic stability or the prospects for growing trade. Those alternatives are not open to us today if the bright promise of all that has been accomplished since Bretton Woods is to be fulfilled. Nor can the industrialized countries afford to undermine the defenses of freedom or to withdraw their support of the developing nations.

The only realistic solution is to find effective ways for reconciling the requirements of a convertible currency system based on fixed exchange rates with the freedom of each nation to pursue domestic growth and stability. No methods will work instantaneously, and one prerequisite to their proper functioning is the availability of adequate liquidity—in the form of international reserves or ready access to credit. The studies now being launched provide fresh assurance that these liquidity needs will be met effectively in the more distant future, just as they are being met effectively today.

But adequate liquidity will not make our machinery of adjustment work automatically, nor can its development be safely put off until emergencies arise. Instead, its effective use will require governments of all nations with a stake in a liberal trading order to work together continuously in many areas; in developing a mix of domestic policies appropriate to external circumstances, in adjusting trade policies, in sharing the burdens of aid and defense, in providing long-term capital, and in eliminating rigidities and inefficiencies in their economies that impede and distort the adjustment process. That willingness, I believe, is now being demonstrated more fully than at any time in the past. This is the real source of my confidence—not only that the United States will restore balance in its own accounts, we intend to carry out that responsibility in any event—but also that a true equilibrium can be restored within a framework of expanding trade, flourishing growth, and monetary stability.

Address of Hon. William G. Bray, of Indiana, at the Old Country Festival, by Mutual Aid Association of the New Polish Immigration of Chicago—Chicago, Ill., September 8, 1963

EXTENSION OF REMARKS

OF

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 3, 1963

Mr. DERWINSKI. Mr. Speaker, our distinguished colleague the gentleman from Indiana, BILL BRAY, recently addressed the Mutual Aid Association of the New Polish Immigration of Chicago, at its annual Old Country Festival.

His remarks indicate his thorough knowledge and understanding of the plight of the captive nations of Eastern Europe and Asia, and give added evidence of the need for the establishment of a Special House Committee on the Captive Nations. I insert his speech into the RECORD at this point, for the attention of the Members:

ADDRESS OF HON. WILLIAM G. BRAY, OF INDIANA, AT THE OLD COUNTRY FESTIVAL, BY MUTUAL AID ASSOCIATION OF THE NEW POLISH IMMIGRATION OF CHICAGO—CHICAGO, ILL., SEPTEMBER 8, 1963

The greatness of America lies in the fact that races throughout the world have sent their pioneers to our shores—each bringing a bit of their heritage with them. You who came from Poland brought with you a religious zeal and a love of individual freedom and dignity that has been exceeded nowhere; and I am happy and proud that that tradition of freedom has become a part of our national structure.

In addition to these spiritual qualities you have brought a desire for economic stability and a culture that is rich in fine art,

music, science; you brought a strong physical vigor that is the pride of football teams from coast to coast.

You brought with you a heritage of courage in battle. There is not a combat battalion in the American wars that did not carry Polish names. It was Sgt. Alexander Drabik, who earned the Distinguished Service Cross at Remagen Bridge. There were two Polish-Americans on the raft with Rickenbacker. Col. Francis Gabryszewski was one of the greatest aces of World War II. I could go on with this list for hours.

I do want to point out that heroic Polish blood mixed with the colonial blood in the Revolutionary War. Two great heroes who fought for Polish independence also were outstanding leaders in the fight for American independence. Pulaski and Kosciusko are so revered for their contributions to our national independence that two counties in my native State of Indiana are named for these great Polish heroes.

In speaking of Polish heroes, one can never forget the name of John Sobieski, who defeated the great Turkish wave of invasion at the gates of Vienna and saved Central and Northern Europe for Christendom. Neither can one forget that it was the heroic leadership of Joseph Pilaudski that defeated the Communist army in 1920 after Poland had obtained their freedom from Russia 2 years earlier, after 143 years of foreign occupation.

Russia's unfortunate proximity to Poland has caused untold suffering and debasement to Poland. Back in 1763 Tsarina Catherine of Russia had planned a partitioning of Poland. Following a typical Russian pattern, she interfered as the protector of the Russian Orthodox Church (as against the Roman Catholic Church of Poland). Russia also participated in the partitioning of Poland in 1783 and 1795.

Poland revolted against her oppressors many times and despite armed suppression first by the tsars and now by the Soviets, has remained dedicated to Polish nationalism and freedom. Poland steadfastly refused to accept communism and prospered far more than her Russian neighbor during her period of freedom in the 1920's and 1930's. Although having been jammed between Germany and Russia by the misfortune of geography, Poland maintained a friendly relation with each.

