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.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Mr. MANSFIELD. Mr. President, I yield 5 minutes under the bill to the distinguished Senator from Ohio [Mr. YOUNG].

The VICE PRESIDENT. The Senator from Ohio is recognized for 5 minutes.

MADAME NHU "TOO BIG FOR HER BRITCHES"

Mr. YOUNG of Ohio. Mr. President, the visit of Madame Nhu to the United States at this time not only is in bad taste but also is an affront to all Americans, specially to the mothers, fathers, wives, and children of the fine American soldiers who lost their lives in helping to defend South Vietnam from Communist aggression and infiltration, and to the thousands of other American soldiers who presently are engaged in that task.

The Government of South Vietnam, headed by Madame Nhu's brother-in-law, persists in the religious persecution of the Buddhists, who comprise four-fifths of the population of that small country, and the desecration of their temples. This outrageous oppression has been conducted under the direction of Madame Nhu and her husband, with the approval of her brother-in-law, President Diem. It has offended the conscience of the American people. After all, our Government was founded by men and women in search or religious freedom.

Today we learn that another Buddhist priest committed suicide by fire in Saigon. The outrageous, horrifying, ghastly persecution of Buddhists is reminiscent of Nero's Rome, when Christian martyrs walked hand in hand into Roman arenas, to be attacked by wild beasts. It is evident, from all reports, that Madame Nhu is viciously anti-American; but it is equally obvious that her aversion to things American does not extend to the U.S. dollar. Although she and all other members of the ruling clique have benefited throughout the Eisenhower administration, and since then, by economic and military aid from our country, they have manifested ingratitude and ill will.

On numerous occasions this arrogant lady has spoken disparagingly of the United States and of Americans. On September 22, in an interview in Rome, Italy, she stated:

> Certain junior officials in the American services are behaving like little soldiers of fortune. They cannot understand what is going on around them. By their irresponsible behavior, they have pushed their superiors into following a confused policy.

On September 26, the Associated Press reported her as saying:

> It is normal that the United States, with a population of hundreds of millions, and maybe a looser control, can find certain adventurers and saboteurs among their junior officials who do not hesitate to betray the official policy of their Government.

Of course, she offered no proof whatever for these serious accusations; and the reason is simple—there is none to be found.

On other occasions, she has publicly stated that our President does not understand the real situation in South Vietnam. On September 4, Madame Nhu told newsmen that President Kennedy is incorrect if he assumes that the Diem government has lost touch with the people. She said she did not want to believe that President Kennedy made such a statement but that if "President Kennedy really said that, it is very serious because it shows that the American Government is absolutely misinformed."

On September 11, she further stated:

> We consider that President Kennedy is a politician. When he hears a lot of opinions spoken in a certain way, he always tries to appease it somehow. Our view is that if that opinion is misinformed, the solution is not to bow to it, but the solution should be to inform.

These are a few examples of her vicious and poisonous anti-American utterances, at a time when almost 15,000 American soldiers and additional hundreds of civilian officials are in South Vietnam, to help keep that country from falling behind the Bamboo Curtain. Sixty American officers and enlisted men have been killed in South Vietnam, while trying to help this lady's brother-in-law, President Diem, repel Communist aggression and infiltration into his country. One million five hundred thousands dollars of American taxpayers' money is being spent there every day in economic and military assistance.

Mr. President, this haughty woman brings to mind a poem by William Watson, with which I am familiar, and which is most apropos to her. It is entitled "The Woman With the Serpent's Tongue," and was written about another lady whose husband occupied a position of power.

It reads as follows:

> She is not old, she is not young,
> The woman with the serpent's tongue,
> The haggard cheek, the hungering eye,
> The poisoned words that wildly fly,
> The famished face, the fevered hand—
> Who slights the worthiest in the land,
> Sneers at the just, condemns the brave,
> And blackens goodness in its grave.
> In truthful numbers be she sung,
> The woman with the serpent's tongue;
> Ambitious from her natal hour.
> And scheming all her life for power;
> With little left of seemly pride;
> With venomed fangs she cannot hide;
> Burnt up within by that strange soul
> She cannot shake or yet control:
> Malignant-lipped, unkind, unsweet;
> Past all example indiscreet;
> Hectic, and always overstrung—
> The woman with the serpent's tongue.
> To think that such as she can mar
> Names that among the noblest are.
> That hands like hers can touch the strings
> That move who knows what men and things?
> That on her will their fates have hung.
> The woman with the serpent's tongue.

Mr. President, it appears to me that Madame Nhu is "too big for her britches," as we say in Ohio. Now she inflicts herself in our midst. Unfortunately, it is too late for our officials to bar her entry. However, it is not too late to cancel her visa and to urgently request her brother-in-law, President Diem, to recall her to South Vietnam. Her country's loss will be this Nation's gain. President Diem should be informed by appropriate officials of the executive branch of our Government that she is persona non grata. This lady has been traveling around the world on an expense account provided by American taxpayers.

Let us bring her vaudeville tour to an end; and, hereafter, when she is pictured spending money in Paris on expensive wardrobes, let us hope it will not be with any more of our taxpayers' money.

Her visa should be canceled, and she should be compelled to leave the country. Let her slander us from her native land or any other country, but not on our own soil.

Under President Eisenhower, and to date under President Kennedy, most Americans have favored aid to this small nation which is struggling against Communist subversion. It is important to aid governments in southeast Asia which are struggling to uphold their independence against the spread of communism. However, there is a limit to our toleration. South Vietnam might be lost to communism if we withdraw; but it is also true that it may be lost to communism while we remain, if the regime continues its atrocious policies and is incapable of mobilizing the country in its behalf.

Therefore, along with 22 of my colleagues, I have sponsored a Senate resolution calling for an immediate end to military and economic assistance to South Vietnam, unless its Government—Madame Nhu and her family—abandons its policies of repression against its own people, and makes a determined and effective effort to regain their support.

Mr. President, if Madame Nhu has any intention of helping to bring about such reforms and of truly helping her country, rather than herself, she should be at home, working toward that end. I urge that officials of our State Department arrange for her speedy departure.

Mr. MANSFIELD. Mr. President, I yield to the distinguished Senator from Ohio [Mr. LAUSCHE] 5 minutes on the bill.

The VICE PRESIDENT. The Senator from Ohio is recognized for 5 minutes.

MARITIME LABOR DISPUTE

Mr. LAUSCHE. Mr. President, the dispute between two labor unions which has caused the beaching of the ship *America* still goes on. The *America* has twice been prevented from leaving its port. As I have previously mentioned, on the first occasion 956 passengers were on board waiting for that ship to set sail on the Atlantic Ocean. Two unions were fighting and arguing. The cause for the argument which was given was that there was a segregationist employee of one of the unions working on the ship. That was a mere pretense. The fact is that a fight between two unions was in progress, and those two unions—one especially—without regard to the rights of the owner of the ship and the privileges and rights of the passengers, decided that that ship would not leave port. The passengers were waiting for the ship to set sail. They finally were informed over the loudspeaker that the ship would be beached, that it would not leave port, and that they had to disembark.

The second sailing, which was scheduled last week, was also stopped.

Now a third sailing, which is in process, has been declared to be stopped.

If that were the abuse alone it would be bad. But these same unions are responsible for the beaching of the $90 million nuclear-propelled ship *Savannah*, built by the taxpayers of America.

The *Savannah* is a part of our country, so far as nuclear-propelled vessels carrying passengers and cargoes are concerned. Because of the demands of one segment of the union, which could not be met without abominable flouting of obligations, the *Savannah* was beached. That dispute started 3 months ago at least. It is still in progress.

The U.S. Government and the taxpayers anticipated that the *Savannah*, massive in size and beautiful in appearance, would make visits to various ports of foreign nations. There, in a measure, we would exhibit the achievement of our country—$90 million of taxpayers' money was invested in that leviathan of the seas. But the *Savannah* lies in port, "dead as a doornail," unable to leave because the maritime unions have a power far greater than the United States in determining what shall be done by American citizens, American business and American taxpayers. To me, it is incomprehensible that two labor unions are able to paralyze our Government.

Mr. President, I have mentioned the *Savannah*. I have mentioned the *America*. I now wish to mention the 35-day strike imposed upon the ships carrying the U.S. flag on the east coast and the Gulf of Mexico. Every American ship carrying our flag was immoble in port for 35 days. Industry in the interior States and on the coast was paralyzed. No one was able to do anything about it.

An 80-day moratorium was called by the President. In those 80 days nothing was achieved. Then the strike went on for 35 days. Finally, alleged negotiators or mediators were appointed who acted as arbitrators for the unions.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. LAUSCHE. Mr. President, I ask the majority leader if I may have 2 additional minutes.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Ohio 3 additional minutes under the bill.

The VICE PRESIDENT. The Senator from Ohio is recognized for 3 additional minutes.

Mr. LAUSCHE. The unions succeeded quite well in gaining their objectives. I point out that in the past 6 months there was the 35-day paralysis of the sailing of all ships from the east coast and the gulf coast; the stoppage of the sailing of the *Savannah;* and the stoppage of the sailing of the *America*.

But that still is not the end. In every interior port on our Great Lakes assaults are being made upon employees, and sabotage is indulged in. Yet the Government is not able to do a thing about it.

I think it is wrong. It is a shame. It is a confession of impotency on the part of the Government and the American people.

I contemplate introducing a bill tomorrow. I had hoped to have it ready several days ago, but I did not get it drafted. I hope that the bill will cure the situation. I call upon Senators, especially those who represent States in the coastal regions, to awaken to the threat I have mentioned and begin to try to devise some method which would make the Government supreme and enable the American public, which must pay the tax bill, to be recognized in their dignity and their just position in this dispute.

I yield the floor.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. MANSFIELD. Mr. President, I yield 5 minutes to the Senator from Delaware on the bill.

The VICE PRESIDENT. The Senator from Delaware is recognized for 5 minutes.

ALLEGED HIDDEN MICROPHONE

Mr. WILLIAMS of Delaware. Mr. President, in yesterday's Washington Post there appeared a certain article. I should like to read two paragraphs from that article:

> WILLIAMS began his informal one-man inquiry last week by calling into his office at least three persons who allegedly have had close commercial dealings with Baker recently.
>
> The interviews, it was learned, lasted from a half hour to an hour and the Senator had a secretary taking notes in an adjoining room equipped with a direct microphone arrangement into his office.

I quote again the last part of that statement:

> The Senator had a secretary taking notes in an adjoining room with a direct microphone arrangement into his office.

Mr. President, there is no basis for that statement. The reporter who wrote it did not talk with me or with anyone in my office that I know of. I know he did not talk with me. I have been a Member of the Senate for 17 years, and there has never been a hidden microphone in my office and never will be as long as I am in the Senate. Anyone who has ever visited my office and wished to discuss any matter has discussed it with me in strict confidence, as intended, and if I wanted any notes taken, a secretary would be called into the office with the knowledge of the visitor, and he would be sitting in the secretary's presence.

I do not know why this story was put into the newspaper in that manner—whether it was merely an irresponsible piece of reporting or whether it was to frighten away somebody who might wish to come to my office and talk over some matter. I wish to make sure it does not serve its purpose. I emphatically deny that there is any truth whatsoever to it. Furthermore, the reporter who wrote it knows it is untrue.

I regret that such a report was ever made, however, since it has been made I want to set the record straight.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time which is under the control of the majority leader be under the control of the distinguished chairman of the Committee on Commerce, who is in charge of the consideration of the bill.

The VICE PRESIDENT. Is there objection to the request by the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. GRUENING. Mr. President——

The VICE PRESIDENT. The Senator from Washington [Mr. MAGNUSON] has control of the time.

Mr. MAGNUSON. Mr. President, I yield to the Senator from Alaska.

The VICE PRESIDENT. How much time does the Senator yield?

Mr. MAGNUSON. I yield such time as the Senator wishes.

Mr. GRUENING. Five minutes will be sufficient.

The VICE PRESIDENT. The Senator from Alaska is recognized for 5 minutes.

SENATE SHOULD PASS SENATE CONCURRENT RESOLUTION 23 TO MONITOR THE CIA

Mr. GRUENING. Mr. President, last Thursday I addressed the Senate, urging that it was time for Congress to monitor the CIA. While it is supposed to be a factfinding Agency, in which role it has been notably unsuccessful, as in Cuba and now in Honduras, it has been more than evident, from the information that trickles through, that it is far more than that. It is also an undercover cloak and dagger organization, making its own policies, following its own bent, subject to no control by the Congress, a respect in which it is unique. That uniqueness is undesirable in our democracy.

As I pointed out on the floor of the Senate a year ago last January, when I was in Central America on a mission for the Public Works Committee, inspecting the Inter-American Highway, the head of the U.S. mission in one of the Central American countries told me that the CIA was active there, that it had a lot of money to spend, that it was promoting candidacies of individuals which were not in accord with the instructions and policies which our mission was receiving from the State Department.

It has been more than evident in Vietnam that the CIA there has been in conflict with the policies of the State Department and the efforts of our new Ambassador, Henry Cabot Lodge.

It is high time we sought to prevent such intragovernmental conflict. I referred in my remarks to the pertinent criticism of that situation voiced in the Senate on September 20 by the distinguished majority leader the Senator from Montana [Mr. MANSFIELD].

My proposal would slightly amend concurrent resolution 23 offered by the distinguished junior Senator from Florida [Mr. SMATHERS], that a watchdog committee over the CIA, consisting of both House and Senate Members, and composed of three each from the Foreign Relations, Armed Services, and Government Operations Committees of the Senate as well as from corresponding committees of the House, be enacted.

I note with interest that the New York Times yesterday, October 6, editorially endorsed such a policy. In an editorial entitled "State Within a State?" it says that the CIA "has gone too long without adequate congressional responsibility" and it urges "that a Joint Congressional Committee on Intelligence should be established to monitor our intelligence services, to safeguard their security and to reduce the dangers secret espionage and covert operations present to a free society."

I ask unanimous consent that the Times editorial, "State Within a State?" be printed at this point in my remarks.

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

STATE WITHIN A STATE?

Is the Central Intelligence Agency a state within a state?

President Kennedy's recall of the head of CIA operations in South Vietnam, coming after persistent reports of discord between him and Ambassador Lodge, appears to provide substantive corroboration to the long-voiced charges that our intelligence organization too often tends to "make" policy.

The CIA is a large and, on the whole, well-organized intelligence apparatus, which knows and employs all the tricks of the trade. But it not only gathers intelligence; it operates saboteurs, guerrillas, and other paramilitary forces. And its operations—particularly if they are not carefully programed, controlled, and directed—tend willy-nilly to influence policy, if not to make it.

The Agency has many extremely able men. But it operates behind the cloak of anonymity and secrecy—and secrecy adds to power. When the same organization collects intelligence and evaluates it, and, at the same time, conducts clandestine operations—and when that organization is as powerful and as well financed as the CIA—there is an inevitable tendency for some of its personnel to assume the functions of king-makers.

Communist imperialism and the exigencies of the nuclear age have brought us eons away—whether we like it or not—from the era of 1929, when Secretary of State Stimson closed the Nation's only code-breaking organization with the remark that "gentlemen do not read each other's mail." Today we must read the other fellow's mail if we want to survive.

But the CIA, like the FBI, has gone too long without adequate congressional accountability. A Joint Congressional Committee on Intelligence, so long urged but so often frustrated by congressional pride of place and petty jealousies, should be established to monitor our intelligence services, to safeguard their security and to reduce the dangers secret espionage and covert operations present to a free society.

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

Mr. GRUENING. I yield with pleasure.

Mr. MORSE. I join the Senator from Alaska in the comments he is making critical of the CIA. I particularly commend the New York Times for the penetrating editorial which the Senator has placed in the RECORD.

As the Senator from Alaska knows, I also have been disturbed for a long time about the unchecked powers of the CIA. I have said on the floor of the Senate many times—and I repeat today—that it is not safe in a democracy to have any segment of government exercising unchecked powers. When I speak of unchecked powers, I mean powers unchecked by the legislative branch of the Government, because we cannot operate this system of government in keeping with its constitutional intent and purpose if we take away from the Legislature the power to check any segment of the Government.

I am disturbed by what I hear from members of the Appropriations Committee, to the effect that after all, the Appropriations Committee has some sort of check on the CIA. There are members of the Appropriations Committee who tell me that is not a check of any substance.

I repeat: The Congress is ducking its responsibilities in respect to the CIA. The Congress owes to the American people the placing of a clear legislative check on the CIA. The only way we can check it is to set up a congressional watchdog committee with authority and power to require from the CIA every bit of intelligence information the Congress thinks it ought to have in order to protect the operation of this system of government by checks and balances, because the alternative is the development of a creeping police state within the Government of the United States. That is developing. One cannot explain on governmental theory the unchecked power of the CIA except on the basis of the fact—and it is an ugly fact—that there is a creeping police state power developing within this democracy. It is a cancer which must be removed. The only way we can remove it is for the Congress to assume its clear constitutional duties as well as powers in respect to the CIA.

Mr. GRUENING. I could not agree more with my friend the senior Senator from Oregon. The CIA, operating in secret, as the Senator properly says, performing wholly contrary to our American traditions and our professions, is supposed to be a fact-finding Agency. It has been notably unsuccessful as a fact-finding Agency. It was wrong on Cuba. It misled us grieviously with the result that Cuba has Castro and his Communist tyranny. It certainly contributed to the Bay of Pigs fiasco. It was apparently wrong on Honduras. Only 24 hours before the revolt the State Department let it be known—and presumably the State Department had access to the CIA's information—that no revolt was coming. Yet it "popped."

In addition to that, we know the CIA is far more than a fact-finding Agency. An article in the New Republic, a responsible publication, about a year ago, stated flatly that the CIA was responsible for an assassination in a Caribbean country.

The VICE PRESIDENT. The 5 minutes for which the Senator was recognized have expired.

Mr. GRUENING. Mr. President, I shall take only 1 minute more.

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

The VICE PRESIDENT. The Senator will state it.

Mr. MANSFIELD. Is the Senate operating under controlled time?

The VICE PRESIDENT. It is. The Senator from Washington [Mr. MAGNUSON] yielded such time as he wished to the Senator from Alaska, within his time limitation.

Mr. GRUENING. I shall need only 1 minute more.

I do not know whether that charge was true. The mere fact that a responsible publication could make the charge that the CIA was responsible for the assassination of a political leader in a Caribbean republic should have been enough to bring about a congressional investigation and the kind of action I urge, which the Senator from Florida [Mr. SMATHERS] has proposed, and the senior Senator from Oregon [Mr. MORSE] so heartily and correctly endorses.

COMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield me a minute?

Mr. MAGNUSON. I yield to the Senator from Montana.

The VICE PRESIDENT. The Senator from Montana is recognized for 1 minute.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Subcommittee on Reorganization and International Organizations of the Committee on Government Operations may be authorized to meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. KEATING. Mr. President, will the Senator yield to me?

Mr. MAGNUSON. Mr. President, how much time have I under my control on the bill?

The VICE PRESIDENT. The Senator from Washington has 25 minutes.

Mr. KEATING. Mr. President, if it is inconvenient for the Senator to yield, I am authorized to use time on this side.

Mr. MAGNUSON. Why not use 5 minutes of the time under the control of the Senator from Delaware?

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

The VICE PRESIDENT. The Senator from New York yields himself 5 minutes.

Mr. LAUSCHE. Mr. President, how much time is there?

The VICE PRESIDENT. The Senator from Washington has 25 minutes. The Senator from New York yields himself 5 minutes. The Senator from New York is recognized for 5 minutes.

Mr. KEATING. I thank the Chair.

RADIO ASTRONOMY SERVICE

Mr. KEATING. Mr. President, last Friday the Federal Communications Commission completed action in a rule-making proceeding of widespread public interest involving the future of the radio astronomy service. Its decision, I am heartened to report, was that channel 37, an optimum radio astronomy frequency, would be retained in the frequency allocation but would not be licensed for commercial purposes for a period of 10 years, that is, until at least January 1, 1974.

Mr. President, radio astronomy research is a vital part of our national scientific effort to uncover some of the dark secrets of outer space, with great present and potential practical value for the U.S. space program. Around the country, indeed around the world, both publicly and privately supported radio astronomy facilities have an intense stake in an exclusive frequency which will be protected on a longrun basis from any and all manmade interference. Any erosion of the protection afforded such a frequency as channel 37 would be extremely detrimental to the future progress of radio astronomy and wasteful of the sizable investment in facilities which has so far been made; and it may well be that the 10-year protection just ordered by the FCC will not prove to be a sufficient guaranty of protection for the long-range needs of the program.

Nevertheless, the FCC is to be commended for its recognition of the broad public interest inherent in the radio astronomy service. I know that the institutions and companies in New York State which now maintain radio astronomy facilities or which are planning to install them in the future together with the thousands employed by them—to mention only several, Cornell University, the Hayden Planetarium, and the General Electric Co.—will welcome the FCC decision of last week.

It is my intention, however, to seek out scientific opinion in order to determine whether the action that was taken stopped short of fulfilling the permanent objectives of the program, and I will certainly want to make sure, if further protection should be necessary, that it will be afforded at the proper time.

KINGS COUNTY COUNCIL OF THE JEWISH WAR VETERANS

Mr. KEATING. Mr. President, each year the Kings County Council of the Jewish War Veterans are hosts to hospitalized veterans at Yankee Stadium. For a day, the council provides activities and amusements for those veterans—many of whom rarely see the outside of hospital walls.

Mr. President, the Kings County Council of the Jewish War Veterans—in fact, all Americans—have not forgotten their obligation to their war veterans—men who have given so much in the name of America and freedom. Because of my admiration for the activities of the Jewish War Veterans of America, I have introduced legislation in this Congress which would incorporate this group. If enacted, this legislation would grant Federal recognition to this organization. It is my hope that my bill will be favorably acted upon in the near future.

Mr. President, I salute the Kings County Council of the Jewish War Veterans for brightening the day for many of our hospitalized veterans. Their unselfish gesture deserves the gratitude of the entire Nation.

SITUATION IN SOUTH VIETNAM

Mr. KEATING. Mr. President, in an unprecedented move, South Vietnam's Ambassador to the United States, Tran Van Chuong, resigned his post in opposition to the policies of President Ngo Dinh Diem.

I ask unanimous consent to include in the RECORD an interesting interview by Jock Laurence with Ambassador Chuong which appeared in a recent issue of the Washington World.

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

VIETNAM'S RESIGNED U.S. AMBASSADOR HOPES FOR MORAL REVIVAL TO END CRISIS

(By Jock Laurence)

In distant Saigon, where the dictators of Vietnam seem to treat the population, even the freedom of that nation, as hostages in their showdown with the United States over the regime's brutal suppression of Buddhist critics, strongman Ngo Dinh Nhu shrewdly gave orders to pull in the claws of his tigerish special forces and release the lesser of imprisoned demonstrators.

At that approximate moment in Washington, Tran Van Chuong, President Ngo Dinh Diem's former envoy to the United States and father of Vietnam's beautiful but acid-tongued "first lady," Madam Nhu, touched my notes with a tiny finger and added: "The dictators of Vietnam may be well-intentioned—at least President Ngo Dinh Diem may be—but they have the minds of medieval inquisitors."

(EDITOR'S NOTE.—There are reports the Vietnam Government is transferring gold out of the embattled country.)

That appraisal of the Ngo family by the author of a thundering resignation message that rocked the palace foundation at Saigon August 22 succinctly describes the dilemma the U.S. Government cautiously seeks to resolve. And the diminutive speaker may be the persona grata the administration is searching for to weld together the many elements of the opposition should Diem and his brother bring the palace walls down upon themselves.

In an interview at a small house in Chevy Chase, Md., where he is going to live. Chuong listed the errors of the regime and gently stressed the alternatives, firmly removing himself from a starring role: "I have never been a candidate for power."

ALTERNATIVES STIFLED

"The inefficiency of the present regime is due to the fact that most freedom-loving Vietnamese have been forced into exile, or have been silenced or reduced to impotence in Vietnam," he said. "The alternatives are there, but they cannot reveal themselves in a country where there is no freedom of expression."

Chuong's resignation was not an abrupt decision. The raiding of the pagodas and the atrocities against the bronzes—priests—and nuns were final straws.

On the subject of his possible return to Vietnam: "I would be put in a gold cage, maintained comfortably, but isolated. If I go back, I cannot believe that I would be harmed, but I would be cut off from the rest of the world. I will be more useful here. I am going to choose freedom and stay in the United States. The people of Vietnam would not understand if I did otherwise.

REVOLT A MORAL ISSUE

"I am absolutely sure," he told me, "that unless this regime absolutely changes, there is no possibility of victory over the Communists at all. The recent events in Saigon are a revolt of the national conscience of the Vietnamese against injustice and unfairness. This is much more a moral issue than a religious issue. And we have to count with these moral, spiritual forces. You do not realize the strength of them. They alone can cause a chain of reaction that would paralyze the Government."

It is this grave consequence that the Kennedy administration would prefer postponed, if it is inevitable. And there is no real thought of suspending funds, except as a last resort.

If the United States did take the extreme measure of abruptly cutting off all aid it could bring down everything in Vietnam. Should Diem and his brother be swept from power, the United States would probably support whomever came out of it. Right now the policy is to support Diem personally, but not his policies.

U.S. INFLUENCE POTENT

When we discussed the leverage of foreign aid, a twinkle came to Chuong's eyes for the first time: "I should not suggest an abrupt cutoff of aid, because it would mean the loss of Vietnam to the Communists, but I imagine that when someone gives another something like a million dollars a day, the donor always has a way of having some influence on him."

This is Chuong's analysis of the crisis:

"The situation seems very difficult, indeed—almost insoluble, because the present dictators have direct control of all material forces in Vietnam: The police and the special forces that have been used to raid the pagodas and to round up the bronzes and students, and most units of the army.

"A similar situation prevailed in Vietnam in 1955 when President Ngo Dinh Diem had against him all the material forces and behind him only the moral support of the Vietnamese people—because he represented at that time all that the Vietnamese craved. That was, real national independence.

It's conceivable, therefore, that similar moral forces eventually may triumph over the police and special forces of the present regime."

Chuong's personal aspirations are to travel leisurely about the United States, he says, and see the country he loves. But what about his first love—Vietnam? He speaks with pained voice of his 86-year-old mother living in Vietnam, declines now to discuss his daughter, Madam Nhu; proudly cherishes his long career before coming to Washington as ambassador, a respected attorney, and a jurist with service on the Franco-Vietnamese equivalent of the U.S. Supreme Court. He never has belonged to a political party—and certainly not Diem's.

Mr. MAGNUSON. Mr. President, I yield to the Senator from Virginia [Mr. ROBERTSON] such time as he may desire.

INDEBTEDNESS OF FOREIGN GOVERNMENTS TO UNITED STATES

Mr. ROBERTSON. Mr. President, the morning newspapers quote the distinguished Secretary of the Treasury as favoring the exchange of American wheat for Russian gold on the ground that Russian gold will help our balance of payments. By the same token, the payment of Russian gold on the debt that Russia has owed us since the end of World War I would help our balance of payments even more because that debt, plus accrued interest, now amounts to $621,420,405.56.

When our foreign aid program was first started in 1947 our foreign trade shiboleth was "close the dollar gap." We not only closed that gap but, through an unprecedented program of dollar gifts, dollar loans, the maintenance of military establishments in 52 foreign nations, a $500 free import allowance for tourists plus business investments

abroad, we so overclosed it that now one of our most serious financial problems is how to meet the demand upon our diminished gold supply by foreign dollar holdings. Those holdings now total $25.5 billion; and above the $12.2 billion of gold required to back our own currency, we have less than $3.5 billion with which to meet potential demand of the foreign holders of $25.5 billion.

Quite naturally, therefore, the Secretary of the Treasury is concerned by the fact that in a little more than 10 years the foreign situation has turned from a dollar shortage to a deficit in balance of payments for us that aggregates $26 billion and now constitutes a grave threat to the soundness of the dollar both here and abroad. Under those circumstances, instead of advocating the sale of wheat to Russia and Russia's satellites at a price below what it would be sold to an American citizen and would be used to strengthen the economy of Communist leaders still bent upon the destruction of the free world, why is it that our State Department finds it so much more pleasant to give money away, asking this year, for instance, that we increase our gifts and loans by a billion dollars over the current all time high of the last fiscal year, than to ask foreign nations to pay the debts that are now due and unpaid? The statement of those debts, with interest due and unpaid as of July 30, 1963, amounted to over $13 billion.

Mr. President, I ask unanimous consent to insert in the RECORD at this point part I of the statement of the Secretary of the Treasury on the indebtedness of foreign governments to the United States arising from World War I. That statement shows a total, including unmatured debts of $20,045,657,134.07. It will be noted that that amount is exclusive of the unsettled lend-lease items of World War II, under which Russia owes us a very large sum and it excludes the billions that we have loaned in recent years under our foreign aid program.

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

PART I. INDEBTEDNESS OF FOREIGN GOVERNMENTS

Indebtedness of foreign governments to the United States arising from World War I, and payments thereon as of June 30, 1963

	Indebtedness as of June 30, 1963				Cumulative payments since inception				
	Principal		Interest due and unpaid	Total	Principal		Interest		Total
	Due and unpaid [1]	Unmatured			Funded debts	Unfunded debts	Funded debts	Unfunded debts	
Armenia	$11,959,917.49		$26,195,087.50	$38,155,004.99					
Austria [2]	21,567,349.11	$4,413,131.55	44,058.93	26,024,539.59	$862,668.00				$862,668.00
Belgium	173,500,000.00	227,180,000.00	252,587,077.60	653,267,077.60	17,100,000.00	$2,057,630.37	$14,490,000.00	$18,543,642.87	52,191,273.24
Cuba						10,000,000.00		2,286,751.58	12,286,751.58
Czechoslovakia	70,791,108.90	94,450,000.00	92,405,971.80	257,647,080.70	19,829,914.17			304,178.09	20,134,092.26
Estonia	6,110,012.87	10,356,000.00	18,331,227.94	34,797,240.81			1,246,990.19	1,441.88	1,248,432.07
Finland		5,425,096.97	[3] 49,299.57	5,474,396.54	[4] 3,574,903.00		10,145,710.08	572,246.31	[5] 14,292,859.39
France	1,840,647,213.87	2,023,002,786.13	2,476,514,589.32	6,340,164,589.32	161,350,000.00	64,689,588.18	38,650,000.00	221,386,302.82	486,075,891.00
Great Britain	1,582,000,000.00	2,786,000,000.00	4,781,859,301.93	9,149,859,301.93	232,000,000.00	202,181,641.56	1,232,775,999.07	357,896,657.11	2,024,854,297.74
Greece	22,066,000.00	9,450,000.00	13,202,655.10	44,718,655.10	981,000.00	2,922.67	1,983,980.00	1,159,153.34	4,127,056.01
Hungary [6]	660,695.00	1,247,865.00	2,027,040.90	3,935,600.90	73,995.50		482,171.22	753.04	556,919.76
Italy	686,500,000.00	1,318,400,000.00	216,692,909.34	2,221,592,909.34	37,100,000.00	364,319.28	5,766,708.26	57,598,852.62	100,829,880.16
Latvia	2,515,564.20	4,363,900.00	7,541,439.84	14,420,904.04	9,200.00		621,520.12	130,828.95	761,549.07
Liberia						26,000.00		10,471.56	36,471.56
Lithuania	2,222,245.00	3,975,437.00	6,746,671.22	12,944,353.22	234,783.00		1,001,626.61	1,456.97	1,237,956.58
Nicaragua [7]						141,950.36		26,625.48	168,575.84
Poland	73,700,000.00	132,357,000.00	229,421,984.20	435,478,984.20	[8] 1,287,297.37		19,310,775.90	2,048,224.28	22,646,297.55
Rumania	27,792,560.43	36,068,000.00	43,708,811.02	107,569,371.45	2,700,000.00	1,798,632.02	29,061.46	263,313.74	[9] 4,791,007.22
Russia	192,601,297.37		428,819,108.19	621,420,405.56				8,750,311.88	[10] 8,750,311.88
Yugoslavia [11]	21,640,000.00	39,985,000.00	16,561,718.78	78,186,718.78	1,225,000.00	727,712.55		636,059.14	2,588,771.69
Total	4,736,273,964.24	6,696,674,216.65	8,612,708,953.18	20,045,657,134.07	478,328,761.04	281,990,396.99	1,326,504,542.91	671,617,361.66	2,758,441,062.60

[1] Includes amounts postponed under moratorium agreements.
[2] The German Government was notified on Apr. 1, 1938, that the Government of the United States would look to the German Government for the discharge of the indebtedness of the Government of Austria to the Government of the United States. A letter dated Mar. 6, 1951, from Chancellor Adenauer to the Allied High Commission for Germany stated that Germany acknowledged liability for interest and similar charges on Austrian securities falling due between Mar. 12, 1938, and May 8, 1945. Art. 28 (1) of the Austrian State Treaty of May 15, 1955, recognized that these charges constitute a claim on Germany and not on Austria.
[3] Represents payments deferred.
[4] Includes payments of renewed principal on bonds.
[5] Payments through June 30, 1963, totaling $5,589,878.72, were made available for education and training of Finnish citizens in the United States, and of United States citizens in Finland pursuant to the act of Aug. 24, 1949.
[6] Although agreements provide for payment in U.S. dollars, interest payments due from Dec. 15, 1932, to June 15, 1937, were deposited in pengo equivalent, with the Hungarian National Bank.
[7] Obligations held by the United States, and interest thereon, were canceled pursuant to the agreement of Apr. 14, 1938, between the United States and Nicaragua.
[8] Excludes claim allowance of $1,813,428.69, dated Dec. 15, 1929.
[9] Excludes payment of $100,000 on June 15, 1940, as token of good faith pending negotiation of new agreement.
[10] Consists principally of proceeds from liquidation of Russian assets in the United States.
[11] This government has not accepted the moratorium provisions.

REMOVAL OF CERTAIN LIMITATIONS WITH RESPECT TO WAR RISK INSURANCE UNDER MERCHANT MARINE ACT

The Senate resumed the consideration of the 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.

Mr. MAGNUSON. Mr. President, the pending business before the Senate is S. 927. There is a committee amendment at the desk which changes the enactment clause or the date of enactment. May the amendment be read?

The VICE PRESIDENT. The question is on agreeing to the committee amendment, which will be read.

The CHIEF CLERK. It is proposed, on page 2, line 3, to strike out "February 1, 1962" and insert in lieu thereof "the date of enactment."

Mr. MAGNUSON. Mr. President, I yield myself such time on the amendment as may be necessary. At the outset, let me say that S. 927 is a bill which deals with the problem of war risk insurance for the American merchant marine. The real reason why the matter is before the Senate is that no private company would in any time of emergency accept war risk insurance on ships. Therefore, in time of war or emergency all countries must assume insurance obligations on ships. This is because of the danger of sinking of ships by submarines and the other vicissitudes and risk of war.

The Senate Commerce Committee held lengthy hearings on S. 927. The hearings were publicized. We gave notice to every member of the committee, much in advance, that we would hold hearings on this subject. It was a matter which was also before the committee on other occasions. I suppose, if one examined the archives of the committee, he would find that the subject was of concern prior to World War I.

Insurance is not a new subject or something that has come out of the air. It has been before the Congress for a long time.

Legislation has always been necessary because private insurance companies cannot afford to write war risk insurance. The premiums would be prohibitive. So the Government insures ships in time of emergency. This has been done during time of emergency by countries all over the world.

Hearings were held on the bill. The Senator from Alaska [Mr. BARTLETT] happens to be in Tokyo today, being a

delegate to the International Fisheries Treaty Conference which has been in session in Tokyo for the last 2 weeks, but he is on his way back. He was in charge of the hearings and is much more knowledgeable about the bill. It is somewhat complex, as bills of this nature and legislation of this type always are. The Senator from Alaska will be present tomorrow. I understand he will arrive here tonight. He may want the opportunity of making a further explanation of the bill.

The committee discussed the bill at length and decided to report the bill. An identical bill—and I underline the word "identical," S. 2829—dealing with this problem was passed by the Senate last year.

Whether the threat of emergency, conflict, or war has lessened since that time, I am not one to judge. Nevertheless, it is a matter to which the committee has given a great amount of time. There are some differences of opinion in the Department. Amendments and modifications were considered. The committee decided to report the bill to the Senate. It is the same bill the Senate passed last year after going through the same procedure.

Certain Senators have some doubts about the bill. They may have had very good reasons not to be at the hearings, but the committee had lengthy discussions of the subject. It is a complex bill. The problem is one that should be taken care of in the interest of our highly prized and somewhat inadequate American merchant marine.

What does the bill provide? I am reading from an objective analysis of the bill. It is practically the same analysis and the same interpretation of the bill that the Senate passed last year.

S. 927 would accord to U.S. citizen-owners of vessels built in U.S. shipyards with construction subsidy the same rights with respect to war risk insurance coverage of their vessels as now are accorded to American and foreign owners of unsubsidized vessels.

This, therefore, refers to subsidized vessels. Not all American merchant marine vessels are subsidized. Sometimes, when one hears debate on the floor of the Senate, he is led to believe that every ship that plies the seas and flies the American flag is a subsidized vessel. In truth, only a relatively small portion of the American merchant marine is subsidized. Certain vessels are subsidized under the 1936 act, for a very good reason. In order to obtain the subsidy they assume certain obligations; they are limited to certain routes; and they must maintain certain schedules. In other words, they are like common carriers on land. They assume many obligations in order to qualify for the subsidy.

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

Mr. MAGNUSON. I yield.

Mr. AIKEN. Can the Senator tell us why it is impossible to get American ship operators to haul grain from Great Lakes ports to Montreal for ultimate use in northern New England?

Mr. MAGNUSON. I do not know.

Mr. AIKEN. They absolutely refuse to do it. They should realize that they have an obligation to U.S. users. I know it makes them feel good to load a ship and go half way around the world with it. Nevertheless, I know of an instance where 37 navigation companies of U.S. registry were asked to quote a rate on transporting almost half a million bushels of grain from Milwaukee to Montreal, where we in Vermont could get it to use for our livestock. Not one of the companies would do it.

Mr. MAGNUSON. I do not know. Of course, subsidized lines would be required to take the cargo if their trade routes were in that area. It may be that the trade routes of these lines are not in that area. The unsubsidized ships flying the American flag, of course, are free to collect and discharge cargo wherever they wish. In some cases, they believe the business is not profitable, and in many cases they take what we call the cream of the cargo. They are called tramp ships. They do not assume the obligations that subsidized ship operators assume, and, of course, they do not get the subsidy, because they will not assume the obligations of the so-called common carrier subsidized American flag lines.

Mr. AIKEN. I believe that when all American shipowners refuse to perform a service for the American people, the Secretary of Commerce should be given authority to make an exception and permit the shippers to use foreign bottoms.

Mr. MAGNUSON. This is a matter which the Senator from Vermont and I have discussed before. I am quite familiar with the subject. I will have the subcommittee look into the matter for the Senator.

Mr. AIKEN. I thank the Senator.

Mr. MAGNUSON. I am not knowledgeable enough to discuss it, because I do not know the reasons at this time.

Mr. AIKEN. I thank the Senator. He has said exactly what I hoped he would say, that his committee would look into the situation. I believe that in one way or another we shall probably be able to do something about it.

Mr. MAGNUSON. The committee held lengthy hearings and discussed the subject, not only on this occasion, but on other occasions. The members of the committee submitted a complete and detailed report, which I am sure explains all aspects of the subject. The report contains comments from the Comptroller General, the Department of Justice, the Office of Emergency Planning, and other departments. I believe the Department of Commerce had some suggestions and amendments, and they were discussed in connection with the bill.

The bill merely accords to U.S. citizen-owners of vessels built in U.S. shipyards with construction subsidy the same rights with respect to war risk insurance coverage of their vessels as now are accorded to American and foreign owners of unsubsidized vessels. In other words, we equalize the war risk insurance to the lines that we are taking care of.

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

Mr. MAGNUSON. I have only 15 minutes. I will yield later.

Existing statutes deny to American owners of subsidized vessels this equality of war risk coverage, despite the fact that the owners of such U.S. vessels are required by the Maritime Administrator—because we do have control over them when they are subsidized—to carry insurance in peacetime to the full commercial value of their vessels, as determined by the Administrator.

This anomalous situation stems from the Government's policy of claiming to have added something to the value of these vessels because of the subsidy payments made to the shipyards when the vessels were built.

The fact is that the vessels could have been built abroad at the same or less cost than the owners paid. Because of the restrictions laid upon these vessels, they usually are worth less in the world market than similar vessels built abroad for half their cost or less. It seems only reasonable, the committee feels, and quite in keeping with the parity concept of the 1936 act, that owners of vessels built with construction subsidy be permitted to purchase from the Government war risk insurance on a basis equivalent to the just compensation basis available to owners of nonsubsidized vessels and vessels registered under foreign flags.

There are literally hundreds of cases in which war risk insurance would take effect when, because of war or threat of war involving one of the five world powers, commercial maritime insurance would be unavailable.

Nearly 1,000 vessels, large and small, would be covered, including several hundred freighters and tankers under the Panamanian and Liberian flags.

War risk insurance would continue in effect until a vessel was requisitioned by our Government, either for use or title. Insurance rates would be set on the basis of losses suffered.

The Government netted an $8 million profit on its war risk insurance in World War II. It lost $10 million on insurance of vessels—that is what we call hull insurance—because of vessels sunk by enemy action, but collected $18 million on insurance of cargoes and seamen's insurance. In any event, U.S. shipowners are now in the midst of a $2 billion vessel replacement program. This is $2 billion which they have to pay out of their own funds.

They should not be shortchanged because the Government asked them to have their ships built in the United States instead of in a foreign country. They should be put on exactly the same basis with respect to insurance coverage, in the form of war risk insurance, as the owners of foreign unsubsidized vessels.

The VICE PRESIDENT. The time of the Senator from Washington has expired.

Mr. MAGNUSON. Mr. President, I yield myself 5 minutes on the bill.

A few specific examples of the workings of present statutes dealing with the requisition of vessels are illuminating. These are some illustrations that the committee looked into, among many. For example, a new Mariner-type of vessel, delivered in 1963, at a cost of $10

million—with 50-percent Government participation—and with a current domestic market value of approximately the owner's cost, $5 million, could be insured today for only $2,500,000 under U.S. war risk insurance.

Again, under present law, the Government could requisition for use, at its residual value of $81,000, a C–3 type vessel on which the Maritime Administration, in General Order No. 75 as revised, has determined that the current domestic market value is $850,000. A classic example of current policy with regard to war risk coverage of subsidized vessels is the S.S. America, a passenger liner, now operating past its original 20-year life span. This ship operates on a certain subsidized run. It is now laid up, but we use it as an example because it deals with a passenger liner that has operated over a long life. The Maritime Administration requires its owner-operator, United States Lines, to insure it commercially at $6,400,000, but under present war risk insurance statutes her owners can purchase insurance only up to $4,556,000—almost $2 million less—prior to requisition for title or use, and only up to $437,000 after requisition for use. Thus the owner's compensation for the loss of the vessel could not exceed its residual value of $437 thousand.