The end of this freedom for Poland came in 1939 when Soviet diplomats encouraged Hitler to wage war against Poland while at the same time encouraging Polish resistance to Germany by promising Russian assistance. Germany attacked Poland on September 1, 1939, with 87 divisions. Seventeen days later, 100 Russian divisions moved across the Polish eastern frontier while Polish troops were fighting the Germans on the other frontier.

Russia never intended that there should be a free Poland. She intended that Poland should remain a controlled, regimented satellite under Russia. Since Teheran it has been apparent that Russia has intended to keep military control of East Germany. To accomplish this it was necessary for her to keep control of Poland—Poland was on Russia's road to the West.

RUSSIA INTENDED TO KEEP POLISH PEOPLE IN SUBJUGATION

The postwar bitterness of the Polish people has demonstrated that only the presence of Russian armed forces will keep these countries in the Russian orbit. Russian strategy was directed toward only one goal, the enslavement of Poland.

Though there are many instances which emphasize the point that Russia intends to keep Poland under subjugation, I should like to recall two of the most infamous. In April of 1943, an episode occurred in Russo-Poland relations which still plagues Russia and is especially embarrassing to her "parlor pink" friends in the Western world. Thousands of Polish officers, the elite of the educated young men of Poland, were missing, presumably killed in the war. However, evidence began to point out the fact that Russia had murdered them en masse. In 1952 a Select Committee of the House of Representatives of the United States, after thorough investigation and a well-documented report, "The Katyn Forest Massacre" (H. Rept. No. 2505) found that: "beyond any question of reasonable doubt, the Soviet NKVD committed the mass murder of the Polish officers and intellectual leaders in the Katyn Forest, near Smolensk, Russia."

Because Stalin didn't intend that there should ever be a free Poland, he had these 15,000 officers, together with other leading Polish citizens, murdered in the Katyn Forest.

The second incident occurred as the Russians were advancing toward the capture of Warsaw. The Polish underground that had been bitterly and effectively fighting Germany was making preparations for a mass revolt to assist the oncoming Russian army. At 8:15 p.m. on July 24, 1944, a radio station in Moscow named "Kosciuszko" called upon the Polish people to arise and assist in expelling the Germans. "Poles, the time of liberation is at hand. Poles, to arms. There is not a moment to lose." Two days later the Polish people in Warsaw arose and fought valiantly; but the Russian army stopped its advance toward Warsaw in order to allow the German Army to massacre the poorly armed Poles.

Many thousands of Poles were killed and Warsaw was destroyed while the Russian army encamped 6 miles away. This tragic battle of the Polish people for freedom will go down in history as one of the great epics in courage of our age.

In the fall of 1961, I stood where the Soviet army had been encamped in 1944, and looked across the Vistula River where I could plainly see Warsaw. It was evident that the Russian army could have assisted the Polish underground as promised if they had chosen to do so.

POLISH PEOPLE RESIST COMMUNISM

While on my visit to Poland in 1961, I was much impressed with the manner in which the farms are being operated. The fence rows are clean; the livestock are well kept. In spite of the constant government pressure, more than 85 percent of the farms are individually owned and operated. They are producing better than the state-owned farms. The Soviets are attempting to furnish mechanical equipment which would subject the farmer to Russian control and would ultimately mean that the Communists could take over the farms. The Poles stubbornly resist and still use fine horses.

Perhaps the strongest factor in resisting the Communist takeover is the Catholic Church. Cathedral and church spires still dominate the skylines of Polish cities and villages; and those churches are not empty or abandoned. They were built by the sacrifices of the people and they are now being repaired and maintained by sacrifices.

If the Polish people were given the opportunity for a truly free election, I am certain that the vote would be 20 to 1 for freedom and against communism. From my observations, I know that all of the Soviet massacres, regimentation, and armed might have not eliminated the stubborn love of freedom that exists in the Polish people.

In America the destruction of Polish freedom perhaps has aroused more bitterness than any other single act of Russian tyranny. Our large Polish population and your unrelenting zeal for freedom have gained the respect of the American people.

Here in America we so much need to have your Polish understanding of Russia and Russian tactics incorporated into our national thinking. Your people have a wealth of such understanding.

If you will pardon a personal example, in research for my recent book "Russian Frontiers: From Muscovy to Khrushchev," I found a book written by Wlodzmierz Baczkowski, "Toward an Understanding of Russia." He is a most learned Polish scholar and authority on Russian behavior, and fought against Russia in World War II. This book was written before he came to America. There are only a few copies, but I found it gave a better understanding of Russia than any other single publication I have ever seen. It should be required reading for all members of our State Department. I regret to say that they are not following the warnings of Baczkowski.