An offer for the vessel, showing its value, has been reported in the press to be $11 million. So this is an attempt on the part of the Committee on Commerce and its able and excellent Subcommittee on Merchant Marine to provide suitable war risk insurance for the owners of these vessels.

I again state that the committee held long hearings on the bill. Invitations were offered to all persons concerned to come before the committee. But those who oppose the bill did not appear. This is a complicated subject. Representatives of some of the departments appeared.

Again, I say that this bill is identical with the bill the Senate passed last year. It provides that a subsidized line may obtain war risk insurance in the amount of the value of the vessel as computed by the Maritime Administration.

These vessels are important to the Nation in time of war. If one were sunk, it would immediately have to be replaced, because of the need for a merchant marine. Actually, the merchant marine is our fourth arm of defense. If anyone does not believe that, I again cite the fact that the American merchant marine during World War II carried 95.2 percent of our people overseas. That is how important the merchant marine would become in the scheme of things if a war should again occur.

Some of our vessels were sunk, and the Goverment paid out to the owners large sums of money because the ships were subsidized. We paid hull insurance during World War II on all the vessels that were sunk in the Atlantic and Pacific. At the end of World War II, the Government had a loss of $10 million on the hulls. But we also insured, besides the hulls, the cargoes and the seamen and their effects, because they were not included in the actual combat forces. In that case, on the premiums paid on them the Government made $18 million. So at the end of World War II, the Government ended with a net profit of $8 million.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question on my time?

Mr. MAGNUSON. I have finished. I yield the floor.

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

The VICE PRESIDENT. Who yields time to the Senator from Ohio?

Mr. WILLIAMS of Delaware. Mr. President, either I or the Senator from Ohio has charge of the time in opposition. I yield all my time to the Senator from Ohio.

The VICE PRESIDENT. Does the Senator from Ohio yield himself 10 minutes?

Mr. LAUSCHE. Yes.

Which department of the Federal Government, if any, has recommended the passage of this bill?

Mr. MAGNUSON. I do not think any department sent the bill to Congress. It is not a department bill, which a chairman of a committee always, as a matter of courtesy, introduces by request.

Mr. LAUSCHE. At whose request did the chairman of the Committee on Commerce introduce the bill? Was it by request of the Government or by request of the shipowners?

Mr. MAGNUSON. As I recall, the request originally came from the shipowners, who believed they might find themselves in a position, if some disaster occurred, in which they would not be able to obtain war risk insurance to the real value of the vessels.

As a perfunctory matter, bills not passed by a previous Congress are reintroduced in the succeeding Congress, so that they may be considered again, unless there is some good reason why they should not be reintroduced.

Mr. LAUSCHE. My question is: What taxpayer, what department of Government, what member of the present administration asked for the passage of this bill, besides the companies that are to be benefited by it scandalously? Will the Senator answer that question? What taxpayer or what member of our Government asked for the passage of this bill?

Mr. MAGNUSON. Is the Senator asking me a question or making a speech?

Mr. LAUSCHE. I shall do both.

Mr. MAGNUSON. All right; ask a question.

Mr. LAUSCHE. Who in the Government recommended the passage of the bill?

Mr. MAGNUSON. No one in the Government.

Mr. LAUSCHE. What taxpayer recommended the passage of the bill, besides the owners who are to receive a profit from it?

Mr. MAGNUSON. I do not think there is any profit from it.

Mr. LAUSCHE. That is not an answer to my question .

Mr. MAGNUSON. I suppose shipowners are taxpayers. They pay large sums in taxes.

Mr. LAUSCHE. Then the fact is that the shipowners, who are to be the beneficiaries, are the ones who asked the chairman of the Committee on Commerce to introduce the bill?

Mr. MAGNUSON. No one asked the chairman to do anything. If the Senator is seeking to impute that someone asked the chairman to introduce the bill, my response is that I have never discussed the bill with the shipowners.

Mr. LAUSCHE. How did the chairman decide to introduce the bill?

Mr. MAGNUSON. The bill has been introduced on several occasions. It was reintroduced at this session, because it passed the Senate at the last session.

I have never discussed this subject with any shipowner. When the Senator speaks of shipowners, representatives of the industry have spoken about the bill.

Like those in any other industry, the representatives of the shipping industry are worried about their ships being sunk in time of war. On several occasions when similar bills were before the committee, representatives of the maritime industry expressed concern about war risk insurance. Many times the chairman of the committee—and the Senator from Ohio has been present—has asked, "Why the rush? Why not wait until a war takes place?" But we have always had pointed out to us what happened in World War II, when the Government was confronted with some problems until the War Powers Act was passed, an act which provided for war risk insurance. So the shipowners wanted to be ready in case an emergency developed. Perhaps nothing will happen for years; until it did, the bill would not take effect.

The Senator from Ohio does not have to stand on the floor of the Senate and suggest that some shipowner talked with me about the bill. This has been an industry bill for years.

I have not discussed the situation with anybody. Actually, I am substituting today for the chairman of the subcommittee. However, I am aware of the situation, because it has come before the committee before. The departments are aware of it. As a matter of courtesy—as does the chairman of any committee of the Senate, as I understand—I introduced the bill. The bill passed the Senate last year; it was reintroduced at the beginning of this session. Several other bills were reintroduced by request, for the information of the Senator from Ohio.

Mr. LAUSCHE. To me, it is rather anomalous that no one representing the general public at any time initiated the thought that a special war risk insurance privilege should be given to those who operate subsidized vessels. The Federal Government, through the administrations of both the Democratic Party and the Republican Party, opposed this proposal; no taxpayer asked for it; and no segment of the industry asked for it. The only one who asked for passage of the bill was the interest that was to be the beneficiary. I submit that is an anomalous situation.

If this bill were in the general interest of the public, if it were in the interest of the security of the U.S. Government,

do not we have the right to infer that there would be a public demand for its enactment; and that if the security of the Nation were involved, the President, the Secretary of Commerce, the State Department, and the Defense Department would ask for its passage? But not one word about it is heard from anyone except the subsidized shipowners. They are the ones whom, for a number of years, have been pounding for passage of this bill.

Mr. President, in each instance the administration has opposed it. The present administration opposes it and a reading of the testimony will show it has good grounds for opposing it. There has been much circuitous talk and obfuscation in regard to the hearings, not about the bill. We have been told, "Everybody knew about that." But that point does not get to the heart of the issue before us.

I respectfully submit that if this bill is passed, then—and if the advice of the Secretary of Commerce and his advisers is followed—the President of the United States should veto the bill the moment it comes to his office.

Mr. SALTONSTALL. Mr. President, will the Senator from Ohio yield for a question?

Mr. LAUSCHE. I yield.

Mr. SALTONSTALL. The Senator will find on the first page of the report the following:

> As the war risk insurance program is operated on a mutual basis, the increased coverage sought would not entail any government costs.

I do not understand that sentence.

Mr. LAUSCHE. The shipowners have argued that in the last war, under the war risk insurance, the Government made a profit. The chairman of the committee argued that point. The Department of Commerce answers it forcefully. The Second World War lasted a considerable length of time. As soon as the submarine menace was eliminated, a profit was made. The Secretary of Commerce says that in a rapid, quick-moving, destructive war, the war risk insurance fund cannot and should not be required to carry this obligation.

For the information of the Senator from Massachusetts, I point out that since 1936 one type of coverage has been given to shipping companies that fully paid for their ships. A lesser type of coverage was given to companies that received a 50-percent subsidy in the building of the ships. That arrangement was well thought out in 1936. The reasons for differentiating were considered; and it was then concluded by Congress that the rule applicable to shipping company "X" that pays completely for its ship should be different from the one applicable to shipping company "Y" that pays only 50 percent of the cost of building its ship.

Mr. SALTONSTALL. Mr. President, will the Senator from Ohio yield for a further question?

Mr. LAUSCHE. I yield.

Mr. SALTONSTALL. The Senator is saying that when there is a Federal subsidy of 50 percent, the shipowner has only a 50 percent interest in it, whereas if he has a 100 percent interest, he will receive a larger payment; is that correct?

Mr. LAUSCHE. I do not say that; but that is, in part, the principle.

The law as written in 1936, in effect, says:

> Mr. X, you want a ship to travel on the high seas, and you want the Government to pay 50 percent of the cost to the shipbuilding company of building the ship. In other words, you want an indirect 50-percent subsidy.

The Federal Government says, under the law, "We will do that for you, Mr. X. But if we get into a war we reserve the right to requisition the use of that ship; and we will insure you only in the amount of the depreciated value of the ship at the time its use is requisitioned." Of course, there was justification for that differential. One operator paid fully for his ship; the other operator paid only 50 percent of the cost of his ship.

What is sought to be done now is to place the subsidized owner in the same position as that of the unsubsidized owner, so that a shipowner who paid $6 million for his ship would be treated in the same way that a shipowner who paid only $3 million of the $6 million cost of his ship would be treated.

Mr. President, as was stated last week, there are constant demands by the merchant marine industry for additional subsidies. Since I have been here, the limitation on such subsidies has been raised from 50 to 55 percent. Congress passed a law declaring drydocks to be part of the merchant marine of this country, and providing that they shall be subsidized. Congress also passed a law subsidizing the construction of fishing vessels. Now, in all probability, we shall pass this bill eliminating the just differential, and putting—unjustly—on the same basis two categories of shipping interests serving the public on the high seas. But that will not be all. Two more bills will come before the Senate; and I simply cannot subscribe to the effort of the merchant marine to have the taxpayers subsidize it each year, in one way or another, with increased amounts and in increased fields.

Last week, we were told that someone "dreamed up" these proposals. Yes, Mr. President, they have been dreamed up. But it is odd that the dream never ended in a manner that would serve the taxpayers. Instead, the dream always demanded special service, privilege, and subsidy for the merchant marine operators. I do not know when it will come to an end.

Mr. President, coming to the Capitol this morning I said to myself, "It is futile to argue. Senators will not be present in the Chamber. They do not know what the issue will be. And, of course, the bill will pass." But, Mr. President, it is another black smear upon what I call good conduct. It cannot be justified.

The VICE PRESIDENT. The time of the Senator from Ohio has expired. All time on the amendment has expired. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. WILLIAMS of Delaware. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WILLIAMS of Delaware. Is there time remaining on the bill?

The VICE PRESIDENT. The Chair is attempting to determine that question now. The proponents have 17 minutes remaining on the bill; the opponents have 38 minutes remaining on the bill.

The Chair recognizes the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I yield 10 minutes to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LAUSCHE. How much time would be available for debate on a motion to recommit the bill to the committee?

The VICE PRESIDENT. Fifteen minutes on each side.

Mr. WILLIAMS of Delaware. Mr. President, I yield 10 minutes to the Senator from Ohio on the bill.

The VICE PRESIDENT. The Senator from Delaware has yielded 10 minutes to the Senator from Ohio. The Senator from Ohio is recognized for 10 minutes.

Mr. LAUSCHE. Mr. President, J. W. Gulick, the Deputy Administrator of the Maritime Administration, testified on the bill. His testimony was so clear and so concise that I should like to read all of it, but, of course, time will not permit. On page 3 of the report Mr. Gulick stated:

> The existing law limits the amount of Government war risk insurance that can be granted with respect to a vessel, and in establishing this limit the existing law takes into consideration any burden in the way of restrictions on the title to the vessel to be insured, because any such burden affects the value of the vessel. The burden that is of chief importance in regard to these Government war risk insurance values is the right of the United States to requisition such vessels for title during a national emergency and the price at which such vessels can be requisitioned.

That paragraph is the core of the reason why the Administration opposes passage of the bill. That paragraph specifically states that in determining the value at which a vessel shall be insured, it is necessary to consider the burden on the sale which the vessel carries. The question is, What is the burden? Under the law, in case of war, the Federal Government has the right to requisition the use of ships covered by the act. The law specifically states that when a ship is subsidized, its value shall be not more than the depreciated value on the books of the corporation.

The vessel owner entered into an agreement in compliance with that law. In effect, he said, "Uncle Sam, if you ever intend to requisition this ship, we will allow you to do so. We will carry insurance equal up to its depreciated value on the books of the company."

On the same page of the hearing Mr. Gulick's testimony was:

> If construction-differential subsidy was granted to aid in the construction of a vessel,

however, the purchase or requisition price of the vessel (as provided in sec. 802 of the act) is its current domestic market value, but not exceeding its depreciated cost to the owner.

He illustrated that situation by pointing out the situation of the steamship *America*. He said:

If the current domestic market value of a vessel that was not built with the aid of construction-differential subsidy is $6 million (though its depreciated book value is only $500,000) and the vessel is requisitioned during a war emergency, the requisition price is the $6 million.

That is a ship that is paid for completely by the owner. Continuing to read from the testimony—

If, however, there is an identical ship which was built at the same time, but with the aid of construction-differential subsidy, its requisition price is the depreciated book value, namely $500,000.

The difference in the rule available to the subsidized, as distinguished from nonsubsidized vessels lies in the cold fact that in the one instance the vessel owner paid for his ship alone. In the other instance the vessel owner was subsidized in an amount equal to 50 percent of the cost of the ship. It is that differential that the navigating companies have sought to eliminate for the last 15 years. It is that differential that the administrations have opposed being eliminated. The present administration likewise opposes the elimination of the difference in treatment.

On page 4 of the hearings Mr. Gulick stated further:

We understand that the intention is to provide that the stated valuation of construction subsidy ships shall be their current domestic market value determined without recognizing the section 802 burden on the vessels.

In those words Gulick spoke for the President. He said further:

We are opposed to this change in the law because we believe that the only realistic way of valuing ships is to recognize the burdens on them.

He added that for the reasons thereafter stated, the depreciated value must be the amount considered.

Mr. President, on pages 6 and 7 of the report, Mr. Gulick, the representative of the administration, answers the three arguments advanced by the vessel owners for the change in the law. He answers them effectively and he demonstrates that the law ought not to be changed.

Mr. President, I am not so naive as to believe that I can win this argument. I shall lose, on the basis of the vote. But I shall win the argument on the basis of the morality involved in what is sought to be done. I may be beaten when the votes are cast, as I leave the Senate floor, but from the standpoint of justice, morality, and integrity I shall leave the Senate floor victorious on this measure.

I yield back the remainder of my time.

Mr. MAGNUSON. Mr. President, I believe the Senator from Ohio, made a misstatement.

The VICE PRESIDENT. Does the Senator from Washington yield himself time?

Mr. MAGNUSON. I yield myself 5 minutes.

The VICE PRESIDENT. The Senator from Washington is recognized for 5 minutes.

Mr. MAGNUSON. The Senator from Ohio referred to the hearings on the bill, rather than to the report.

Mr. LAUSCHE. The Senator is correct. I thank the Senator.

Mr. MAGNUSON. Mr. Gulick also said, on page 5:

We believe, however, that for the period prior to requisition for title or use the owner should be assured of at least the section 802 value. Existing law does not provide this floor value.

Mr. Gulick also said:

In conclusion, we believe that, with the amendment we have proposed, war risk insurance values for construction subsidy ships under the Merchant Marine Act, 1936, would be equitable both to the shipowners and to the United States.

An amendment was proposed. The committee, as I understand it, did not accept the amendment, for a good reason.

The Senator from Ohio has pointed out several times that the shipowners, under the 1936 act, on the construction subsidy get the benefit of the subsidy. The truth is that the subsidy goes to the shipbuilder. The owner is by law required to accept the ship and to operate it under certain conditions. So it is not the shipowner but the shipbuilder who gets the construction subsidy. I believe that should be clear.

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

Mr. MAGNUSON. I yield.

Mr. LAUSCHE. Does the Senator recognize that Mr. Gulick dealt with that subject, and said that that argument was not sound? I know he did.

Mr. MAGNUSON. That it went to the ship operator instead of the owner?

Mr. LAUSCHE. Mr. Gulick said it went to the shipbuilder and not to the shipowner.

Mr. MAGNUSON. That is correct.

Mr. LAUSCHE. Mr. Gulick said the net result was the same. The shipowner got a ship which would cost $6 million for $3 million, so it made no difference whether the subsidy went to him or went to the shipbuilding company.

Mr. MAGNUSON. That is an argument. The shipowner has to take the ship which the Maritime Administration says he has to take. The ship must have a certain speed, and certain other features. That is what involves the cost. So the shipowner takes the ship. In some cases technically, I suppose, he gets a better ship. But if he were to build the ship himself, free and clear, and if he could do so, he might not build that type of ship but might build one which was more economical.

One of the difficulties with respect to our passenger ships is that the Maritime Administration has required a great deal to be added, which makes them uneconomical to run, so that the owner never would have built all those things into the ship in the first place.

The problem rests in the fact that a ship might cost $10 million to build, and might involve a 50-percent construction subsidy or might not. It might be 42 percent. It might be 44 percent, or it might be 48 percent. As to recently built ships, it has been 51 percent, or even 52 percent.

If we assume the ship cost $10 million, the same ship could be built in a foreign yard for one-half the cost. Therefore, on the world market, it would be worth only $5 million—or perhaps more, or less, according to whether the market on hulls was tight or not. But the ship could be replaced for $5 million.

Once the ship is delivered to the operator, he must take it. Of course, under no circumstances would he be given insurance over and above what he put into the ship himself. What the Government put in would not be involved. That would naturally be deducted.

If the Senator from Delaware will listen for a moment, I have a suggestion to make. The Senator from Montana [Mr. MANSFIELD] is in the Chamber, and so is the Senator from Illinois [Mr. DIRKSEN].

At the outset I said to the Senate that this was a matter involving the Subcommittee on Merchant Marine and Fisheries. Hearings were held at some length. Many witnesses were heard.

The chairman of the committee was holding hearings on the railroad strike at that time. The committee was quite busy.

The Senator from Alaska [Mr. BARTLETT] of course is anxious to explain why he and the subcommittee favor the bill.

There have been some implications which I think should not be left in the record—that this is some sort of a bill that is going to give a shipowner something.

In the first place, the law would not take effect unless a war broke out.

Second, I hope it will never take effect.

The VICE PRESIDENT. The 5 minutes the Senator yielded have expired.

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

The VICE PRESIDENT. The Senator from Washington is recognized for an additional 5 minutes.

Mr. MAGNUSON. In the third place, we are trying to allow a subsidized operator to have adequate war risk insurance. This is in our national interest. We will wish to replace the ships if something happens to them, as we did in World War II.

There has been an implication that there is something else involved in this program. I should like to have it fully discussed in the Senate, as it was in the committee. I could say many things today about the implications, because I would have to say them to protect against any such feeling that might be held.

The Senator from Alaska and other members of the subcommittee, who worked long and hard on this bill, think it is fair and right.

There has been some implication as to some taxpayer who asked that the bill be introduced. The merchant marine industry is a large industry. It is a multibillion dollar industry. Naturally,

this industry, like all other industries, suggests legislation.

Mr. DIRKSEN. What is the Senator about to suggest?

Mr. MAGNUSON. I wish to have the RECORD clear as to why I am going to make the suggestion, if the Senator will bear with me for a minute.

Because of the implications, I should like to have this subject discussed a bit further. I thought perhaps we might be able to put the bill over until some appropriate day next week, so that the Senator from Alaska and other members of the subcommittee might have an opportunity to discuss it.

Mr. DIRKSEN. Why not send the bill back to the committee?

Mr. MAGNUSON. To send it back to the committee would serve no purpose. The subcommittee would unanimously report it again. It is only a technical point.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield.

Mr. SALTONSTALL. The Senator said that he was very much engrossed with the railroad problem and other problems.

Mr. MAGNUSON. Yes.

Mr. SALTONSTALL. As one who has always supported merchant shipping, I personally would hope the Senator would be willing to send the bill back to the committee and to discuss it further.

I have a high regard for the Senator from Alaska and what he has done for the merchant marine, and I have supported the Senator from Alaska in the past. I believe the other bill which is on the calendar ought to be passed.

Mr. MAGNUSON. Yes. There is no problem on the other bill.

Mr. SALTONSTALL. I hope that the chairman of the committee, who is always considerate of merchant marine affairs and very well informed on them, will allow himself an opportunity to discuss the bill in the full committee, and perhaps to report the bill again without prejudice. The bill could be returned to the committee at this time, since there is a very distinct difference of opinion.

Mr. MAGNUSON. I should like to have the privilege of discussing this with the members of the subcommittee, and especially the Senator from Alaska, rather than sending the bill back to the committee. I believe they would resist that proposal. They have worked hard and long, and they believe that it is a good bill. I believe they would want an opportunity to present all the facts.

The majority leader has suggested to me privately that I ask unanimous consent to temporarily lay the bill aside, to postpone it indefinitely, so that in the future the Senator from Alaska can be present for its consideration.

Mr. DIRKSEN. With the understanding that there will be adequate notice for the benefit of Senators interested in the bill.

Mr. WILLIAMS of Delaware. Mr. President, I have no objection to carrying out that desire. I hope it will never be brought up again.

Mr. MAGNUSON. Mr. President, I assure the Senator that, if the committee feels as we do about it, it will be brought up again, and there will be all the rollcalls on it that are necessary.

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

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Mr. President, if this proposal could be agreed to, I think the Senator from Alaska would have adequate notice of what he could anticipate, without question, when the pending business was again brought up. In view of the circumstances that have developed at this time, primarily because of the fact that the Senator from Alaska is absent on official business, I think it would be well if this measure could be returned to the calendar, and postponed indefinitely, with no date certain for bringing it up again, with the assurance that when and if it is brought up again adequate notice will be given to all concerned.

Mr. MAGNUSON. I must say there is no real rush for the bill, because it would be effective only if a war occurred. I must agree with the Senator from Delaware in the hope that the use of the bill will never occur, but I do not agree there is no need to have the bill passed.

The Senator from Alaska unexpectedly was asked by the chairman, the State Department, and others, to go to Tokyo on last Tuesday night in connection with the very important Japanese-North Pacific fish treaties. That conference was concluded as of today, which is Tuesday in Tokyo. The Senator from Alaska is on his way back. I want the RECORD to be clear as to why he is not here.

Mr. MANSFIELD. Mr. President, if the Senator will yield, I ask—and I put it in the form of a unanimous-consent request—that S. 927, Calendar No. 502, the pending business, be indefinitely postponed——

The VICE PRESIDENT. Does the Senator from Montana mean to include that in his request——

Mr. MANSFIELD. And returned to the calendar.

The VICE PRESIDENT. The Parliamentarian informs the Chair that that has the effect of killing the bill.

Mr. MANSFIELD. How about a unanimous-consent request that it be returned to the calendar?

The VICE PRESIDENT. That can be done. It would vitiate the unanimous-consent agreement that is now in effect. Perhaps the Senator wants to have the bill put on the calendar with the understanding that when it is taken up, the unanimous-consent agreement now in effect will apply.

Mr. MANSFIELD. No. It will be taken up from scratch.

The VICE PRESIDENT. Is there objection to the request that the bill be returned to the calendar? The Chair hears none, and it is so ordered.

ADJUSTMENT OF SUBSIDY REFUND BASE FOR DOMESTIC OPERATIONS OF CERTAIN OLDER SUBSIDIZED VESSELS

The VICE PRESIDENT. Under the unanimous-consent agreement, the Senate will now proceed to the consideration of Senate bill 1172.

The Senate proceeded to the consideration of the bill (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, which had been reported from the Committee on Commerce, with an amendment, on page 2, after line 7, to strike out:

SEC. 2. Section 506 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1156), is hereby further amended so as to add the following sentence after the first sentence thereof: "Such annual payments shall terminate at the end of the vessel's useful life for depreciation purposes as provided in section 607 of the Merchant Marine Act, 1936. Any contract between the owner and the United States which was entered into prior to the date of enactment of this Act and which would be affected if the provisions of the amendment made by this Act were applicable thereto, may, at the request of the owner be revised to be in accordance with the law as amended by this Act, with respect to such of the vessels covered thereby as may be designated by the applicant."

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 8(c) of Public Law 86–518 is amended by adding the following to the end thereof: "Provisions in such contracts affecting vessels covered by this Act providing for refund of construction-differential subsidy for domestic operations under section 506 of the Merchant Marine Act, 1936, and costs of national defense features for commercial use shall be amended so that for such refund payments made for the period after December 31, 1959, the base upon which such refund payments are computed annually thereafter shall be the undepreciated amount of subsidy or the national defense feature, as the case may be, as at December 31, 1959, divided by the years of life of the vessels as provided under this Act, remaining after December 31, 1959."

Mr. MAGNUSON. Mr. President, if the next bill (S. 1172), is not now before the Senate, I will move its consideration.

The VICE PRESIDENT. The bill is before the Senate under the unanimous-consent agreement.

Mr. MAGNUSON. It is on the calendar?

The VICE PRESIDENT. It is before the Senate.

Mr. MAGNUSON. There is the same agreement on that bill.

The VICE PRESIDENT. Does the Senator want it to go back on the calendar, or does the Senator want to have S. 1172 considered now?

Mr. MAGNUSON. We want to have it considered.

The VICE PRESIDENT. It is before the Senate.

Mr. MAGNUSON. The chairman of the committee will give a brief explanation of the bill. S. 1172 relates to section 506 of the Merchant Marine Act of 1936. Section 506 of the Merchant Marine Act, 1936, provides that when a vessel, operating under subsidy, temporarily operates in the domestic trade, the owner

must pay back to the Government a percentage of the construction subsidy chargeable to that year, which now is one-twenty-fifth of the total subsidy.

It is based on a 25-year life for a ship.

Likewise, if such a vessel utilizes the higher rate of speed, or makes use of a heavy lift boom, built into the ship as a cost of national defense, the owner must pay back to the Government a percentage of the original cost of such installation.

The method of computation of such payment is rather complex, and this complexity was further compounded when Public Law 86–518 was enacted, effective January 1, 1960, to extend the lives of vessels delivered on or after January 1, 1946, from 20 to 25 years. Suffice it to say that some ship operators have been required, during the period from January 1, 1960, to the present time, to pay back to the Government for domestic operation, or for use of national defense features, a greater percentage of their construction subsidy or national defense costs than is equitable considering the additional 5 years during which such repayment will be required.

The subcommittee has obtained from the Maritime Administrator a statement as to what adjustments would be required if S. 1172 is enacted, and the resultant credits to the shipowners. The Administrator had testified at the hearing on the bill—as shown in pages 2 and 3 of the committee report—that, in his opinion, the bill provides the correct way of computing the construction subsidy recapture, and the recapture of national defense costs, for the period after December 31, 1959, with respect to vessels whose lines were extended under Public Law 86–518.

Let me say further that the report language on page 3 as to the elimination of section 2 of the bill has reference to the fact that the committee understands that the formula prescribed in section 1 of the bill would by its application complete the statutory life cycle of the vessel and there would be no more refunds of construction subsidy for domestic operation after that cycle is completed.

Reference was made in the committee report to costs of the bill. This, too, needs some explanation. Actually the amounts at issue represent credits to the operators for overpayments they had made to the Government since January 1, 1960, for operation in domestic trade, and/or for use of the higher speed or heavier booms which had been built into the operators' vessels at Government insistence, and cost, as insurance against possible wartime needs.

Each payment made by the operators for use of these emergency features is a gain, not a cost, to the Government, which thereby recoups some part of the moneys paid for installation of these facilities in the operators' vessels.

I ask unanimous consent to have printed at this point in the RECORD a letter from the Department of Commerce, dated September 18, 1963, with an enclosure.

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

U.S. DEPARTMENT OF COMMERCE,
MARITIME ADMINISTRATION,
Washington, D.C., September 18, 1963.

Hon. E. L. BARTLETT,
Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR SENATOR BARTLETT: This is in response to your oral request for an estimate of the amount that will be refunded to vessel operators if S. 1172, as reported by your committee, is enacted, and for the names of the companies involved.

Public Law 86–518, effective January 1, 1960, extended the lives of vessels (except liquid bulk carriers) that were delivered by the shipbuilder on or after January 1, 1946, from 20 years to 25 years. The amendment Public Law 86–518 made to section 506 of the act (which section provided for annual repayment to the Government for use of construction subsidy vessels in domestic trade on the basis of one-twentieth of the construction subsidy) was to strike out "one-twentieth" and insert "one twenty-fifth" in lieu thereof. As we explained in our testimony on S. 1172, this exposed the operators to repayment on the basis of more than the whole amount of construction-differential subsidy paid by the Government. The contracts of all operators were amended to provide for repayment for use of construction subsidy vessels in domestic trade as provided by Public Law 86–518. S. 1172, as reported, would amend Public Law 86–518 so as to provide for such repayment on the basis of only the whole amount of construction subsidy paid for construction of the vessels, and this would require recomputation of amounts due for the period after January 1, 1960. The amounts by which S. 1172 would reduce obligations to pay under section 506 for the period January 1, 1960, to the present time would not be recouped by the Government in later years because the reduction would be caused by elimination of the excess basis of computation.

We have information as to the amount of obligations operators of construction subsidy ships incurred during 1960 and 1961 for operation of their vessels in domestic trade, and all of these amounts have been collected. Attached is an exhibit which gives this information by company and which shows the reduction in these amounts that S. 1172 would cause. We do not have such figures as yet for the years 1962 and 1963 and no collections have as yet been made for these years. Assuming, however, that construction subsidy vessels operated in domestic trade to the same extent in 1962 and 1963 as they did in 1960 and 1961, and that all other factors remained the same, enactment of S. 1172 would not cause any refunds to be made because the amount that has thus far been collected ($589,331.54) is less than the amount that would be due for this period if S. 1172 is enacted ($829,000). Enactment of S. 1172, however, would reduce the amount that would ultimately be collected for this period by about $75,000 per year, and this amount would not be recouped in later years because the reduction would be caused by eliminating the excess basis of computation.

The provisions of contracts which provide for repayment annually to the Government of part of the cost of national defense features, if such features are used commercially by the operator, could also, after enactment of Public Law 86–518, at the operator's option, be amended so as to place such repayment on a 25-year basis instead of a 20-year basis. Two operators are involved, Pacific Far East Lines, Inc., and American President Lines, Ltd.

Pacific Far East Lines, Inc., elected to have its contract amended with respect to repayment for use of national defense features after enactment of Public Law 86–518, but American President Lines, Ltd., elected not to do so.

The amendment that was made to Pacific Far East Lines' contract to place it on a 25-year basis with respect to annual repayments for use of national defense features was similar to the amendments made with respect to section 506, and it therefore provided more than the cost of the national defense features as a basis for computation of the annual repayments. S. 1172 would amend Public Law 86–518 so as to provide for such repayment on the basis of only the whole amount of the cost of the national defense features.

On the basis of the existing provisions of their contract, Pacific Far East Lines incurred estimated obligations for repayment for use of national defense features from January 1, 1960, to September 30, 1963, in the amount of $142,860.16. Of this amount, $99,858.29 has been collected. If S. 1172 is enacted, the estimated obligations of the company for use of national defense features for the foregoing period would be reduced to $135,018.39. Since the amount that has been collected ($99,858.29), is less than $135,018.39, no refund would be owing to the company if S. 1172 is enacted, but the Government would ultimately collect $7,814.77 less for this period than it would collect under the existing provisions of the contract. The Government would not recoup this $7,841.77 in later years, because this reduction would be caused by elimination of the excess basis of computation.

American President Lines, Ltd., did not exercise its option to have the basis of computation for repayment for use of national defense features on its ships changed from 20 to 25 years. Its obligations for this purpose for the period from January 1, 1960, to the present time, under its contract, are computed on the basis of a 20-year life. Our understanding, however, is that S. 1172 is intended to give them the option of having their contract amended to provide for computation of such repayments for the period after January 1, 1960, on the basis of 25 years, taking into consideration only the whole cost of the national defense features.

On the basis of the existing provisions of their contract, American President Lines incurred estimated obligations for use of national defense features for the period from January 1, 1960, to September 30, 1963, in the amount of $243,432.15. Of this amount, $114,975.45 has been collected. If S. 1172 is enacted and American President Lines elects to have their contract amended to place it on a 25-year basis, their estimated obligations for this period would be $182,574.00. Since this amount ($182,574.00) is more than they have paid ($114,975.45), no refund would be due American President Lines for this period if S. 1172 is enacted, but the Government would ultimately collect for this period (January 1, 1960, to September 30, 1963) $60,858.15 less than it would collect under the existing provisions of the contract. However, if the national defense features are continued to be used to the same extent as they have been during the 1960–63 period, the $60,858.15 would be recouped over the vessel's remaining years of a useful life of 25 years. Accordingly, it may not be concluded that the $60,858.15 would represent a loss to the Government as a result of the enactment of S. 1172.

We estimate that if S. 1172 is enacted, the Government would ultimately collect about $94,000 per year less for the period from January 1, 1960, to September 30, 1963, than would be collected under provisions of existing law. This estimate includes amounts

with regard to American President Lines that would be recouped in future years.

We hope this information will be of assistance to you.

Sincerely yours,

J. W. GULICK,
Acting Maritime Administrator.

Amounts due and collected under existing law for the years 1960 and 1961 for the use of construction subsidy ships in domestic trade, and amounts by which the foregoing would be reduced if S. 1172 is enacted

1960

Company	Amounts due and collected	Reduction that would be caused by S. 1172
States Steamship Co	$54,825.52	$13,980.51
Oceanic Steamship Co	38,513.51	9,820.95
Pacific Far East Lines	14,665.81	3,739.78
United States Lines	137,696.83	35,112.68
American President Lines	53,561.49	13,658.18
Total	299,263.16	76,312.10

1961

States Steamship Co	$86,273.48	$21,999.74
Oceanic Steamship Co	38,543.89	9,828.69
United States Lines	136,371.46	34,774.72
American President Lines	28,879.55	7,364.29
Total	290,068.38	73,967.44

Mr. MANSFIELD. Mr. President, will the Senator yield me 3 minutes?

Mr. MAGNUSON. I yield 3 minutes to the Senator from Montana.

HARRY McPHERSON

Mr. MANSFIELD. Mr. President, last week Harry McPherson left his position as general counsel of the Democratic policy committee to become Deputy Under Secretary of the Army for International Affairs. Harry, as he was known to most of us, had been an employee of the Senate for almost 8 years and had been counsel of the committee since 1961. The Army's gain is our distinct loss. Harry's cheerful and helpful manner made him many friends. His knowledge of the Senate rules, Senate procedure, and Senate tradition were of invaluable help to all who asked him for it. His comprehension of complex legislation was of inestimable assistance to the Democratic policy committee members, and to others who sought his counsel. His loyalty, his integrity, his devotion to the traditions of the Democratic Party, and for that matter to the traditions of the Senate as a whole, were, however, his greatest qualities. I know that I am joined by many of my colleagues in wishing this capable and likeable young man well.

I personally will miss him very much, because his work for the Senate has been outstanding.

Mr. KEATING. Mr. President, as a member of the minority I would like to join the distinguished majority leader. Harry McPherson has always been cooperative and helpful to those of us on our side of the aisle. Time and again he has shown his interest in the country rather than strictly in one political party. Although a loyal Democrat, he is a person whom we all respect. Republicans as well as Democrats have enjoyed our association with him and I wish him the very best in his new assignment.

Mr. MANSFIELD. I appreciate the Senator's remarks, because I look upon the loss of Harry McPherson's services as a personal loss.

Mr. BIBLE. Mr. President, I, too, would like to express my regret on Harry McPherson's leaving the Senate staff for other fields. I first became associated with him when I became a member of the Calendar Committee on coming to the Senate.

He has outstanding legal ability, and he has always been helpful in working with me and in solving many of the problems that confronted the calendar committee. He has been equally helpful in other respects. His outstanding ability portends well for his future.

Mr. HUMPHREY. Mr. President, I, too, associate myself, with what the distinguished majority leader, the Senator from New York, and the Senator from Nevada have said in commenting on the services of Harry McPherson in the Senate. We shall miss him. He possesses a keen mind and a balance of judgment which are so vital in the legislative process.

The work that Harry McPherson performed was the work of a truly gifted and talented young man, dedicated to the public service. The Army has gained a wonderful public servant, a man who will be an outstanding administrator. I am particularly pleased that he is moving into the area of international relations with the Army, because of his broad knowledge of the world in which we live and his sense of good judgment and understanding of the critical problems affecting all of us.

I join my colleagues in wishing him well and expressing regret at his departure.

ADJUSTMENT OF SUBSIDY REFUND BASE FOR DOMESTIC OPERATION OF CERTAIN OLDER SUBSIDIZED VESSELS

The Senate resumed the consideration of the bill (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.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The VICE PRESIDENT. Without objection, all remaining time is yielded back. If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

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

Mr. MAGNUSON. 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 motion to lay on the table was agreed to.

VOCATIONAL EDUCATION OPPORTUNITIES

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which is H.R. 4955.

The Senate resumed the consideration of the bill (H.R. 4955) to strengthen and improve the quality of vocational education and to expand the vocational education opportunities in the Nation.

Mr. MANSFIELD. Mr. President, despite the fact that the hour of 1 o'clock has not arrived, am I to understand that H.R. 4955 is now the pending business?

The VICE PRESIDENT. There has been no morning hour today, and the bill normally comes before the Senate.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REPORT OF A COMMITTEE SUBMITTED DURING RECESS—INDIVIDUAL VIEWS

Pursuant to the order of the Senate of October 3, 1963,

Mr. MUSKIE, from the Committee on Public Works, reported favorably, with amendments, on October 4, 1963, 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, and submitted a report (No. 556) thereon, together with the individual views of the Senator from Kentucky [Mr. COOPER], which was printed.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

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

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the

House had agreed to the amendment of the Senate to the bill (H.R. 3369) for the relief of Mrs. Elizabeth G. Mason.

ENROLLED BILLS SIGNED

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

H.R. 772. An act to provide for the transfer for urban renewal purposes of land purchased for a low-rent housing project in the city of Detroit, Mich.;

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. 1696. An act defining the interest of local public agencies in water reservoirs constructed by the Government which have been financed partially by such agencies;

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. 2485. An act to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to make regulations to prevent and control the spread of communicable and preventable diseases," approved August 11, 1929, as amended;

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. 3369. An act for the relief of Mrs. Elizabeth G. Mason;

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. 4842. An act to amend the Federal Credit Union Act to extend the time of annual meetings and for other purposes;

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. 6246. An act relating to the deductibility of accrued vacation pay;

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.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON MILITARY CONSTRUCTION, AIR FORCE RESERVE

A letter from the Deputy Assistant Secretary of Defense (Properties and Installations), transmitting, pursuant to law, a report on military construction, Air Force Reserve, for fiscal year 1963 (with an accompanying report); to the Committee on Armed Services.

REPORT ON FEDERAL CONTRIBUTIONS PROGRAM

A letter from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report on the Federal contributions program—equipment and facilities, for the quarter ended June 30, 1963 (with an accompanying report); to the Committee on Armed Services.

REPORT ON FEDERAL CONTRIBUTIONS—PERSONNEL AND ADMINISTRATION

A letter from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report on Federal contributions—personnel and administration, for the fiscal year ended June 30, 1963 (with an accompanying report); to the Committee on Armed Services.

REPORT ON STOCKPILING PROGRAM

A letter from the Director, Office of Emergency Planning, Executive Office of the President, transmitting, pursuant to law, a report on the stockpiling program, for the 6-month period ended June 30, 1963 (with an accompanying report); to the Committee on Armed Services.

CHANGE OF REQUIREMENTS FOR ANNUAL MEETING DATE FOR NATIONAL BANKS

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to change the requirements for the annual meeting date for national banks (with accompanying papers); to the Committee on Banking and Currency.

REPORT ON PRACTICE OF MAKING AVAILABLE FOR EXPENDITURE CERTAIN FUNDS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the practice of making available for expenditure in the current fiscal year uncommitted grants of funds arising from prior fiscal year appropriations, Bureau of Employment Security, Department of Labor, dated September 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON INADEQUATE CONTROLS FOR DETERMINING COMPLIANCE BY FOREIGN GOVERNMENTS WITH RESTRICTIONS PLACED ON DISPOSITION OF AGRICULTURAL COMMODITIES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on inadequate controls for determining compliance by foreign governments with restrictions placed on the disposition of agricultural commodities made available under title I, Agricultural Trade Development and Assistance Act of 1954 (commonly known as Public Law 480), Department of Agriculture, June 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON OVERSTATEMENT OF NEEDS AND ILLEGAL USE OF COMMERCIAL-TYPE VEHICLES BY THE KANTO BASE COMMAND, JAPAN, 6100TH SUPPORT WING, DEPARTMENT OF THE AIR FORCE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the overstatement of needs and illegal use of commercial-type vehicles by the Kanto Base Command, Japan, 6100th Support Wing, Department of the Air Force, dated September 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON PAYMENTS TO CERTAIN NAVAL RESERVE OFFICERS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on payments to Naval Reserve officers on annual active duty training for unnecessary days of travel and for days in which no training or travel is performed, Department of the Navy, dated September 1963 (with an accompanying report); to the Committee on Government Operations.

TERENCE J. O'DONNELL, THOMAS P. WILCOX, AND CLIFFORD M. SPRINGBERG

A letter from the Administrator, Federal Aviation Agency, Washington, D.C., transmitting a draft of proposed legislation for the relief of Terence J. O'Donnell, Thomas P. Wilcox, and Clifford Mr. Springberg (with accompanying papers); to the Committee on the Judiciary.

JOHN T. COX

A letter from the Administrator, Federal Aviation Agency, Washington, D.C., transmitting a draft of proposed legislation for the relief of John T. Cox (with an accompanying paper); to the Committee on the Judiciary.

HIGHER EDUCATION FACILITIES ACT OF 1963—REPORT OF A COMMITTEE—INDIVIDUAL AND MINORITY VIEWS (S. REPT. NO. 557)

Mr. MORSE. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (H.R. 6143) to authorize assistance to public and other nonprofit institutions of higher education in financing the construction, rehabilitation, or improvement of needed academic and related facilities in undergraduate and graduate institutions, and I submit a report thereon, together with the individual views of the Senator from Vermont [Mr. PROUTY], and the minority views of the Senator from Arizona [Mr. GOLDWATER], and the Senator from Texas [Mr. TOWER].

I ask unanimous consent that the report be printed, together with the individual and minority views.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Oregon.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON "ORGANIZED CRIME AND ILLICIT TRAFFIC IN NARCOTICS"—REPORT OF A COMMITTEE

Mr. McCLELLAN, from the Committee on Government Operations, reported an original concurrent resolution (S. Con. Res. 61); which was referred to the Committee on Rules and Administration, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on Government Operations not to exceed 4,000 additional copies of all parts of the hearings held by its Permanent Investigating Subcommittee during the current session on Organized Crime and Illicit Traffic in Narcotics.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to

the Senate by the Acting Archivist of the United States, dated September 26, 1963, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

EXECUTIVE REPORTS OF COMMITTEE ON FOREIGN RELATIONS

As in executive session,

The following favorable executive reports of the Committee on Foreign Relations were submitted:

Executive D, 88th Congress, 1st session. A Protocol dated at Rome September 15, 1962, to amend the Convention on International Civil Aviation, done at Chicago on December 7, 1944 (Exec. Rept. No. 4);

Executive E, 87th Congress, 2d session. A Convention on Extradition between the United States of America and Sweden, together with a related protocol, signed at Washington on October 24, 1961 (Exec. Rept. No. 5);

Executive F, 87th Congress, 2d session. An Additional Protocol to the Treaty of Extradition of January 13, 1961, between the United States of America and the United States of Brazil, which Additional Protocol was signed at Rio De Janeiro on June 18, 1962 (Exec. Rept. No. 5); and

Executive E, 88th Congress, 1st session. A Convention on Extradition between the Government of the United States of America and the Government of the State of Israel, signed at Washington, December 10, 1962 (Exec. Rept. No. 5).

BILLS INTRODUCED

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

By Mr. GOLDWATER (for himself and Mr. HAYDEN) (by request):

S. 2210. A bill to authorize the exchange of lands within the Salt River Pima-Maricopa Indian Reservation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ELLENDER (by request):

S. 2211. A bill to authorize the Secretary of the Interior to accept the transfer of certain national forest lands in Cocke County, Tenn., for purposes of the Foothills Parkway, and for other purposes; and

S. 2212. A bill to amend the U.S. Warehouse Act, as amended; to the Committee on Agriculture and Forestry.

By Mr. FULBRIGHT (by request):

S. 2213. A bill to provide certain basic authority for the U.S. Information Agency; and

S. 2214. A bill to amend the International Development Association Act to authorize the United States to participate in an increase in the resources of the International Development Association; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bills, which appear under separate headings.)

By Mr. INOUYE:

S. 2215. A bill for the relief of certain individuals employed by the Department of the Air Force at Hickam Air Force Base, Hawaii; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 2216. A bill for the relief of See Fong Szeto; to the Committee on the Judiciary.

By Mr. AIKEN:

S. 2217. A bill to authorize and direct the Secretary of Commerce to suspend the provisions of section 27 of the Merchant Marine Act, 1920, with respect to the transportation of grain when U.S. carriers are not reasonably available; to the Committee on Commerce.

By Mr. WALTERS:

S. 2218. A bill to authorize the Secretary of the Interior to accept the transfer of certain national forest lands in Cocke County, Tenn., for purposes of the Foothills Parkway, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. PROXMIRE:

S. 2219. A bill for the relief of Helen Marghitsa Georgalas; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON "ORGANIZED CRIME AND ILLICIT TRAFFIC IN NARCOTICS"

Mr. McCLELLAN, from the Committee on Government Operations, reported an original concurrent resolution (S. Con. Res. 61) authorizing the printing of additional copies of hearings on "Organized Crime and Illicit Traffic in Narcotics" of the Senate Permanent Subcommittee on Investigations of the Committee on Government Operations, which was referred to the Committee on Rules and Administration.

(See the above concurrent resolution printed in full when reported by Mr. McCLELLAN, which appears under the heading "Reports of Committees.")

TO PROVIDE CERTAIN BASIC AUTHORITY FOR THE U.S. INFORMATION AGENCY

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to provide certain basic authority for the U.S. Information Agency.

The proposed legislation has been requested by the Director of the U.S. Information Agency and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill along with a letter from the Director of the U.S. Information Agency, dated September 17, 1963, and also an explanation of the draft legislation be printed in the RECORD at this point.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill, letter, and explanation will be printed in the RECORD.

The bill (S. 2213) to provide certain basic authority for the U.S. Information Agency, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Director of the United States Information Agency (hereinafter referred to as the "Director" and the "Agency", respectively) may—

(a) employ, without regard to the civil service and classification laws, aliens abroad for services in the United States relating to the translation or narration of colloquial speech in foreign languages when suitably qualified United States citizens are not available (such aliens to be investigated for such employment in accordance with procedures established by the Secretary of State and the Attorney General). Such persons may be admitted to the United States, if otherwise qualified, as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)) for such time and under such conditions and procedures as may be established by the Secretary of State and the Attorney General;

(b) pay travel expenses of aliens employed abroad for service in the United States and their dependents to and from the United States;

(c) incur expenses for entertainment within the United States within such amounts as may be provided for in appropriation Acts;

(d) obtain insurance on official motor vehicles operated by the Agency in foreign countries, and pay the expenses incident thereto;

(e) pay claims to any persons, in amounts not to exceed $15,000 each in the manner authorized in section 2734, as amended, of title 10, of the United States Code when such claims arise in foreign countries, as though the Director were the Secretary of a military department and as though officers and emloyees of the Agency were commissioned officers and members of the Armed Forces;

(f) advance funds within the meaning of section 3648 of the Revised Statutes, as amended;

(g) employ aliens by contract for services abroad;

(h) provide ice and drinking water abroad;

(i) pay excise taxes on negotiable instruments abroad;

(j) pay the actual expense of preparing and transporting to their former homes the remains of persons, not United States Government employees, who may die away from their homes while participating in Agency activities;

(k) rent or lease, for periods of less than ten years, offices, buildings, grounds, and living quarters for persons engaged in Agency activities abroad;

(l) maintain, improve, and repair properties used for information activities in foreign countries;

(m) furnish fuel, water and utilities for Government-owned or leased property abroad;

(n) pay travel expenses of employees attending official international conferences, without regard to the Standardized Government Travel Regulations and to the rates of per diem allowances in lieu of subsistence expenses under the Travel Expense Act of 1949, as amended (5 U.S.C. 835–842), but at rates not in excess of comparable allowances approved for such conferences by the Secretary of State.

SEC. 2. Appropriated funds made available to the Agency for any fiscal year for expenses in connection with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel shall be available for all such expenses in connection with travel or transportation which begins in that fiscal year pursuant to travel orders issued in that year, notwithstanding the fact that such travel or transportation may not be completed until the following fiscal year.

SEC. 3. In any contracts for the use of international radio stations and facilities, the Director may, notwithstanding the provisions of section 3679 of the Revised Statutes,

as amended (31 U.S.C. 665), include agreement on behalf of the United States to indemnify the owners and operators of said radio stations and facilities from such funds as may be thereafter appropriated for the purpose against loss or damage on account of injury to persons or property arising from such use of said radio stations and facilities.

SEC. 4. The Director may appoint or assign Foreign Service Reserve Officers for service with the Agency for such periods as he may determine, without regard to the provisions of section 522 of the Act of August 13, 1946, as amended (22 U.S.C. 922).

SEC. 5. Appropriations are hereby authorized for the purposes of this Act and such appropriations may be made without fiscal year limitation.

The letter and explanation presented by Mr. FULBRIGHT are as follows:

U.S. INFORMATION AGENCY,
September 17, 1963.

HON. LYNDON B. JOHNSON,
Vice President of the United States.

DEAR MR. VICE PRESIDENT: I have the honor to transmit to the Senate for its consideration a draft of a proposed bill "to provide certain basic authority for the U.S. Information Agency," and an explanation thereof. The draft bill has also been submitted to the House of Representatives.

The proposed draft legislation is, in effect, a "point of order bill" to provide basic authority to support items traditionally included in annual Agency appropriations. In general, the proposals are identical with the language regularly included in such appropriation acts and do not enlarge the authority of the Agency.

Certain provisions of the proposed legislation, however, do result in changes in the Agency's statutory authority. These provisions are:

1. Section 1(e) authorizing payment of meritorious claims against the Agency arising abroad not in excess of $15,000.

2. Section 1(k) authorizes the Agency to lease property abroad for periods of less than 10 years and permits lease of living quarters for persons engaged in Agency activities abroad who are not employees of the Agency.

3. Section 5 authorizing the Director to appoint Foreign Service Reserve officers for indefinite periods without regard to statutory limitations on tenure contained in the Foreign Service Act of 1946, as amended.

Enactment of the above proposals would conform the Agency's basic authority to its annual appropriation language and would provide additional authority to meet administrative requirements.

The Bureau of the Budget advises that it has no objection to the submission of the proposed legislation from the standpoint of the administration's program.

Sincerely,

EDWARD R. MURROW,
Director.

EXPLANATION OF PROPOSED LEGISLATION

BACKGROUND

Annual appropriations acts of the Agency have, each year since 1953, included items which were not authorized in substantive legislation and which were, in effect, general legislation for the ensuing fiscal year. Both the Standing Rules of the Senate and the Rules of the House of Representatives make such substantive legislation in an appropriation act subject to a point of order (Rule XVI-2 of the Standing Rules of the Senate and Rule XXI-2 of the Rules of the House of Representatives).

Therefore, the proposed legislation is, for the most part, a codification in basic legislation of authority to support items traditionally included in annual Agency appropriations. In general, the proposals are identical with the language regularly included in such appropriation acts and do not enlarge the authority of the Agency.

Certain provisions of the proposed legislation, however, do result in changes in the Agency's statutory authority. These provisions, discussed more fully below, are:

1. Section 1(e) authorizes payment of meritorious claims against the Agency arising abroad not in excess of $15,000;

2. Section 1(k) authorizes Agency leases abroad for periods not in excess of 10 years and the leasing of living quarters for persons engaged in Agency activities abroad who are not employees of the Agency;

3. Section 4 authorizes the Director to appoint Foreign Service Reserve officers for indefinite periods without regard to statutory limitations on tenure contained in the Foreign Service Act of 1946, as amended.

In addition to the above legislative changes, the Agency anticipates that future appropriation acts will not include the following language which heretofore has appeared in such acts:

"Radio activities and acquisition and production of motion pictures and visual materials and purchase or rental of technical equipment and facilities therefor, narration, script writing, translation, and engineering services, by contract or otherwise; maintenance, improvement, and repair of properties used for information activities in foreign countries."

This language recites in specific terms certain broad authorities which are included in the more comprehensive provisions of the Agency's basic statutes such as the United States Information and Educational Exchange Act of 1948, as amended, the Mutual Educational and Cultural Exchange Act of 1961, and other provisions of law available to it. We believe that the deletion of the above-quoted language will in no way result in a diminution of Agency legal authority and that all activities heretofore carried on under the quoted provision can be carried on under the more general provisions of the Agency's basic statutes.

SECTION-BY-SECTION ANALYSIS

Section 1(a): This subsection, described below, is similar to that included in Agency appropriation acts since the establishment of the Agency in 1953 and does not constitute any enlargement of existing Agency authority.

The language authorizes the Agency to employ aliens abroad for service as a narrator or translator. For example, it may not be possible to find in the United States announcers who have the proper accent or who are familiar with the up-to-date idiom of certain exotic languages or dialects. In such instances the Agency can recruit and employ qualified narrators and translators directly from abroad.

No new authority.

Section 1(b): This subsection is complementary to subsection 1(a) and simply authorizes the Agency to pay travel expenses of alien narrators and translators and their dependents employed abroad to and from the United States and their country of residence.

No new authority.

Section 1(c): Agency appropriation acts have regularly included authority similar to that proposed in subsection 1(c) for entertainment within the United States. Under the proposed language, expenditures for entertainment are authorized only when provided in an appropriation act.

No new authority.

Section 1(d): This subsection authorizes the Agency to secure liability insurance on official vehicles operated abroad. It is common practice for Embassy vehicles, both State Department and USIA, to carry liability insurance. In many foreign countries such insurance coverage is mandatory under local law.

No new authority.

Section 1(e): This subsection differs from tort claims settlement authority regularly included in Agency appropriation acts in that the proposed language authorizes settlement of meritorious claims.

It is an integral part of the Agency's function to promote and maintain friendly relations with peoples abroad. It is essential in such regard to be able to make prompt settlement of meritorious oversea claims, when the damage, injury, etc., is caused by activities of the Agency. Our past authority—in appropriation acts—has been limited to "payment of tort claims, in the manner authorized in the first paragraph of section 2672, as amended, of title 28 of the United States Code when such claims arise in foreign countries"; the cited section contains the administrative settlement authority of the domestic Tort Claims Act. Because of the inappropriate nature of the cited law, and because its application imposes on the Agency the unrealistic and virtually impossible requirement of claims settlement "in accordance with the laws of the place where the act or omission occurred," the proposed language would relate the Agency's foreign claims authority to the Military Foreign Claims Act (10 U.S.C. 2734) which was specifically drafted for use by the armed services in connection with noncombatant operations in foreign countries—its language begins, "To promote and maintain friendly relations through the prompt settlement of meritorious claims * * *." Also, the proposed authority would authorize the settlement of claims up to $15,000 as in the Military Claims Act.

Section 1(f): This subsection, which is similar to authority regularly contained in Agency appropriation acts, permits advance of funds to grantees, contractors and others engaged in activities which further the basic purposes of the Agency program.

No new authority.

Section 1(g): This subsection, which is similar to authority regularly contained in Agency appropriation acts, permits the Agency to contract with aliens abroad. The nature of the Agency's program involving such varied activities as exhibits, lectures, periodical distribution, etc., requires the use of local contractual services.

No new authority.

Section 1(h): The Comptroller General has ruled (3 Comp. Gen. 828), that in the absence of specific statutory authority, appropriated funds cannot be used to purchase ice or drinking water. Agency appropriation acts have regularly contained such authority.

No new authority.

Section 1(i): The Comptroller General has held (19 Comp. Gen. 625), that in the absence of specific statutory authority therefor, appropriated funds are not available for payment of excise taxes on checks drawn on U.S. Government deposits in foreign banks. Agency appropriation acts have regularly included such authority.

No new authority.

Section 1(j): Statutory authority exists for the transportation of remains of employees from abroad to the United States. The remains of persons serving abroad under grant or contract in Agency activities are not covered by existing statutory authority.

The proposed subsection is similar to authority regularly included in Agency appropriation acts to permit the transportation to the United States of remains of persons engaged in Agency activities abroad who are not U.S. Government employees.

No new authority.

Sections (k), (l), and (m): These subsections are similar to authority regularly included in Agency appropriation acts for rental and maintenance of office and residential quarters. At present, however, the language of the Appropriation Act author-

izes leases for a maximum of 5 years and does not specifically authorize leases of living quarters for persons engaged in Agency programs abroad who are not Government employees.

The proposed subsection (k) would enlarge Agency leasing authority for a maximum period of 10 years and would authorize the rental and maintenance of living quarters not only for Government employees as presently, but also for grantees and Agency contractor personnel engaged in Agency activities abroad.

It is believed that 10-year leases may result in lower rents for the longer period. Oftentimes landlords are interested in a fixed return over the longest period of time. Also, authority for 10-year leases places the Agency in the same position as the Department of State and AID who have such authority enabling the three agencies to standardize their leasing practices thus reducing the possibility of costly competition between them.

Subsection (k) would also authorize the Agency to provide housing for grantees and Agency contractor personnel engaged in Agency activities abroad. In Africa, for example, housing is available only on payment of several years' rent in advance, and in many cases only on extensive renovation of quarters. Employees of Agency contractors engaged in the English teaching program in Central Africa have been unable to secure, or could not afford to rent, living quarters directly. The proposed legislation would authorize the Agency to lease and maintain quarters on behalf of such persons engaged in Agency activities when circumstances require. In such cases no quarters allowance will be paid to individuals who are provided with Government quarters.

No new authority in section (l) and (m).

Section (n): This subsection is similar to authority included in recurring Agency appropriation acts. Under this authority, Agency personnel attending international conferences abroad can be paid travel expenses and per diem at the rates established by the Secretary of State for the particular conference without regard to the Standardized Government Travel Regulations.

No new authority.

Section 2: This section, which is repetitive of technical language in recurring Agency appropriation acts, permits the Agency to charge the appropriation for the fiscal year in which travel begins for all expenses of such travel even though not concluded until sometime in the succeeding fiscal year.

No new authority.

Section 3: This section is similar to language included each year in Agency appropriation acts. It permits the Agency to agree, in contracts for the use of international radio stations and facilities, to indemnify owners and operators of such radio stations and facilities against claims arising out of broadcasting operations. The words "short wave" are deleted from the proposed legislation since Agency broadcasts are not limited to short wave.

No new authority.

Section 4: This section departs from authority regularly included in Agency appropriation acts for appointments to the Foreign Service Reserve.

At present, the Agency is authorized to appoint persons to the Foreign Service Reserve and the Foreign Service Staff Corps—it is not authorized to make appointments to the Foreign Service Officer Corps which is the career officer category of the Foreign Service system. Pursuant to section 522 of the Foreign Service Act of 1946, as amended (22 U.S.C. 922) Foreign Service Reserve appointments are limited to two 5-year periods or a maximum tenure of 10 years. Accordingly, Agency appropriation acts have regularly included language authorizing the extension for an additional year of appointments which expire in the course of the fiscal year.

Under the proposed section, the Director of the Agency is authorized to appoint or reappoint Foreign Service Reserve officers without regard to the 10-year statutory limitation on tenure. This will relieve the Agency of the administrative burden of periodic reappointment actions.

Section 5: This section is a technical provision which authorizes Agency appropriations to be available until expended when the language of an appropriation specifically so provides.

ESTIMATE OF INCREASED ANNUAL COST

The increased annual cost of the proposed legislation is estimated at $5,000 resulting from anticipated payments of meritorious claims under section 1(e). No increased costs are expected to result from the enactment of any other sections of the proposed bill.

TO AMEND THE INTERNATIONAL DEVELOPMENT ASSOCIATION ACT TO AUTHORIZE THE UNITED STATES TO PARTICIPATE IN AN INCREASE IN THE RESOURCES OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to amend the International Development Association Act to authorize the United States to participate in an increase in the resources of the International Development Association.

The proposed legislation has been requested by the Secretary of the Treasury and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill, along with a letter from the Secretary of the Treasury, dated September 13, 1963, be printed in the RECORD at this point.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 2214) to amend the International Development Association Act to authorize the United States to participate in an increase in the resources of the International Development Association, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the International Development Association Act (22 U.S.C. 284e) is amended by redesignating subsections (b) and (c) as subsections (c) and (d) and by adding a new subsection (b) as follows:

"(b) The U.S. Governor is hereby authorized (1) to vote for an increase in the resources of the Association and (2) to agree on behalf of the United States to contribute to the Association the sum of $312 million, both as recommended by the Executive Directors, in a report dated September 9, 1963, to the Board of Governors of the Association. There is hereby authorized to be appropriated, without fiscal year limitation, $312 million to provide the United States share of the increase in the resources of the Association."

SEC. 2. Redesignated subsection (c) of section 7 of the International Development Association Act is amended by striking from the first sentence the words ", after paying the requisite part of the subscription of the United States in the Association required to be made under the articles," and by striking from the third sentence the words "of the subscription of the United States".

The letter presented by Mr. FULBRIGHT is as follows:

THE SECRETARY OF THE TREASURY,
Washington, September 13, 1963.

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

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill, "To amend the International Development Association Act to authorize the United States to participate in an increase in the resources of the International Development Association." The proposed legislation would (a) authorize the U.S. Governor of the International Development Association (IDA) to vote for a $750-million increase in the resources of IDA, (b) authorize the U.S. Governor on behalf of the United States to agree to pay to the association the United States' share of the increased resources and (c) authorize the appropriation of $312 million as the United States' share of the increased resources. The draft legislation would also delete certain language from the present IDA act in order to make it clear that noninterest bearing notes may be substituted for the amounts payable as part of our proposed participation in the increased resources until those amounts are called by the Association. The vote of the Board of Governors is to be completed by December 31, 1963, so that legislative authority for the U.S. Governor to vote would be required prior to that date unless extended by the Executive Directors of IDA.

Action by Congress is required now to assure the orderly replenishment of the resources of the International Development Association, an affiliate of the International Bank for Reconstruction and Development. At the annual meeting of the Association in September last year, its Board of Governors adopted a resolution requesting the Executive Directors to consider this problem. The Executive Directors have now submitted their report to the Board of Governors. Unless IDA can be assured of new resources in the near future it will have to cease making commitments. It is vital that the countries in a position to contribute to IDA act to sustain the momentum of this valuable institution. It is essential to the interest of the United States and the free world generally that we play our proper role in this action.

The National Advisory Council on International Monetary and Financial Problems has prepared a special report on this matter, and recommends U.S. participation in the proposed increase in resources. A copy of the Council's report is also enclosed. The report of the Council gives emphasis to three important aspects of the IDA proposal. First, IDA performs a uniquely valuable function by drawing a larger proportion of its funds for development from the other advanced countries than from the United States. It thus helps to assure that these other economically advanced nations of the free world share with the United States the financial burden of development. Second, IDA provides funds on terms which create very little burden on the balance of payments of a

developing country. Many developing nations can no longer prudently borrow on conventional terms all the external funds they require to supplement their domestic resources. IDA staff studies indicate that the external debt of the developing nations more than doubled during the period 1955–61. Financing on favorable terms is, therefore, essential if development is to proceed on a sound basis. Third, the present proposal is designed to permit IDA to continue to make commitments at a satisfactory rate in the immediate future. Although agreement to the present proposal is thus required now, no need for cash payments to IDA will exist until late 1965, after the present subscription payments have been completed, hence no appropriation of U.S. funds will be required until fiscal year 1966.

The International Development Association is now a tested institution. In its 3 years of operation it has established itself as an indispensable part of the multilateral institutional framework providing financing for the development of the less developed nations of the free world. In this relatively short span of time it has proven its worth and has gained the confidence of both the contributing and receiving countries.

The proposal put forth in the report of the Executive Directors for the replenishment of IDA's resources provides for an additional $750 million in IDA resources over a 3-year period, with actual payments commencing in late 1965. By being assured now that these funds would be available then, IDA can continue the pace of its soundly conceived lending activities. The need is for freely usable convertible currencies and this is the form in which the $750 million is to be provided by the part I members—those economically more advanced—as a group. This amount is about equal to the freely usable resources subscribed to IDA at its inception—but because IDA is now a going organization, it would be paid in over 3 rather than 5 years. This would mean new annual contributions aggregating $250 million a year from the part I members as a group, an increase of about two-thirds over the present annual rate.

Of the total increased resources proposed by the Executive Directors, the United States share would be $104 million per annum for 3 years, with actual payments commencing in fiscal year 1966. Thus, the United States would be subscribing 41.6 percent of the additional resources, and other countries the balance of 58.4 percent. The U.S. share represents some reduction from its 43 percent share in the initial resources provided by the part I membership countries. The Executive Directors' proposal calls for substantial increases over the original share of participation by Canada, France, Germany, Italy, Sweden, and Japan, while there would be substantial decreases in the shares of the United Kingdom, the Netherlands, and South Africa. The voting rights of the United States as well as the other members of IDA will remain the same as they are now (although there will be a slight increase in the total number of votes).

Belgium and Luxembourg are expected to join IDA as new part I members concurrently with the increase in resources. Accordingly, one-half of their participation in the increased resources will be considered as their initial membership subscriptions and will carry the usual voting rights, while the other half of their participation will be attributed to the additional resources, and therefore will not carry voting rights. The other rights and obligations of the part I members and of IDA would be the same as those governing the initial subscriptions under the Articles of Agreement. Each participating member's obligation to contribute would be contingent upon at least 12 members whose shares aggregate not less than $600 million having advised the Association of their agreement to make the contribution, and, of course, upon the favorable action of the Governors by December 31, 1963, to authorize the Association to accept the new resources.

The Clay Committee, in its report to the President earlier this year stated that, "to the extent that the United States and its partners can agree to increase the use of IDA as a common channel for aid funds, we will have achieved many of our common objectives—a fairer sharing of the burden and the effective and coordinated use of the assistance provided on terms both appropriate to the needs of the recipient countries and impartial as among the commercial interests of the contributing nations."

The Congress has demonstrated its conviction of the importance of IDA as an institution for channeling resources into economic development, not only by its adoption of Senate Resolution 264 of July 23, 1958, which requested a study of the prospects for the establishment of this institution, but on several significant occasions since then.

I feel strongly that this multilateral institution deserves our wholehearted support. In order to continue its vital activities, IDA must be assured before the end of this year that the increased resources will be firmly committed by the participants. I, therefore, respectfully urge the favorable consideration of the draft legislation at the earliest possible time.

A comparative type showing changes in existing law made by the proposed bill is attached.

It would be appreciated if you would lay the proposed bill before the Senate. A similar bill has been transmitted to the Speaker of the House of Representatives.

The Bureau of the Budget has advised that the enactment of the proposed legislation would be in accord with the program of the President.

Sincerely yours,

DOUGLAS DILLON.

FOREIGN ASSISTANCE ACT OF 1961—AMENDMENT (AMENDMENT NO. 213)

Mr. GRUENING submitted an amendment, intended to be proposed by him, to the bill (S. 1276) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, which was referred to the Committee on Foreign Relations and ordered to be printed.

(See the remarks of Mr. GRUENING when he submitted the above amendment, which appear under a separate heading.)

EXPANSION OF VOCATIONAL EDUCATION OPPORTUNITIES—AMENDMENTS (AMENDMENT NO. 214)

Mr. BAYH submitted amendments, intended to be proposed by him, to the bill (H.R. 4955) to strengthen and improve the quality of vocational education and to expand the vocational education opportunities in the Nation, which were ordered to lie on the table and to be printed.

CONVENTION WITH UNITED MEXICAN STATES FOR THE SOLUTION OF THE PROBLEM OF THE CHAMIZAL—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, the President of the United States has transmitted to the Senate today Executive N, 88th Congress, 1st session, a Convention Between the United States and the United Mexican States for the Solution of the Problem of the Chamizal, signed at Mexico City on August 29, 1963. As in executive session, I ask unanimous consent that the injunction of secrecy be removed from the convention, that the convention and message from the President be referred to the Committee on Foreign Relations, and that the President's message be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Convention between the United States of America and the United Mexican States for the Solution of the Problem of the Chamizal, signed at Mexico City on August 29, 1963. This Convention represents what I believe to be as fair a settlement as can be negotiated of this boundary dispute which goes back almost a hundred years, and which for more than 50 years has seriously disturbed relations with our neighbor to the south.

The provisions of the Convention are explained in the report of the Secretary of State transmitted herewith. Under the Convention the two Governments would relocate the Rio Grande in the vicinity of El Paso. The center line of the relocated river channel would be the international boundary. This results in the transfer from the north to the south of the river of a tract of 823.5 acres. Taking into account that Mexico now has under its jurisdiction 386.32 acres north of the river, the net area transferred to Mexico would be 437.18 acres. The present Mexican territory north of the river, known as Cordova Island, is an enclave jutting into El Paso contiguous to and downstream from the disputed Chamizal zone, and the enclave would be eliminated by the relocation of the river. The net 437.18 acres transferred to Mexico is the amount of the Chamizal zone now concluded to have been awarded to Mexico by the 1911 international arbitration commission. In order to disturb as little as possible the community of El Paso which has, of course, gradually expanded into the disputed zone, only 366 acres of the net amount being transferred to Mexico would be taken out of the Chamizal zone. The remaining 71.18 acres of the net amount transferred would come from an area contiguous to and downstream from Cordova Island. In the relocation of the river the United States would receive from Mexico 193.16 acres of Cordova Island, for which the United States would transfer to Mexico an equal area also from the lands just below Cordova Island. Looking downstream then, the 823.5 acres would consist of 366 acres of the Chamizal zone, 193.16 acres in the southerly part of Cordova Island already belonging to Mexico, and 264.34 acres to the east of the island. The lands to be transferred from U.S. juris-

diction would pass free of private title or encumbrances of any kind. The river boundary would thus be restored in the vicinity of El Paso, and the 1911 award would thus be given effect in today's circumstances.

The settlement is fair to the United States. The United States would in effect implement the award as it obligated itself to do in the 1910 arbitral convention. At the same time this Government at the time of signing the present convention reserved its juridical position with respect to the 1911 award. The settlement is also fair to the United States in that the net area transferred does not all come from the Chamizal zone. The new boundary would be drawn to exclude as much highly developed land as practical and to inconvenience as few people as possible. One-third of the lands transferred to Mexican jurisdiction are still agricultural or stockyards. Actually, the net number of acres involved is small in comparison with the thousands of acres already transferred between the two countries as a consequence of river movements.

The new line also seems to be fair to the Government of Mexico. While it does not receive all the awarded area from the Chamizal zone, it receives all the area in one cut from the city of El Paso. It does not receive all the acreage that has at times been claimed, but it does receive the amount awarded to Mexico, so far as engineers of both countries could reasonably determine based on the best data available.

In addition to removing a very real cause of irritation in relations between the two countries, the settlement offers advantages to El Paso, to Texas, and to our whole country.

The people of El Paso will now know where the boundary is going to be, and titles to the lands in the Chamizal zone remaining in the United States will be clarified.

The channelized river itself will present an aspect of orderliness and beauty that should enhance the nearby area.

The development of El Paso, especially so far as traffic circulation and the location of public utilities are concerned, will be improved with the incorporation into El Paso of a part of Mexico's Cordova Island.

Settlement of the dispute will at last permit execution of international flood control measures indispensable for the proper protection of this rapidly growing city.

The international bridges at El Paso are to be replaced with structures in fuller harmony with the needs of the over 600,000 people who live in the El Paso-Ciudad Juarez area.

Of the four States of the United States bordering Mexico, the State of Texas has the longest portion of boundary and the most extensive system of commercial, cultural, and other relations with Mexico. Amiable relations with Mexico and economic and political stability and growth in Mexico are of paramount importance to Texas. Texas will be a principal beneficiary of the improved attitude in Mexico resulting from a satisfactory settlement.

For the country as a whole, the Chamizal dispute as an emotional issue in Mexico, which distorts what otherwise might be a favorable view of the United States, would be resolved.

All this must not obscure the advantage of an example to the entire world of a large country settling a significant territorial dispute with a smaller country in a spirit of the sincerest good will.

I would not wish to appear to underestimate the cost of this settlement. More than 3,000 people in El Paso will have to be moved from their homes and businesses with attendant economic and social problems. In the end it may cost more than $20 million, depending on the decisions the Congress makes on several major domestic aspects of the proposal. In the several attempts at settlement in recent years, each successive proposal would have involved more people and have cost more money than the previous proposal. Any further attempts must be expected to follow this pattern. This is the first time the Government of Mexico has agreed to terms that this Government could accept. I believe we should incur this cost, because the charge against us for not having abided by the award is grave, and the settlement proposed is fair both to our neighbor and to ourselves.

I strongly recommended that the Senate of the United States advise and consent to the ratification of the Convention as promptly as practicable and in the course of this year if at all possible.

JOHN F. KENNEDY.

THE WHITE HOUSE, *October 7, 1963.*

AUTHORITY FOR PRIVILEGES OF THE FLOOR TO STAFF MEMBERS OF COMMITTEE ON LABOR AND PUBLIC WELFARE DURING CONSIDERATION OF H.R. 4955

Mr. MORSE. Mr. President, I ask unanimous consent that during the course of Senate consideration of (H.R. 4955) an act to strengthen and improve the quality of vocational education and to expand the vocational education opportunities in the Nation, that all professional staff members of the Committee on Labor and Public Welfare, both majority and minority, be permitted on the floor for the purpose of aiding Senators participating in the debate.

The VICE PRESIDENT. Without objection, it is so ordered.

PERSECUTION BY SOVIET UNION OF PERSONS BECAUSE OF THEIR RELIGION—ADDITIONAL COSPONSORS OF RESOLUTION

Under authority of the order of the Senate of September 25, 1963, the names of Mr. LONG of Missouri, Mr. MCGEE, and Mr. MILLER were added as additional cosponsors of the resolution (S. Res. 204) condemning persecution by the Soviet Union of persons because of their religion, submitted by Mr. RIBICOFF (for himself and other Senators) on September 25, 1963.

REMOVAL OF LIMITATIONS ON DEDUCTIONS FOR EXPLORATION EXPENDITURES BY MINING INDUSTRY—ADDITIONAL COSPONSOR OF AMENDMENT

Under authority of the order of the Senate of October 1, 1963, the name of Mr. MCGOVERN was added as an additional cosponsor of amendment No. 204, intended to be proposed to the bill (H.R. 8363) to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes; submitted by Mr. GRUENING (for himself and other Senators) on October 1, 1963.

ANNOUNCEMENT OF HEARINGS BY SENATE SPECIAL SUBCOMMITTEE ON THE ARTS

Mr. PELL. Mr. President, with great pleasure I wish to announce to the Senate that from Monday, October 28, through Thursday, October 31, hearings will be held by the Senate Special Subcommittee on the Arts, which the Senator from Alabama [Mr. HILL], chairman of the Committee on Labor and Public Welfare, has just reconstituted under my chairmanship.

The subcommittee will consider S. 1316, sponsored by the Senator from Minnesota [Mr. HUMPHREY], and S. 165, sponsored by the Senator from New York [Mr. JAVITS].

At this time I would like to pay special tribute to both Senators; for I believe that this legislation is the most significant and meaningful in the arts field which the Senate has ever had the opportunity of considering.

In view of the importance to our Nation of our cultural resources, I look forward to these hearings as a means of enabling us to increase our awareness and understanding of the appropriateness of legislation to enhance the growth and development of artistic achievement in the United States.

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, without amendment, the following bills of the Senate:

S. 13. An act to authorize the Administrator of Veterans' Affairs to convey certain land situated in the State of Arkansas to the city of Fayetteville, Ark.;

S. 453. An act to change the name of the Memphis lock and dam on the Tombigbee River near Aliceville, Ala.

S. 743. An act to furnish to the Padre Junipero Serra 250th Anniversary Association medals in commemoration of this 250th anniversary of his birth;

S. 812. An act to provide for the release of restrictions and reservations on certain real property heretofore conveyed to the State of Arkansas by the United States of America;

S. 814. An act to amend section 7 of the Administrative Expenses Act of 1946, as amended;

S. 1125. An act to provide for the striking of medals in commemoration of the 100th

anniversary of the admission of Nevada to statehood;

S. 1936. An act authorizing the State of Rhode Island or its instrumentality to maintain, repair, and operate the bridge across Mount Hope Bay subject to the terms and conditions of the act approved March 23, 1906; and

S. 1994. An act to authorize the disposal, without regard to the prescribed 6-month waiting period, of certain waterfowl feathers and down from the national stockpile.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 242) to amend section 1820 of title 38 of the United States Code to provide for waiver of indebtedness to the United States in certain cases arising out of default on loans guaranteed or made by the Veterans' Administration.

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

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. THURMOND:

Column entitled "Shall American Taxpayers Subsidize Communism?", written by Thurman Sensing; and newsletter dated October 7, 1963, published by Senator THURMOND, entitled "Two Wrongs Don't Make a Right."

PROGRESS IN SCHOOL DESEGREGATION

Mr. HUMPHREY. Mr. President, 18 school semesters have passed since the Supreme Court ruled that racial segregation in public schools is illegal and a denial of rights guaranteed by the Constitution. According to the report of the Southern Education Reporting Service quoted in a Saturday Review article, slightly more than a third of the biracial school districts that had previously been segregated have now been desegregated. Two-thirds remain segregated, 9 years later. This is a discouraging use of time. It is an even more discouraging use of the educational process which we know to be so vital to the health and growth of our Nation. It is a strong argument for the need by this Congress to pass legislation that will speed up this wasteful delay. At the rate we are now going, it may be two or three generations before we will have a truly democratic public school system. There is, however, Mr. President, some small encouragement in this report; we should all be thankful for it; 119 of the 140 districts that desegregated this fall did so voluntarily. Perhaps more important, the report notes that in those schools that have previously desegregated, more Negro students are in attendance, indicating a decline in token actions by the local boards. All of these local boards that are now moving ahead on their own are to be commended and supported. They hasten the day when we shall have this problem behind us.

Mr. President, I ask unanimous consent that this article from the September 21, 1963, issue of the Saturday Review be inserted in the RECORD at this point.

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

WHILE SCHOOL KEEPS

School desegregation in the South moved a trifle faster this fall as 140 school districts dropped racial barriers for the first time. This is the largest number to desegregate in any year since 1956, according to the Southern School News, official publication of the Southern Education Reporting Service. The pace of change is still slow, but appears more clearly inexorable even to the most reluctant southerner. Districts were desegregated in Alabama and South Carolina for the first time—leaving Mississippi as the only State with its public elementary and secondary schools wholly segregated. And, in other States, desegregation is moving into "hard core" areas of racial sentiment without apparent difficulty.

There are 6,197 school districts in the 17-State Southern and border-State region. Of these, about half (3,053) are biracial—having both Negro and white pupils. About 37 percent of the biracial districts (1,119) have desegregated. But a far smaller percentage of Negro children in these districts is actually in schools with white children.

It may be encouraging that 119 of the 140 districts that desegregated this fall did so voluntarily; only 21 were under court order.

Voluntary desegregation does not mean, of course, that a community is willing to drop racial bars any further than necessary. As court cases have gradually eliminated the possibilities for evasion of the Supreme Court's 1954 decision, the more sophisticated opponents of desegregation have recognized that change is inevitable. They have also seen that communities that indulged in an emotional, last-ditch massive resistance fight to avoid integration finally had to submit to a court-ordered desegregation plan that often went further and faster than court-approved plans developed by the communities themselves. Therefore, voluntary desegregation has become one means by which local communities can control the pace of change and limit the degree to which racial barriers are lowered.

An instructive analysis of the means that have been proposed to control and limit desegregation is contained in a 28-page pamphlet published jointly by the Southern Regional Council (5 Forsyth Street, N.W., Atlanta 3, Ga.) and the Anti-Defamation League of B'nai B'rith (515 Madison Avenue, New York 22, N.Y.). Titled "Token Desegregation and Beyond," by J. Kenneth Morland, professor of sociology, Randolph-Macon Woman's College, Lynchburg, Va., the pamphlet describes the various methods used to slow desegregation, the developing attitudes of Federal courts toward these methods, the costs of desegregation, and one point of view on what the future holds. Copies are available from either of the sponsoring organizations for 50 cents.

Desegregation poses enormous problems—both educational and social—for Negroes and whites alike. And each State is meeting the challenge of change in its own way, within its own cultural traditions. Alabama and Mississippi have been the scenes of bitter violence in the course of the last year as Negroes sought to achieve, in fact, the equality of opportunity that was so dearly won in theory a hundred years ago. But South Carolina, despite its Deep South traditions, has quietly enrolled 11 Negro children in the elementary and secondary schools of Charleston, just as it last year enrolled the first Negro in the State college at Clemson. The men who influence State policy there will allow desegregation to proceed not one whit faster than necessity demands. But neither are they likely to countenance the barbarism of violence.

Change is bound to be slow in many parts of the South. But it may be hopeful that voluntary desegregation is becoming the rule rather than the exception in some areas of the South, whatever the motivation for it, because in almost every case to date, once Negroes have been admitted to white schools, the number admitted has increased year by year.

Status of southern school desegregation as of Sept. 1, 1963

State	Total districts	Number biracial	Desegregating this fall			Previously desegregated	Total desegregated
			Number of districts	Voluntary	Court ordered		
Alabama	114	114	4	0	4	0	4
Arkansas	416	228	1	1	0	12	13
Delaware	87	87	0	0	0	87	87
District of Columbia	1	1	0	0	0	1	1
Florida	67	67	5	3	2	10	15
Georgia	198	182	3	2	1	1	4
Kentucky	205	166	16	14	2	149	165
Louisiana	67	67	1	0	1	1	2
Maryland	24	23	0	0	0	23	23
Mississippi	150	150	0	0	0	0	0
Missouri	1,607	213	0	0	0	[1] 203	[1] 203
North Carolina	173	173	21	21	0	18	39
Oklahoma	1,180	241	0	0	0	196	196
South Carolina	108	108	1	0	1	0	1
Tennessee	154	143	10	10	0	26	36
Texas	1,461	919	55	46	9	177	232
Virginia	130	128	23	22	1	32	55
West Virginia	55	43	0	0	0	43	43
Total	6,197	3,053	140	119	21	979	1,119

[1] Estimated.

Source: Southern Education Reporting Service.

THE SALE OF WHEAT TO RUSSIA

Mr. HUMPHREY. Mr. President, in the past week I received a letter from the president of the Minnesota Farmers Union, Mr. Edwin Christianson. He had called me on the telephone to discuss some matters of legislation pending before us on the calendar, such as the dairy bill and the extension of the soil bank provision. He also discussed with me the pending decision on the sale of wheat to the Soviet Union and other Iron Curtain countries. That is a decision which has not yet been made, but which I hope will be made, and which I recommend and encourage to be made.

The letter I have received reads, in part, as follows:

In line with our telephone conversation this morning, I am enclosing a copy of the statement by the Farmers Union presidents of the Northwest States relative to the sale of wheat to Russia.

As you suggested, I mailed a copy of the statement to the Senators of the Northwest States, to Secretary Freeman, and to Assistant Secretary Fred Dutton.

We feel that the U.S. trade with Communist-bloc nations deserves to be reexamined in the light of the fact that Russia is now a signatory to the International Wheat Agreement.

Soviet Russia has usually been an exporting nation and, at some time in the future, may again be exporting wheat. Perhaps this factor should be considered in the negotiations with Russia at the present time.

I am mailing you the memorandum on the other item I mentioned to you, under separate cover.

The statement reads as follows:

STATEMENT REGARDING WHEAT SALES TO COMMUNIST BLOC NATIONS MADE JOINTLY BY THE FIVE NORTHWEST STATE FARMERS UNION PRESIDENTS, EDWIN SMITH OF NORTH DAKOTA, LEONARD KENFIELD OF MONTANA, EDWIN CHRISTIANSON OF MINNESOTA, BEN RADCLIFFE OF SOUTH DAKOTA, AND GILBERT J. ROHDE OF WISCONSIN, OCTOBER 1, 1963

We believe that since Soviet Russia has become a signatory to the International Wheat Agreement beginning with the 1963 crop year, that it is reasonable to explore the possibilities of a sale of American wheat for dollars or for gold.

The International Wheat Agreement has been in force since 1949 and, up to this time, Soviet Russia had been outside the agreement and has normally been an exporting rather than an importing nation.

We would be favorable to an authorization making it possible for the United States to deal with any nation that is a signatory to the International Wheat Agreement. We consider it a good sign that more and more nations are joining in the orderly marketing of wheat in international trade.

Farmers Union has historically taken the position that as long as there is hunger somewhere in the world, we should seek every way to make our abundant production available to the people.

Mr. President, the presidents of the Farmers Union of the five Northwest States have given us a very thoughtful and constructive statement. Their support of the sale of wheat to the Soviet Union is based upon the fact that the Soviet Union is now, in 1963, a signatory to the International Wheat Agreement.

Under the terms of that agreement, there is a responsibility for orderly marketing and for the doing of business in a normal, orthodox manner.

Mr. McGOVERN. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from South Dakota.

Mr. McGOVERN. I am glad the Senator from Minnesota has made available to the Senate the statement issued by the leaders of the Farmers Union from the northwestern States. I agree with the sentiment of that statement, and I am pleased to associate myself with the leadership that the Senator from Minnesota is providing on this important subject.

I am especially pleased to know that among the signatories of the statement is Mr. Ben Radcliffe, of South Dakota, who is not only one of our ablest farm spokesmen, but has also been a longtime member of the South Dakota Legislature. He is a highly respected able man.

I wholeheartedly endorse the sentiment expressed by the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from South Dakota.