UNITED STATES SHOULD TAKE OFFENSIVE

Our country is failing to utilize our greatest and strongest weapon in the cold war. For too long we have allowed the Soviets to take the initiative, to keep on the offensive. For too long we have merely tried to answer their false charges, to repair the damage made by the Soviet blasts against the dike of freedom. Our leadership apparently believes that if we yield and give enough to the Russians, the Kremlin will change.

We do have a weapon that will throw the Soviets on the defensive in the cold war if we have the courage to use it to the fullest. This weapon is the demand that Russia give to the captive nations a freedom of choice—allow these peoples to vote for the kind of government they want and to elect the officials they want.

Russia is constantly demanding that we negotiate with her. Our leaders apparently refuse to recognize that negotiations with the Kremlin mean that Russia will keep what she has and negotiate for what we have.

When Russia wants to negotiate, let's give her a strong answer. Yes, we will negotiate; let's negotiate as to when she will give freedom to Poland and the other captive nations. When will she allow them the right to vote? When will she allow them the rights guaranteed in the Atlantic Charter and the Yalta Declaration, both of which Russia accepted?

We should demand that Poland and the captive nations have their freedom. This demand should not be stated just once; it must be repeated a million times—in the legislative forums of the free world, from the rostrum of the United Nations, by the press, radio, and television throughout the world. It should be beamed hourly to the captive nations. If we will publicize the truth with the same vigor that Russia publicizes her lies, truth will win.

The demand for free elections is one that Russia cannot openly refuse and yet one which she knows she can never accept and still keep the people of these captive nations under her dictatorship. Russia well knows that if freedom of choice were given the people of these nations that they would vote overwhelmingly for freedom. The demand that Russia allow her captive peoples the right of free choice will put her on the defensive as nothing else will.

Let us lead from our strength to Russia's weakness. Our greatest strength, the strength that has made America what it is today, is the recognition of the freedom and dignity of man. It is the recognition of freedom and dignity that has made America so strong economically that our problems are those of surplus while the Communists' problems are those of continuing scarcities. Our freedom has been so successful that we must regulate the number of those who would come to America, while Russian communism must erect walls of stone and barbed wire backed up by bayonets to keep her people within.

RUSSIAN EMPIRE ATTEMPTS TO COMBINE MANY NATIONALITIES

This Russian empire, held together by force, is the last conglomerate empire, composed of peoples with no racial, geographic, or linguistic reasons for their association. What Russia is really attempting to do is to teach 46 nationalities who speak 61 different languages that they should be happy children under the "one mother, great Russia," and accept the guidance of the "elder brother," the Russians. Millions have been murdered, millions starved or banished to alien areas; millions enslaved, all to make subject people grateful to be the children of "mother Russia" and live under the direction of the "elder brother."

Will Russia ever change? We have indications that the Russian people are changing as they become aware, through education and contacts, of a better and happier life among the people of the free nations. But the rulers of the Kremlin, operating an empire to satisfy their own greed and lust for power, will not change until the people, both Russian and captive, demand a government responsive to their own needs instead of one which exists for the gain and glory of the new class, the commissars.

The so-called Rostow paper is a study by Walt W. Rostow, Special Deputy Assistant to the President on Security Affairs, which reputedly arrives at the conclusion that the United States should work toward the removal of tensions, oppositions and troubles confronting Khrushchev with the captive peoples.

Aside from those with a line directly into our State Department, no one knows exactly what is included in the Rostow paper. I called our State Department and asked for a copy but was told that it was secret and was, in effect, for departmental use only. While we cannot as yet learn the exact content of the Rostow paper, from a study of his philosophy and from his other writings, we have reason to believe that it suggests a softer attitude toward Russia.

Will the Rostow approach succeed in bettering our interests and those of the freedom-loving peoples of the world? Such yielding to Russia in the past has not brought better conditions or economic or political gain for those who adopted such an approach.

For the last 2 years various Members of Congress have been attempting to establish a Captive Nations Committee, to study, document, and publicize the continued Russian subjection of peoples of the captive nations. Our State Department has strongly opposed and so far has blocked the formation of such a committee. I would like to point out and pay tribute to a Congressman, the Honorable EDWARD J. DERWINSKI, from this city, of Polish descent, who has been the most vigilant fighter for the formation of this important "Captive Nations Committee."