Mr. President, I noticed in this morning's Washington Post a front page article entitled "Red Wheat Deal Gets Dillon Nod, Secretary Sees Salutary Effects on Gold Position."

The article, written by Frank Cormier, states, in part:

Secretary of the Treasury Douglas Dillon gave a flat endorsement yesterday to the idea of selling American wheat to the grain-short Soviet bloc.

The article continues:

The Treasury Secretary said grain sales to the Soviet Union and Eastern European satellites might add $200 million to $300 million—perhaps more—to American exports.

He said that from a balance-of-payments standpoint, this would offset "One-third or more of the dollar cost of the foreign aid program."

In referring to the dollar cost of aid, Dillon meant that fraction of aid outlays actually spent abroad. The bulk of foreign aid money is spent in the United States.

Mr. President, I ask unanimous consent that the article relating to Secretary Dillon's statement concerning the sale of wheat to Soviet bloc countries be printed at this point in the RECORD.

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

RED WHEAT DEAL GETS DILLON NOD—SECRETARY SEES SALUTARY EFFECTS ON GOLD POSITION

(By Frank Cormier)

Secretary of the Treasury Douglas Dillon gave a flat endorsement yesterday to the idea of selling American wheat to the grain-short Soviet bloc.

The Treasury chief told a newsman:

"I want to emphasize the importance we attach to the possibility of sales of wheat and other grains to the Soviet bloc as a means of assisting us in the handling our our balance-of-payments problem."

Dillon said he spoke for the Treasury and not for the Kennedy administration. He said he could not predict what position the President might take, or when a decision might come.

WOULD BOOST EXPORTS

The Treasury Secretary said grain sales to the Soviet Union and Eastern European satellites might add $200 to $300 million—perhaps more—to American exports.

He said that from a balance-of-payments standpoint, this would offset "one-third or more of the dollar cost of the foreign aid program."

In referring to the dollar cost of aid, Dillon meant that fraction of aid outlays actually spent abroad. The bulk of foreign aid money is spent in the United States.

Every dollar of exports helps to reduce the worrisome and persistent payments deficit, currently running at an annual rate of about $2.5 billion. The deficit represents the difference between the amount that Americans spend, lend and give away abroad, and the lesser amount received from foreign sources.

Dillon said large wheat sales also "would be very helpful in a direct way" in bolstering the dwindling U.S. gold supply, which supports the stability and international acceptability of the dollar.

MUST SELL GOLD

The only way the Soviets can raise ready cash to buy grain, Dillon said, is through sales of Russian gold on the London bullion market. Since the United States belongs to a multination pool that supports the London market, it picks up a share of any large shipment of gold sold in the market.

Dillon said that besides helping to ease the gold-dollar problem, American sales would help curb Federal spending by reducing outlays for the storage of surplus farm commodities.

Dillon was asked if he thought large wheat transactions this year might lead to a shift in international markets, with the United States becoming a steady supplier of Communist bloc grain needs.

The Treasury chief said he regards current grain negotiations as "primarily a one-shot operation." But he said the bloc "has had a series of not-too-good crops" and might, in fact, become a regular customer.

Mr. HUMPHREY. Mr. President, I encourage the administration to make a decision one way or another on this question. I hope it will be a decision that will permit trade—private trade, not Government trade—to carry on a normal export business in the sale of wheat and cereal grains, not only to friendly countries in the Western World, but also to Soviet-bloc countries in Eastern Europe and to the Soviet Union. I believe that this will be in our national interest.

For the life of me, I cannot see how we can continue to justify the piling and storing of vast quantities of wheat supplies when there is an opportunity to sell it for cash or for gold, and when we know that if we do not sell it, somebody else will, and that in the meantime we shall have to continue to store it, pay the bill, and in a real sense depress the free market price.

This Nation needs exports. We are having difficulty with our balance of payments. The Nation has a vast supply of wheat and cereal grains. These supplies are not bullets; they are not missiles; they are not guns. They represent food, and food represents life. It seems to me that the least we can do is to regularize our business transactions in this area of our agricultural production, so that we can conduct this business and, at the same time, fill a great human need.

WATER AND AIR POLLUTION—THE PROBLEMS NATIONALLY AND IN MONTANA

I. WATER POLLUTION—THE NATIONAL PROBLEM

Mr. MANSFIELD. Mr. President, in past years, pollution control was largely a public health problem. While this problem is greater than ever before there is also recognition that we must protect our natural heritage of fish, aquatic life, and wildlife; make possible water-based recreation; and satisfy the needs of our cities and national economy.

Statistics on future national growth and water consumption give a sobering picture. According to a Senate Public Works Committee report, by 1980, the total dependable fresh water supply available in the United States will be about 515 billion gallons a day. The

most the Nation can ever hope to have available as a result of engineering works is about 650 billion gallons a day. That is the extent of the resource. As for use, we are now consuming 355 billion gallons of this water a day. But at the present rate, by the time we achieve the fresh water supply of 515 billion gallons a day, our requirements will have climbed to over 600 billion. In short, demand is outrunning supply—and by the year 2000, our water requirements will be more than 1,000 billion gallons a day. The only way out of this dilemma is to use the same water over and over, thereby necessitating the use of the latest techniques and equipment to clean water and keep it clean.

Construction projects to control pollution are lagging. The years of World War II were critical in our struggle against pollution. The war greatly accelerated the transition to a metropolitan and industrial nation, prevented the construction of municipal or industrial waste treatment works and produced an avalanche of new contaminants, such as synthetic chemicals and radioactive materials. The trend has continued. Today, an average of 22 billion gallons of water are used in cities and carried away in sewers after use. The total for industry is infinitely greater—totaling more than 12,000 billion—billion—gallons.

There have been many refinements in municipal treatment works in the past 20 years. However, the basic process—a half century old—has not changed. Dirty water is allowed to stand for several hours in large tanks until the heavy particles have settled. The partially cleansed water is filtered, the organic waste decomposed and the remaining water is disinfected. However, most plants can decompose only 80 to 90 percent of the organic waste. Chicago, for example, still returns wastes—the undecomposed 10 percent—equal to nearly 1 million persons to the Illinois River. All of this points to the need for research to combat the as yet indissoluble solids like chlorides, nitrates and phosphates; elements such as sodium, boron, and fluorides; radioactivity; and the final residue of organic pollution which remains after sewage treatment. One of the greatest boons, of course, would be for industry to trap most of these decontaminants, making their isolation in later waste treatment unnecessary.

Despite claims that States and municipalities should have sole responsibility, the problem worsened. Congress was forced to act, and in 1956, passed the Water Pollution Control Act. It authorized the Federal Government to share the cost of municipal waste treatment with cities. This help totaled $50 million a year and spurred construction worth $350 million by 1960.

In 1961, Congress upped the Federal share to $80 million for the first year, $90 million for 1962, and $90 million for each year thereafter until 1967. For every Federal dollar of aid, local communities have spent about $5. City spending now totals over $600 million a year. In addition to providing needed sewage treatment, this construction has put many thousands of men to work.

Summing up, the Federal Government has been active in these four areas:

First. Construction: Cities now spend $600 million a year in sewage treatment. The Federal share can go as high as 30 percent. In addition, under the new Accelerated Public Works Program, communities in labor surplus areas may get up to 50 percent of project costs.

Second. Enforcement: Federal enforcement actions have now involved more than 5,500 miles of rivers, streams, and bays, plus 300 cities and a like number of industries.

Third. Research: Five separate laboratories are being built and four more are planned to meet water quality problems.

Fourth. River Basin Planning: Federal projects in seven major river basins are working to preserve water quality there.

Legislation stepping up the campaign against water pollution is before Congress. Typical is S. 649, by Senator MUSKIE, which has been agreed to by the Senate Public Works Committee. In addition to increasing Federal grants to communities, his bill would—

First. Set up within HEW a Federal Water Pollution Control Administration.

Second. Require the HEW Secretary to set standards of quality to be applicable to interstate or navigable water.

Third. Require the HEW Secretary to issue regulations specifying the type, volume, or strength of matter permitted to be discharged directly into such waters.

Fourth. Give the Secretary authority to bring legal proceedings against violators.

II. WATER POLLUTION—MONTANA

Being a sparsely populated, less industrial State with abundant water, Montana does not have the urgent water pollution problem confronting many parts of the Nation. The picture is changing, however, as cities grow and industries move in. Thus, the State has a unique opportunity to plan ahead and avoid the errors of other regions. And this is being done.

With the aid of the 1956 and 1961 Federal Water Pollution Control Acts and the Accelerated Public Works Acts, 69 projects in 59 different Montana communities have been undertaken. The Federal Government's share has been nearly $3.8 million. The cities have put up nearly $13.5 million. The ratio of local dollars to Federal dollars is 3.5 to 1.

Top expenditures by Montana cities include:

Missoula: $2,269,368—$680,810 Federal share.

Great Falls: $1,620,011—$250,000 Federal share.

Billings: $1,316,115—$398,306 Federal share.

Butte: $1,118,877—$250,000 Federal share.

Helena: $708,309—$212,492 Federal share.

Livingston: $436,128—$130,838 Federal share.

Miles City: $248,540—$74,561 Federal share.

Bozeman: $182,299—$54,689 Federal share.

In addition to the 69 projects already approved, applications for grants from 8 more communities, totaling $181,500, are now being processed by HEW. Including the communities' share, the total for these projects is $605,000.

Finally, a great request for $147,200 from Libby is being considered by the Accelerated Public Works Administration. Libby's share for the water pollution control project would come to $220,874.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point two charts showing the extent and nature of Federal assistance to the State of Montana for the construction of water pollution control facilities, along with certain explanatory notes.

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

Montana

Location	Estimated project cost	Grant requested
Water pollution control applications in regional office:		
Bozeman	$243,400	$73,020
Sweet Grass	33,100	9,930
Total	276,500	82,950
Water pollution control applications in State agencies [1]		
Applications reported to be in preparation:		
Scobey	65,000	19,500
Saco	70,000	21,000
Wiboux	50,000	15,000
Superior	150,000	45,000
Thompson Falls	150,000	45,000
Fairview	50,000	15,000
Terry	50,000	15,000
Ekalaka	20,000	6,000
Total	605,000	181,500
Accelerated public works application: Libby	368,074	147,200

[1] None.

Grant offers made	69
Water pollution control applications in regional office	2
Water pollution control applications reported to be in preparation	8
Accelerated public works applications under review	1

EXPLANATORY NOTES

Status

Status of projects is indicated as follows:

1. Project approved (grant offer made).
2. Project under construction.
3. Project completed.

Name of applicant

As listed in the project application. In multimunicipal projects, participating communities are indented under main applicant. Accelerated public works grants (APW) are similarly indented, as are water pollution control grants (WPC) where projects have grants under both programs.

Population code

Federal grants made on a basis of population:

1. Less than 2,500.
2. 2,500 to 5,000.
3. 5,001 to 10,000.
4. 10,001 to 25,000.

5. 25,001 to 50,000.
6. 50,001 to 125,000.
7. 125,001 to 250,000.
8. 250,001 to 500,000.
9. 500,001 and over.

Description

Description of the project as outlined in project application:

1. Treatment plant.
2. Outfall sewer.
3. Intercepting sewer.
4. Other.
5. Treatment plant, outfall sewer and intercepting sewer.
6. Treatment plant and outfall sewer.
7. Treatment plant and intercepting sewer.
8. Outfall sewer and intercepting sewer.
9. Waste stabilization ponds with appurtenances.

Type construction

Type of construction as described in the application:

1. New.
2. Extension or addition.
3. Remodeling and alteration.
4. New, extension, and remodeling.
5. New and extension.
6. New and remodeling.
7. Extension and remodeling.

Estimated cost of project

Estimated project cost in which Federal grant funds are participating.

Federal grant offer

Amount(s) of the Federal grant(s) offered to the applicant. Accelerated public works grants are always identified. Water pollution control grants are identified as such only when a project has also received an APW grant.

Project approved

Month and year in which the project was approved and the offer of a grant was made to the applicant.

Grant offers made

Status	Location	Applicant	Population code	Description	Type of construction	Eligible cost	Grant offer	Date of offer
	MONTANA							
1	Belt	City of Belt	1	9	1	$160,856	$48,256.87	May 1962.
3	Big Timber	City of Big Timber	1	9	1	53,893	16,167.89	January 1958.
1	Bigfork	Flathead County Board of County Commissioners.	1	5	1	217,191	38,571.43	July 1962.
3	Billings	City of Billings	5	3	1	338,157	101,447.24	March 1957.
3	do	do	5	3	1	567,958	170,387.38	May 1961.
2	do	do	6	1	2	410,000	123,000.00	March 1963.
3	Boulder	Montana State Training School	1	9	1	87,740	26,322.03	October 1958.
3	Box Elder	County of Hill	1	9	1	31,792	9,537.55	January 1960.
3	Bozeman	City of Bozeman	4	1	7	34,373	10,311.96	October 1960.
2	do	do	4	3	2	85,681	25,704.22	June 1962.
2	do	do	4	3	2	62,245	18,673.46	October 1962.
3	Bridger	Town of Bridger	1	9	1	25,574	7,672.27	April 1960.
1	Butte	Metropolitan Sanitary Storm Sewer District No. 1.	6	3	1	1,118,877	250,000.00	November 1957.
3	Cascade	Town of Cascade	1	9	1	50,248	15,074.40	April 1961.
3	Columbus	Town of Columbus	1	1	1	105,748	31,724.32	September 1961.
3	Culbertson	Town of Culbertson	1	9	1	46,062	13,818.60	May 1957.
3	Cut Bank	City of Cut Bank	2	9	1	200,971	60,291.20	August 1957.
3	Deer Lodge	City of Deer Lodge	2	9	1	212,492	63,747.60	July 1958.
3	Dodson	Town of Dodson	1	9	1	25,440	7,632.00	August 1957.
3	Drummond	Town of Drummond	1	9	1	43,272	12,981.49	April 1960.
3	Eureka	Town of Eureka	1	6	1	68,687	20,606.22	October 1959.
3	Fort Benton	City of Fort Benton	1	9	1	129,057	38,717.22	Do.
3	Fromberg	Town of Fromberg	1	9	1	42,996	12,898.77	April 1960.
3	Geraldine	Town of Geraldine	1	9	1	12,546	3,763.99	March 1957.
	Froid	Town of Froid				13,200	3,960.00	September 1963.
3	Glasgow	City of Glasgow	2	9	4	145,167	43,550.02	October 1958
3	do	Valley County Improvement District 2	3	9	1	14,972	4,491.43	April 1962.
3	Glendive	Rural Improvement District 1	1	9	1	83,163	24,948.80	May 1958.
3	do	City of Glendive	3	9	1	428,046	128,413.71	February 1959.
3	Great Falls	City of Great Falls	5	5	1	1,620,011	250,000.00	October 1958.
3	Harlowton	City of Harlowton	1	9	1	47,949	14,384.61	April 1958.
3	Helena	City of Helena	4	5	1	542,000	162,600.00	April 1958.
3	do	Vocational school girls	1	9	1	40,309	12,092.68	October 1959.
1	do	City of Helena	1	3	2	126,000	37,800.00	April 1963.
2	Hingham	Town of Hingham	1	9	2	5,500	1,650.00	November 1962.
3	Joplin	City of Joplin	1	9	1	41,110	12,333.00	January 1962.
3	Kalispell	City of Kalispell	3	1	7	217,070	65,120.95	August 1958.
1	Kevin	Town of Kevin	1	9	1	61,293	18,387.77	April 1960.
3	Laurel	City of Laurel	2	7	4	451,058	135,317.37	October 1960.
1	Libby	Lincoln County Sewer Improvement District	3	5	5	736,248	220,874.40	February 1963.
3	Livingston	City of Livingston	3	5	1	436,128	130,838.37	October 1959.
3	Malta	City of Malta	1	9	1	131,360	39,408.07	September 1957.
3	Manhattan	Town of Manhattan	1	9	1	50,790	15,236.97	April 1960.
3	Miles City	City of Miles City	3	9	1	248,540	74,561.91	October 1960.
2	Missoula	City of Missoula	5	1	1	1,183,976	355,193.05	March 1962.
2	do	do	5	8	5	1,085,392	325,617.60	Do.
2	Philipsburg	Town of Philipsburg	1	1	1	87,520	26,255.80	September 1961.
3	Plevna	Town of Plevna	1	9	1	19,973	5,992.14	July 1957.
2	Polson	City of Polson	1	9	1	243,000	72,900.00	January 1960.
2	Poplar	City of Poplar	1	9	1	54,760	16,428.00	May 1962.
3	Richey	Town of Richey	1	9	1	29,685	8,905.64	March 1957.
3	Roberts	Carbon County Board of Commissioners Improvement District 3.	1	9	1	34,151	10,245.35	February 1962.
1	Ronan	City of Ronan	1	9	1	192,000		
		Water pollution control					57,600.00	January 1963.
		Accelerated public works					38,400.00	July 1963.
3	Shelby	City of Shelby	2	9	1	91,137	27,341.21	May 1958.
3	Sheridan	Town of Sheridan	1	9	1	70,326	21,097.84	April 1958.
3	Sidney	City of Sidney	2	9	1	127,054	38,116.17	March 1959.
3	Stanford	Town of Stanford	1	9	1	16,383	4,900.14	November 1962.
3	Stevensville	Town of Stevensville	1	9	1	32,779	9,833.61	November 1959.
3	Three Forks	Town of Three Forks	1	9	5	65,296	19,588.68	July 1960.
3	Townsend	Town of Townsend	1	9	4	48,851	14,655.12	May 1958.
3	Twin Bridges	Montana State Children's Home	1	9	1	40,871	12,261.30	September 1957.
1	do	Town of Twin Bridges	1	9	1	91,511	27,453.29	July 1962.
3	Valier	Town of Valier	1	9	1	35,254	10,576.20	August 1959.
3	Warm Springs	Montana State Hospital	2	5	1	128,897	38,669.10	August 1959.
3	White Sulphur Springs	Town of White Sulphur Springs	1	9	1	64,540	19,362.05	September 1957.
3	Whitefish	City of Whitefish	2	5	1	256,585	76,975.58	October 1960.
3	Whitehall	City of Whitehall	1	9	1	79,425	23,827.46	November 1959.
3	Winifred	Town of Winifred	1	9	1	26,565	7,969.61	January 1960.
3	Wolf Point	City of Wolf Point	2	5	1	78,954	23,686.29	May 1958.
	Total					13,486,655	3,778,743.26	

III. AIR POLLUTION—THE NATIONAL PROBLEM

Mr. MANSFIELD. Because the problem of air pollution is a comparatively recent one, considerably less progress has been made in combating it than there has been against water pollution.

Put simply, air pollutants result from the failure to burn completely the fuels which make our civilization run. This is true whether the fuel be coal in a large factory or gasoline in a car. Because of the complexity of the chemical properties of air pollutants, scientists have only begun to isolate them and set tolerance levels for them.

Simply identifying the chemicals present in the air is not enough, however. The task is enormously complicated by the continued chemical interaction of the pollutants once they are in the air. For the most part, this interaction is caused by sunlight, and the result is "photochemical" smog.

"Photochemical" smog is a new type peculiar to areas of the United States and differs from that produced by coal burning in London, Pennsylvania, and so forth. The hydrocarbons and nitrous oxides given off by the combustion of petroleum in urban areas—particularly Los Angeles—are neither visible nor irritating by themselves. But after being exposed for an hour or so to sunlight, they undergo important chemical changes, yielding ozone and other reactive compounds, which irritate the eyes. As they undergo further chemical change, some of them produce the characteristic haze which one associates with smog. The problem becomes especially acute in areas like Los Angeles when cool air coming in off the ocean becomes trapped under a warm upper layer and hovers over the city for days.

In the order of their contribution, the major sources of pollution are automobiles, industrial plants, households—heating and trash burning—and municipal installations.

A great deal of basic research is needed in air pollution control. To show how far they have to go, scientists are nowhere near agreement on which pollutants are harmful to the human body, let alone how to remove them from the atmosphere. Top priority must be given to the establishment of emission standards. Without this, it will be difficult to answer opponents' arguments as to just what constitutes "an air pollution problem." Likewise, the standard must be geared to some reasonably defined perception of the air quality desired in a given community.

Typical of legislation designed to attack the air pollution problem is S. 432, the "clean air bill," introduced by Senator RIBICOFF and cosponsored by me. It appears, however, that the House-passed bill, H.R. 6518—Mr. ROBERTS of Alabama—will be the main bill in the Senate this session. Committee hearings have been held on it. This bill, the "Clean Air Act," authorizes $25 million over a 5-year period in grants to air pollution control agencies. Such grants would be limited to two-thirds of the cost of the programs, and would be allocated on the basis of population, air problem, and need. In addition, it would permit interstate compacts, and would establish a national research and development program. As with the Water Pollution Control Act, this bill would put the burden of initiation and responsibility for carry-through on State and local agencies.

IV. AIR POLLUTION—MONTANA

The principal areas of air pollution in Montana are in the western part of the State. The UPI in March of 1963 quoted the State board of health as saying that Missoula and Libby have severe air pollution problems, and that Anaconda, Butte, and Billings have less serious, but nevertheless significant smog problems.

The board of health report was based on air pollution studies completed in 7 Montana cities. It showed that Missoula had more suspended particles in the air than San Francisco, Portland, and New York. Measured in micrograms per cubic meter of air, the total suspended particle count for Missoula was 158. Libby was a relatively close second with 128, and Butte had 125.

Other Montana communities, in the order of their air pollution problem, were: Billings, 99; Anaconda, 89; Helena, 72; and Great Falls, 58.

What can the State do to combat this growing problem? First, it can enact control legislation. Thirty-three States, according to a report by the Senate Public Works Committee, have some type of air pollution control laws. Montana is one of these, but its legislation is clearly inadequate. A special HEW booklet sums up Montana's air pollution control legislation:

> It is lawful for any county or incorporated city or town where injurious and unhealthy smoke and fumes exist, upon petition signed by at least 100 of the resident taxpayers of the county, city or town, to make contracts with such persons or corporations as will, in the opinion of the board of county commissioners or city council, best accomplish the purposes, for the abatement thereof and to issue and dispose of bonds for that purpose, subject to the limitations and conditions hereinafter provided. (ss 11-2501, 2502).
>
> An election, held upon proper notice, wherein the electors approve or disapprove the contract negotiated by the county, city or town and the bond issue necessary to carry it out is required. (ss 11-2504, 2505).

It is my understanding that three bills which would have strengthened Montana's air pollution control laws were killed in the 1963 State legislature.

In the absence of States and communities to meet this clear responsibility and need, Congress is being forced to move to meet the problem. The House of Representatives has passed H.R. 6518, the "clean air bill." It would provide $25 million a year over a 5-year period in grants to State and air pollution control agencies. Such grants would be limited to two-thirds of the cost of the programs, and would be allocated on the basis of population, air problem and need. Senate subcommittee hearings have been held on this bill and on S. 432, a similar bill introduced by Senator RIBICOFF and cosponsored by me.

The proposed Federal air pollution control law would be based on the same principle as the Water Pollution Control Act which was passed in 1956 and expanded in 1961. Federal grants would stimulate the investment of State and local dollars. Montana's history with the water pollution control legislation shows that localities have matched each Federal dollar with $3.50 of their own. The air pollution control legislation could reasonably be expected to generate a similar ratio.

DEDICATION OF GOULD ACADEMY AUDITORIUM

Mrs. SMITH. Mr. President, this past Saturday an event of considerable significance took place in Bethel, Maine. It was the dedication of the splendid auditorium of Gould Academy.

This came from the generosity of Representative FRANCES P. BOLTON, one of the most illustrious stateswomen in the history of our country. The auditorium was named Bingham Hall after the brother of Representative BOLTON. Her brother is William Bingham II and through the years it has been his generosity that set Gould Academy apart from its sister institutions.

The Portland (Maine) Press-Herald had an appropriate editorial on the event and I ask unanimous consent that it be placed in the RECORD at this point.

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

GOULD ACADEMY SETS A MILESTONE IN SCHOOL'S EDUCATIONAL PROGRESS

So much is said and written about public education of all kinds that we are often inclined to ignore the quiet but vital part played in the educational process by the private schools.

But we are being reminded of their role in today's dedication by Gould Academy, in Bethel, of its Bingham Hall, a splendid auditorium containing all the facilities required by the performing and visual arts.

There are some unusual features about this 127-year-old institution, which started out in life in the same fashion as scores of other "academies" in New England more than a century ago. It is coeducational, in contrast with most of the famous prep schools that dot the six States, it serves as Bethel's secondary school—and how fortunate for the town's boys and girls—and in 1911 it drew the attention of a wealthy Ohioan by the name of William Bingham II, who came to Bethel, and remained there, at the invitation of the noted Dr. Gehring.

Mr. Bingham's generosity set Gould Academy apart from its sister institutions, although most of the money given to build Bingham Hall came from his sisters, while one of them, U.S. Representative FRANCES P. BOLTON, of Ohio, will be today's principal speaker.

All of this is known to the alumni and friends of Gould, but we mention it in noting the significant place prep schools have had in New England education, and in congratulating the academy, and all who hold a warm affection for it, upon the occasion of today's dedication.

REPORT OF BOARD OF VISITORS, 1963—U.S. AIR FORCE ACADEMY

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the 1963 Report of the Board of Visitors of the U.S. Air Force Academy.

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

U.S. AIR FORCE ACADEMY—1963 REPORT OF BOARD OF VISITORS

THE PRESIDENT,
The White House,
Washington, D.C.:

1. APPOINTMENT OF THE BOARD OF VISITORS

The Board of Visitors to the U.S. Air Force Academy was appointed under the provisions of 10 U.S.C. 9355.

2. COMPOSITION OF THE BOARD

Appointed by the President

Three years effective 1961: Hon. James H. Douglas, former Deputy Secretary of Defense, Chicago, Ill.; Dr. Frederick L. Hovde, president, Purdue University, Lafayette, Ind.

Three years effective 1962: Dr. Fred H. Harrington, president University of Wisconsin, Madison, Wis.; Dr. Payson S. Wild, dean of faculties, Northwestern University, Evanston, Ill.

Three years effective 1963: Gen. Thomas D. White, U.S. Air Force, retired, former Chief of Staff, Washington, D.C.; Mr. John Lawrence, chairman of the board, Dresser Industries, Inc., Dallas, Tex.

Appointed by the Vice President

Senator BARRY GOLDWATER; Senator SPESSARD L. HOLLAND; Senator HUBERT H. HUMPHREY.

Appointed by the Speaker of the House

Representative J. EDGAR CHENOWETH, Third District of Colorado; Representative JOHN J. FLYNT, JR., Fourth District of Georgia; Representative MELVIN R. LAIRD, Seventh District of Wisconsin; Representative BYRON G. ROGERS, First District of Colorado.

Ex-officio members of the Board [1]

Senator RICHARD B. RUSSELL, of Georgia, chairman, Senate Armed Services Committee; Representative CARL VINSON, Sixth District of Georgia, chairman, House Armed Services Committee.

3. STATUTORY PROVISIONS CREATING THE BOARD

The Board's jurisdiction is prescribed by the provisions of Section (e) of 10 U.S.C. 9355.

This section provides as follows: "(e) The Board shall inquire into the morale and discipline, the curriculum, instruction, physical equipment, fiscal affairs, academic methods, and other matters relating to the Academy which the Board decides to consider."

Convening of the Board

The Board convened at 8:30 a.m., May 1, 1963, and completed its inspection at 4:40 p.m., May 3, 1963.

Chairman of the Board

The Board elected Gen. Thomas D. White, U.S. Air Force, Retired, as its Chairman.

Procedure

The Board listened to briefings by the Academy staff, inspected Academy facilities, attended cadet classes, and interviewed a cross section of the cadets.

Comments of the Board

Cadet Legislation—4,500

The Board examined the provisions of the legislative proposal to increase the Air Force Academy cadet strength to approximately 4,500. The Board strongly recommends early enactment of this legislation. An increase in the number of graduates would help satisfy the Air Force's need for more Regular officers with an educational background adequate to enable them to cope with the technological challenges of the aerospace age. Academy graduates establish a pattern for reaching and maintaining the highest professional standards. They have a beneficial influence upon the officer corps and thereby upon the entire Air Force. Acadamy graduates constitute only 3.5 percent of the total officer force or 8.4 percent of the Regular officers in the Air Force. The forthcoming increase in the number of high school graduates resulting from our increasing population will make enough good candidates available to enable the Academy to expand without a deterioration in the quality of its cadets. The Board noted the imbalance in the number of Service Academy graduates in relation to the officer strengths of the three services. As of November 30, 1962 the officer strengths of the services, excluding warrant officers, are: U.S. Navy and Marine Corps, 90,273; U.S. Army, 108,458; U.S. Air Force, 133,739. The authorized midshipman strength of the U.S. Naval Academy is about 4,400. The authorized cadet strength of the U.S. Military Academy is 2,505; the U.S. Air Force Academy, 2,505. Thus, the U.S. Navy with a planned fiscal year 1964 officer strength of only 67 percent of that of the Air Force and 82 percent of that of the Army has an authorized Academy strength about 75 percent higher than that of the Air Force and Army.

Airfield and Flying Training

The Board believes that the implementation of a light plane flying indoctrination program at the Academy would have a beneficial effect on cadet morale and would provide an added degree of motivation toward a military career. A program of 10 flying hours for all cadets with provisions for additional flying hours as necessary for those cadets who wish to qualify for a private pilot's license is deemed desirable. The Board believes that a runway of not less than 5,000 feet, constructed according to Air Force specification, and auxiliary items consisting of a parking strip, access apron, and hangar will be adequate for this flying program. It is recommended that the Air Force take appropriate action to obtain authorization for early construction of this airfield. Two thousand five hundred cadets are being educated to be Air Force officers and almost to a man they cannot understand why they have no facilities for flying training.

Cadet Athletic Program

The Board noted with approval the extensive program of physical conditioning, intramural sports, and intercollegiate athletics. It was recognized that although the existing cadet athletic facilities are of superior quality there is an urgent requirement for a fieldhouse which will permit a more effective year-round athletic program. During the fall and winter months many physical training programs and athletic practices are missed because of inclement weather. The experience of the other Service Academies has shown that a fieldhouse is indispensable. Until a fieldhouse is provided, the Academy will not be able to develop its physical training programs and intercollegiate teams to their fullest capability. The Academy considers a fieldhouse its first priority construction item, although some members of the Board believe an airfield comes first. The Board recommends immediate action be taken by the Air Force to obtain authorization for the construction of a facility which would contain an indoor playing field, running track, locker space, storage area, and visiting team facilities.

Academic Program

The Board believes that the academic curriculum which is evenly divided between the basic sciences and applied sciences on the one hand and humanities and social sciences on the other, provides ideal preparation for career military officers. The continued success of the enrichment program, under which cadets are encouraged to progress academically as far and as fast as they can, is evidenced by the outstanding achievements of the cadets on the graduate record examinations and by their success in the competition for postgraduate scholarships. It is particularly noteworthy that of the approximately 1,450 cadets that will have graduated when the fifth class graduates on June 5, 1963, 6 have won Rhodes Scholarships. Additionally, because many of the cadets earn nearly enough credits for a master's degree, the Academy has been able to establish a program with Georgetown and Purdue Universities in which selected cadets can earn a master's degree in 7 months following graduation from the Academy. Fifteen cadets in the class which will graduate on June 5, 1963 are scheduled to attend Georgetown University to study for a master's degree in international affairs; 14 are scheduled to attend Purdue University to study for a master's degree in astronautics. Although the Board was very favorably impressed with the academic program and considers the overall curriculum properly balanced between academic and military training, it believes that the academic program should be continually reviewed to insure that it is not allowed to overshadow the disciplinary and military aspects of the cadet program.

Faculty

The Board was pleased to note the high quality of the all-military faculty and was impressed by the fact that virtually all faculty members have advanced degrees. The Board believes that academically qualified military officers are more suitable and better able to prepare cadets for a military career than are civilian instructors. Since approximately 75 percent of the cadet's supervised time is spent in the academic program, the instructors have considerable influence on the attitudes the cadets develop toward military life. The Board recognized that the high quality of the faculty has been achieved and is being maintained largely because of the great number of applicants from which the Academy has authority to select and because an inefficient faculty member can be relieved at the Academy's discretion. The tour of duty for faculty members is 5 years. The Board believes that longer tours for selected members would be beneficial.

Airmanship training

The Board noted with approval that progress is being made in the reduction of unproductive harassing practices in the fourth class system and agrees with the Academy's goal of a hard, fair system that respects individual dignity and serves a constructive purpose. The Board agrees with the Academy decision to allow fourth-class cadets to go home during Christmas leave and believes that earlier recognition of the fourth class is desirable if it can be implemented in an evolutionary manner. From discussions with cadets, Board members concluded that those aspects of the airmanship training program that provide the cadets with a knowledge and appreciation of the Air Force and their responsibilities to it should be given more emphasis. The cadets believe they do not have much knowledge of such subjects as squadron duties; the promotion system of the Air Force; career planning; duties associated with assignments in personnel, operations, and finance; regulations, tech orders, and other Air Force publications; and what is expected of them in their first assignment after graduation. A general review of the airmanship program aimed at improving the

[1] The chairman of the Committee on Armed Services of the Senate and chairman of the Committee on Armed Services of the House of Representatives or designees, are, by law, ex-officio members of the Board. Senator RICHARD B. RUSSELL designated Senator HOWARD W. CANNON and Representative CARL VINSON designated Representative L. MENDEL RIVERS to attend in their behalf. Because of unexpected commitments, Senator Holland, Senator Humphrey, Representative Laird, and Dr. Wild were unable to attend.

cadet's knowledge of these and similar subjects which are important to them as they begin their careers as Air Force officers is recommended.

Cadet Selection and Admissions Program

The Board was favorably impressed with the Academy policy of selecting cadets for appointment on the basis of composite scores derived from an evaluation of accomplishments and activities which denote physical, moral, and leadership qualities as well as academic achievements. These factors appear to be well balanced in the Academy selection procedures. The improvement in the quality of the entering cadets in recent years is indicative of the progress being made in cadet selection and admissions procedures.

U.S. Air Force Academy Preparatory School

The Board showed special interest in the operation of the Preparatory School which provides an opportunity for enlisted members of the Air Force and Army to prepare for entrance into the Air Force Academy. The Preparatory School is operated with standards of academic excellence similar to those of the Academy. Students have an opportunity to earn U.S. Armed Forces Institute college credits which they may transfer if they enter the Academy or other colleges and universities.

Cadet Religious Program

The Board noted the achievements of the chaplains' programs and was very favorably impressed with the wide voluntary participation of the cadets in religious activities. The following statistics concerning these activities are considered significant:

Discussion groups: Limited to 60 cadets per week—385 from the class of 1966 signed up.

Retreats: 3 chapel sponsored, 6 church sponsored—over 400 cadets signed up.

Ushers and acolytes: 20 needed—115 from class of 1966 signed up.

Choir: 40 needed—277 from class of 1966 signed up.

Date for the Visit of the 1964 Board of Visitors

The Board set the dates March 4–6, 1964, for next year's visit.

Remarks: The Board noted with approval the success of the Superintendent's efforts to reduce the cost of cadet training through good management. The cost per cadet for fiscal year 1963 approximates that of the U.S. Military Academy which has an identical cadet strength authorization. Reductions in the cost of cadet training have been made without compromising the quality of the cadet training program. The Board commends the Superintendent and his entire staff for outstanding performance in directing the Academy.

Respectfully submitted,

Thomas D. White, General U.S. Air Force, retired; J. Edgar Chenoweth, House of Representatives; L. Mendel Rivers, House of Representatives; Barry Goldwater, Senator from Arizona; John J. Flynt, House of Representatives; Howard C. Cannon, Senator from Nevada; Byron C. Rogers, House of Representatives; James H. Douglas, former Secretary of the Air Force; Dr. Fred Harrington, President for Academic Affairs, University of Wisconsin; Dr. Frederick L. Hovde, president, Purdue University; John Lawrence, Chairman of the Board, Dresser Industries, Dallas, Tex.

FREE ENTERPRISE DAY

Mr. HUMPHREY. Mr. President, today, October 7, is Free Enterprise Day in the United States.

One year ago, the first Free Enterprise Day in America was celebrated when a small group of businessmen met in Falmouth, Mass. Their idea took root, and today many of the Nation's villages, towns, and cities are observing Free Enterprise Day and are commemorating the economic system which has made this country strong.

Our free enterprise system applies to almost every aspect of our society and our economy. The magnificent achievements of American agriculture are based on the principle of free enterprise. The growth and achievements of American business—big and small—stem from the system of free enterprise.

Until now, Americans have had no specific day during which they could unite to give thanks for the economic freedoms which have made this Nation's standard of living second to none.

I am pleased that Free Enterprise Day has been established, and I am proud to join in this salute to the principles of free enterprise.

Mr. KUCHEL. Mr. President, America has grown to greatness in the world because of our unique system of free enterprise, where competition in the business community produces better goods and services for sale in the marketplace at attractive prices. The incentive is to compete and thus serve the American public, and indeed all who desire to trade with us, better.

Today, Monday, October 7, 1963, hundreds of thousands of Americans are celebrating Free Enterprise Day, a day set aside to commemorate our great American economic system. Twenty Governors have issued proclamations setting aside this day. Many more mayors and local governing bodies have done likewise.

It is, of course, most fitting that 1 day be set aside which will call to all American's attention the wonders and glories that are our peoples as a result of a private, free, competitive enterprise system which is in the public interest. Under this system the United States of America has become a world leader. Under this system more of our people are relatively better off than those in other lands across the globe. Under this system and the abundance which it produces, our people have an unparalleled opportunity to meet the needs of our fellow men, not only here at home but also abroad. But this system, we must remember, is more than merely materialism. It has a deep philosophical content as well. For with a strong private economic system, government—whether it be local, State, or National—also more ably serves the people. Americans, thus cannot only fulfill their economic wants but also have a system which permits and furthers individual freedom and economic and political liberty for all our people.

Webster's defines free enterprise as "the freedom of private business to organize and operate for profit in a competitive system without interference by the Government beyond regulations necessary for keeping the national economy in balance."

Sometimes it takes a recent American to recognize fully the great values of this country which all of us who are born here all too often take for granted. Thus it is that a short time ago an immigrant citizen to our shores in Falmouth, Mass., led a small group of independent businessmen to hold a free enterprise celebration. This immigrant citizen was the owner of a Rexall drugstore. He had come to this country penniless and had risen to be a successful and respected businessman in his own community. He and his colleagues wanted the people of America to set aside 1 day each year in recognition of our system. Thus, it was that in Falmouth the first Free Enterprise Day was held in our country. They picked the first Monday in October.

Their idea has caught on in many cities throughout America and has been endorsed by businessmen throughout our country. It is a commendable idea which should have the enthusiastic support of those in business, labor, and civic organizations generally. I salute all who have worked so hard to call attention to this day.

ADMISSIONS POLICY OF NEW YORK WORLD'S FAIR

Mr. MORSE. Mr. President, in view of the fact that the Congress of the United States has voted to help finance in a relatively small way the oncoming New York World's Fair, I ask unanimous consent to print in the CONGRESSIONAL RECORD two brief statements by the Honorable Robert Moses, relative to some financial problems relating to ticket admission price policies. Mr. Moses is a dedicated public servant and we can all be sure that fair policies will be followed by him in connection with financial matters that will arise from time to time in operating the fair.

I certainly am not qualified to pass final judgment on the issue of schoolchildren admissions to the New York World's Fair, but I do know that Robert Moses deserves our trust and confidence in his administration of the fair.

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

REMARKS OF ROBERT MOSES, PRESIDENT OF THE NEW YORK WORLD'S FAIR, 1964–65, ON FREE ADMISSION OF CHILDREN

I note that a city education officer, two candidates for the city council and other assorted Santa Clauses have attempted to make an issue of free or drastically reduced rate admissions to the fair for New York City schoolchildren. They did not make the slightest effort to get at the facts and have been content to distort what little they knew.

The reasons why the fair cannot give away free tickets have been fully stated. Reduced advance sale rates have already produced over a million dollars in needed revenues to avoid further borrowing.

These are the indisputable facts:

1. The fair is a nonprofit private enterprise on public land which will be improved and turned back to the city as a magnificent park.

2. The fair is a business enterprise which must meet its obligations. These include first of all, repayment in full to noteholders. The 1939–40 fair, which was good natured about favors and economies, paid its bondholders only 32 cents on a dollar. This record was our greatest handicap in financing the 1964–65 fair. Our second obligation is to return $24 million advanced by the city

for permanent improvements. Our third obligation is to restore surface areas, at a cost of $6 million, and our fourth to earn about $11 million to finish Flushing Meadows Park for the permanent enjoyment of all ages. The last fair left Flushing Meadows largely a barren waste.

3. We have had, as might be expected, all sorts of pressures for handouts, favors, and special privileges. Among the many reasons why we could not join the so-called Bureau of International Expositions were that they insisted that foreign nations pay no rent and that the fair run only 1 year. This would have meant a bankrupt fair. In fact, it could not have been financed at all.

4. The matter of admission charges was determined, not by the president of the fair, but by its executive, finance, and other committees. The directors were informed. Every official of the fair knew all about it. The advance sale reduced rates were the subject of the fullest discussion.

5. Further reductions for children would involve all children in all grade and high schools, parochial schools, etc., not only in New York City but from every other community. The fair is a World's Fair. It is nationwide. It is not heavily subsidized by the city. The city is largely on the receiving, not on the giving end. The city is the beneficiary and residuary legatee. It has no more right to free or reduced rates for its children than has any other community. Actually the U.S. Government has put more nonreturnable money into the fair, notably for roads, marina, etc. than has the city. The State of New York has put in as much.

6. Assuming several visits by schoolchildren, and it is to be borne in mind that the fair cannot possibly be seen in a day, the fair would lose some $9 million in entrance fees if all children were admitted free, and could not meet its obligations. The advance ticket charges for children are very low—below those for any remotely comparable educational exhibits and entertainments.

7. Admission to most of the exhibits in the fair is free, but there are some, including various international, State, and amusement features which could only have been financed by low additional charges. If entrance admissions for children are to be free or at greatly reduced rates, charges for some of the admission rates within the fair would have to be lowered. This could not be done under our contracts and agreements. Moreover, there would be an immediate demand for free or reduced transportation to and within the fair.

8. If exceptions were made for schoolchildren, many other influential and persuasive groups would demand lower rates. We have already heard from them.

9. The fair will present extraordinary advantages to New York. They are worth a little sacrifice.

We pledged at the fair prudent, honest, courageous, and nonpolitical management, free from patronage, and that is what the people of the city as hosts and ultimate beneficiaries will get.

STATEMENT BY ROBERT MOSES, PRESIDENT OF THE NEW YORK WORLD'S FAIR 1964–65, RELATING TO CITY COUNCIL RESOLUTION PROPOSING REDUCED WORLD'S FAIR RATES FOR SCHOOLCHILDREN

It is inconceivable that any member of so important a body as the New York City Council could be so confused about basic facts in connection with free or drastic cut-rate admissions for schoolchildren. The facts have already been stated in our statement of October 2, another copy of which is attached.

Queens Councilmen Seymour Boyers and Edward Sadowsky have argued, as a basis for their resolution, that:

1. The city is spending about $120 million to build and improve "a network of express highways and scenic parkways leading to the site from all parts of the city."

The fact: The city is not spending 1 cent on the $120 million network these councilmen talk about. The Federal Government is providing 90 percent of the $120 million and the State 10 percent, except in one instance where it is 50 percent Federal and 50 percent State.

2. The city is spending $24 million for improvements related to the fair.

The fact: The city loaned the $24 million for permanent improvements under conditions which require full reimbursement. The $24 million in permanent improvements is a contribution by the fair and its exhibitors to the city, not the other way around. Despite this, the city will be repaid the $24 million from fair revenues if they are earned.

3. The $3 million Hall of Science that the city is building on the fairgrounds is for the fair.

The fact: The Hall of Science is permanent and is a part of the postfair city park. It is desirable but not essential to the success of the fair. All of the exhibits are furnished by the U.S. Space Agency and private corporations, none by the city.

4. The city has provided funds for "the promotion and development of the world's fair."

The fact: The World's Fair 1964–65 Corp. and its exhibitors and supporters have provided all funds for the promotion and development of the world's fair.

For the information of all the councilmen, and the candidates for public office who are seeking headlines whenever they can get them, the city of New York will receive a much greater benefit from the fair than from those paying moderate admission charges. The fair is an important revenue source for the city. Comptroller Abraham Beame has estimated that the city will receive around $100 million a year in revenue. It will also have a magnificent permanent park after 1965 if the fair is prudently managed.

Any free admission or drastic reduction in entrance charges for children would have to apply to parochial as well as public schools, to high schools, to all schools in the suburbs and in other States and to scores of associations and groups who want to get in free or for next to nothing.

It might be well for members of the council to speak to the city's hotel associations and the restaurant groups, the city merchants and a host of other taxpayers, and find out what they will get from the fair. The city's economic welfare is closely tied to the fair. If the fair's present sound fiscal policies, pledged to those who have financed it, are countinued, all New York will benefit economically.

TRIBUTE TO ESTES KEFAUVER

Mr. McGOVERN. Mr. President, one of the most fervent and yet richly deserved tributes offered to our late beloved colleague, Senator Kefauver, is from the pen of Mr. Clarence Streit. Mr. Streit as editor of "Freedom and Union"—the official organ of Federal Union, Inc.—offers an eloquent and entirely justified tribute to the Senator from Tennessee for his longtime leadership in the cause of Atlantic union.

On June 5, 1948, he said to his fellow townsmen in Madisonville, Tenn.:

I am convinced that the one real way that we can have peace in the world is to join in a kind of federation with the other freedom-loving peoples.

Throughout his senatorial career, Estes Kefauver never wavered in that conviction.

Mr. President, I ask unanimous consent that the tribute by Mr. Streit appearing in the September 1963 issue of "Freedom and Union," and a second tribute by Mr. Edward J. Meeman, editor emeritus of the Memphis Press-Scimitar, appearing in the same journal, be printed at this point in the RECORD.

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

[From Freedom & Union magazine, September 1963]

SENATOR ESTES KEFAUVER, TRAIL BLAZER OF ATLANTIC UNION, 1903–63

"The answer of the State Department to every proposal for peace, Mr. President, is that it needs time to consider the proposal. My Heaven, Mr. President * * * we need to utilize the brief time that we have * * * to quit drifting and start moving. The State Department evidently does not realize that we cannot kill time; it is time which kills us. And that was never more true than it is at this very moment."

POIGNANT TIMELY REMINDER

Thus spoke Senator Estes Kefauver in his speech, "Atlantic Union: The Way to Peace—Reply to the State Department." in answer to its opposition to the Atlantic Union resolution he had introduced July 28, 1949. He spoke on the Senate floor March 13, 1950—3 months before communism suddenly launched its attack on South Korea.

All that speech repays rereading now, but the paragraph quoted speaks most eloquently just today to all his generation, and most movingly to us Atlantic Unionists who know how priceless was his pioneering for federation of the free. No one in the prime of life can be reminded too often or too poignantly that, however much we act as though we had time to kill, all the while time is killing us. Estes speaks to us, and to all, with new authority on this subject now. He did not kill time, he crowded great good into his years, and wisely did he do so, for now time has killed him, when only 60, at the peak of his powers.

The cause of Atlantic Federal Union suffered a truly tragic loss when his heart abruptly gave way on August 10. He had gone from the Senate floor, where he was opposing private monopoly of communication satellites, to the hospital, thinking he had only indigestion. There his heart—until then a kind heart and a stout one in every way—suddenly gave in.

WHAT OTHER SENATOR?

Nature gave Estes great gifts; hard work developed them, and what he had already done with them promised even finer contributions to his fellow man, had he been allowed even the Biblical three score and ten. He was not a member of the Senate's famed inner "club," but those who are, and all the 99 Senators, may well ask themselves: "The death of what Senator among us would have the nationwide, Atlanticwide impact Senator Kefauver's has had—measured not only in frontpage headlines and editorial tributes but in a deep sense of personal loss felt by so many whose devoted loyalty he had won, for so many reasons, in so many places and fields of life?"

Estes was much more than one Senator in a hundred; he was one man in a myriad. He needs a Shakespeare to do him justice—and for him Shakespeare did write a eulogy. It is the tribute to Brutus which Antony paid on the battlefield where he perished. One need but omit—as I do here—its second and third lines to make even its "He * * * made one of them" refer no longer to Brutus and

the conspirators, but (like all the rest) to Estes and his work to unite the free:

"This was the noblest Roman of them all."

* * * * *

"He only, in a general honest thought
And common good to all, made one of them.
His life was gentle, and the elements
So mixed in him that Nature might stand up
And say to all the world, 'This was a man!' "

THE GENTLE WARRIOR

Estes Kefauver's life was gentle in the sense that he was a born gentleman, the soul of kindness. He did not learn consideration for others from a course on how to make friends. Consideration for each person he encountered, however humble, was in him second nature—nay, true nature. He carried it to a friendly fault that has made his ready handshake legendary, and overshadowed for the public better proofs of his thoughtfulness that thousands treasure.

His life was far from gentle, however, in the sense of drifting with the current or following the way of least resistance as so many do, avoiding hard decisions, conflict. Estes was forever paddling his canoe upstream, even up rapids that daunted other explorers. Increasingly through his 10 years in the House and 15 in the Senate, his public life was devoted to heroic conflict. His battles were both negative and positive.

He fought against dragons as powerful as war, democratic disunion or anarchy, race prejudice, organized crime, monopoly and profiteering in steel, medicine, the high heavens of Telstars. Birth involves conflict too, and Estes fought for creation of the Federation of the Free, for a more effective "20th Century Congress"—the title of his first book—for more democratic elections (through abolishing the poll tax, reforming the presidential electoral college, etc.).

In politics as in engineering, there are two kinds of men, the kind that construct and the kind that operate. Estes was of the rarer constructive type. His passion for building better government first showed itself at the county level when he came home from Yale to practice law. Before he died he had contributed to the creation of better government at all the other existing levels, municipal, State, and Federal—and above all to the constitution of democratic government where it does not yet exist, in Atlantica. His championship of Federal Government on this international scale contributed to his election to the Senate in 1948 despite Boss Crump in Memphis—and thereby resulted in replacing his machine with an independent government in that city, and freeing the State government from bossism. But this is a story in itself—for a later issue.

A GIANT'S STRENGTH

Estes had a giant's strength, without the fault that Shakespeare found in this:

"O, it is excellent
To have a giant's strength; but it is tyrannous
To use it like a giant."

I wish Shakespeare had gone on to tell us how excellent it is to use such strength for noble ends—not to exploit the weaknesses of others for one's own profit but to find satisfactions in making the weak stronger, the fearful braver, and in freeing one's fellows from the walls of anarchy, war, and moral cowardice that hem man in, and the chains of oppression, prejudice, and ignorance that hold him down. Estes had a giant's strength in at least two senses, physical and moral. He was weak as a speaker—he moved men by his character much more than by his speech. He was not a seminal thinker—but he had an independent mind. He was open to the ideas of others and not too proud to work for those he judged to be sound as if they were his own. And his judgment not only of ideas but even more of political situations and strategy was very good. To return to the two strengths mentioned.

MR. COURAGE

Physically, Estes stood head and broad shoulders above most of us. His stamina carried him through three killing campaigns for his Senate seat, and the multitude of presidential primaries that he won in 1952 and 1956. Morally, his strength was even rarer.

I think of him often as "Mr. Courage," for throughout the 15 years I knew him intimately he was the most consistently and outstandingly courageous man in legislative office I have yet known. Nor does my prize for courage go to him only because of the degree of it he showed in the leadership he gave Atlantic Union in Congress, as some may assume.

It has never seemed to me to take the highest courage for those who laud the commonsense of the common people, as all politicians do, to ask the voters to back the case for Atlantic Union, which is commonsense itself, to me at least. But the record shows that they do think this requires high courage, and so I concede the point—the more readily because such courage is indeed required to continue in this course as long as Estes did. The eulogies and editorials I have read have nearly all stressed his courage, but—with significant exceptions in Tennessee where he was best known—none even mentioned his work for Atlantic Union. This shows at least that there was plenty of other proof of it; this other evidence has most impressed me, too.

83-TO-1 ESTES

The ignorance, prejudice and misguided emotions that Atlantic Union runs counter to and that so many politicians have feared to face do not seem to me so hard to overcome or so explosive as the ignorance, bigotry, and misguided emotions roused by other issues, most directly in one's own constituency. Most politicians seem to share this evaluation, judging from their fear of even irking their constituents on matters that touch them to the quick. Yet through these minefields sown with boobytraps Estes marched as calmly as others on a safe highway—even more serenely, if anything, than he did on the Atlantic Union road. For example, on racial issue votes, he stood out among all the Southern Senators, conservatives and liberals, often alone until ALBERT GORE joined him as the junior Senator from the State already famed for Andrew Jackson and Andrew Johnson.

The vote that most impressed me allowed one to test Estes against the whole field. It came when "northern Democratic liberals," with whom Estes often voted, sought during the McCarthy fever to outfox those who charged that they were soft on communism, by sponsoring a bill to outlaw the Communist Party. No one was under worse attack then as a "pink" than Estes in Tennessee by those who sought his seat. The Senate approved the bill 83 to 1—and the 1 was Senator Kefauver. The immediate result was an astonishing victory he won singlehanded, which began the next day when two Senators were brave enough to confess on the floor their consciences had kept them awake all night because they should have voted as he did. In a later issue we shall publish an article by his then administrative assistant, Richard Wallace, now Executive Director of the Atlantic Council of the United States, telling this whole heartwarming story. This demonstration of Senator Kefauver's courage and wisdom deserves a much more spacious monument than we can give it now.

NOT RECKLESS COURAGE

The courage that characterized Senator Kefauver was not blind or even reckless or flamboyant. It was no less deliberate than determined, as aware of the dangers as it was quiet, a courage fathered by deeply rooted values and mothered by firm faith in his fellow man.

"His critics in the Senate called him 'Estes the Martyr,' the 'Frontiersman,' and the 'Scourge of Sin.' " The New York Times said: "They accounted him a canny politician bent on building up a personal following." Frontiersman he was indeed in spirit, but there was in him nothing of Jeremiah, still less of the martyr or fanatic. His courage came from no such sources. True, he was a shrewd politician—as I have had much more occasion to welcome than to criticize—but Congress swarms with canny politicians who seek to build up a personal following * * * by anything but the course that Estes took. Two of many examples in my personal knowledge may show that seeking his own advantage was not his major motive.

TWO STEPS BACK FROM FAME

When Estes gained national renown by his crime investigation I was disturbed, because I feared it would divert him too much from Atlantic Union. I expressed to him more than once my anxiety, and my belief that Federation of the Free was more worthy of his mettle. It is now forgotten that at the height of the fame his Crime Investigation Committee had brought him, he resigned as its chairman. He tied this to his responsibility as sponsor of the Atlantic Union resolution, in a statement on March 24, 1951. The Korean war was then on, and he explained to his constituents: "Tennessee boys are dying on foreign battlefields and I believe this plan I proposed may provide the answer we pray for. I consider it my bounden duty to turn my efforts and time from local and national crime to international crime."

Freedom & Union featured this on its May 1951 cover, but the mass media gave it scant if any attention. The cause to which he turned has brought Senator Kefauver so little publicity, thus far, that, as has been noted, outside Tennessee, his obituaries rarely mentioned his Atlantic Union role. Such was this canny politician bent on building up a personal following.

The second example I would cite came in 1959. The outlook for congressional approval of the Atlantic Convention proposed—which Foster Dulles had blocked when he became Secretary of State—had improved enough to make its supporters, including Senator Kefauver, believe it might win, and therefore should be reintroduced. Far from seeking to cash in on his early work, he advised the resolution's supporters that, because of hostility he had roused on other issues and the fact that he was not a member of the Foreign Relations Committee, it would be wiser to get a member of that committee to introduce it.

In the interest of the resolution, he stepped aside for Senator HUBERT HUMPHREY, who became its chief sponsor, and Senator FRANK CHURCH, who became its floor manager. Estes continued to work as hard for it in the ranks as when he was out in front. Without him it would not have passed the Senate as it did in 1960—and I happen to know that it was his influence behind the scenes that gave it the Republican support it needed to clear the Rules Committee and reach the floor of the House, where its victory was clinched. Such was the character of Estes Kefauver.

WHERE WE DIFFERED

Devotion to principle did not blind him to the values of compromise. In my view he was too ready, after the failure of the first years of head-on onslaught for the Atlantic Union resolution, to follow those who urged that the way to get it through was to water it down. At times I differed strongly with him on strategy. We agreed on the need to accept some compromises to get action while insisting on enough of the essential to make

the action worthwhile. We differed only on the degree this involved. I was readier than he to risk losing the battle than to win it in a way I thought risked losing the war.

There was truth in both views: The resolution did win approval, as he hoped, in the weakened form that he found safe—and that in the end I supported, partly from respect for his judgment and partly from necessity. But, as I feared, the resulting Convention held in January 1962 fell woefully short of what we both had sought. Though Estes would go further than I in such compromising, I know his willingness came from no weakening of his devotion to Atlantic Union.

STARTING KEFAUVER SERIES

The story of Senator Kefauver's work for Atlantic Union is too great to be told now, and too impressive, inspiring and filled with human interest not to be told later. And so, in succeeding issues, we shall tell more of it. We shall accompany the series with documents, beginning now, on page 21 where we give the text of his first major Senate speech on Atlantic Union. Only 11 days after his death, The New York Times found occasion to note: "The loss of Senator Kefauver seems greater today than it did when death struck him down." As the true story of his work for Atlantic Federation becomes better known, that comment will swell into a chorus, and his stature will loom even greater.

HIS 1948 COMMITMENT

In his hometown, Madisonville, Tenn., named for the "Father of the Federal Constitution," where Estes was buried, he made on June 5, 1948 his first public commitment to Atlantic Union. Announcing his candidacy for the Senate, he said:

"I have studied the matter very closely. I am convinced that the one real way that we can have peace in the world is to join in a kind of federation with the other freedom-loving peoples. * * * I feel that the statesmen of these democracies should work toward this program, just as the statesmen of our Nation worked toward building 13 States into the federation which grew into the great United States of America. * * * It is going to take work, a lot of prayerful thinking, and moral and religious regeneration. But it is not only possible. It must be done."

FINAL TESTIMONIAL

Fifteen years later, I would testify in the words of Timothy: He fought a good fight, he finished his course, he kept the faith. And I would add these words with which the Associated Press ended its report of the burial of Senator Kefauver on August 13:

"As thunder rolled, the coffin was removed by an Air Force honor guard to the graveside. Lightning flashed as the casket was lowered and when the family turned from the grave, a heavy downpour began."

In a way that would have seemed fitting to the ancients, the noblest Roman of them all passed, into history.

[From Freedom & Union magazine, September 1963]

KEFAUVER WILL BE BEST REMEMBERED FOR PIONEERING ATLANTIC UNION

(By Edward J. Meeman, Editor Emeritus, Memphis Press-Scimitar)

A great heart snapped because it tried to do too much.

Though he seemed to do it all easily, there must have been a strain which did not show on the surface.

I was one of many whom Estes Kefauver took inside that big heart, and I feel that I learned to know it well.

I first met him when he was Representative from Chattanooga. What he talked about, and earnestly, was the need of reforming the procedures in Congress, ideas which he expressed in his book, "20th Century Congress."

Then and there I decided he was a statesman, for there were few votes to be gained by reforming the rules of Congress.

So when he told me he was going to run for the Senate, and asked me to get some Memphis people together to meet him, I was glad to do so.

He said he would fight Ed Crump, the political boss and dictator of Memphis.

"Don't do that," I advised. "One candidate after another has made Crump the issue and that negative policy has failed.

"Just come to Shelby County and present yourself and your program, appeal to the people for their votes as you have a right to do. Don't fight Crump, but if Crump fights you, as I think he will, fight back."

Crump did blast Estes Kefauver, and the candidate fought back. Crump likened him to a pet coon, that goes rummaging in the bureau when you are not looking.

"I may be a pet coon," Estes rejoined, "but I am not Mr. Crump's pet coon."

The battle was on.

I learned Estes was about to put on a coonskin cap.

"Don't do that," I pleaded. Such showmanship was distasteful to me.

He ignored my advice, and the whole world knows how effective the stunt was.

Estes Kefauver won. The Crump dictatorship which had ruled Memphis with an iron hand, and had handpicked Governors and Senators, was smashed, though Crump continued to be a political leader of prestige until his death.

A statesman, they say, must first prove to be a politician who can get elected.

But once elected Senator Kefauver proved he was at heart a statesman.

To get the essential support of Edmund Orgill, Memphis wholesale hardware merchant, Senator Kefauver had to convince Mr. Orgill he was for Atlantic Union, for it was only to advance this cause that Mr. Orgill was willing to enter politics.

Senator Kefauver did pledge himself to advocate Atlantic Union.

But, if he had been merely a politician, how easy it would have been for him to make one speech, introduce a resolution for it, say, "I'm sorry but you see the time is not ripe," and abandon the effort.

But Estes had become convinced that organic union of free democratic nations of North America and Western Europe was necessary to overcome communism.

He worked for it, fought for it. When, in campaigns, demagogs attacked him for it, he did not flinch.

He was a speaker in demand throughout the country. He could choose his own subject, and often, he chose to speak in behalf of the Atlantic Union.

He was the principal architect and the leading American figure in organizing the NATO Parliamentarians Conference which has been meeting every year since 1955, the Atlantic Congress of 1959, and the Paris Conference of 1961.

There is an Atlantic Council at work today, with all three living ex-Presidents as its honorary chairmen, and Senator Kefauver gets the credit.

The "Parliament of Man" he achieved before his death. The federation of the free should come soon from causes he set in motion, and be his monument.

Senator Kefauver's exposure of gangsters and his fight on monopoly were spectacular.

But I will wager that he will have a great place in history as the statesman who, more than any other, pioneered in behalf of the federation of the free.

Mr. McGOVERN. Mr. President, I also ask unanimous consent that the text of Senator Kefauver's first major speech in the Senate on Atlantic Union, July 11, 1949, as reproduced in the September 1963, issue of Freedom & Union—a speech in which the Senator served notice of the Atlantic Union resolution which he introduced 2 weeks later on July 26, 1949—be printed at this point in the RECORD.

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

[From Freedom & Union magazine, September 1963]

KEFAUVER IN 1949 FORESAW PRESENT DOUBTS OF ALLIES—URGED ATLANTIC FEDERATION

Mr. KEFAUVER. Mr. President, providence has so arranged it that we are considering ratification of the North Atlantic Treaty in the historic Chamber where the Senate met in the early years of the Republic, when this great Federal Union of ours was an experiment whose testing had begun. When the Senate came to this city, it had only 32 Members. My own State of Tennessee was the youngest of the 16 States that then formed the Union, and "We the people of the United States" were only a little more than 5 million strong.

"God works in a mysterious way His wonders to perform." He has blessed His Federal Union beyond the dreams of its founders; He has brought it to the highest pinnacle of both power and freedom that any people ever knew; He has faced it now with one of the decisive turning periods in history; and He has brought us now back to this hallowed historic Hall to make the decisions on which this epoch will turn, for good or for ill. I find it altogether fitting that this should be. No surroundings could be more conducive to wisdom than these. They bring us all more intimately together to counsel one another. They evoke inspiringly the human principles that created this Federal Union and the great progress to which their practice has already led. I stand here in no little awe.

I have given the North Atlantic Treaty the most earnest consideration of which I am capable. I have come to this conclusion:

I shall vote for its ratification, without reservation, but I consent to it only because I see it as a necessary interim measure, a measure that will gain the time needed to explore in peace a far more promising prospect—the possibility of eventually uniting the democracies of the North Atlantic by our own basic Federal principles into a great Atlantic union of the free.

WHAT IS OUR PRIME POLICY?

My approach to this treaty may be summed up as follows: First, what should be the prime purpose of our foreign policy? Second, will ratification of this treaty achieve or serve that purpose?

My answer to my first question is that the prime purpose of our foreign policy should be to secure our free way of life without having to fight a recurring world war every generation to do so. Twice in our lifetime we have sought to gain this.

I doubt that any of us would disagree that this should be our basic purpose. But policymakers are so absorbed by day-to-day problems that they tend to forget this purpose, and the peculiar responsibility it places on all of us here. To overcome dictatorship and would-be world conquerors without war has proved to be a far harder thing than to vanquish it by war. It requires wisdom, vision, boldness, sacrifice even more than does victory by war. And it requires them of us, the older men and women; the parents, not the children; the statesmen, not the youngsters. If we fail, then their turn comes, and the only thing that can save our freedom thereafter is their sacrifice and their daring.

Twice in our lifetime we have sought to secure our freedom without war. Twice we have failed. Twice the boys have had to save the day, make up for their elders' lack of vision, wisdom, self-sacrifice, and courage. And twice we have seen that merely to win by war is no enduring answer, even though the surrender be unconditional and we occupy Tokyo and Berlin. Twice we have seen that all the sacrifices of our youth cannot secure our freedom without another war if their elders remain unwilling to sacrifice dangerous narrow, selfish views, disastrously outmoded concepts, fail to tackle the problem with the vision and courage that success requires. Twice we have failed to achieve our prime purpose, and we dare not fail again. But to succeed we must keep always in mind, not only what our purpose is, but the special responsibility it places on each of us here in the Senate.

In this spirit I would approach the second question: Will ratification of the North Atlantic Treaty achieve or serve this prime purpose? The question is involved, and the answer can only be reached after considerable weighing of the lessons of history. In the end the answer, in my opinion, must be definitely in the affirmative.

Unquestionably this treaty represents a profound change in the policy of this Republic. We cannot be unmindful of that, in this hall which takes us back to the days of Jefferson's first inaugural, when he laid down the policy of "entangling alliances with none." But this small chamber reminds us too of the vast changes that have since occurred, not only in the power and status of this Union in the world, but also in science and technology, in the means of communication, and of destruction.

When Senator Andrew Jackson came to represent my own State of Tennessee in this hall in 1823, he had to make the trip of 860 miles on horseback, all except the last leg of it, which he made by ship, and even that short leg took him 5 days. Now I can make that trip from Tennessee in fewer hours than it took Andrew Jackson weeks.

Wisdom counsels us to cling to policies that have long served us well. We have, until recent years, clung tightly to the Jefferson policy. We ought to achieve our prime purpose, of securing our free way of life without World War, by neutrality in 1914, when the airplane was in its infancy, and we failed. We clung to it still, rejected the Wilsonian guaranty of France and the Covenant of the League of Nations as entangling alliances, and relied on neutrality to achieve our purpose. Again we failed and much more disastrously than before. In 1941, the airplane was only in its childhood, yet it proved capable of destroying overnight the control of the Pacific on which we had spent billions. At the time of the Pearl Harbor disaster, the airplane had not yet burst through the sound barriers to speeds that seem fabulous now, but it will no doubt seem slow in 1960 or 1970. Neutrality and isolationism failed dismally to save us when the guided missile and the atomic bomb were still unborn. Save at the cost of still worse catastrophe, we cannot continue to cling to such policies while these fearful weapons are growing by jumps and by jets.

If wisdom counsels us not to abandon lightly policies that have long proved good, it tells us too, not to cling to them blindly when they are producing worse and worse disasters. It reminds us that policies that worked in one set of conditions may fail in others, and that when they do we must adapt ourselves to the world we live in or we will perish.

The fact that this treaty marks a decided change from the Jeffersonian policy is, therefore, no longer an argument against it; it is rather an argument for it, since safety compels us to make some decided changes. We cannot be more entangled by a treaty than we already are by the facts of modern life, and it behooves us to remember that these conditions of life tend to entangle us more and more every year, not less and less.

That the Senate and the people of the United States have already recognized this is proved by their overwhelming acceptance of the Charter of the United Nations. That represents no little change, but unhappily it is only too evident that, with all the good that the United Nations does, and that more than justifies our continued support of it, the U.N. is not strong enough, as it stands, to achieve our purpose. It must be greatly strengthened, but it is evident that it must be strengthened in some way that cannot be vetoed by a potential aggressor. Consequently, it must be strengthened in some way that involves no amendment of the charter.

The North Atlantic Treaty meets this first test; it requires no change in the charter. It is made under the permission which the charter expressly grants. Does it, however, strengthen the forces of peace enough to achieve our prime purpose? I sympathize fully with the misgivings that many have in this regard.

THE DILEMMA WE FACE

Certainly the result has been to make clearer a basic dilemma that lies at the heart of this treaty. As was said by the Senator from Utah, Mr. Watkins, in the Senate June 1, many believe that by this treaty we can give positive assurance of our help to our European allies and at the same time preserve freedom of action by Congress. The dilemma is that the more positive assurance of help we give, the less we can preserve our freedom of action, and the more we preserve it, the less certain is our aid to our allies. The treaty's carefully worded text seeks to balance on both horns of this dilemma, and does this, in my judgment, about as well as can be done.

If we strengthened the treaty's positive assurance to our allies to the point where the alliance was automatic, we would not only be disregarding constitutional processes which we are bound to maintain, but we would be incurring the danger of handing a blank check to nations who would remain free to follow policies that could lead to war. They would each retain their independent sovereignty not only as regards policy but as regards their armed forces; and the more automatic our guaranty to come to their aid if they got into war, no matter what they did, the more ineffective would be the voice we had in shaping their peacetime policies.

On the other horn of the dilemma, if we seek by reservations to emphasize our constitutional processes and our freedom of action more than the treaty already does, we fall into the danger of encouraging the potential aggressor to attack in the belief that we will not come to the aid of our allies, or will come too slowly or too late. There is no safety in this course either.

The question is, Does this treaty strengthen the forces of peace enough to achieve our prime purpose? The more we try to keep from being entangled by the treaty, the weaker it becomes. What good are such efforts to pull away from the full implications of the treaty, especially since the situation is such that we are bound to be entangled in any major war, treaty or no treaty and no matter what reservations are made to it.

The chief objection to the treaty, it seems to me, is rather that at best it cannot be relied on to strengthen the side of peace enough to achieve our prime purpose. Alliances are notoriously unreliable, even the most automatic ones. Back in 1788, Alexander Hamilton pointed out in No. 15 of the Federalist:

"In the early part of the present century there was an epidemical rage in Europe for this species of compacts, from which the politicians of the times fondly hoped for benefits which were never realized. With a view to establishing the equilibrium of power and the peace of that part of the world, all the resources of negotiation were exhausted and triple and quadruple alliances were formed; but they were scarcely formed before they were broken, giving an instructive but afflicting lesson to mankind: how little dependence is to be placed on treaties which have no other sanction than the obligations of good faith."

The lesson was not learned, and the afflictions have continued. Consider merely the record in our own time. Can any Senator name a single alliance in this tumultuous period that achieved the purpose for which it was made? I hope there is at least one exception—though that would only help prove the rule—but I have looked in vain for it.

Just as this alliance was negotiated as a means of achieving our purpose without war, so every alliance was made to achieve without war the ends of its signers. Yet Germany, Austria, and Italy did not avoid World War I through the dual and triple alliances. Nor did France, Britain, and Russia avoid war through the Entente Cordiale and the Triple Entente and the Franco-Russian Alliance. The Locarno Treaty of mutual guaranty; the Little Entente; the Franco-Polish, the Franco-Czech, the Franco-Yugoslav, the Franco-Rumanian, the Franco-Soviet, and the Franco-British Alliances; the Axis Alliances; none of these served to gain the purpose of any ally of winning without World War II.

A worse record could hardly be imagined, but the record is, in fact, still worse. Not only did all these alliances fail to save a single ally from war; they did not even suffice to win the war for any of them. The Triple Entente did not win World War I; it broke down with the Russian revolution in 1917. The Franco-British alliance did not win World War II; it broke down even earlier, less than a year after the war began. Both wars were won only after the United States was drawn into them.

THE GREAT WEAKNESS IN ALLIANCES

The great weakness in the alliance method which is responsible for this sorry record is the uncertainty that lies at the heart of any such treaty. However unequivocal its text may seem, the fact remains that each ally retains his sovereign power to interpret the terms of the treaty to suit his own interests. This is inherent in the very nature of an alliance in the fact that it is an agreement between sovereign states, in contradistinction, for example, to a federal union constitution, which is an agreement made by sovereign citizens. It is this uncertainty about whether an alliance will function or not at the showdown that leads to their failure. It encourages the adversary to hope that he can contrive to split the allies apart, and it makes each ally continually fear that he will be left in the lurch by the others just when he is most in need of aid. I have heard not a few Americans express doubt that we could depend on certain of our allies under this treaty in the event of war, particularly if we were attacked in the Far East. I understand there are Europeans who express the same doubt about our coming to their aid if they are attacked.

(NOTE.—By 1963 these fears had grown to a De Gaulle crescendo, which Washington's reassurances have not allayed.)

How far our constitutional rights are already safeguarded in this treaty was brought out by that eminent jurist, Owen J. Roberts, former Associate Justice of the U.S. Supreme Court. On May 6 he testified before the Sen-

ate Foreign Relations Committee in favor of ratification of the treaty as a step toward the formation of an Atlantic Federal Union, a fact that greatly encourages me in taking the same stand. On page 556 of the report of these committee hearings, I find this passage:

"Mr. ROBERTS. I suppose you realize that although this treaty is a 20-year treaty, the body of which you are a member could revoke it in 2 years, under our present Constitution.

"Senator DONNELL. You do not mean the Senate could do it?

"Mr. ROBERTS. I mean Congress could do it.

"Senator DONNELL. Under what provision do you mean? The provision in regard to 2 years beyond which provisions for war cannot be——

"Mr. ROBERTS. No. I mean the treaties of the United States are on the same parity with law.

"I think you are familiar with the fact that a law passed by Congress inconsistent with the treaty repeals the treaty.

"Senator DONNELL. That is correct. But I understood you to say something about 2 years.

"Mr. ROBERTS. I say 2 years, 5 years, or 10 years.'"

We may feel confident that once this treaty is ratified, Congress will not exercise this power to revoke it in whole or in part. But I submit that the issue does not turn only on our own certainty as to what we shall do. The value of this treaty in achieving our prime purpose of securing freedom without war turns also on whether all our allies will share this confidence that we shall never exercise this power. It turns even more on whether the master of the Kremlin believes in our good faith as we do, and in that of our allies as they do. Does anyone think that he holds this high opinion of any of us?

Surely, the more the Kremlin doubts that this treaty will be carried out, the less it will be discouraged from aggression and the less we are likely to achieve by this treaty our prime purpose of securing freedom without war. So the treaty does not prevent us from being exposed to this danger.

Since an alliance is usually an unreliable means of preventing war, it may well be asked why we should ratify this treaty.

My answer is that we should ratify it because of certain practical considerations. However poor a reed we may consider this treaty, it has already been signed. Refusal to ratify it now, because it fails to remove entirely the uncertainty that makes for war, would not lessen that uncertainty, but increase it to the highest degree. We should not forget, much as we should deplore, that the memory of the Senate's rejection of the League of Nations covenant after President Wilson had signed it, and of the revised World Court protocol after that great Republican statesman, Elihu Root, negotiated it at Geneva in 1929, already makes many Europeans regard the United States as a very uncertain quantity. Nothing could strengthen this feeling more than our refusal now to ratify this treaty. Only the potential aggressor could gain by such an upset—and what encouragement he would gain.

Moreover, our Government in negotiating this treaty was dealing with an urgent situation. The blockade of Berlin, we should not forget, was at its height when these negotiations began.

Although the treaty is too uncertain an instrument to be trusted permanently to achieve our prime purpose, it can be very useful as a means of gaining the time we need to work out the instrument that will do that job. Although alliances may not suffice to prevent war very long, they have served to defer war. The trouble has been that their supporters have failed to use this time wisely, failed to use it promptly to replace the alliance with something much more reliable. That something is, in my judgment, our own U.S. federal union system. The recent formation of the Atlantic Union Committee and the support it is receiving greatly encourages me to believe that if we ratify this treaty the time we gain by it will be thus wisely employed. This Committee proposes that first we ratify this treaty and next we pass a resolution inviting its sponsors to meet with our delegates in a convention to explore the possibilities of uniting them, within the framework of the United Nations, in a federal union, limited though it might be. Admittedly it would have to be a limited federation to begin with, but a start can and should be made. All three of the Committee's leading officers testified before the Foreign Relations Committee in support of this policy and I would earnestly commend their testimony to the study of my fellow Senators.

It will be evident that this policy has already passed a very careful scrutiny by men of the highest level of experience, whose judgment we all respect, when I say that these three leaders of the Atlantic Union Committee are: President, former Justice Owen J. Roberts of the U.S. Supreme Court; Vice Presidents, Robert P. Patterson, former Secretary of War; and Will L. Clayton, former Under Secretary of State for Economic Affairs.

FEDERAL UNION WOULD ACHIEVE OUR PURPOSE

What is this proposal of Atlantic Union? In essence, it means that we would rely for the achievement of our prime purpose not merely on the preservation of our constitutional processes, but on the extension of these constitutional processes to govern our relations in this field with the other democracies of the North Atlantic.

Much has been said of the U.S. Constitution in the discussion of this treaty, but it seems to have been forgotten that our Constitution is itself a foreign policy. It originated as a basic foreign policy to govern the relations of sovereign States with each other, and with all the rest of the world. It began as an answer to the kind of problem we and the other Atlantic democracies now face, how to secure our liberty without another war. It began when an attempt to solve this problem by an alliance—the Articles of Confederation, in some respects much closer and stronger than the treaty before us—had failed to work even among 13 States whose people had more bonds in common than the 12 signatories of the North Atlantic Treaty.

Faced with the dangers of war, depression, unemployment, inflation despite their Articles of Confederation, the delegates of the earliest Atlantic democracies met in a convention at Philadelphia in 1787—met, to quote one of them, William Paterson of New Jersey, "as the deputies of 13 independent, soverign States." There they worked out our Federal Constitution as the solution to their common problem in foreign policy, as the basis of their relations with each other.

They adopted it, as its preamble states: "in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity."

How much we are reminded of this preamble by these objectives listed in the preamble of the treaty now before us:

"To safeguard the freedom, common heritage, and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law * * * to promote stability and well-being in the North Atlantic area * * * to unite their efforts for collective defense and for the preservation of peace and security."

The objectives are basically the same, now as then, but how different the policy for achieving these objectives. The North Atlantic Treaty, like the Articles of Confederation, forms a mere alliance of governments; the Constitution of the United States formed a Federal Union of their people, with powers divided between their new common Government and their separate State governments with a view to securing thereby the freedom, prosperity, and peace of all their citizens, and keeping government obedient to them.

With this Federal Union man-to-man instead of government-to-government policy toward each other, the people of the 13 States peacefully settled 11 territorial disputes in which their governments were engaged under the Articles of Confederation—disputes that in some bases threatened peace. They quickly put the dollar—then "not worth a continental"— on a firm foundation, changed bankruptcy to boom, converted depression into the greatest and most enduring prosperity the world has ever known.

THE CONSTITUTION—OUR FORGOTTEN FOREIGN POLICY

The history of the United States since the establishment of the Constitution down to our times has been the extension of this foreign policy of federating with men instead of merely allying with states. This policy of Federal Union which once governed the relations of only 13 States and hardly 3 million free people now governs the relations of 48 States and 143 million free people of all creeds, colors, and nationalities. It has not been perfect, but it has secured unprecedented liberty, prosperity, and peace to the citizens of every State that adopted it.

With one exception every generation of our people has gone on extending to more and more States and more and more men this policy of a common free government, a common defense force, a common currency, a common postage stamp, a common market, a common bill of rights, a common guarantee of the independent right of the people of each State in the Union, large or small, to govern themselves as they see fit in every field which they have not transferred to the Federal Union.

The one exception, the one generation that has not gone on extending the area governed by this great foreign policy that converts foreign relations into domestic relations—is our own generation. We have mistaken the Constitution for a purely domestic or national policy. Both our great parties and all their administrations have forgotten, through all the problem-crowded years since 1914, that the Constitution began as a foreign policy, and has proved ever since the best foreign policy that any free people can practice toward other free peoples. During this period they and the great institutions that specialize in international relations and peace have been exploring and propagating all kinds of solutions to our foreign problem—all, that is, but the one which the Federal Constitution itself represents. The result is that we have gone from one world war to another world war, from one league to another. We have gone from conflict with one aggressive autocrat to a still more menacing one. For all our plans and policies, and for all our poured-out treasure and blood, we find ourselves with recovery receding and bankruptcy threatening part of the free. And we face a formidable dictatorship whose knout rules from Berlin to the Sea of Japan, whose lieutenants have only recently overrun China and whose fifth columnists are to be found in every nation.

It is high time, I say, that our Federal Union Constitution ceased to be the forgotten foreign policy of the United States.

SEVEN REASONS FOR EXPLORING UNION

Consider for a moment the great and immediate advantages we would gain if we followed up the ratification of the North Atlantic Treaty by calling in our time another Federal convention merely to explore, with

the other sponsors of this pact, the possibilities of achieving our prime purpose—and theirs—by applying the principles of our Constitution to form another, though limited, a great Atlantic union of the free. Let me mention only seven of the advantages to be gained merely by attempting to work out a similar constitution with them:

First. By promptly following up the pact with the convocation of this federal convention, we give—and get—a much stronger guarantee than we do by the present treaty. The potential aggressor then will know for certain that if he attacks any of the democracies of the convention all the others will spring to its rescue. No one can doubt that every signatory of the pact would thus react if another member were attacked while sitting in a constitutional convention with it. The best guarantee is thus given each democracy by all—the kind of guarantee that is needed to impress all the world and Moscow most of all—and yet it involves no further legal commitment.

Second. The Kremlin would know that a federal convention meant that we were working on something far more formidable than the best staff agreements that can be made under an alliance—that the democracies were aiming to create a federal defense force.

WOULD CUT COST OF DEFENSE

Third. By the same token the Kremlin would also know that the democracies were on the road toward securing much stronger armed power at much less cost—thus freeing more production for civilian recovery, and ending the Soviet hope of economic disaster delivering Europe to communism without a battle.

Fourth. The Kremlin would be thrown at once into this dilemma: The more hostile it was toward the convention, the more it would thereby hasten the last thing the Kremlin could want—agreement by the Atlantic democracies on a federal constitution.

Fifth. The calling of the convention would not interfere with the work of the ECA or with the creation of the council which the North Atlantic Treaty calls for, or its implementation in other respects, or the rearmament of Western Europe. It would allow us to supplement these first-aid measures by tackling simultaneously the three major questions—economic, monetary, and military—which we are now trying to handle only piecemeal. The fact is that they are so closely interrelated that the best hope of solving them lies in wrapping them up in one package—as was done in the Federal Convention which framed our Constitution in 1787.

Psychology plays an important role in business affairs. Merely by rousing the hope of ending such problems as the dollar shortage, through the creation of a common currency, and the immense stimulus to production that federation brings, the calling of the convention would help prevent the present recession from developing disastrously.

TAKES DICTATOR BY SURPRISE

Sixth. The psychological side is no less important as regards the cold war. To overcome dictatorship by the other kind of war the young, as I said earlier, have to be bold. The achievement of our prime purpose of decisively turning the tide against dictatorship without war requires boldness, too, but not in the boys—it requires it of us, here in this hall and in the executive branch. It requires us to "get there fustest with the mostest," to take the aging revolutionists in the Kremlin by surprise, to rock them off their balance by swiftly following ratification of this North Atlantic Treaty with the calling of an Atlantic Federal Convention. Our ratification of this treaty will surprise no one, and certainly not the Kremlin. But for us to call this constitutional convention will do more than make dictators feel weak in the knees. It will come as a great and pleasant surprise to many Americans. It will give all our citizens, and free men and women everywhere, the unbeatable feeling that comes when your free institutions surpass your fondest hopes just when you feared they were failing.

Seventh. By merely calling this convention, we get all these advantages, and this added one, too: We gain all this with no commitment except the obligation to explore as earnestly and carefully and honestly as we can the possibility of federating with other democracies on the basis of our own constitutional principles. Impressive as the term, "Constitutional Convention," rightly is, yet such a convention cannot possibly commit those who call or attend it to anything more than a serious attempt to work out a better system of governing their relations than the one that exists. To stress this point is not to finagle, or deprive the convention of its psychological effect. Democracy itself forbids any democracy to commit its people to any constitution before they have seen it.

Democracy requires us and every democracy to reserve to the people the right to ratify or reject any constitution a convention may draft. We can lose nothing by calling this convention—and we stand to gain more than anyone can imagine.

The question naturally arises as to what support this proposal for a convention to explore the possibilities of a North Atlantic federation has among the people of this country and all the other Atlantic union nations. I have a definite feeling that the people are far ahead of us Members of Congress in their thinking on means and methods of maintaining peace. All the polls show that the people definitely want our country to take the lead in this regard.

In the State of Tennessee, in the last election, I made the proposal for a limited federal union of the North Atlantic democracies an issue in the campaign and the proposal met a hearty response from the people of the "volunteer" State. Other Members of the Senate and of the House of Representatives from other States have told me that they had similar experiences in their campaigns. The people unquestionably want Congress to take those steps that may be best calculated to preserve peace and avoid a third and devastating world war.

The people of the other nations involved have the same attitude, in my opinion. I have had the opportunity of talking with a number of members of some of the legislative bodies of the various countries included in the Atlantic Pact and with private citizens of those countries. They agree that the treaty is a useful and necessary interim measure but that we can never have a real unification of the armed forces of the nations involved or a common foreign policy or a necessary economic cooperation until we have a limited federation. The attitude of most statesmen of other North Atlantic democracies with whom I have talked is very well summed up by an expression of Jean Monnet who is a distinguished French leader and statesman. In the Chicago Sun of June 11, 1949, Monsieur Monnet is quoted as saying:

"Now it seems quite certain to me that, if left to ourselves, we of Western Europe will organize nothing that matters. We will talk a lot and make some little arrangements between countries that actually don't count very much.