Another shameful example of our yielding to Russia was the action taken on December 20, 1962. On that day the U.S. delegation to the United Nations made a motion to eliminate the reports of Sir Leslie Munro in the future. Russia had maneuvered for more than 3 years to eliminate these reports because they were well-documented reports of the continuing Soviet persecution of the Hungarian people.

The U.N. had appointed Sir Leslie Munro of Australia to make this investigation. Each year he had presented documented information that proved Hungary is not a free country but is controlled by the Kremlin through a heavy concentration of Russian armed forces.

These reports kept before the people of the captive nations as well as the free world the fact that, despite sweet talk and promises, Hungary is still a Russian police state.

A somewhat similar line of thinking is shown in a study that was made for the U.S. Arms Control and Disarmament Agency and was recently filed by President Kennedy in the second annual report of this agency to the Congress of the United States. While this statement has not been announced an approved policy, its philosophy is startlingly similar to a line of thinking all too prevalent in the State Department today. I quote from that report:

"Whether we admit it to ourselves or not, we benefit enormously from the capability of the Soviet police system to keep law and order over 200 million-odd Russians and the many additional millions in the satellite states. The breakup of the Russian Communist empire today would doubtless be conducive to freedom, but would be a good deal more catastrophic for world order than was the breakup of the Austro-Hungarian Empire in 1918."

If the peoples of the world would forsake their liberty to give absolute obedience to one master, then we might have world order; but we certainly would be slaves. Is that the kind of world that we want today? I know that it is not the goal that I want, and I know it is not the goal of the Polish people.

I know that it would not be the answer of the 15,000 Polish patriots who were murdered by the Russians at Katyn. I know that it would not be the answer given by the untold millions who have died to achieve and to maintain freedom from the tyrants, the "men on horseback," through the centuries.

FREEDOM MUST BE SAFEGUARDED

Freedom is the most priceless heritage of man and it is also the most expensive. In every age there have been those who through force of arms or honeyed promises or treachery would take away the freedom of man.

You from Poland know from centuries of experience that the Russian Government cannot be trusted. You know that the commissars of today are following the same ruthless greed for territory and power that was followed by the tsars of the Rurik and Romanoff dynasties for centuries before them. The Polish people know that the Kremlin respects only two things—strength and determination. You of Polish ancestry need to make all in America aware of the tragic experiences of Poland in dealing with Russia.

Unless we understand and face up to the cold war challenge of this reactionary, imperialistic power of Russia; unless we expose in detail the atrocities toward and the subjugation of the whole family of captive nations from the Danube to the Pacific, and even Cuba; unless we develop a strategy to assist all the captive nations on the principle of indivisible freedom, we will not only have to answer the question "Who will be next on the long list of captive nations?" but we also will have to prepare more than ever for the increasing possibility of a hot global war.

Yes, the challenge ahead of us is great, but the goal is worth the price.

SENATE

MONDAY, OCTOBER 7, 1963

(Legislative day of Thursday, October 3, 1963)

The Senate met at 11 o'clock a.m., on the expiration of the recess, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Almighty God, who in former times didst lead our fathers forth into this land, grant Thy grace to us, their children, in these days of destiny as we follow in their train.

As we serve the present age, may we prove ourselves a people mindful of Thy favor and eager to be the instruments of Thy will. Bless our land with honorable industry, sound learning, and pure religion. Save the inner life of the Nation from violence, discord, and confusion, from pride and arrogance, and from every evil way.

Imbue with the spirit of wisdom those who, in these crucial times, have been trusted with public responsibilities and authority. For the preservation of liberty, for the defeat of all tyranny, for the opportunity still to be free souls, for the redemption of democracy from its flaws and failures, for the establishment of a just and lasting peace in all the world, we lift our hearts to Thee, O God of our salvation, as in the Redeemer's name we pray. Amen.

REMOVAL OF CERTAIN LIMITATIONS WITH RESPECT TO WAR RISK INSURANCE UNDER MERCHANT MARINE ACT

The VICE PRESIDENT. Under the order of Thursday, last, the Senate will now proceed to the consideration of the bill (S. 927) to amend title 12 of the Merchant Marine Act of 1936, in order to remove certain limitations with respect to war risk insurance issued under the provisions of such title. Under the order, the debate is limited and the time is controlled.

The question is on agreeing to the committee amendment.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I yield myself one-half minute on the bill; and I ask unanimous consent that reading of the Journal of the proceedings of Thursday, October 3, 1963, be dispensed with, and that it be considered as read.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time required for the quorum call not be charged to the time available under the limitation.

The VICE PRESIDENT. Without objection, it is so ordered.

The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

The VICE PRESIDENT. Without objection, it is so ordered.