"We will have all kinds of treaties, pacts, alliances, unions, councils, leagues. But no one European country will give up anything it considers important for the sake of the larger unity. France and Britain won't get together, as they must, and decide what must be done with the Germans.

"There is one big hope at present, but I am rather inclined to think it is only a hope. If your Government in Washington were willing to offer free Europe an Atlantic federation, an Atlantic society, it might awaken us to the revolutionary possibilities of our age."

GUADALUPE MOUNTAINS NATIONAL PARK SUPPORTED BY DALLAS NEWS

Mr. YARBOROUGH. Mr. President, those of us who have been supporting the creation of a new national park in the Guadalupe Mountains of west Texas for a considerable period of time have been greatly encouraged by the widespread community endorsement of this proposal. An editorial in the Dallas Morning News of October 7 describes the advantages and attractions of a national park located on Texas highest mountain.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

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

NEW NATIONAL PARK

Longer vacations and the big increase in the number of retired persons who like to travel have given a new push to national and State parks. Success of Big Bend National Park in attracting tourists to Texas has brought a movement to establish a second national park in the State. This one would embrace Guadalupe Peak and nearby McKittrick Canyon in far west Texas.

The National Park Service has just made a survey of this area and its report, due in November, is expected to be favorable. The proposed park would attract many who like great open spaces, impressive mountain skylines and the cool nights of relatively high altitudes. The Guadalupe region also is a good area for studying rock formations and plant and animal life. It has plenty of room for developing cabin, trailer, and camp areas.

The park site would have the further advantage in taking only low-priced land that is not put to much, if any, use. It would be within easy motor reach of populous cities in Texas and New Mexico, yet would give the vacationist who so desires that welcome feeling of restful remoteness.

THE EL PASO TIMES COMMENTS ON SALE OF WHEAT TO THE SOVIET UNION

Mr. YARBOROUGH. Mr. President, while many people are quibbling about whether or not the United States should sell surplus wheat to the Soviet Union, the El Paso Times in an editorial Friday, October 4, 1963, has taken a practical approach to the matter.

I ask unanimous consent that the editorial captioned "Wheat or Not?" be printed in the RECORD.

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

WHEAT OR NOT?

It looks as though someone somewhere along the line has his wires crossed in all this talk about the Soviet Union possibly buying wheat from the United States.

In Winnipeg, the head of the Soviet Grain Board, Leonid Matveey, said the Soviet Union is unlikely to buy any wheat from the United States this year. He said he believed the Russians had purchased a sufficient quantity of wheat without having to buy any from the United States this year.

In Washington, it was said that President Kennedy has tentatively decided to permit

the sale of American wheat to Russia but wants Republican leadership approval of the move before acting.

We say again that if Soviet Russia wants to buy some of our surplus wheat, let's sell it to them, but for gold—not credit.

THE WATER POLLUTION CONTROL ACT OF 1963

Mr. MUSKIE. Mr. President, on Friday, October 4, 1963, the Senate Committee on Public Works reported out an amended version of S. 649, a bill to amend the Federal Water Pollution Control Act. This legislation was introduced on January 31, 1963. Hearings were held by the Special Subcommittee on Air and Water Pollution on June 17, 18, 19, 20, 25, and 26, 1963. Since the close of the hearings the members of the subcommittee and the full committee and their staffs have been working hard to perfect the original proposal: to make substantial improvements in the basic act without imposing unnecessary burdens on industry and supplementing rather than supplanting State and local efforts to improve water pollution control programs.

The bill, as reported, is a result of our labors. It represents a meeting of minds. Not every member of the committee agrees with every item in the bill, but there is a consensus. It is, I think a reasonable bill, a good bill.

I appreciate the cooperation and good will from members of both parties in the committee which made this achievement possible.

Today, Mr. President, I received a letter from Mr. Charles M. Parker, vice president for research and technology of the American Iron & Steel Institute. In his letter Mr. Parker advised me that the institute is offering its support of S. 649, as reported. This is an endorsement by a responsible and significant segment of American industry which deserves the attention of the Senate.

I ask unanimous consent that the letter from Mr. Parker be printed in the RECORD at this point.

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

AMERICAN IRON & STEEL INSTITUTE,
New York, N.Y., October 2, 1963.

Hon. EDMUND S. MUSKIE,
Chairman, Special Subcommittee on Air and Stream Pollution, U.S. Senate, Washington, D.C.

DEAR SIR: The American Iron & Steel Institute has a sincere concern with legislation on air and water pollution control under consideration by your subcommittee. For this reason we have been diligently following the proceedings of the Special Subcommittee on Air and Water Pollution.

S. 649 as reported by the Senate Public Works Committee has been reviewed by our committee on air and water pollution abatement. The American Iron & Steel Institute wishes to offer our support of this bill. Although we are not qualified to comment on section 12 "synthetic detergents" we believe the remainder of S. 649 represents a positive step toward a sound program of stream pollution control for U.S. waters.

We compliment the committee and its staff on a job well done.

Very truly yours,
CHARLES M. PARKER,
Vice President, Research and Technology.

Mr. MUSKIE. Mr. President, the endorsement of S. 649 by the Iron & Steel Institute is significant for two reasons: First, it confirms the feeling of the Committee on Public Works that this is a reasonable bill; and second, it illustrates a growing awareness that clean water is important for economic health as well as physical health.

S. 649 has clarified the purpose of the Federal Water Pollution Control Act by stating that:

The purpose of this Act is to enhance the quality and value of our water resources and to establish a national policy for the prevention, control, and abatement of water pollution.

The provisions of S. 649 advance these objectives, which are so important to our Nation as we try to gain maximum use of our limited supply of water for public water supplies, recreation, agriculture, industry, fish and wildlife, and other legitimate uses. I urge my colleagues to study S. 649 as reported by the Public Works Committee, and to give careful attention to the report of the committee—Senate Report No. 556.

PRESIDENT KENNEDY'S VISIT TO UTAH

Mr. MOSS. Mr. President, there has been considerable speculation recently in the press and among political pundits about a so-called "wave of conservatism" which is said to be sweeping the West, and particularly the Rocky Mountain States. These States, including my State of Utah, are held to be vigorously opposed to President Kennedy and his policies, and it has been stated openly and publicly that the President himself is personally unpopular.

I wish those who profess to believe such nonsense could have been in Salt Lake City the end of September when the President visited Utah and spoke there in our great Mormon Tabernacle. Some 175,000 people lined the route from L. C. Romney Field into Salt Lake City just to catch a glimpse of the President. It was a warm and friendly crowd—a crowd which cheered the President again and again, and called out words of encouragement and praise. Not one critical sign or placard appeared. There were no hecklers. Reporters for Utah newspapers, and other experienced crowd-counters, said frankly it was far and away the largest crowd which had ever turned out to greet any visitor in the history of the State. Certainly it was the greatest public acclaim that I ever saw in my native Utah.

When the President reached Temple Square where he was to make his address he found more than 30,000 people wedged inside the tabernacle grounds trying to get into the 8,000 seats in the tabernacle, or the overflow seats in the assembly hall, while thousands of others milled about in the streets outside. Although the speech was broadcast over every TV station, and rebroadcast an hour later, many people lingered on in Temple Square to stand through it, and to try again to catch just one glimpse of the President as he left.

Nor was there any disappointment in the eloquent and moving speech which he chose to make in Utah. It was his major foreign policy statement of his Western trip, and Utahans realized the subtle compliment he paid to the high level of reason and intellect which prevails in our State, and the wise recognition of Utah as a seat of thought in the Nation.

Utah people rose enthusiastically to the challenge of the visit and to the obvious truth of both the domestic and the foreign policy principles which President Kennedy spelled out. As I stated afterward, the visit and the speech combined to give the people a real lift, and their effects will linger on just as surely as will the resounding echo of the tremendously moving tabernacle choir performance of "The Star Spangled Banner" and "America the Beautiful" before the speech and the swelling climax of the "Battle Hymn of the Republic," which followed the speech.

I ask unanimous consent that the CONGRESSIONAL RECORD carry a series of editorials which appeared in Utah newspapers both before and after the President's speech, together with a brief news story which summarizes some of the effects of the visit and speech.

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

[From the Salt Lake City (Utah) Deseret News, Sept. 26, 1963]

WELCOME, MR. PRESIDENT

Regardless of whether it's political or, as billed, nonpolitical, the Western States trip that brings President Kennedy to Utah Thursday is a welcome one.

The President of the United States gets out this way all too seldom. That's understandable considering the onerous burdens of his office.

But as the only elected representative of all the people, the President should try to maintain as much direct contact as possible with the people to whom he is responsible.

This trip should provide an opportunity for just that. It should give President Kennedy a chance to see Utah—and Utah a chance to see President Kennedy, which should be advantageous to both.

It should provide both a chance to exchange viewpoints, ideas, and information on topics of mutual concern. This makes the trip, really, a two-way affair.

Certainly there are any number of subjects on which Utah will want to make its wants and needs known. Since the ostensible purpose of the trip is to inspect conservation and reclamation projects and areas, that's right down Utah's alley. We're vitally concerned about obtaining complete congressional approval for Canyonlands National Park in southern Utah. We're now in the process of laying long-range plans for the fullest possible developemnt of Great Salt Lake, in which Congress is showing some interest. Moreover, being an extremely arid State, we take a good deal more than just a passive interest in obtaining more water—for without more water our State cannot achieve its fullest potential.

But President Kennedy will find that Utah's interests are not confined just to a single, narrow field. This is a delusion under which some Easterners seem to labor just because Utah is located in the so-called hinterlands.

If it once was true that Utah's interests were limited by its geographical location, that's no longer the case. The world has

changed drastically—and Utah has changed along with it.

Utah can boast of being the uranium capital of the world and a vital part of the Nation's general mining industry. It's also an important hub of the missile industry. Defense plays a major role in our economy.

Anything that affects these also affects us. And the influences on defense, missiles, and strategic minerals are literally worldwide.

Utah, then, has a big stake on what goes on in the world at large. So naturally we're eagerly looking forward to the chance to get together with the man whose decisions, more than those of any other single individual, shape those events—one John Fitzgerald Kennedy, President of the United States.

[From the Salt Lake Tribune, Sept. 26, 1963]

KENNEDY TOUR CAN BOOST CONSERVATION

The Salt Lake Tribune joins in expressing a hearty welcome to President Kennedy on this, the Intermountain West section, of his 11-State tour on behalf of conservation.

Mr. Kennedy, the 11th President in 88 years to visit Salt Lake City, arrives at the Salt Lake Airport about 5:50 p.m. today and will speak at the tabernacle at 8:20. His subject has been billed as conservation and reclamation.

The noticeable limp of the President last week, when he addressed the United Nations General Assembly, caused speculation that his ailing back was giving him more than usual trouble. In light of his arduous schedule for the 5-day cross-country tour, we wish it were practicable for the Chief Executive to hole up for some rest and relaxation in some of the scenic country he will view from the air.

The amiable nonpolitical trip fiction, practiced by Presidents for years, has been demolished repeatedly at stops on the way west. But there is no question about Mr. Kennedy's concern for conservation and the urgent need for rehabilitation and sound management of land and water resources.

Democratic officeholders will be served as well as parks and wild areas, however.

Ten of the eleven States the President will visit will hold senatorial elections next year, with nine of the seats currently held by Democrats. Should the pattern of the 1960 presidential election be repeated in 1964, Mr. Kennedy would lose 82 of the 124 electoral votes of the 11 States. The shadow of Republican BARRY GOLDWATER, of Arizona, looms large over several sparsely populated Western States and conservative elements have aggressive campaigns underway.

Democratic lawmakers are not solidly behind the Kennedy-Udall wilderness-park-conservation program, however. Two top priority administration proposals, the wilderness bill and a conservation reserve fund measure, are tied up for the rest of this year, anyway, in the House Interior Committee, headed by Congressman ASPINALL, Colorado Democrat.

The Senate has twice passed the wilderness bill but the conservation fund proposal, to establish a system of user fees to help finance State and local outdoor recreation programs, is bottled up in both House and Senate committees. Significantly, Mr. ASPINALL's own bill for a public land policy study—considered by old hands in the conservation fight as a means of stalling other related legislation—has been reported out by the Aspinall committee.

Conservation means different things to different individuals and groups, of course, Mr. Kennedy will view a broad range of conservation projects (or the raw material for them) including some reclamation dams. At the Salt Lake Airport Friday morning he will press a button to activate (ceremoniously, anyway) by remote control a power generator at Flaming Gorge Reclamation Dam in northeastern Utah.

This is a key part of the vital Upper Colorado project.

The New York Times which speaks often for the wilderness preservation bloc, plaintively asked this week, "Where are the park projects, the wilderness projects which have been advocated in official statements by the Kennedy administration?"

Well, the presidential party flew over Apostle Islands off Wisconsin in Lake Superior, Grand Teton National Park in Wyoming, among others, and Oregon Dunes, Lassen Volcanic National Park and other park projects are on his itinerary.

The Times complains that Mr. Kennedy is "missing a great opportunity to focus attention on some really significant issues," such as Bridge and Marble Canyon, the redwoods of California and the Northern Cascades wilderness.

This will be much more true if the presidential party does not given official attention to the many hundreds of thousands of acres of severely eroded range and watershed land of the West, badly in need of rehabilitation and better stewardship.

Sound conservation includes protecting wilderness and scenic grandeur, but it also includes sound management of other less spectacular land and water resources.

We hope this fact also is emphasized by the Kennedy tour.

[From the Ogden (Utah) Standard-Examiner, Sept. 27, 1963]

J. F. K.: "DAYS OF QUIET PAST GONE"

It was a somber President of the United States who stood in the hallowed Salt Lake Tabernacle Thursday night to explain to the people of Utah the "realities" of the world that exists today.

John F. Kennedy obviously realized that the tabernacle was no place for a political address on this, the highlight appearance of his current rapid tour of the West.

He had been expected to talk on reclamation—and defend the New Frontier's record in this area.

Instead, the Democratic President mentioned reclamation only briefly, then turned to global problems—and particularly their relationship to the United States.

Mr. Kennedy pointed out that more than a century ago "It took Brigham Young and his brave 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 today."

None of the throng jammed into the tabernacle, nor the thousands packing Temple Square's beautiful grounds, could disagree with the young Chief Executive when he pointed out: "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'm proud that we did."

We agree, too, with the President in his feeling that America "cannot turn our back on the world outside" because "if we do, we jeopardize our economic prosperity * * * our political stability * * * our physical safety."

That John F. Kennedy well realizes his responsibilities in foreign affairs is illustrated by his declaration that "Americans have come a long way in a short time in accepting the somber necessity of our world involvement."

There were sympathetic smiles on the faces of many in the audience when the President explained that "the strain of this involvement remains * * *. We find ourselves entangled with apparently unanswerable problems in apparently unpronounceable places * * *. We discover that our enemy in one decade is our ally in the next * * *. We find ourselves committed to governments whose actions we often cannot approve, assisting societies with principles very different from our own."

It's a tough job, being President of the United States at a time like this.

But the President knows, as one must admit when he is realistic, that "in world affairs as in all other aspects of life, the days of the quiet past are gone forever * * *. We cannot return to the day of the sailing schooner and the covered wagon, even if we wished."

As to realities of the world, Mr. Kennedy's Utah summation was mighty clear. He listed these major points:

1. We must recognize we cannot remake the world simply by our own command.

2. We must recognize that every nation determines its policy in terms of its own interest.

3. We must recognize that foreign policy in the modern world does not lend itself to simple black-and-white choices of good or evil.

With this reasoning in mind, it is easier to understand why the President is all for the nuclear test ban treaty as "the first step on a long journey toward a world free from the threats and tensions of war." It helps explain his foreign aid policy and many diplomatic maneuverings of recent years.

We join with President Kennedy in the feeling that "we have history going for us today" and that the Nation should be realistic and increase its "vigilance, devotion and, most of all, its perseverance—perseverance like the people of Utah have shown for 100 years."

[From the Salt Lake City (Utah) Deseret News, Sept. 28, 1963]

MR. KENNEDY ON FOREIGN POLICY

As the strains of the "Battle Hymn of the Republic" faded away Thursday evening, Utahans could justifiably have come away from the Salt Lake Tabernacle feeling they also had heard a new kind of "Battle Hymn of the Republic" from the President of the United States.

That's what President Kennedy's speech amounted to. And in its own way, the hymn the President spoke was uplifting and challenging as was the one the tabernacle choir sang.

"As He died to make men holy, let us live to make men free," was the message of the song. Making men free—and the difficult road we must travel to reach that goal—was also the message of the President.

In his message, Mr. Kennedy demonstrated that an important function of the Presidency, in addition to its executive responsibility, is to act at times as an educator. That he did when he uttered some valuable lessons on American foreign policy, lessons that were spelled out in terms we all should be able to understand and appreciate.

If any one theme was woven through his message it was the theme of national self-interest.

"National interest is more powerful than ideology," Mr. Kennedy pointed out, quoting Palmerston to the effect that "Friendships may rise or wane, but interest endures."

That's why we support the United Nations—because it's in our own interest to have an international forum where the statesmen of the world can assemble to air their views, to mobilize world opinion, and to strive through mutual endeavor to keep the peace.

That's why we have sought to halt atmospheric nuclear testing—because it's in our own interest to stop spewing radioactivity into the air we breathe.

That's why we provide foreign aid—because it's in our own interest to help maintain stability elsewhere in order to preserve it at home.

That's why we sometimes support nations whose actions we deplore—we cannot shape others in our own exact image, but it's in our own interest to enlist their assistance

in combating the spread of communism, which is a threat to all of us.

This may sound selfish of us but it's not, really. In many respects our interests are identical with those of free men everywhere—and in serving our interests we also serve mankind.

The fresh perspective on world problems thus offered by President Kennedy should do much to clarify the Nation's thinking on our ambitions and responsibilities abroad.

A desire for clearer thinking also was behind the President's injunction to beware of looking at the modern world in terms of black-and-white simplicity. It is on this one point that exception might be taken to the President's message. His declaration that the Communist offensive "has been thwarted and turned back in the past 2 years," is too pat, too simple. Actually, the major corner in stemming the advance of communism was turned under a previous Democratic administration when the Truman and Marshall plans were inaugurated. The same policy was continued under the Eisenhower administration and is being maintained today under the leadership of President Kennedy.

Even so, the President's address here provided some guidelines that should help this Republic in waging the modern battle called the cold war. One such guideline is that isolationism has long ago ceased to be practical because America's influence has been pushed beyond its own borders by its economic, military, and cultural growth that cannot be turned back. Another is that world leadership has been thrust upon us and we cannot turn our backs on the challenge except at our own peril.

If world peace is to be attained, however, one final point needs to be added to the President's remarks: No genuine, enduring peace—whether on a personal basis or on an international basis—can be won until men learn to live righteously in accordance with God's commandments.

The "Battle Hymn of the Republic" for our times may then well be: While we're living to make men free let's also live to make men holy—since the two concepts are, in the final analysis, inseparable.

AND ON HUMAN RESOURCES

In their consideration of President Kennedy's persuasive discourse on foreign relations, we hope Utahans did not miss the impact of the speech he might have given but didn't.

Nor should they miss the subtle compliment he paid to Utah and its people.

As the White House had advertised, this swing West was primarily intended to look at and talk about conservation problems and projects. This has been the theme of almost all his addresses along the way.

That he chose to give his major foreign policy address—his first since the ratification of the test ban treaty and his most comprehensive reply to the rightwing critics of America's policy—in the Salt Lake Tabernacle is a tribute to the audience he expected here.

But equally significant were his few words about the real heart of conservation in America—the conservation of human resources.

Utah has been through some trying times with its educational crisis of recent months. Adverse publicity, unjustified but nonetheless real, has spread across the country. It was good to hear the President of the United States tell the Nation that Utah leads America in the percentage of its youth who finish high school and go on to college.

One would hope that the deeper import of this fact was not lost on President Kennedy. He should understand that Utah, despite its economic problems, has managed this record on its own. It has shown that a State with the will and the ideals that he so graciously described as stemming from the first pioneers in these valleys can do the job without Federal help.

But if a sense of complacent satisfaction was all Utahans got from the President's remarks on youth conservation, his effort would have been wasted. Certainly with this recognition of quantitative success we must accept the challenge of achieving far greater qualitative success.

It is not enough merely to send our youngsters to school longer. We must also send them to better schools, under better teachers, with better parental understanding and community support of the problems educators face.

Thanks, Mr. President, for your kind words about Utah. Utahans now face the challenge to make ourselves more worthy of this kind of national recognition.

[From the Salt Lake City (Utah) Tribune, Sept. 28, 1963]

LEARNING TO LIVE IN A PERILOUS WORLD

President Kennedy lived up to the promise that he would deliver a major address of his western tour in Salt Lake City. While the address did not follow the advance billing of a conservation theme, the broad foreign policy subject had a wider national and even international significance.

It was a good speech, thoughtful and thought provoking. And it was nonpolitical.

Mr. Kennedy's basic theme in his Tabernacle address was the need for Americans to face the realities of a world in which we have responsibilities we cannot dodge, burdens we cannot shirk, and a world in which we must deal with problems so complex and baffling as to defy quick and easy solutions.

It is understandable, the President said, that many Americans should look back with nostalgia to simpler times when we lived in safety and prosperity at a comfortable distance from the rest of the world.

But it is a simple fact, as Mr. Kennedy said, that today "we cannot turn our back on the world outside."

Like it or not, we are part of the world—and in this age of supersonic planes, missiles that can cross the ocean in minutes, weapons that can erase whole cities, and deadly radioactive clouds that can encircle the globe—there is just no such thing as isolation for the United States.

The concept of a fortress America is as dead as the dodo.

The question then is how to face the realities of a world in which we are inevitably deeply involved.

Mr. Kennedy said one answer is to realize that we cannot by command remake the world in our own image. We must recognize that each nation is bound to act in terms of its own interest. We must accept the fact there are many complex and baffling problems which defy pat solution—that, as he said, "to adopt a black-and-white, all-or-nothing policy subordinates our interests to our irritations."

We must in fact have a policy of flexibility. While being ever vigilant to protect American security against any threat, we must be ever ready to take steps which lead toward a more peaceful and stable world.

This does not mean appeasement. But it also does not mean mere belligerence. It means strength, but it also means reasonableness and responsibility.

Fundamentally this is the policy this Nation has been following ever since World War II, under three different administrations, both Democratic and Republican.

It is a policy we must continue to follow, with broad American public understanding and support.

This is a perilous world. We cannot isolate ourselves from it. We can only live in it if we are prepared to face its complex and baffling problems, realistically and with the kind of rational understanding for which Mr. Kennedy so effectively appealed.

[From the Provo Herald, September 29, 1963]

UTAHANS GET LIFT FROM KENNEDY VISIT

In his concise remarks following President Kennedy's Utah address at the Mormon Tabernacle Thursday night, Senator FRANK E. MOSS told the Chief Executive: "you have given us a real lift tonight."

The comment seemed to pretty well fit the situation. The more than 8,000 persons who jammed the Salt Lake Tabernacle showed by the expressions on their faces that they did indeed get a "lift" from the President's appearance and his address.

There were other thousands outside the tabernacle who lingered to hear the speech as it was broadcast over the Temple Square and who struggled in the crowd for a glimpse of the President.

Crowds swarmed at the airport and hotel for a good look and the route of Mr. Kennedy's motorcade was a sea of faces as men, women and children strained for a good look. Many Central Utahans traveled to Salt Lake City for an "in person" view of the President.

But perhaps the people who received the biggest lift of all were the leaders of the Democratic Party in Utah who were walking on air and felt that the Demo stock went up several notches as a result of the President's visit. The 1964 election will provide an accurate gage on this. In 1960 all of Utah's electoral votes went to Richard Nixon, Mr. Kennedy's Republican opponent.

President Kennedy and his party, from all reports, were highly pleased with the Utah appearance and felt the warm reception and huge crowds capped anything else up to this point on the President's 11-State tour.

The visitors themselves couldn't help being impressed with a couple of observations during their memorable night at the Mormon Tabernacle. One was the respect Utahans have for their own President David O. McKay, who received as long a standing ovation as did President Kennedy; and the other was the tremendously moving performance of the Tabernacle Choir which sang "America the Beautiful," "The Star Spangled Banner," and "The Battle Hymn of the Republic," as these selections are seldom sung. The performance drew loud praise from the corps of newsmen accompanying the President.

Yes, the President's visit was a great occasion, from many standpoints. It provided a lift, all right—one which will be long remembered.

WHEAT SALES TO COMMUNIST-BLOC NATIONS

Mr. YOUNG of North Dakota. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a resolution adopted by the five Northwest State Farmers Union presidents, Edwin Smith, of North Dakota; Leonard Kenfield, of Montana; Edwin Christianson, of Minnesota; Ben Radcliffe, of South Dakota; and Gilbert J. Rohde, of Wisconsin. I am in full accord with the position taken in this resolution.

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

We believe that since Soviet Russia has become a signatory to the international wheat agreement beginning with the 1963 crop year, that it is reasonable to explore the possibilities of a sale of American wheat for dollars or for gold.

The International Wheat Agreement has been in force since 1949 and up to this time,

Soviet Russia had been outside the agreement and has normally been an exporting rather than an importing nation.

We would be favorable to an authorization making it possible for the United States to deal with any nation that is a signatory to the International Wheat Agreement. We consider it a good sign that more and more nations are joining in the orderly marketing of wheat in international trade.

Farmers Union has historically taken the position that as long as there is hunger somewhere in the world, we should seek every way to make our abundant production available to the people.

PLOT TO GET OTEPKA

Mr. THURMOND. Mr. President, for a long time, the American public has been demanding a thorough investigation of the State Department. Newspapers and private citizens have joined in demanding that this bureaucratic nightmare be cleared out. In effect, there is widespread sentiment that the State Department is in bad need of a purge.

It now appears that a purge of personnel in the State Department is being attempted. Unfortunately, it is the very opposite of what the critics of the State Department had in mind, for it is, in effect, an attempted purge of patriots.

Reports in the press relate that the State Department has filed charges against Mr. Otto Otepka, Chief of the Security Evaluation Division. It seems clear that these charges are based primarily on the offense committed by Mr. Otepka in candidly telling the truth to a Senate committee. In addition, the State Department is reported to have issued directions that employees of the State Department are forbidden any contact with the Senate Internal Security Subcommittee or its staff.

This matter raises the most serious and fundamental questions. In the first place, it appears to be a clear-cut case of retaliation against a Government employee for cooperating with a Senate committee. Congress should tolerate no such retaliation, for this is an offense not just against the individual, but also against the Congress; and if such action does not now constitute contempt of the Senate which is punishable by imprisonment, it is the business of the Senate to close any loopholes, so that retaliation against any witness before a congressional committee will constitute a criminal offense with an appropriate penalty.

This matter also brings into issue the so-called issue of executive privilege. From what appears in the press, it seems clear that not even the broadest definition of this often misused doctrine could apply in the Otepka case, for no one contends that the so-called privilege can be claimed by other than the President himself. In this instance, it appears that the directive to State Department employees prohibiting contact with the Senate committee did not emanate from the President, but rather from a bureaucrat within the State Department itself.

Mr. President, there are but two aspects of this very serious matter. There are many other serious implications in this case, not the least of which is the security practices, or the lack of them, in the State Department.

I sincerely hope that the Internal Security Subcommittee of the Senate and the Judiciary Committee of the Senate will press its continuing investigation of this matter with vigor and resolve. The entire Senate should support this investigation. State Department's attempted purge of patriots must not be tolerated, and this very attempt is further evidence that a thorough investigation of the entire State Department is in order.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point in my remarks the following:

A newspaper article from the Des Moines Sunday Register of October 6, entitled "How Security Clash Led to Aid's Ouster," over the byline of Mr. Clark Mollenhoff.

A newspaper article from the Chicago Tribune of September 29, entitled "Clash Set Off by State Department's Officer Firing," over the byline of Mr. Willard Edwards.

A newspaper article from the St. Louis Globe Democrat of October 2, entitled "State Department Official Said His Superiors Lied," over the byline of Mr. Edward O'Brien.

A newspaper article from the Washington Evening Star of October 4, 1963, entitled "Otepka Row Widens as Senate Calls Rusk," over the byline of Mr. Earl Voss.

An editorial from the Charleston News and Courier of October 4, entitled "The Otepka Case."

An editorial from the Chicago Tribune entitled "State Department Coverup."

And an editorial from the St. Louis Globe Democrat of October 3, entitled "Plot To Get Otepka."

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

[From the Des Moines Register, Oct. 6, 1963]

HOW SECURITY CLASH LED TO AID'S OUSTER—OTEPKA QUESTIONED QUICK CLEARANCE

(By Clark Mollenhoff)

WASHINGTON, D.C.—Last June, six security officers walked into the office of State Department Security Evaluator Otto Otepka, seized his records, and the contents of his safe and ousted him from his office.

Otepka, 48, Chief of the Security Evaluation Division, was surprised and shaken by the ordeal of being unceremoniously removed from his responsibilities as a key figure in the State Department security program.

In 1958, the veteran lawyer and career civil servant had received the State Department's meritorious service award.

FALLEN FROM FAVOR

In May 1962 Otepka was given the opportunity for advanced executive training at the National War College.

Why had an official with an outstanding record, and with tremendous responsibility in the administration of the State Department security program, fallen so far from favor with his superiors?

There were no allegations that Otepka was a security risk, or that he had anything in his background to question his fitness to hold the $16,965-a-year job.

Otepka said last week that he asked John F. Reilly, Deputy Assistant Secretary of State for Security, for an explanation.

Otepka said Reilly refused to give him a reason.

On June 27, Otepka was called to Reilly's office, where Reilly informed him that he would have a new special assignment—preparing a handbook on security matters.

Otepka was informed that he would be moved from his office, room 3333 in the State Department Building, to a small office, and that he would be provided with secretarial services only upon request through Reilly's office.

ENTERED OFFICE

As Otepka and Reilly walked from Reilly's office to Otepka's office, six security officers joined them and entered Otepka's office. Otepka was asked for the combinations to his safes, and access to all other material in his office.

Reilly and the six officials combed through the records in the office and arranged to change the combinations on Otepka's 14 safes.

After about 20 minutes, Otepka was permitted to leave for a luncheon engagement. When he returned, Otepka found he was barred from his own office.

He went to Reilly's office, asked for an explanation, and requested that he be given access to information in his office that he would need for carrying out the new assignment in writing the security handbook.

Otepka said Reilly declined to discuss the reasons for the action.

Otepka said that Reilly lectured him briefly on "institutional loyalty" to the State Department. Otepka said he replied that "loyalty to country should be first and paramount."

Although Otepka was surprised at the method of removing him from his duties, the sharp friction had been apparent for several months.

In fact, Otepka did not attend the National War College because his own investigation indicated that the move was an effort to get rid of him.

The source of the friction was obvious. Otepka was transferred in 1953 from the Civil Service Commission to the State Department Security Division in the regime of the late R. W. Scott McLeod.

To many Democrats and within some foreign service circles at the State Department, there was a sharp antagonism to any person regarded as having been a part of the McLeod organization.

Otepka, a Government employee since 1936, served as deputy to McLeod, and was part of a small team that had been responsible for instituting tighter security regulations and procedures under the Eisenhower administration. Otepka continued as deputy after McLeod became Ambassador to Ireland, and it was long after McLeod left that Otepka received his meritorious service award.

When the Kennedy administration came into power in 1961, Otepka was dropped from his deputy job to that of chief security evaluator. This was a slight drop in status, although his civil service rating and salary remained on the same level.

The New Frontier had some new views on how the State Department security procedures should be handled. The tighter rules and regulations instituted under the Eisenhower administration were regarded as unreasonably tight. Some officials attacked the preemployment investigations of some personnel as insulting.

Otepka took issue with those who sought to change the security rules. He had a face-to-face disagreement with the Assistant Secretary of State Harlan Cleveland.

He also disagreed with Cleveland on several individuals who were named to a panel that was to study security program operations.

Otepka held that the security files of several persons being named to the panel disclosed such questionable activity that they should be given a full FBI investigation, and

some should be rejected even before an FBI report.

Cleveland and some other high State Department officials insisted that these men should be named to the panel and Otepka was overridden.

Otepka objected to the State Department's frequent use of emergency security clearance for officials being appointed.

ONLY FIVE TIMES

The law provided for emergency security clearance by the Secretary of State for purposes of speeding through an appointment, and when the Secretary of State wished to take personal responsibility for the naming of some person who was regarded as doubtful by the security division.

In the Eisenhower administration, the emergency security clearance was used only five times in unusual cases, but Secretary of State Dean Rusk has used emergency clearance more than 150 times.

Many of these people were hired without the knowledge of Otepka.

Otepka testified freely on his views before the Senate Internal Security Subcommittee.

Called before the Internal Security Committee, he also testified frankly on his views on such widely publicized cases as those of William Wieland and John Steward Service.

He testified that he had opposed the continued employment of both Wieland and Service as unsuitable for employment. He had never made a finding that either was disloyal.

SLATED FOR POST

Otepka's work in back files of the State Department produced much of the information on Wieland's role in Cuba and Wieland's strong support of Cuban Premier Fidel Castro.

When the Kennedy administration came into power, the State Department personnel office had slated Wieland for assignment to a highly sensitive post in Germany.

FBI Director J. Edgar Hoover, who had strong feelings about the Wieland case, went to Attorney General Robert Kennedy. Attorney General Kennedy intervened to block the assignment of Wieland to any post considered as sensitive.

Although Wieland has continued in the Department, he has been assigned to paper shuffling jobs. Otepka has been of the opinion that Wieland should be forced to retire.

In his testimony, Otepka has been critical of the decisions of superiors.

He also has found himself at odds with some of the higher officials of the State Department as to facts, and this indicated that errors or perjury were involved in the testimony of Otepka or those who gave contradictory testimony.

The Senate Internal Security Subcommittee asked Otepka if he could support his testimony with documents. Otepka produced memorandums and other information from State Department files to support his story.

SUBCOMMITTEE ENRAGED

The barring of Otepka from his office in what appeared to be retaliation for cooperating with the subcommittee resulted in a congressional effort to question Rusk.

Many subcommitee members—Democrats and Republicans—were enraged with the lack of cooperation from the State Department and the evidence indicating retaliation. However, they said they did not believe Rusk was aware of the details of the problem.

Since early July, Senator THOMAS DODD, Democrat, of Connecticut, has been seeking to arrange a hearing with Rusk.

On September 23, Reilly filed notice of charges against Otepka. He charged that Otepka had given State Department information to unauthorized persons, and named the person as Jay Sourwine, chief counsel for the Internal Security Committee.

BILL OF PARTICULARS

DODD went to New York last Wednesday to serve a bill of particulars on Rusk and to ask for an explanation. Rusk has indicated he will make himself available for questioning this week in a case that has the potential for political explosiveness that would rank it with the Alger Hiss prejury case.

The bill of particulars sent to Rusk charged that there has been a coverup of laxity in the security operations at the State Department, and specifically alleges perjury by some State Department officials.

Also at issue will be the recently issued State Department orders that will require that all State Department officials refuse to talk to Congressmen or the staff members of congressional committees unless there has been notice and approval by the State Department.

This is being lashed in Congress as "an outrageous" interference with the right of Congress to investigate as well as an interference with the right of free speech.

[From the Chicago Tribune, Sept. 29, 1963]

CLASH SET OFF BY STATE DEPARTMENT OFFICER FIRING—OUSTER BLAMED ON AID TO SENATE INQUIRY

(By Willard Edwards)

WASHINGTON, September 28.—The charges against a State Department security officer who was notified that he is to be removed from office include an allegation that he revealed a "confidential" report which had been sent to McGeorge Bundy, special assistant to President Kennedy.

This was learned today as developments indicated a head-on clash between the State Department and the Senate Internal Security Subcommittee headed by Senator JAMES O. EASTLAND, Democrat, of Mississippi.

COOPERATED WITH COMMITTEE

Otto F. Otepka, 48, Chief of the Division of Evaluations in the Department's office of security, is the central figure in this controversy. Charges against him were filed September 23. He was given until October 3 to answer but his attorney, Roger Robb, today obtained a 10-day extension.

EASTLAND noted that the main burden of the charges against Otepka was that he cooperated with the Senate subcommittee investigating operations of the State Department's security office.

"The powers of Congress are at stake," EASTLAND said, "and I intend to protect Mr. Otepka, by every means at my command, against accusations which complain, in effect, that he told the truth when asked to do so by a Senate subcommittee."

"BURN BAG" SEARCHED

The subcommittee will meet early next week to consider procedures to follow in a conflict reminiscent of those of a decade ago when Congress was defied by the executive department in investigations of the loyalty of Federal employees.

The State Department admitted Thursday that a letter of charges had been filed against Otepka. It refused to disclose the nature of the charges and its reluctance was explainable when a reporter obtained a copy of them today.

Much of the evidence, upon which the charges are based, came from surreptitious examination of Otepka's "burn bag," in which he placed security material for destruction.

John F. Reilly, the Department's Assistant Secretary of Security, one of the officials questioned by the subcommittee in its investigation, ordered this classified trash bag secretly searched. It was marked with a red X when taken to the State Department's mail room and turned over to Reilly, who put the little bag in his brief case.

ALL DISCARDS STUDIED

Torn pieces of paper were pasted together. All carbons were studied. One-time typewriter ribbons were examined. On the basis of what was found John Ordway, chief of the personnel operations division, accused Otepka of conduct unbecoming an officer of the State Department.

Last June 18, the charges stated a confidential report to Bundy at the White House, written by William H. Brubeck, Special Assistant to Secretary of State Dean Rusk and Executive Secretary of the State Department, was found in Otepka's burn bag. It was not the original but a duplicator copy and the tops and bottoms of pages of the aforementioned document had been cut off, removing the confidential notation.

OTHER CHARGES LODGED

This declassification and mutilation of a classified document was in violation of law. Otepka was informed. There was no disclosure of the contents of the report to Bundy but it presumably referred to security conditions in the State Department, the subject of the Senate inquiry.

Otepka was also charged:

1. With furnishing a copy of a classified memorandum concerning eight State Department employes to J. G. Sourwine, chief counsel of the Senate Subcommittee. The memorandum dealt with the loyalty of the employees and its disclosure was a breach of the standard of conduct expected of a State Department officer.

2. With furnishing a copy of a classified memorandum concerning the processing of the appointments of members of the Advisory Committee on International Organizations to a person outside the Department. This was stated to be a violation of former President Truman's 1948 directive holding all records relative to the loyalty of Government employees to be confidential.

3. Declassification of a confidential document addressed to the Security Department from John Noonan, supervisory security specialist on the subject of a security meeting in the Department.

FIND QUESTIONS HE WROTE

4. Declassification of a confidential memorandum addressed to Otepka from Frederick W. Traband, supervisor of personnel security, on the subject: "Security evaluative services" of two department branches.

5. Declassification of a memorandum to J. M. Barta, international relations officer, concerning procedures for reviewing and disposing of adverse information on employees of international organizations dealing with inter-American affairs.

A carbon found in the burn bag, the letter of charges stated, revealed questions prepared by Otepka to be used by Sourwine, the subcommittee counsel, in the interrogation of Reilly, the deputy assistant secretary for security, when he appeared before the subcommittee. Sourwine asked these questions of Reilly, it was stated.

On June 10, a typewriter ribbon in the bag disclosed a set of 24 questions phrased by Otepka to be used in questioning another State Department official. Sourwine asked 15 of these questions.

EVIDENCE CALLED DYNAMITE

The Otepka case has been a subject of whispered comment in Washington for months. Otepka is regarded as a highly respected veteran of the Security Department, responsible for exposing a number of disloyalty cases in his 10 years in the State Department.

The Senate inquiry on conditions in the Department's security office was instigated months ago. Otepka testified for 6 days in secret hearings and one listening Senator described his evidence as "political dynamite."

Secretary of State Rusk was summoned to testify but put off an appearance by pleading the pressure of other affairs. He finally agreed to appear August 30 but, for reasons not made public, was given an indefinite stay shortly before he was to have testified.

Otepka meanwhile had been put under close surveillance. He retained his title as Chief of the Security Evaluations Office, a $16,000 post, but was transferred from his office to a cubbyhole. This office was "bugged" and his phone was tapped. The Federal Bureau of Investigation was called in to interrogate him.

A number of State Department officials were questioned by the subcommittee. But others were forbidden by the State Department to testify.

The State Department was reportedly alarmed lest the Senate subcommittee's disclosures should be made public before or during Senate debate on the treaty of Moscow, banning nuclear weapons tests in the atmosphere and underwater.

The letter of charges against Otepka was given to him on the day before the Senate ratified the treaty. He engaged Robb, a Washington attorney, and asserted his determination to fight what he regarded as harassment for performance of his duty.

A congressional statute declares that all civil service employees have the right to give information to Congress and may not be restrained in that right. The Truman directive, issued in the year that the Alger Hiss perjury-espionage case was exposed, appears to conflict with that statute.

The claim of "executive privilege," the right of the President to withhold any information about Government employees in the public interest, has been invoked by the Truman, Eisenhower, and Kennedy administrations.

[From the St. Louis Globe-Democrat, Oct. 2, 1963]

STATE DEPARTMENT OFFICIAL SAYS HIS SUPERIORS LIED—OTEPKA DENIES GIVING SECRET DATA TO SENATE—FORMER CUBAN POLICY ADVISER'S RECORD INVOLVED

(By Edward W. O'Brien)

WASHINGTON.—Otto F. Otepka, State Department security official who has been threatened with dismissal, charged Tuesday that "my superiors" in the Department gave "untrue" testimony about the handling of certain personnel cases to a Senate subcommittee.

Mr. Otepka, who for 10 years held a key position in granting security clearances to State Department officers and employees, said the current charges against him stem from the fact that he had sought to refute the allegedly false statements he felt reflected on his performance.

DENIES CHARGES

In an exclusive interview, Mr. Otepka denied he ever had furnished classified documents or other restricted information to any unauthorized person.

He said he had answered certain questions by the Senate Internal Security Subcommittee, but only after the subcommittee had initiated its own investigation of State Department security procedures.

He said he had declined to "name names" in the individual personnel cases under study by the subcommittee, but since he was under oath, "I could not and did not deny I had official knowledge of these cases."

The State Department filed 13 charges against Mr. Otepka on September 23 as a preliminary to forcing his dismissal from the Government.

Friends of Mr. Otepka have said the charges amount to an allegation that he cooperated with the Senate subcommittee, which long has been keeping State Department personnel security procedures under review.

In the interview, Mr. Otepka said he intends to fight the charges through Civil Service Commission channels. Several Members of Congress have come to his support, saying the real issue is whether Congress can obtain information from executive departments without inviting reprisals against Government witnesses.

A Senate Internal Security Subcommittee report on October 16, 1962, gave high praise to Mr. Otepka as a personnel security officer.

The report stated that his unfavorable recommendations against William Wieland, a top-ranking State Department official in deciding policy toward Fidel Castro during Castro's rise to power in Cuba, had brought harm to Mr. Otepka's State Department career.

It became evident Tuesday that Mr. Otepka's new troubles arose out of the subcommittee's continued interest in the Wieland and other controversial State Department security cases.

Early this year, the subcommittee began delving into additional State Department personnel cases. As Deputy Security Director and Chief Security Evaluator for the Department, Mr. Otepka was summoned to testify in executive session.

He said Tuesday the three main charges against him now are that he gave classified information to Subcommittee Counsel J. G. Sourwine in violation of a 1948 Presidential order restricting the flow of information to congressional committees.

Mr. Otepka told this newspaper he "did not run to Mr. Sourwine." Upon being asked to testify, he said, "I did so, as I always have, with the Department's permission and guidance and with the knowledge of my superiors."

When Mr. Sourwine's questions got into an area where I had knowledge, Mr. Otepka said, he could not and did not give substantive information on the individual cases.

Later, he said, his superiors in the Department, whom he did not name, also testified, telling the subcommittee that the individual cases in question had never been called to their attention by Mr. Otepka.

TESTIMONY CONFLICTS

"This put their testimony in conflict with mine and with my official knowledge. Their testimony was untrue," Mr. Otepka said.

Since his superiors had used the subcommittee forum to make their statements, Mr. Otepka said, he felt entitled to rebut their statements and present the true facts.

He said the best evidence he could present was documentation which I myself had classified in the first place. He said these documents proved that he brought the disputed cases to his superiors' notice and that they had acknowledged the notices in their own handwrting.

"I have a right to defend myself," he said. "I'm not going to run to my superiors and seek permission to rebut their testimony. That would be a lot of nonsense.

"I'm charged with violating an order when all I did was to defend myself."

For his second subcommittee appearance, Mr. Otepka said, he had dictated to his secretary a rough draft of the points he wished to cover. To this, he attached the documents "which I myself had classified and which I wished to place in the subcommittee record."

He said he gave one copy to Mr. Sourwine and put the other copy in his office safe.

The State Department's charges relate, he said, that the typewritter ribbon which was used by his secretary, was picked out of his "burn bag" for office debris and reconstructed by his superiors. This led to several of the specific counts against him in the charges, he said.

[From the Washington Star, Oct. 4, 1963]

OTEPKA ROW WIDENS AS SENATE CALLS RUSK

(By Earl H. Voss)

The Senate Judiciary Committee has sent Secretary of State Rusk a strongly worded demand to produce witnesses, including Mr. Rusk himself, to discuss security procedures in the State Department.

Senator DODD, Democrat, of Connecticut, vice chairman of the Judiciary Committee's Subcommittee on Internal Security, made a special trip to New York Wednesday to deliver personally a 10-page memorandum to Mr. Rusk.

The memorandum and covering letter signed by Judiciary Committee Chairman EASTLAND, Democrat, of Mississippi, was approved by the committee's members.

Senator EDWARD M. KENNEDY, Democrat, of Massachusetts, and brother of the President, did not dissent from the Judiciary Committee's decision to send the memorandum to Mr. Rusk, according to congressional sources.

MAJOR FLAP BREWING

The personal approach by Senator DODD to Mr. Rusk followed the State Department's announcement last Friday of charges filed against its chief security evaluator, Otto F. Otepka, which could result in his discharge.

Mr. Otepka is accused of passing classified information on loyalty and security cases in the State Department to the Senate Internal Security Subcommittee in violation of a 1948 Executive order.

The subcommittee believed it had obtained a commitment from the State Department that there would be no reprisals against employees testifying before the committee.

The Department, according to the understanding of congressional sources, claims its action against Mr. Otepka is not in reprisal for his testimony but a consequence of improper actions, among them mutilating and improperly declassifying information on State Department employees loyalty.

Mr. Otepka intends to fight the charges through civil service channels and into the courts, if necessary.

The Judiciary Committee has asked Mr. Rusk for a full report on the Otepka case from qualified State Department officials as well as other information on security procedures in the Department.

The Senate subcommittee has heard testimony leading it to believe the State Department has been lax in protecting the national security.

A recent subcommittee report indicates, for instance, that Mr. Rusk approved more than 150 waivers of security clearances of new employees by mid-1962. One-fourth of these waivers were backdated, the subcommittee was told.

Senators on the Internal Security Subcommittee are also said to be concerned about cases of possible perjury by State Department witnesses who have come before them.

RUSK BREAKS DATES

Secretary Rusk decided several weeks ago that only he himself should testify for the State Department before the committee.

On August 15 members of the State Department's Bureau of Security and Consular Affairs and the Office of Security, where Mr. Otepka has been working, were forbidden to contact the Senate Internal Security Subcommittee without permission.

Mr. Rusk has broken several dates to appear before the subcommittee because of the press of other business. One intervening event was his trip to Moscow in August to sign the partial nuclear test-ban treaty.

Since he received the Judiciary Committee's memorandum, however, Mr. Rusk now is reported by Department officials to have decided other State Department employees may testify before the subcommittee. He still intends to appear himself later, it is reported.

[From the Charleston News and Courier, Oct. 4, 1963]

THE OTEPKA CASE

The persecution of Otto Otepka, Chief of the Evaluation Division of the Office of Security in the U.S. State Department, cries out for public attention.

Determined efforts are being made to drive Mr. Otepka from Government service, apparently because he discussed State Department security risks with the Internal Security Subcommittee of the Senate Judiciary Committee. The subcommittee is reported to have heard testimony that Harlan Cleveland, Assistant Secretary of State for International Affairs, is appointing persons with questionable security backgrounds. The grave allegation was made that Mr. Cleveland inquired as to whether Alger Hiss, convicted perjurer and symbol of disloyalty to the United States, could be brought back into the State Department.

In view of the fact that persons of proven disloyalty have held high posts in the State Department in years past, the subcommittee has a duty to dig deeply into the new charges.

The immediate task is for Mr. Otepka to be protected against vindictive persons in the State Department. We understand there are portions of the United States Code which clearly assert the right and duty of executive branch officials to confer and exchange information with officials of the legislative branch. A precedent must not be established whereby leftwingers in the State Department can silence or punish loyal Americans who have information of disloyal activities.

Senator OLIN D. JOHNSTON, of South Carolina, is the ranking member of the Senate Judiciary Committee. He has participated in many investigations of security problems. We hope that Senator JOHNSTON will devote his attention to the case of Otto Otepka, and will investigate the grave charge that security risks are being eased back into the State Department.

[From the Chicago Tribune]

THE STATE DEPARTMENT COVERUP

The Senate Judiciary Committee has taken the unprecedented action of dispatching a U.S. Senator to deliver by hand to Secretary of State Rusk a letter from the full committee. The letter is described as commanding the Secretary to cease obstructing an investigation of frightening breaches of security within the Department or accept the consequences of public exposure.

The letter was carried to New York City, where Rusk is conferring with the Soviet and British Foreign Ministers, by Senator THOMAS J. DODD, vice chairman of the Senate Internal Security Subcommittee. Mr. DODD was accompanied by the subcommittee counsel. The Senator also delivered a covering letter from Senator JAMES O. EASTLAND, chairman of the Judiciary Committee, informing Secretary Rusk that the committee intended to meet the challenge posed by a State Department order forbidding employees to testify.

The Department has brought charges against one officer who did testify before the subcommittee. The witness, Otto F. Otepka, Chief of the Division of Evaluations in the Department's Office of Security, is accused of disclosing to the subcommittee Department reports which were classified as confidential. It is understood that he detailed evidence of suspected disloyalty which appalled Senators.

The Judiciary Committee has notified Secretary Rusk that it will defend Otepka's right to testify under provisions of the United States Code and in conformity with concurrent resolutions of the House and Senate adopted in 1958. Mr. Rusk has responded that he will appear before the committee and present his Department's view.

In its letter to the Secretary, the committee has charged that a high official of the Department gave false testimony to the subcommittee under oath. The whole pattern of interference with the subcommittee's inquiry suggests that the State Department knows that it is culpable and is trying to suppress a scandal which could rock the administration.

This is not the first time that an attempt has been made to push Otepka out of the Department. Two years ago the administration announced that 25 trained security agents were to be hacked out of the Department's Bureau of Security and Consular Affairs for reasons of "economy." Their two chiefs, Otepka and Elmer Hipsley, were to be ditched with them. Because of an uproar in Congress, Otepka was permitted to keep his title, but his duties were limited.

It might be thought that the administration would be eager to expose security risks, to get rid of them, and perhaps to prosecute them. But it is not. The reason for this strange attitude is that President Kennedy, Attorney General Kennedy, and other leaders of the New Frontier are on record as having said that there was little or no danger of internal subversion. In their view, communism was strictly a menace from outside, although these days they are not even acting as if they believed that.

So it is embarrassing to have public servants challenging the official thesis by turning up instances of disloyalty within the administration and imparting the information to a Senate body which has been zealous in exposing subversive infiltration of the Government. What would become of the argument that there is nothing to investigate if another Alger Hiss scandal were brought to light?

[From the St. Louis Globe-Democrat, Oct. 3, 1963]

PLOT TO GET OTEPKA?

Now it begins to appear there is more behind the effort to oust Otto F. Otepka, State Department security official, than was first suspected when he was accused of giving Department secrets to Congress—as though that could jeopardize the security of the Nation.

Suspicion is strong in Washington that the plot against him goes even beyond the State Department—that the character moving in on Otepka is a more powerful figure in our Government than the Secretary of State—none other than the President's brother, Attorney General Bobby Kennedy.

What's it all about?

It's not so much that Mr. Otepka told a Senate subcommittee some things the State Department didn't want Congress to know—especially about William Wieland, a top-ranking State official who did nothing to stop Castro's rise to power in Cuba.

It's more because Mr. Otepka is a career man in Government service of unquestioned loyalty who thinks Congress is entitled to know what's going on, who wants real security methods carried out in every Federal agency.

In his security post, his signature was required on all appointments to the State Department, except for the very top posts filled by the White House.

And Mr. Otepka had been exercising this authority to maintain the security reforms instituted under the Eisenhower administration.

In other words, Mr. Otepka has been a hard-line, anti-Communist State Department official—just like Miss Frances Knight, Director of the Passport Office, who has been in constant hot water with her superiors for the same reason.

He has tried to keep strange and curious people out of jobs in the Department for whose security he was responsible.

That is how he has run afoul not only of his own superiors but also of that even higher power who operates in the Justice Department. It's not national secrets apparently but personnel matters that have got him into trouble.

With Bobby Kennedy trying to move Kennedy people to run things the administration way, Mr. Otepka drew the line at some characters he considered dubious.

The flimsy charges about what he told the Senate subcommittee are reported incidental to getting rid of the State Department security official who guarded the door.

It is not Mr. Otepka and his activities which need investigation. It is the plot of those who have been spying on him and snooping around his "burn bag" and doing other petty things in their efforts to oust him.

The Senate Internal Security Subcommittee, which gave him high praise as a personnel security officer only a year ago, should launch such a probe.

PORK BARREL OR ECONOMIC FOUNDATIONS?

Mr. McGOVERN. Mr. President, periodically throughout the history of our country, the charge has been made that the Federal Government runs a public works pork barrel, squandering millions of dollars on foolish projects.

Most recently Life magazine has done a major, widely circulated "expose" of the Federal public works "pork barrel."

Generally these attacks are pursued with more zeal than knowledge, with more innuendo than facts, and sometimes with more political motivation than concern.

Life magazine punctured its recent pork barrel argument when it attempted to contrast good and bad public works. The article closed with a description of the $60 million Toledo Bend Dam built by the States of Texas and Louisiana as a huge and economically viable addition to the productive facilities of their States.

The article continued that by building this fine dam themselves, the States saved the people of the United States from another costly raid on their Treasury.

It is, of course, unreasonable to contend that a project financed by the First State Bank is an economically viable addition to the productive facilities of a community but that the same project, financed by the First National Bank, is a raid on the Treasury.

Yet this strange thesis was the basis of the article.

Texas and Louisiana are to be congratulated for moving ahead with the Toledo Bend Dam. Progressive State administrations are increasingly coming to understand that public works projects trigger economic development and that they can return many times their cost in primary and secondary benefits.

We need more State projects—more State participation in development efforts—to speed our economic growth rate and meet the needs of a growing population, including more business opportunities and employment.

We are moving to make State participation possible in the water and related resources field. The Interior and Insular

Affairs Committee has just held hearings on a bill, S. 1111 by Senator CLINTON ANDERSON, to provide aid to the States for water resources planning and to speed cooperative Federal-State planning of major river basins. As the planning job is completed, units of coordinated river basin plans can be undertaken by either or both partners to the planning, without interfering with the final optimum development of the water resource.

But Federal public works projects cannot be halted because someone argues—as Life magazine did—that what is non-Federal is wonderful but if it is Federal it is a wasteful pork barrel raid.

Mr. President, I ask unanimous consent to have printed in the RECORD a brief extract from the Life article, which is the basis of my comment.

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

EXCERPT FROM LIFE MAGAZINE

While the pork barrel rolls along distributing money by the billion, the States of Texas and Louisiana are trying out a unique experiment in homegrown economy. Both States have taken their shares of Federal pork in the past and may well do so in the future. But at Toledo Bend on the Sabine River that separates the States they are building a $60 million dam with their own money.

An aura of healthy self-interest and anti-big-Government sentiment surrounds the project. "We retain local control and we are not contributing to larger and larger government." Simmons said recently. "I don't believe in this sitting back and waiting. Too often we have waited so long the Federal Government came in and filled a void that should have been handled by the States. It was our own fault."

In the end, creating a huge and economically viable addition to the productive facilities of their States, the people of Louisiana and Texas felt their breasts swelling with the pride of independence.

"Toledo Bend," said Louisiana Gov. Jimmie Davis at the ground breaking ceremony, "is a testimonial to the efficiency and workability of the principle of States' rights."

It also saved the people of the United States from another costly raid on their Treasury.

Mr. McGOVERN. Mr. President, sometimes I believe that these periodic attacks on Federal public works are beneficial. They remind those of us who realize the positive values of Federal public works investments that it is not enough to understand their worth, and their key role in economic growth, ourselves. They remind us that the good these great programs do must be told to the public, and told repeatedly, if the truth is to prevail over the sensationalism of detractors.

This has a special urgency for those of us from the Upper Missouri River basin, and indeed for all the Western States. Our economic future is tied to proposed large scale water, timber, recreation, and highway programs, and particularly to the completion of water programs which are essential to agricultural, municipal, and industrial growth.

In my own State, at the present stage of water resource development, tens of thousands of acres of our best agricultural lands have been inundated or committed to reservoirs without compensating reclamation of other lands. Uninformed attacks on the Federal public works programs, can defeat or delay construction at a critical midpoint for the whole upper Missouri Basin, leaving us with reduced rather than expanded economic opportunities and with a static economy, rather than the expansion which the next stages of development would bring.

Great dams to impound water have been constructed or are nearing completion. The next step is to make the water available for beneficial uses. The word "beneficial" is used thoughtfully for, as I shall show out of our past experience, water provided to agriculture in South Dakota expands crops now in short supply and livestock production, where increases in production are needed, and not the production of crops already in surplus.

First, however, I think we should reexamine American policy and experience in relation to Federal public works, and see if they have not had a great deal to do with the spectacular rise of our country from a primitive wilderness to the world's most productive nation in less than two centuries.

WASHINGTON SIGNED FIRST PUBLIC WORKS BILL; SURVEYED ROUTE TO THE WEST

If George Washington were alive today and active in public life, I have no doubt that some American journals would refer to him as the "father of the pork barrel" rather than the "Father of his Country."

The first Congress of the United States in August 1789 passed a law which made the establishment and maintenance of lighthouses, buoys, beacons, and public piers to assist navigation a Federal responsibility. President George Washington signed it on August 27, 1789. It became 1 Stat. 53—the 53d law of the new United States of America.

Discussion started at about the same time of a canal linking the Potomac River with the Ohio, to open up the new western territory for development. Shortly after he left the Presidency, Mr. Washington identified himself professionally with those who believed in Federal projects to speed the development of the Nation by surveying the route for a canal from Cumberland, Md., to the Ohio River near Wheeling, W. Va. A road instead of a canal was authorized on this route in 1806. It was constructed during one of the earliest congressional debates over Federal responsibility for internal improvements.

If Life magazine had been around at that time, it undoubtedly would have opposed these "pork barrel" projects—the road to the western territory as well as Federal assumption of responsibility for aids to navigation. There was opposition, but the road was completed in the 1830's to Vandalia, Ill., at a final total cost of $7 million.

In this early 19th century period, Congress passed and President John Quincy Adams approved the first "omnibus" rivers and harbors bill and appropriated nearly $2 million for the Chesapeake and Ohio, the Chesapeake and Delaware, the Louisville and Portland, and the Dismal Swamp Canals.

In 1826 and 1827 the Corps of Engineers were allowed to make surveys for railroads under the General Surveys Act of 1824, although the act mentioned only roads and canals. The Baltimore & Ohio Railroad got such assistance from 1827 to 1830. Other roads continued to receive such assistance until 1838, when it was discontinued for a decade. In the 10 years preceding the Civil War, the survey work was renewed and the Army Engineers were called upon for surveys of rail routes to the Pacific Ocean which ultimately became the basis for the construction of four transcontinental railroad lines.

Construction of the railroads was not direct Federal public works, with construction by Federal agencies. But so much of the original survey work and financing of the construction was Federal that they clearly have to be considered products of the Federal "pork barrel," if that term is to be attached to works projects supported by the U.S. Government.

A study by the Library of Congress shows that 130,401,606 acres of Federal public lands were granted to the railroads to help them finance construction. In addition, under the Pacific Railway Act of 1862, the Federal Government issued bonds to provide cash loans for railroad construction at the rate of $16,000 per mile for level track, $32,000 per mile for track in hilly areas, and $48,000 per mile for track in mountainous terrain. The railroads repaid the principal and a part of the interest on these loans. A Board of Investigation and Research in 1945 fixed the Government's final cost of this financial aid to the railroads at $74 million.

There was opposition, of course, at the time these aids to the railroads were being voted, but no one can today deny that the speedy development of transcontinental railroad transportation expedited development of the Nation and that the areas opened by the railroads have repaid the Federal investment a thousand times over.

The Federal Government has invested more than $2.6 billion in the development of water transportation in the Nation dating back to the Act of 1789.

Since there is always the implied or direct charge made in connection with attacks on public works that such projects are ladled out on a basis of political favoritism, I ask unanimous consent to have printed in the RECORD table, prepared by the Library of Congress, showing expenditures for navigation facilities by States since the inception of the program.

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

TABLE III.—*Ranking by States of construction appropriations through fiscal year 1960 for new work on existing navigation projects under civil works program of Corps of Engineers*

[Millions]

1. Illinois	$214.1
2. Missouri	202.2
3. Michigan	193.2
4. New York	181.8
5. Ohio	141.5
6. Texas	120.7
7. California	120.5
8. Kentucky	115.9
9. Louisiana	115.6

TABLE III.—*Ranking by States of construction appropriations through fiscal year 1960 for new work on existing navigation projects under civil works program of Corps of Engineers*—Continued

[Millions]

10. Pennsylvania	$104.5
11. West Virginia	99.6
12. Iowa	92.8
13. New Jersey	91.9
14. Florida	87.2
15. Alabama	83.4
16. Massachusetts	79.6
17. Minnesota	55.5
18. Nebraska	52.9
19. Virginia	49.8
20. Indiana	48.2
21. Washington	41.1
22. Arkansas	35.3
23. Oregon	34.9
24. Delaware	30.0
25. Kansas	29.5
26. North Carolina	24.4
27. Hawaii	24.1
28. Maryland	20.5
29. South Carolina	19.7
30. Alaska	14.5
31. Wisconsin	14.1
32. Connecticut	13.8
33. Maine	12.2
34. Georgia	12.0
35. Mississippi	8.9
36. Rhode Island	7.7
37. Tennessee	6.8
38. Oklahoma	6.6
39. District of Columbia	2.4
40. New Hampshire	1.3
41. Vermont	0.9
42. Idaho	0.2
43. Arizona	0.01
Total	2,611.8

No appropriations have been made for navigation projects in the States of Colorado, Montana, Nevada, New Mexico, North Dakota, South Dakota, Utah, and Wyoming.

NOTE 1.—This tabulation is limited to appropriations for new work under existing projects specifically authorized by Congress. It excludes appropriations for superseded and abandoned projects.

NOTE 2.—In the table on "Multiple-purpose projects including power," total appropriations include about $343 million allocable to the navigation function. Thus, of total appropriations of $9,337.2 million for new work on existing projects under the authorized civil works program, about $3,220 million is allocable to navigation.

Source: U.S. Army Corps of Engineers.

Mr. McGOVERN. Mr. President, I shall offer one or two more tables and I invite attention to the proof they offer that, over the years, expenditures have been related to need. Charges of favoritism in public works program obviously arise because, in a single Congress, or in the decade when a major project is in progress, some one State or some one area appears to receive a disproportionate share of funds. Over a longer span of years, however, the needs which have been built into each area by nature have largely determined Federal expenditures and will necessarily continue to do so. A gifted or especially influential Member of Congress may speed works meeting the needs of his State or area by a few years, but for the most part nature dictates the areas of expenditure.

A table of expenditures for flood control compiled by the Legislative Reference Service underlines this point. It reflects heaviest expenditures in the States where flood damage is heaviest and need is greatest.

I ask unanimous consent, to place the table of flood control expenditures through 1960 by States in the RECORD.

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

TABLE. IV.—*Ranking by States of construction appropriations through fiscal year 1960 for new work on existing flood control projects under civil works program of Corps of Engineers*

[Millions]

1. California	$501.2
2. Louisiana	451.8
3. Mississippi	280.6
4. Arkansas	277.2
5. Pennsylvania	184.1
6. Texas	178.1
7. Kansas	174.0
8. Kentucky	143.5
9. Missouri	123.4
10. Oklahoma	123.3
11. Illinois	120.8
12. Ohio	103.0
13. New York	92.7
14. West Virginia	84.9
15. Tennessee	75.8
16. Massachusetts	64.8
17. Florida	58.9
18. Washington	51.8
19. Iowa	51.1
20. Indiana	43.8
21. Oregon	41.2
22. Nebraska	39.8
23. Vermont	35.5
24. Colorado	31.8
25. Connecticut	31.5
26. New Mexico	30.2
27. New Hampshire	25.7
28. Arizona	21.3
29. Idaho	20.8
30. South Dakota	18.0
31. North Dakota	17.4
32. Maryland	12.3
33. Minnesota	9.6
34. Virginia	8.7
35. Michigan	7.3
36. Georgia	4.8
37. Rhode Island	4.8
38. District of Columbia	3.0
39. Wyoming	2.7
40. Utah	2.5
41. Montana	2.0
42. Nevada	2.0
43. Alaska	1.3
44. North Carolina	1.3
45. Alabama	.8
46. Hawaii	.4
47. New Jersey	.3
48. Wisconsin	.7
Total	3,561.9

No appropriations have been made for flood control projects in the States of Delaware, Maine, and South Carolina.

NOTE 1.—This tabulation excludes appropriations for superseded and abandoned projects and for flood control projects not specifically authorized by Congress but accomplished under special continuing authorizations.

NOTE 2.—The total appropriations shown above for "flood control projects" include about $265 million under the "flood control, Mississippi River and tributaries" project allocable to the navigation function. In the table on multiple-purpose projects including power, about $557 million allocable to flood control is shown. Thus, of total appropriations of $9,337.2 million for new work on existing projects authorized under the civil works program, about $3,854 million is allocable to flood control.

Source: U.S. Army Corps of Engineers.

Mr. McGOVERN. Mr. President, the final table I offer, breaking down Bureau of Reclamation construction appropriations by States, is taken from the Statistical Report of the Commissioner of Reclamation for 1960. It is supplemented by a table of rank by States prepared by the Legislative Reference Service. The table of rank by States represents an attempt to allocate benefits from interstate projects to the separate States.

I ask unanimous consent that these tables be printed in the RECORD.

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

TABLE V.—*Construction appropriations by States through fiscal year 1960, Bureau of Reclamation programs*

[Millions]

Alaska	$29.7
Arizona	88.1
Arizona-California	17.1
Arizona-California-Nevada	364.4
Arizona-Utah	127.6
California	725.4
Colorado	206.6
Colorado-Kansas	13.3
Hawaii	----
Idaho	12.8
Idaho-Oregon	73.1
Idaho-Wyoming	98.0
Kansas	49.5
Montana	201.8
Montana-North Dakota	19.5
Montana-Wyoming	3.0
Nebraska	77.2
Nebraska-Kansas	37.8
Nevada	1.4
Nevada-California	14.6
New Mexico	56.6
New Mexico-Colorado	20.3
New Mexico-Texas	28.9
North Dakota	12.5
Oklahoma	32.6
Oregon	56.0
Oregon-California	17.8
Oregon-Idaho	21.1
South Dakota	36.5
Texas	30.8
Utah	98.2
Utah-Wyoming	29.0
Washington	617.3
Wyoming	171.0
Wyoming-Montana	25.2
Wyoming-Nebraska	25.0
Work in various States	257.4
Total	3,697.1

Source: Statistical Appendix to Report of the Commissioner of Reclamation, 1960.

TABLE VI.—*Ranking by States of construction appropriations through fiscal year 1960, Bureau of Reclamation projects*

[Millions]

California	$860.0
Washington	617.3
Arizona	381.4
Montana	224.2
Colorado	219.9
Wyoming	196.2
Idaho	183.8
Nebraska	140.0
Utah	127.2
New Mexico	105.8
Nevada	97.2
Oregon	94.9
Kansas	49.5
South Dakota	36.5
Oklahoma	32.6
Texas	30.8
Alaska	29.7
North Dakota	12.5
Total	3,439.6

This table does not include $257.4 million of construction funds used for investigations, planning, and transmission lines, which

could not easily be assigned to any one State.

Mr. McGOVERN. Mr. President, none of these tables include all of the $2,082 billion which the Tennessee Valley has been appropriated, the biggest single public works program Uncle Sam has yet financed to completion.

It is too bad that critics have not made honest, objective appraisals of what the Nation has received from some of these public investments.

The Tennessee Valley Authority is a good place to start.

WATER PROJECTS REPAY COST MANY TIMES

In 1933, residents of the Tennessee Valley counties paid 3.4 percent of all Federal personal income taxes collected by the United States.

Last year they paid 6.8 percent of all personal income taxes collected by the U.S. Treasury. This was twice the 1933 share of the tax burden shouldered by the valley's citizens.

The dollar amount of personal income taxes paid by citizens of the valley counties in 1962 was $4.2 billion. The increase—half of that $4.2 billion—was $2.1 billion. Thus, the increased share of Federal income taxes from the valley in just 1 year, a quarter century after the investment was started, offset the investment.

The TVA has repaid its cost to the Nation over and over and over many times. Orders for equipment, supplies, appliances, and the ordinary requirements of living have flowed out to enterprises outside the valley and boosted the economy of every State in the Nation. TVA's ability to produce and expand its electrical energy output and its great chemical plants made it an arsenal of democracy in World War II. TVA and the Bonneville Power Administration, another great Public Works project, provided the power for the atomic developments which brought early victory in the war.

Our investments in TVA and Bonneville, which are being repaid in the usual sense, fade into insignificance when measured against the tremendous economic gains they have brought about. Our investments in the Central Valley project in California, and in navigation facilities in that great State, were basic to California's growth into the most populous State in the Nation, and one of our largest taxpayers.

The economic record of western reclamation projects parallels the results of TVA and other productive works projects. I will cite an example from South Dakota only because I am familiar with it. There are many others throughout the West which are equally illustrative.

The Belle Fourche irrigation project in western South Dakota was one of the first reclamation projects authorized. Since 1908, when the first irrigation water became available, the project has produced crops with a cumulative gross value of nearly $69 million, or roughly 14 times the $5 million construction costs of the project. The Belle Fourche project provides a livelihood for about 1,000 families in Butte County, on and off the project. Federal tax collections from the area served now exceed $360,000 annually, which means that the project citizens are paying for it in taxes every 14 years, without considering the annual Treasury revenues of $38,700 from the water users, in repayment of reimbursable construction costs, or the secondary tax collections and economic gains it supports.

The economic benefits of this half-century-old project are reflected in a comparison of the irrigated project area with surrounding areas of dryland farm acreage. The livestock operations made possible by the project, which produces chiefly feed and forage crops, results in the sale in Butte County of 80 percent more livestock per acre than in the adjoining counties. Harvested crop yields on the irrigation project are 3 times, and the value of irrigated pasture is 20 times the production under dryland farming conditions. Butte County supports a population 34 percent greater than that of surrounding counties, and the total value of real estate and personal property is 51 percent higher per unit of land.

An additional half million dollars worth of crops annually is produced on the small Angustora unit and Rapid Valley projects. The latter project also delivers more than 300 billion gallons of water annually to Rapid City, S. Dak., serving an area of about 44,000 population. In the years ahead, this project and many other irrigation projects will increasingly become the sources of municipal and industrial water supply. This has occurred already at the Salt River project in Arizona and California and at numerous other irrigation projects.

As a rule of thumb, industry requires about the same amounts of water per acre of plant site as agriculture. There are many instances where irrigated farms have been transformed into industrial locations in the West. Agricultural land and water rights are sold to industries which bring greater economic returns to the operator, the community and the Nation. This is an irrigation "crop" of often overlooked significance.

In the past 10 years, 300 industries have located in the area provided with water by the Salt River project in Arizona. These include Motorola, the computer production facilities of a General Electric Co., a Reynolds Aluminum company plant, Goodyear, U.S. Steel, Sperry Rand, and Air Research Corp. All are sizable operations which would not have gone into the area except for the availability of water through the long-established reclamation facility.

There has been nearly a tenfold growth in population served with municipal and industrial water from Federal reclamation projects since 1956, when the Bureau of Reclamation started keeping records on the matter.

In 1956, 1,071,000 persons used 165,360 acre-feet of the Bureau's "M & I" water. Last year 10,120,000 persons used 1,455,124 acre-feet. The increase between 1961 and 1962 was 12 percent in population served.

Irrigation farming, like George Washington's road to the west, opens new lands and new country for diversified economic activity to the benefit of those who people the project, the community, the region, and the whole Nation. It is a roadway to economic growth.

IRRIGATION PRODUCES NEEDED CROPS, NOT SURPLUSES

Contrary to the widely held view that irrigation projects add to the Nation's surplus agricultural production, they produce very little of the commodities which compose our surplus stocks.

About 90 percent of the production of the Belle Fourche project in South Dakota, which I have just discussed, goes to market as beef and mutton. In 1959, the last agricultural census year, 72 percent of the Belle Fourche's harvested acres were in hay and other forage crops, 16 percent in feed grains, 9 percent in sugarbeets and seed crops, and only 2.3 percent in wheat. The feed, forage, and sugarbeet tops and pulp almost entirely went into cattle and sheep on project farms or adjacent ranches. That pattern has not changed.

Counties adjacent to Butte County, in which the Belle Fourche project is located, have a proportion of land in wheat four times as large as in Butte County. In this instance, and I believe generally, irrigation has swung production away from the products in surplus—the one-crop wheat pattern of many Great Plains farms—because it has made possible growing of other crops, support of a livestock enterprise, and more diversified agriculture. In the upper Missouri Basin it has been toward production of hay and forage fed to meat animals.

A study of irrigation agriculture's output made by the Legislative Reference Service of the Library of Congress showed that half of all irrigated land in the United States is devoted to forage, including about one-fourth to alfalfa hay, about 20 percent to feed grains and cereals, and the remainder in fruits, vegetables, seeds, nuts, sugarbeets, and other field crops.

Vegetables, seeds, and fruits contribute two-fifths of the gross crop value from Federal reclamation projects. Western irrigated farms, including both Federal and non-Federal irrigation, produce virtually all of the Nation's apricots, almonds, dates, walnuts, lemons, figs, prunes, and olives; they supply 95 percent of the grapes, 90 percent of the lettuce, 75 percent of the avocados, peas, and cantaloupes, 50 percent of the peaches, and more than 50 percent of the commercial truck crops.

The Legislative Reference Service concluded:

> Many of the products, whether because of the high quota of sunshine, special soil qualities, or the controlled availability of water, must be in some degree unique as to color, flavor, or size; at least the market accords them a special place. Though they compete generally and often successfully for a share of the consumers' dollar, it would appear that in a large degree they are not in competition with the products of humid agricultural areas.
>
> That U.S. agricultural production is presently in surplus is undoubted, yet surpluses are largely confined to a few products, only a minor number of which are in any considerable degree a product of reclamation projects. More than that, with production

on reclamation projects concentrated on livestock and livestock products and on fruits and vegetables, it would appear that they are in admirable position to serve the newer trends in the U.S. market. Present indications are that the largest increases in production which will be required by 1975 are in those very products which are specialties of irrigated areas. Moreover, projections of probable foreign purchases suggest that exports of several fruits are likely to be among the items showing the largest increases by 1975.

MEETING OUR NEED FOR INCREASED MEAT PRODUCTION

I have been greatly interested in recent discussion of how the Nation is going to meet its need for increased meat production in the years ahead.

Early in August, the reliable Washington Farmletter went into the problem from the agricultural point of view and concluded:

Looking ahead 10 to 25 years, the investment required to furnish the grass to increase cattle numbers enough to produce beef in line with population growth won't be made at the present level of cattle prices.

The Farmletter pointed out that for a decade after World War II, increased beef production was made possible by grass released from the support of horses and mules as power farming swept the country. All of this grassland went to beef cattle herds. The numbers of dairy cattle has declined. Dairymen have done a phenomenal job of increasing milk production by careful breeding and herd selection. Milk production, as the Agriculture Committee well knows, has climbed steadily in spite of a decline in the number of cows being milked.

The displacement of horses and mules has now been completed. The added meat production from the newly available pasturelands has been absorbed, and there has been a further spectacular increase in beef output as a result of increase in cattle feeding. Nearly two out of three beef animals on the market today has been put through a feedlot and fed to optimum weights.

Further increases in volume of beef production through feeding is limited. The experts tell us that probably not more than 70 percent of cattle marketed—5 or 6 percent more than at present—can be fed since it is impractical to feed dairy cows, bulls, stags, and scrubs.

Yet we will need an increase in beef supply not only for domestic consumption by a growing and more prosperous population, but also for a prospective jump in export markets.

The Department of Agriculture advises that by 1970 we should have 99.5 million head of beef cattle compared to 74.3 million head now. This means an increase of 5 percent per year in numbers, compared to a 4 percent increase during the past 3 years, just to meet the growing domestic demand.

The prediction that there will also be a world beef shortage in the early seventies is based on two studies of world demand made for Argentina recently. The studies showed demand for beef increasing in Great Britain, Western Europe, and such Asian countries as Japan as a result of increasing population, rising per capita demand and inability of those crowded countries to achieve significant increases in their own production.

Whether or not the United States shares in this productive new world market with Argentina, Australia, Canada, and other meat exporting countries, thereby improving our balance of payments and domestic farm situations, depends in some measure on whether we make the investment in public reclamation works, necessary to expand the western breeding herds which are basic to expansion of beef production.

The Department of Agriculture has estimated need for additional grass to meet requirements of beef production to 1970 at the equivalent of 14 million acres of grassland per year. Much of this additional grass must come from increased production from lands now in use. Much of it must come in the form of hay, forage, beet tops—the animal foods produced on irrigation projects like the Belle Fourche in South Dakota.

CROPLAND REDUCTION DEPENDS ON NEW IRRIGATION

Nearly 2 years ago, Mr. President, the Department of Agriculture released a study which indicated that the United States would need 51 million acres less cropland in 1980 than was under cultivation in 1960. This estimate was based on the assumption that agricultural productivity will continue to rise as it has in the past and would be 56 percent per acre greater in 1980 than it was in 1960. It did not foresee the increased meat exports which I have just discussed.

What many people overlooked when that study came out was that the Department had provided in its projection for an increase of 9.4 million acres in irrigation in the sixties and seventies. That irrigation, much of it necessarily dependent on Federal public works projects—reclamation projects in this instance—accounted for a substantial share of the increased productivity which was foreseen. It is essential to the land use adjustments contemplated and it is made even more essential by the rising demand for meat at home and abroad.

Mr. President, I ask unanimous consent to have printed in the RECORD copies of letters exchanged by Senator CLINTON P. ANDERSON, then chairman of the Interior and Insular Affairs Committee, and Secretary of Agriculture Orville Freeman in February of last year on this subject.

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

EXCHANGE OF LETTERS BY SENATOR CLINTON P. ANDERSON AND SECRETARY OF AGRICULTURE ORVILLE FREEMAN

FEBRUARY 5, 1962.

Hon. ORVILLE FREEMAN,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: Statements made recently in connection with your Conference on Land and People and in connection with the President's farm message to the effect that there will be a net reduction of 50 to 51 million acres in land required to meet our food and fiber needs in 1980 are being misinterpreted in some quarters to mean that there is no need for further irrigation of land in the United States, at least until some time after the year 1980.

I say "misinterpreted" because my reading of the preliminary report of your Land and Water Policy Committee and the other documents on which the figure is based indicate that the irrigation of additional lands will be very important in making it possible to meet our food and fiber requirements in 1980 with a smaller total acreage of crop land.

I observe that on page 205 of the preliminary report your committee anticipates that there will be an increase of 4.7 million acres of irrigation in the West and 2.5 million acres for the East, increasing to 11.2 million for the West and 4.7 million for the East by the year 2000 in response to population pressures.

On page 106 of the preliminary report, in table 28 on shifts in land use, I observe that the net change of 51 million acres in cropland in 1980 is expected to result from the shift of 68 million acres out of cropland and the shift of 17 million acres, presumably including some irrigation acreage, from other uses to cropland.

As the preliminary report states on page 95, increases in crop yields resulting from many improved technologies and production practices will make it possible to meet our domestic and foreign food and fiber requirements in the years just ahead. Obviously some people fail to appreciate the fact that one of the great factors of improvement in our production techniques and practices is the application of water in quantities and at times which assure maximum production.

Because of the potential injury to the Nation's irrigation and reclamation program which might be caused by misinterpretation of the Department's land requirement estimates for 1980, I would appreciate a letter from you setting out the facts.

Sincerely yours,

CLINTON P. ANDERSON,
Chairman, Interior and Insular Affairs Committee.

Senator CLINTON P. ANDERSON,
Chairman, Interior and Insular Affairs Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The interpretations made in your letter of February 5, of statements presented at the Conference on Land and People, and the material contained in the preliminary report prepared by the Department's Land and Water Policy Committee are substantially correct. It is the view of this Department that resource policy should provide for the orderly improvement of cropland through carefully selected irrigation, drainage, flood protection, watershed and other conservation measures along with adjustment activities as needed for reducing the total acreage devoted to crop production.

As observed in your letter, the preliminary report envisions the development of 17 million acres of new cropland by 1980 through private efforts and under public programs. The acreage under irrigation is expected to increase by 9.4 million acres over the same period. Although irrigation development would bring in some new cropland, most such development would involve the provision of water to existing cropland. Based upon current rates of use of water per acre, the total amount of water withdrawn for irrigation would be up by 28 percent by 1980. This increase in use could largely be offset by improvements in efficiency of water use if we intensified our efforts to get farmers to adopt better irrigation practices.

The expected continuation of land and water development and improvement is reflected in the yield estimates contained in the preliminary report. The projected yield per harvested acre for 1980 is 56 percent above 1959. In the absence of such improvements, expected yields would have been

lower and projected acreage requirements correspondingly higher.

Throughout the preliminary report on land and water policy, emphasis is placed on the need for programs to encourage the conservation, development, and management of land and water resources in order to realize continuing maximum benefits from the use of these resources. Both resource development and resource adjustment are needed to achieve the various objectives of a comprehensive land and water resource program.

The objectives of land and water development include reduction in the risk of flood and drought hazards, provision of opportunities for establishing efficient family farms, promotion of rural area development and regional economic growth, an increase in the output, variety and flexibility of crop and livestock enterprises and the reduction of production costs.

In arriving at a decision as to how much development we should have at a given time, the need for additional farm products is only one of the factors to be considered. River basins and watersheds are best developed as whole entities, with the water and related land resources developed so as to serve most effectively a variety of purposes—including flood prevention, domestic and industrial water supply, power, navigation, irrigation, recreation, fish and wildlife, and others. For such purposes as flood prevention, there is almost bound to be some land enhancement even though the primary objective was flood damage reduction. If the economically justifiable irrigation potential of a river is not provided for when the water resources are being developed, future irrigation use may be precluded or made more expensive.

To meet our ever-increasing needs for the varied products of land and water we need a continuing program of land and water development, but we should maintain a balance between programs that enhance production of farm products and programs of land use adjustment.

I trust that this statement will serve to clarify the Department's position on a balanced program of land and water resource development, improvement and adjustment.

Mr. McGOVERN. Mr. President, within a year or two, the great Oahe irrigation project in South Dakota will be ready for authorization. It involves water for 482,000 acres of land.

It is probably inevitable that the pork barrel charge will be leveled at it by those who refuse to see or admit the economic value of Federal public works, and those who have not taken a careful look at our agricultural production problems and opportunities.

But the Oahe irrigation projects in reality is a timely opportunity to build needed productive capacity and strengthen the economy of one of our States with a desirable impact on the Nation as a whole.

South Dakota State College has been one of the major sources of support and information on this proposed development. The college has said:

The proper water resources development would stabilize the State's agricultural production and minimize the effects of drought.

Data covering 88 years in this, and the immediately adjacent area, show that during 28 percent of these years the crops produced ranged from total failure to such low yields as to bring some degree of want and privation to farmers.

It has been estimated that with irrigation in the proposed Oahe project stabilization will come, not only to the 500,000 or more acres to be irrigated, but also to an additional 3 million acres, broken down about as follows: 1,500,000 acres directly integrated with the irrigated lands, 250,000 acres producing some supplemental feeds in normal years, and 1,250,000 acres which will have a feed supply in drought years. This will occur because the Oahe lands are surrounded by hundreds of thousands of acres producing feeder livestock and these livestock will flow to the project lands for feeding and maintenance and some feeds from the project will go out to the surrounding areas.

The crops coming off of land receiving water from the development will be mainly livestock feed, such as alfalfa, grass, pasture, and corn.

* * * * *

In addition to the stability that will come to agriculture, full water development will also:

1. Furnish adequate water supplies for an increasing State population.

2. It will open up opportunities for people and will keep people in the State for all purposes.

At the time this evaluation of the particular irrigation project's worth to the area and the Nation was prepared, there was no clear recognition of the prospective need for increased livestock production which I have just discussed.

The upper Missouri Basin project, which will do so much to diversify the agriculture of this area, now heavily dependent on wheat—one of our surplus farm commodities—could not possibly have been undertaken and cannot be completed by either private enterprise or by the States. Its cost will be close to $5 billion, more than the States or any private enterprise could finance. It is an example of the pioneering role of Federal public works which have, and will continue, to stimulate sound regional development and growth.

This Nation has been fortunate that it has had, since George Washington signed the first aid-to-navigation bill in 1789, national administrations which understand the essential role of the Federal Government in economic development.

President Kennedy has recently toured the West, seeing first-hand opportunities for further economic advances through imaginative public investment. He has been a stout supporter of sound public works projects, despite the unthinking, scattergun "pork barrel" attacks which have been made upon nearly every investment in resource development.

Nor has reclamation been a partisan venture. Two of the greatest Republican statesmen of the 20th century, President Theodore Roosevelt and Senator George Norris, have achieved a high place in reclamation history. Outstanding, conservative Republican leaders have also understood the role of Federal public work. investments and supported them.

Former President Herbert Hoover, who, to my knowledge, has never been accused of pork barreling, was a sponsor of Federal public works projects and an eloquent proponent of reclamation.

In a letter to a Western Governors Conference at Salt Lake City, Utah, in June 1930, the former President wrote:

The undertaking (reclamation) has been of great benefit to this region (the West) and has been the cause of adding much wealth to the Nation.

If the fundamental facts are properly appraised, it seems certain that the arguments of opponents of Federal reclamation will find satisfactory answer and that they will no longer countenance the misleading information that is now being broadcast through different agencies.

Only 1 percent of the farm commodities raised in the United States are produced on Federal reclamation projects, and 90 percent of the quantity so produced is locally consumed.

The projects themselves furnish extensive markets for manufactured goods as well as for farm products not raised under irrigation, and thus seem to afford material benefits, rather than detriment, to other sections. It may be further said that crops raised under irrigation are generally supplemental to rather than competitive with, the products of other farms.

No valid arguments appear to oppose this constructive Federal undertaking. Rather, support should be given in the light of the contribution to the Nation's good.

There are sometimes legitimate criticisms made of some of our public works projects. There have been some which I have regarded as unwise, and not the best use of Federal investment funds. But in a great majority of cases, the pork barrel charge is raised against Federal public works projects by people who are unable to grasp the value of works outside their own section or field of interest.

Life magazine is no exception.

In the September 20 daily CONGRESSIONAL RECORD the senior Senator from Washington, Mr. MAGNUSON, inserted a double-page editorial from Life entitled, "$2.3 Billion Should Go Into the Ocean."

The magazine is very much in favor of the $2.3 billion, 10-year program espoused by the administration and the able Senator from the Pacific Northwest, to explore the ocean for minerals, for its food potentials and in the interest of national defense.

Interestingly, Life argues our need for additional protein food in 1980 as one justification for Uncle Sam's expenditure of the $2.3 billion, suggesting the development of "fish farms" along the Continental Shelf.

While I eat fish, I prefer beefsteak.

And I would like to suggest to the editors of Life that there is just as much pork connected with their fish project as there is with South Dakota's "Project Beefsteak."

I am in favor of an expanded program of ocean research. We need to look for growth opportunities and new resources wherever they may exist.

We should continue to travel down the road George Washington and his associates laid out—to continuously develop our resource potentialities and increase our level of economic activity in the years ahead, or we will be plagued with shortages, unemployment and stagnation.

In contrast with military expenditures, which I attempted to pare a little recently, public works are not an end product to be stored away like nuclear weapons. They stimulate and contribute to the economy. They repay their costs many times over and provide capital for continuing steps ahead.

LATIN AMERICAN POLICY

Mr. MORSE. Mr. President, I wish to have the attention of the Senator from Alaska [Mr. GRUENING] for a moment. He and I had a conference earlier this morning on another subject matter. A statement on it has gone to the press gallery. I shall digress from the discussion of the education bill long enough to read four pages of a statement on this subject, in answer to what I consider to be the very unsound position taken by one of the chief spokesmen for the State Department.

Yesterday in the Washington Post and the New York Herald Tribune, there was published an article on our Latin American policy. The article was written by the Assistant Secretary of State for Latin America, Edwin Martin. As chairman of the Senate Subcommittee on Latin America, I believe Mr. Martin has performed a disservice to American objectives in that part of the world. I ask unanimous consent to have Mr. Martin's article printed in the RECORD.

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

MARTIN'S STATEMENT ON POLICY FOR LATIN AMERICA

(NOTE.—U.S. policy in Latin America is under sharp attack. The top State Department official in the conduct of this policy is Edwin M. Martin, Assistant Secretary of State for Inter-American Affairs. The following statement by Martin, written for the New York Herald Tribune, is being circulated to diplomatic posts in Latin America.)

(By Edwin M. Martin)

By tradition and conviction as well as a matter of policy, the United States opposes the overthrow of constitutional and popular democratic governments anywhere.

This is especially true in Latin America, with whose people we have such close historical ties and whose aspirations for political and economic freedom we support wholeheartedly. Moreover, under the Charter of Punta del Este, the people of the Western Hemisphere have bound themselves in a joint effort for political and socioeconomic development—the Alliance for Progress—within a framework of free and democratic institutions.

The deviations from these principles which we have observed in the 2 years since Punta del Este have caused some to question the validity of the principles of the charter and some impatient cynics to ignore the progress which has been made.

Both the impatient idealists and the defeatist cynics ignore the realities of rising nationalism; the anxieties caused by social revolution the challenge posed by the Alliance for Progress to old value systems; the threat to the established order brought on by the new, and finally the strain which rapid social and economic change places on fragile political institutions.

In short, there is a temptation to measure current events not against historical reality and substantive progress, but against somewhat theoretical notions of the manner in which men should and do operate in a complex world.

UNDETERRED BY FROWN

We all have respect for motherhood and abhor sin. We may observe, however, that while motherhood has prospered, so has sin. In an increasingly nationalistic world of sovereign states, a U.S. frown doesn't deter others from committing what we consider to be political sins. And as we are pretty nationalistic ourselves and rightfully proud of our great successes, we sometimes find this fact frustrating.

Our task has only begun when we have stated our position. The real issue is how, under the conditions of the present-day world, we can assist the peoples of other sovereign nations to develop stable political institutions and help them strengthen their beliefs in these institutions so as to make them effective against brute force.

In Latin America there are very few who would argue as a matter of principle for violent overthrow of constitutional regimes. Most of those who support or accept coups d'etat would simply maintain that their particular case was surrounded by unique circumstances. This is "yes, but" argument.

Genuine concern with an overturn of the established order, fear of left-wing extremism, frustration with incompetence in an area of great and rising expectations and a sheer desire for power are all formidable obstacles to staple, constitutional government—especially in countries where the traditional method of transferring political power has been by revolution or coup d'etat. In most of Latin America there is so little experience with the benefits of political legitimacy that there is an insufficient body of opinion, civil or military, which has any reason to know its value and hence defend it.

No two countries are alike, but in general we feel that in order to enlarge their experience of legitimacy, and thus their respect for it, we must strengthen in each society the power of the educated middle class with a stake in the country, and hence in peace and order and democracy for all the people. This is in fact what the Alliance for Progress is all about—it is as much a sociopolitical revolution as it is an economic one.

As societies come to have more respect for constitutional civilian governments with wide popular support, these governments will no longer be easy targets for military coups. But to tip the balance even more in favor of established civilian governments, we also must assist the military to assume the more constructive peacetime role of maintaining internal security and working on civic action programs. The latter are especially valuable in identifying them with the problems and goals of the civilian population.

CAN'T EXCLUDE MILITARY

Even in the United States we argue about the areas of national policy in which the military have a rightful voice. In Latin America we cannot aim to reduce them to impotence in the national life—rather it is a problem of acceptance of a mission in support of legitimate governments against subversion from extremists of both right and left, whose threat of force must be met by force. There must be military participation in the formulation of some national policies; they cannot be excluded altogether.

I should not wish this emphasis on the need for the military to acquire a new and somewhat more limited role in political life to be read as a downgrading of the real contribution they have made to political freedom and stability in many countries. Peron in Argentina, Perez Jimenez in Venezuela, and Rojas Pinilla in Colombia were all military dictators who were thrown out with the help of their own military in the 1950's. And the two worst dictators today in Latin America, it should be noted, are not military men and were able to consolidate their power by reducing the regular military forces to impotence.

Nor are the military universal supporters of those who oppose change as represented by the programs of the Alliance. Governments controlled by the military have overseen the election to power this year in Argentina and Peru of two of the most progressive regimes either country has ever had. This year in Ecuador and Guatemala, military regimes have announced reform programs of substantial importance.

Nevertheless, the fundamental facts remain—military coups thwart the will of the people, destroy political stability and the growth of the tradition of respect for democratic institutions and nurture Communist opposition to their tyranny. Moreover the military often show little capacity for effective government, which is a political rather than military job.

Apart from our and the Alliance's vigorous long-term efforts to eliminate the political vacuums on the civilian side which invite military action, as well as our efforts to train the military in their most valuable role, what can the United States do in the case of specific threats or coups which nevertheless come?

INTERVENTION OPPOSED

Unless there is intervention from outside the hemisphere by the international Communist conspiracy, the use of military force involving the probability of U.S. soldiers killing the citizens of another country is not to be ordered lightly.

Nor can we, as a practical matter, create effective democracy by keeping a man in office through use of economic pressure or even military force when his own people are not willing to fight to defend him. A democracy dependent on outside physical support of this kind is a hollow shell which has no future. The people had better start all over again. Moreover, once outside military support is used it may prove hard to withdraw. We have seen in this country—in Haiti, the Dominican Republic and Nicaragua—how politically unproductive military occupations are, even when carried out with the best of intentions.

We must use our leverage to keep these new regimes as liberal and considerate of the welfare of the people as possible. In addition, we must support and strengthen the civilian components against military influence and press for new elections as soon as possible so that these countries once again may experience the benefits of democratic legitimacy. Depending upon the circumstances, our leverage is sometimes great, sometimes small.

One should not underestimate what has been accomplished by the United States and Alliance policies I have described. They are accomplishments that have truly enhanced the long-term prospects of the Alliance.

In Argentina, the military walked up the hill a number of times to look at the green pastures of full military control and the power and prerequisites that would go with it. Each time a combination of wiser heads in the military, along with more and more confident civilian leaders who were strongly buttressed by U.S. diplomatic support and aid programs, turned them back. The elections were held on schedule.

In Peru, the 1-year rule of the junta was about the most respectful of civil liberties, most progressive in its policies, and quickest to give up its power peacefully in the history of Latin American military regimes. Here again the strong stand taken by the United States prior to recognition helped to secure public commitments on, and follow through from, the junta to pursue liberal policies—liberal of course only for a military dictatorship.

NO REPRESSION IN ECUADOR

A similar story can be told of the Ecuadorian junta, which is governing through an able and representative civilian cabinet and generally without repression of civil liberties.

In every case mentioned there has been a novel and notable absence of reprisals against the leaders of the ousted regimes. The firing squads or prison guards, so characteristic of earlier political upheavals in Latin America, have been eschewed. This restraint can be credited to the progress

Latin America has been making under the Alliance and to U.S. influence brought to bear through all the means open to us, to produce moderation and a prompt return to constitutional and democratic regimes.

I fear there are some who will accuse me of having written an apologia for coups. I have not. They are to be fought with all the means we have available. Rather I would protest that I am urging the rejection of the thesis of the French philosophers that democracy can be legislated—established by constitutional fiat.

I am insisting on the Anglo-Saxon notion that democracy is a living thing which must have time and soil and sunlight in which to grow. We must do all we can to create these favorable conditions, and we can do and have done much.

But we cannot simply create the plant and give it to them; it must spring from seeds planted in indigenous soil.

Mr. MORSE. Mr. President, Assistant Secretary of State Martin has unfortunately done just what he denied he was doing—delivered an apology for military coups and "strong man" rule in Latin America. It is even more unfortunate that despite the lipservice Mr. Martin pays to the Alliance for Progress, the rationale he offers for the military in Latin America undercuts and destroys the entire premise of the Alliance.

One can only assume that Mr. Martin has laid down the typical diplomatic smokescreen of shoulder-shrugging preliminary to recognition and aid to the new dictatorships of the Dominican Republic and Honduras. If that proves to be the case, then Mr. Martin and the militarists to the south will, once and for all, have killed the Alliance for Progress.

More important, they will have brought the politics of the Western Hemisphere full turn back to where we were in 1957, when U.S. support of Fascist governments caused millions of Latin Americans to look to Fidel Castro, instead of to the United States, for deliverance from poverty and violent repression, and led to the stoning and egging of the Vice President of the United States when he ventured into one of these countries. Then, too, we gave lipservice, as Mr. Martin did, to popular democracy and constitutional government. Then, too, we piously said we support the aspirations of these people for political and economic freedom. Then, too, we said the forces of nationalism were strong, and that the fears of the old order brought on by the new, and the strain of rapid social and economic changes must be taken into consideration. Then, too, we said that, like motherhood, sin was a fact, and that we must deal with it, however repulsive it might be to us.

The Assistant Secretary makes the weakest case of all for military governments when he tries to whitewash their role in specific countries. Even in the best of cases—Peru and Argentina—the results are far from in. In Peru, the military seized power when a candidate they opposed was elected President. They seized power by driving U.S. Sherman tanks through the palace gates, manned by officers who were trained in American military training programs. Is it any wonder that so many in Latin America question the purpose of American military aid?

When new elections were allowed in Peru, the winner was a supporter of the military coup, and, in turn, he had the blessing of the junta. As in Argentina, these Presidents, who serve only with the consent of the military, are able to carry out their programs only with the consent of the military.

In Guatemala, no election even appears to be in sight, nor does it appear that a return to constitutional processes is in sight in Ecuador.

The best case the Secretary was able to make for military governments is only that they may not always be bad, and in some circumstances they have presided over orderly transitions from one President they have deposed to another. But these are the exceptions, and Mr. Martin does not mention the general rule.

Yet even the more evil ex-dictatorships cited as having been deposed by the military, came from the military in the first place. Stroessner in Paraguay and the Somoza regime in Nicaragua today also emerged originally from military sources. It is a game of military leapfrog in Latin America. They just leap over one military dictator to the next. The sad and ugly fact is that the U.S. Department of State, through both Republican and Democratic administrations, has condoned it, and has given further military aid to assure further suppression of freedom in Latin America. And yet we wonder why the Latin American image of the United States is not a pretty one.

Mr. President, in my judgment we are belying our professings about the objectives of the Alliance for Progress program. We cannot square our professings about the Alliance for Progress program with any diplomatic recognition by the United States, or with any further aid, economic or military, to any military junta, anywhere in Latin America, that overthrows a constitutional, democratic form of government. That is the issue, Mr. President; and Mr. Martin in his article yesterday did a "snow job" on that issue; he ducked that one; he ran to cover on that one.

Let there be no doubt about that as the chairman of the Senate Subcommittee on Latin American Affairs, I disassociate myself from that program of the Assistant Secretary of State; and today I ask the Secretary of State, Mr. Rusk, to let me know whether that is his position. If it is, let me forewarn the State Department that I shall disassociate myself from the entire State Department on this policy.

In due course of time, I shall find out whether it is President Kennedy's policy; and if it is, I shall dissociate myself from the administration's policy at the White House level; because, Mr. President, this program, outlined in the article of yesterday by the Assistant Secretary of State for Latin American Affairs, spells the doom of American influence in Latin America, if we seek to implement the clear innuendoes and implications of the policy enunciated by the Assistant Secretary in the article published yesterday in the Washington Post and also in the New York Herald Tribune.

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

Mr. MORSE. I yield.

Mr. GRUENING. I wish to associate myself fully, completely, and thoroughly with the remarks of the senior Senator from Oregon. I, too, was shocked when I read Assistant Secretary Martin's statement. I found it difficult to believe my eyes when I read that, at the very time when the President of the United States had ordered the withdrawal of recognition and of economic aid from the two countries whose democratically established governments were overthrown by military juntas, the Assistant Secretary of State—the man presumably responsible for policy in Latin America—had come out in praise of juntas, and doing so in controvention of the declared policy of the President. Such a statement offers every encouragement and stimulation to similar junta military coups all throughout Latin America. I consider it a grave betrayal of the Alliance for Progress. I think it is a betrayal of the administration. I agree fully with the Senator from Oregon that if that policy is not repudiated, the Alliance for Progress is dead, and should be dead. Our funds should not be used to support the military overthrowers of constituted government.

Mr. MORSE. As the Senator will see from the remaining portions of my speech, I stress the identical views.

As I have said, the best case the Secretary was able to make for military governments is only that they may not always be bad.

But these are the exceptions, and Mr. Martin does not mention the general rule.

As a matter of practice, the more common result of a military coup—justified at the time as the only alternative to communism—has been that the longer it stayed in power, the more rigid it became, and the more cynical. Such governments, as in Venezuela, made for instability rather than stability because they came down to dealing with whatever groups would keep them in power, including the Communists. They produced stronger Communist Parties. They also contributed to instability because they allowed no means for reflecting the rapid economic and social changes taking place.

If these coups are intended to allow for reasonable, orderly, reflection of change, then why are they staged at all? Latin American countries have constitutions that provide for removing Presidents by prescribed means, just as ours does, by impeachment or some other procedure.

We do not need a military crew to get rid of a President that could be removed on the basis of a bad record by constitutional processes.

The military castes have stood above the constitutions. That is the crux of the problem. The crux of the problem in Latin American country after Latin American country is that the military juntas refuse to abide by the constitutional process. That is what happened in the Dominican Republic. That is what happened in Honduras, and in

Guatemala. Wessin y Wessin and other military leaders in the Dominican Republic knew that Bosch under the constitution was the commander in chief—the civilian commander in chief, as under the Constitution of the United States. The President of the United States has the same power. When they saw that Bosch was going to exercise his civilian constitutional processes and power, and when they realized that he was going to hale Wessin y Wessin before the Congress of the Dominican Republic for a thorough investigation leading to his removal, as they had that segment of the Dominican Republic, they staged a coup, for in Latin-American country after Latin-American country the military considers itself to be above the constitution.

If the United States of America continues to recognize and aid such military coups, then it is guilty of great hypocrisy in its professing to seek to establish constitutional democracies in Latin America or aid in the development. We have said that that is the primary objective of the Alliance for Progress program.

Honduras is the same story. In Honduras the head of the military did not want a man who was about to be elected president, as far as everyone believed, on October 13—just around the corner datewise. They did not want him elected president. Why? Because he was campaigning all over Honduras making perfectly clear that, elected President, he intended to bring the military under further civilian control, which is the power of the President of Honduras. So this military leader proceeded to stage a coup and overthrow him. All the news coming out of Honduras late this morning into our committee shows that there is serious trouble still ahead in Honduras.

One of the most shocking proposals or suggestions made by Assistant Secretary of State, Mr. Martin, in his article yesterday was his comment that the population did not come to the assistance of Bosch. Why did he not display the record? The record is that Bosch made a plea to the people of the Dominican Republic not to resort to direct action.

He made a plea to follow the peaceful procedures of the constitution. He made a plea that they stay off the streets. He made a plea that they not engage in physical resistance to the military coup. He pleaded that they wait the passage of time until the constitutional processes would at least have a chance of operating.

Now we have the Assistant Secretary of State of the United States of America writing an article indicating that one of the reasons apparently that we must take at least a somewhat neutral look at this military junta is that the people did not rally around Bosch. The people did not engage in armed rebellion in opposition to the military junta. Bosch should get great credit for his statesmanship. He should get support from the U.S. State Department, not this kind of indirect rug-pulling out from under him that the Martin article of yesterday commits.

Mr. GRUENING. Mr. President, will the Senator yield at that point?

Mr. MORSE. I yield.

Mr. GRUENING. Then there is the further fact that had the people demonstrated as they might have liked to, they would have been shot down.

Mr. MORSE. Of course, they did not have guns.

Mr. GRUENING. The very weapons which the United States furnished the junta—the tanks and the machineguns supplied by the United States under our military assistance program, allegedly to protect the Dominican people from attack were used to overthrow that legally elected and constituted Government of the Dominican Republic.

Mr. MORSE. It has been a form of suicide for thousands of them.

Mr. President, the military castes have stood above the constitutions. In Mr. Martin's examples they have allowed constitutional governments to exist, but for how long we do not know.

Just why constitutional governments should serve only with permission from the military does not seem to occupy Mr. Martin's attention at all. He accepts it as the way of life in Latin America. Yet if its acceptance is to be the policy of the United States, then there is no justification at all for our huge aid programs there, especially military aid.

None of these military establishments exists for purposes of national defense against another country. They exist to control internal politics. The idea that we should build them up to maintain internal stability is almost a contradiction in terms. But we have built them up on that basis, and we are reaping the harvest of coup after coup which is destroying constitutional government in Latin America.

I respectfully suggest that it is Mr. Martin's statement that does not measure current events against historical perspective.

I remind him that we went through all this 5 to 10 years ago. When the policy of dealing with Latin America dictators threatened to throw the masses of people into the lap of communism, we changed that policy into the Alliance for Progress.

Its purpose, its basic premise, was that the United States would make financial aid available to nations of the hemisphere as they undertook social and economic reform as a middle course between the communism represented by Castro and the rightwing military dictatorships. If the people of Latin America who entered into the Act of Bogotá and the Alliance for Progress with us no longer wish to follow the middle road between right and left, then I share Mr. Martin's view that it is their decision and one the United States must not overturn by military intervention of our own.

But if they revert back to military dictatorship, then the United States no longer has any business sending them economic or military aid. The Assistant Secretary seems to imply in his statement that this country is willing to accept whatever government comes to power as the one with which we shall do business. That is the usual practice of diplomacy. But the Alliance for Progress is not a usual practice. It is not a traditional policy. It is an unusual policy, designed to meet urgent and critical circumstances in Latin America. The preamble to the Act of Bogotá recognized that the preservation and strengthening of free and democratic institutions in the American republics requires the acceleration of social and economic progress in Latin America adequate to meet th legitimate aspirations of the peoples of the Americas for a better life and to provide them the fullest opportunity to improve their status. The preservation and strengthening of democratic institutions is the basic premise of the act and of the Alliance.

It was made the premise because the nations of the hemisphere and the United States had come to a recognition in 1959, 1960, and 1961, that military governments were failing to meet the challenge of communism in Latin America.

Apparently some of these signatories of the act have reverted back to the same old theories that so clearly failed in the past. If so, that is their business. But Mr. Martin does a disservice when he implies, as his statement does, that American aid will continue, anyway.

It should not. We should have it clearly understood from the officials in charge of Latin American affairs that the military faction that seizes power in Latin America is, in the same stroke, taking its country out of the Alliance for Progress, so far as U.S. economic and military aid are concerned.

Until we have a clear statement of that policy, and unswerving enforcement of it, we are going to have more coups in Latin America by military leaders who are encouraged by Mr. Martin's statement to think that the United States only intends to pay lipservice to the principles and objectives of the Alliance for Progress.

Mr. President, there was published recently a letter to the editor of the New York Times written by the constitutional President of Guatemala, a President of Guatemala who was overthrown by a military coup. I ask unanimous consent that the letter of Miguel Ydigoras-Fuentes may be printed in the RECORD at this point, because its thesis and major premise is identical with the thesis and major premise I have expressed on the floor of the Senate this afternoon in my criticism of the article of the Assistant Secretary of State, Edward Martin, that appeared in the Washington Post and New York Herald Tribune yesterday.

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

USE OF MILITARY COUPS: DANGERS CITED IN TOTALITARIANISMS OF THE RIGHT

To the EDITOR OF THE NEW YORK TIMES:

Twice in your editorial of September 26 "The Coup in Santo Domingo" was Guatemala mentioned and the military coup of March 30–31 of this year implied. I would like to comment briefly on military coups in general and on the present Guatemalan melodrama in particular, because I have also read with interest the news article, "Guatemalan Editor Silenced, but Writes Anyway" of September 27.

As the Times correctly points out, modern military takeovers are usually explained by the reactionary clique that usurps power on the ground that the legitimate government overthrown was "pro-Communist, inept and

corrupt." Those are the reasons given by the enemies of democracy, without realizing perhaps—with their dinosaur mentality—that they are dealing a fatal blow to democratic institutions and the end result will have to be a popular rebellion with the unfortunate sequence of shedding of blood.

The totalitarians of the right believe that the existence of several political parties, the separation of the branches of government, freedom of elections, the rights of the underprivileged to a better life, freedom of expression, habeas corpus, the system of constitutional succession, the consent of the governed and the pursuit of happiness (as your own Constitution reads) are divisive elements which inevitably lead to communism.

SIMILAR AIMS

In their absurdity and ignorance they fail to see that there is a fraternal alliance between themselves and Castro communism, in that both extremes wish democracy to fail and that both tend to flourish when either can point to the other as the sole alternative. This is what Hitler and Stalin said two decades ago, ruthlessly suppressing, in the meantime, the fundamental rights and freedoms of their respective peoples.

The reactionary clique in Guatemala that overthrew my government also accused my administration and myself of being inept and corrupt, and had the audacity to imply that I was really a pro-Communist in disguise. They suspended the Constitution; abolished congress; imprisoned hundreds of Guatemalans, mistreating and exiling them; eliminated the liberties enjoyed under my administration, and ended the social progress under the provisions of the Charter of Punta del Este—which created the Alliance for Progress.

This is the melodramatic situation in Guatemala today. It is a terrible police state, just as brutal, tenebrous, calculating, vicious, and somber as that of Dictator Manuel Estrada Cabrera in Guatemala (1898–1920). I am sure, though, that it will not last long, because the people and the more liberal-minded military will not permit it.

In struggling against communism, we should not forget the other totalitarianisms that always crush the fundamental freedoms of the people.

MIGUEL YDIGORAS-FUENTES,
Constitutional President of Guatemala.

Mr. MORSE. Mr. President, today, I have also received a personal letter from President Ydigoras. In it, he expands on the same points he made in his letter to the Times. I particularly call attention to his suggestion that:

> If a group of colonels believes that the legitimate Government, freely elected by the people, is conducting its business in an ill-mannered fashion, the thing for its members to do is to resign from the armed forces and enter politics, observing—as anyone else—the rules of the game.

I ask unanimous consent to have all of President Ydigoras' letter to me printed at this point in the RECORD.

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

SAN MARCO ISLAND, MIAMI, FLA.,
5 de Octubre de 1963.

HON. WAYNE MORSE,
U.S. Senator from Oregon, Chairman, Latin American Subcommittee, the Senate of the United States, Washington, D.C.

DEAR SENATOR MORSE: Since our last conversation in the middle of the summer, when we exchanged points of view regarding the military coup in Guatemala which ousted the legitimate government I had the honor of presiding, in accordance with the mandate of the majority of Guatemalans expressed in the free elections of January 1958, other military takeovers have occurred in Latin America and the social-political situation in Guatemala has gravely deteriorated.

My own struggle against communism is, I believe, well known in the United States and in Latin America. It is, I am sure, recognized by the political leaders in your country and by many Latin Americans who have the responsibility of government. It is stated in my book: "My War With Communism," Prentice-Hall (July 1963).

I say this because the American Continent must, on the one hand, repudiate the imperialist and aggressive policies and purposes of the international Communist movement, and, on the other, condemn in no uncertain terms the objectives and the methods of the right extremists, since they are intrinsically antagonistic to the democratic aspirations of the peoples of the Western Hemisphere and destructive to their free institutions.

As it happens with any human society, on occasions legitimate and democratic governments commit errors in procedure which, unfortunately, are greatly exaggerated in press dispatches. The Guatemalan press has been under censorship prior to 1958. The parties opposing my government and defeated at the polls, began, by means of the freedom of the press I imposed, a vicious campaign against my government, never seen before. One thing is to correct the mistakes that might be committed in a democracy, and quite another to take advantage of the freedoms of democracy to destroy it.

During the past two years, the Inter-American community has come to realize that "political" and "social" democracies must go hand in hand, because they mutually complement each other. This realization has received great impetus, in my opinion, thanks to the courageous and dynamic leadership of President John F. Kennedy. I am referring specifically to the Alliance for Progress, that gigantic and multilateral effort destined to raise, in the social and economic fields, the standard of living of millions of Latin Americans. You may recall my own efforts, initiated during the first semester of my term in 1958, to accelerate the economic integration of the Central American Republics; and President Kubitscheck's vast plan which he entitled "Operation Pan America," of the same year. But it is also true that without President Kennedy's understanding of the problem and without his complete support, the Alliance for Progress would not have been established at Punta del Este, on August 17, 1961.

The Alliance is a most ambitious program, but it must be implemented, as the "Declaration of the Peoples of the Americas" reads, in a free climate, with free institutions, always respectful of human rights. If it were otherwise, as the Communist claim to be doing in the enslaved island of Cuba, the joint effort would make a mockery out of representative democracy and, in the end, it would be completely useless.

The military that overthrow legitimate, constitutional and democratic regimes in Latin America do so ostensibly on many grounds, but in fact because they abhor the democratic way of life, free and constructive dialogue, and the right to dissent from the philosophy that guides any government or the means used to achieve the ends sought. To them the multiplicity of political parties, the establishment of labor unions and the free expression of opinion, for example, are characteristic of "decadent" societies, and roads which inevitably lead to chaos and anarchy. This is the outlook—very primitive indeed—of the extremists of the right, of the totalitarians a la Hitler and Mussolini. In other words, their outlook is completely negative and obstructionist; and, what is worse, they form a close and fraternal alliance with every other bitter enemy of democracy in that they wish democracy to fail. They pretend to stay in power by pointing out, falsely of course, that the sole alternative to Communist rule is military misrule and oligarchic reaction.

Some have advocated that dictatorships and de facto governments should be excluded from participating in the Inter-American System. A year ago, at the Organization of American States, several Latin American democratic countries introduced a resolution to have a Meeting of Consultation of Ministers of Foreign Affairs discuss that possibility. Although my Government was naturally sympathetic to the initiative, it instructed its Permanent Mission not to vote affirmatively because (1) it was uncertain as to the effectiveness of the step proposed and (2) it believed that other measures (joint breaking of diplomatic relations and collective economic sanctions, for example) could be taken outside the Inter-American System, in a less formal but more effective manner. What my Government had in mind, my dear friend, was to consult with other legitimate governments as to the possibility of "continentalizing" Article II of the Central American Treaty of Peace and Friendship, signed in Washington on February 7, 1923, through which de facto and unconstitutional regimes would not be recognized diplomatically.

What the Latin American community needs, in my opinion, is to intensify its economic development and to greatly accelerate social justice, before it is too late, but certainly preserving—in the process—the fundamental rights of man. It is intolerable to have any part of the population pass dogmatic judgment on the desires and needs of the majority; and much worse if any popular sector denies, through undemocratic means, the wishes of other popular sectors. If a group of Colonels believes that the legitimate government, freely elected by the people, is conducting its business in an ill-mannered fashion, the thing for its members to do is to resign from the Armed Forces and enter politics, observing—as any one else—the rules of the game. When they usurp power and oust a democratic and constitutional government, no matter what pretext they might advance for their action, the international community should react with energy, vigor and indignation—sanctioning their ill-conceived and ill-executed performance.

In normal times, the international family of nations suffers immensely when a democratic regime is decapitated. In this atomic era, when years are reduced to weeks and months to minutes, any democratic setback is much more dangerous to the community because it affords its enemies an excellent opportunity to give the West a major setback in international politics.

As to the present situation in Guatemala, the de facto and dictatorial regime has openly and defiantly violated the Charter of the United Nations, the Charter of the Organization of American States, the Universal Declaration of Human Rights, the American Declaration on the Rights and Duties of Man, the Declaration of Santiago de Chile of 1959 and most of the instruments pertaining to the rule of law and the protection of fundamental freedoms. It has converted the country into a terrible police state.

Colonel Enrique Peralta and his associates in crime have ruthlessly suppressed the freedoms fully enjoyed by the Guatemalan people under my administration. Monstrous

laws have been decreed. Congress has been abolished. Habeas corpus has been eliminated. An indefinite state of siege exists in the country. Military tribunals judge ordinary offenses (called, by the ruling and reactionary clique, seditious, and subversive). Hundreds have been jailed, and many mistreated before being sent into exile in foreign but friendly lands. There is a growing list of Guatemalans being summarily shot. The paredon as in Cuba, is becoming a national institution. Freedom of expression is not only a myth: it is admittedly nonexistent. High schools have been militarized. Social progress has come to a complete stop.

I denounced all these terrible violations to the Inter-American Commission on Human Rights, in late August, and requested that body to investigate the charges and take appropriate measures. In statements and letters to the press I have warned that repressive measures are on the increase and that the hatred of the Guatemalan people for the present regime is growing. Guatemalans, from every walk of life, are responding to the situation with greater acts of bravery, and even with terrorist acts and increased guerrilla activities, because there is no solution in sight.

Not a word has been said officially about general elections. And even if they were convoked, there is absolutely no guarantee that they would be free. As a matter of fact, they could not be, unless a new government took over and conducted itself fairly, restoring the fundamental freedoms which have been trampled over by the military boot.

Colonel Peralta's regime has not only defied the sovereign will of the Guatemalan people, but—with incredible audacity and impunity—has defied all the American Continent. Its contempt for the opinion of democratic leaders of the Americas has no bounds.

Should you wish, my dear Senator MORSE, to distribute copies of this letter to your distinguished colleagues in the Latin American Subcommittee of the Senate of the United States and, particularly, to my good friend Senator BOURKE B. HICKENLOOPER, of Iowa, you may do so without any hesitancy. If, however, you desire to include it in the CONGRESSIONAL RECORD, feel free to do so.

With every good wish, I remain affectionately yours,

MIGUEL YDIGORAS FUENTES,
Constitutional President of Guatemala.

Mr. MORSE. Mr. President, I also ask unanimous consent to have printed in the RECORD a letter to the Times by Ronald Hilton, the editor of the Hispanic-American Report, Stanford University.

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

REPORT ON SANTO DOMINGO: LATIN-AMERICAN SPECIALIST OUTLINES EVENTS LEADING TO COUP

(NOTE.—The writer of the following is editor of the Hispanic-American Report, Stanford University.)

To the EDITOR OF THE NEW YORK TIMES:

With what may be an all-too-common lack of prescience, the American press did not have a single representative in Santo Domingo at the time of the coup which overthrew President Juan Bosch.

There were well-founded rumors that a coup was being prepared to defend the old order, the pretext being an alleged Communist threat; the only doubt was when the coup would be launched and whether the president would be able to devise some means of meeting brute military force. The observations of one who witnessed the coup may be of some interest.

The visitor to the Dominican Republic was immediately struck by the fact that the military-cum-police was still intact, and virtually unchanged. It should be remembered that the military who assassinated Trujillo did so not out of love of freedom and democracy but because the tyrant had become an embarrassment and threatened the privileged position the military had built up. Under the Bosch regime, the military police state continued to live side by side with the relatively powerless civilian regime. The cat was simply waiting to pounce on the spirited mouse.

SHAMELESS CONTRIVANCE

The coup was contrived with a shamelessness which was scarcely credible. The merchants' association called a strike, which was a miserable failure even though the small shopkeepers were bribed to participate. Three radio stations and one TV station incited the people to revolt in a clearly subversive fashion.

President Bosch used his constitutional powers to close them down; the anti-Bosch elements who were inciting the crowd to overthrow the Government denounced this as an infringement on popular rights. The army staged a coup and immediately forced all the radio stations in the republic simply to rebroadcast all day long the junta propaganda. It would be hard to conceive of a grosser non sequitur.

The merchants' strike was sparked largely by local Spanish interests. Conversations with business leaders, both Dominican and foreign (including German), revealed that by and large they were delighted with the coup. It was asssumed that the new military regime (with civilians as a fig leaf) should make life easier for business.

They denounced Bosch as a Communist, and when asked for details provided facts which were carefully checked with well-informed diplomatic observers. Almost without exception, the facts were clearly unfounded; sometimes the charges were clearly inspired by resentment that the Government had refused to give the company a contract or had awarded it to a competitor.

The elections which brought Bosch to power were witnessed by Organization of American States observers, and Bosch's enemies were therefore unable to claim they had been fraudulent. The rightist minority revealed that inability, all too frequent in Latin America, to understand the nature of democratic elections. If you can't win in the elections, some other way must be sought to grab power. The successful candidate must be denounced as personally incompetent or corrupt.

ACCUSED OF CORRUPTION

Bosch was described as both. It was strange to hear Bosch, who dismissed the one adviser suspected of corruption, being accused of corruption by people who clearly have no general objection to it. It may well be that Bosch, an author who had for years lived outside the Dominican Republic, lacked both the technical skills and the personal knowledge of present-day Dominican affairs to be an ideal President, but his opponents are in general scarcely more attractive.

Bosch was regarded by sober American observers as sufficiently attractive to be worth widespread support. The United States and the Alliance for Progress had a much wider commitment to support the Bosch regime than is generally realized. The planning of the country was largely in the hands of CIDES (Centro de Investigaciones de Desarrollo Económico y Social), supported by the Ford and Parvin Foundations and by the Agency for International Development; its director, Sacha Volman, a U.S. citizen, is one of the bêtes noires of the new regime. He took refuge in the U.S. Embassy while the army searched his home.

Former Vice President Wallace was in the Dominican Republic at the time of the coup; he had a project to develop appropriate strains of hybrid maize to increase the corn production. This is just one of many projects with which the United States was attempting to get the economy off the ground. Incidentally, Ambassador Martin and his staff deserve high commendation.

It may be that no regime can save the Dominican Republic. A ride across the country bears graphic evidence of what we know from vital statistics. There is no country in the world where one sees such a high proportion of children, most illegitimate, for whom there is no prospect of education, training, and jobs. Perhaps the example of Puerto Rico offers some hope. Otherwise within 50 years the Dominican Republic will be another Haiti.

RONALD HILTON.

MIAMI, FLA.

SHOULD AMERICAN WHEAT STRENGTHEN COMMUNISM?

Mr. MUNDT. Mr. President, over the past weekend and the few days previous, much additional information has been forthcoming concerning the proposed sale of American wheat to Red Russia for its exportation to satellite countries and to other areas where it has made grain-shipping commitments.

On Thursday, September 26 I expressed to the Senate at some length my own personal views on this proposed major shift in American foreign and commercial policy toward communism. For those interested, my views can be found beginning on page 18260 of the CONGRESSIONAL RECORD.

WHAT IS NEEDED IS AN AMERICAN POLICY RATHER THAN A SALE

On September 26, I stated that it is my conviction that President Kennedy should call a "trade-aid" conference of the major exporting nations of the free world in order to give our American leadership, if it is still strong enough to be effective, an opportunity to develop with our free world associates a consistent and cooperative program of both trade and aid insofar as our side of the cold war is concerned.

Obviously, acting alone, the United States can neither operate an effective program of economic pressures against Russia, Cuba, and Red China nor can we provide sufficient foreign economic and military aid to protect the undeveloped countries, our friends overseas, and neutral areas against the expanded cold war pressures which the Russians and their Communist associates can bring to bear upon them, especially if we add our American food supplies and other products to the Russian capacity to wage a successful economic war against the free world. What we need, Mr. President, is a consistent and understandable American policy in these areas rather than a hastily conceived sale of wheat

to Russia which may become the forerunner of a new trade-aid policy which is inadequately planned and illy prepared. Thus, I renew my suggestion of September 26 for the calling of a free world trade-aid conference.

Mr. President, I also reaffirm my conviction that this decision which involves the wisdom or the undesirability of abandoning an American trade-aid policy which has served us well for more than 15 years in favor of a sale of wheat which could be the "first step on a long journey" of which no one knows the destination should be a decision made by the Congress and not one handed down from the top by administrative action.

I am happy to observe the many indications of support for deferring a decision on the wheat deal until all of the implications, information, and ramifications have been considered by the Congress.

I ask unanimous consent at this point in my remarks to include two editorials from South Dakota newspapers supporting this position.

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

[From the Rapid City Daily Journal, Oct. 3, 1963]

LET'S TAKE A LOGICAL LOOK

It's really no sin to have a surplus. Therefore it's also prudent to survey the situation seriously before unloading wheat surpluses to Russia—just because the Canadian Government sees fit to do so.

Senator KARL MUNDT, of South Dakota, has asked the administration to call a conference in Washington among the major exporting agricultural and industrial nations of the free world. He proposed the meeting to analyze and formulate a workable and consistent pattern of trade with the Communist bloc countries and to determine the impact that a program of expanded trade with Russia, Cuba, and Red China and other Communist countries would have upon the mutual assistance and foreign aid programs to which the United States is today by far the most significant and sizable contributor.

MUNDT pointed up that many advocate we sell whatever we have in surplus to any alien government which can purchase our supplies with cash, credit, or barter exchange.

MUNDT contends that the most logical and constructive procedure is a conference for a close, new look at the whole world picture of trade, aid, and cold war differences and techniques.

The senior Senator from South Dakota says this should be tried before any changes are made in the trade policies.

MUNDT recognizes that the United States cannot effectively blockade the Communist world if the associates in the free world insist on selling all they can for either cash or credit.

The Senator wants the conference before the Congress is called upon to act upon this year's foreign aid bill.

"We should know what foreign policy we propose to implement before being called upon to appropriate more billions for programs which might run head-on into conflict with a free world of economic and military assistance to the Communist bloc through trade negotiations, cash or credit sales or outright barter," MUNDT says.

The Senator insists that Russia should not be permitted to buy U.S. grain with a subsidy being paid by the American taxpayer. Also, that a substantial change in our foreign policy be made and approved by Congress, instead of being written by a nonelected official of one of the branches of the executive offices in Washington.

The Canadian Government has been selling grains to the Russians for years. But, it took the major sale of $500 million worth of wheat in one sale to push the panic button and cause a clamor for like sales by this country.

[From the Daily Leader, Madison, S. Dak., Sept. 30, 1963]

A SOUND APPROACH

Senator KARL E. MUNDT has a logical approach to our Nation's problem of exports and foreign aid.

He proposes that President Kennedy should call a free world conference to plan a workable agreement on trade with the Soviet Union and other Iron Curtain countries, so that our national interest may be protected and that the free world can act in unison on this perplexing problem.

He points to two different views on the best course for the United States to pursue: That we abandon our policy on restriction of trade, a policy which we are pursuing almost all alone; or that we sell agricultural and manufactured surplus for cash or quick credit, and close out our foreign aid program.

Senator MUNDT does not favor either solution. He believes that our Nation can only act successfully in this sort of problem with the complete cooperation of other free world nations.

This is indeed a sound approach to the problem of disposing of our wheat surplus, and should get high-level attention from the administration, which surely can use some good advice on foreign relations, which have been fumbled so frequently.

Mr. MUNDT. Mr. President, I also ask to have printed in the CONGRESSIONAL RECORD at this point editorials on this subject from the Commercial Appeal of Memphis, Tenn., and from the Journal-American published in New York City.

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

[From the Commercial Appeal, Memphis, Tenn.]

APPEASEMENT BY WHEAT

There are compelling pressures to commit United States grain for sale to Russia, but there is urgent necessity to remember what this will do to our cold war against the world conspiracy of communism.

Pushing Americans into possible wheat deals with the Soviet Union are a number of things:

Our allies, including Canada, are selling grain to Moscow. The U.S. Government has not been able to prevent this trade.

American grain sales at this moment could be made for dollars and gold, thus helping us boost our dwindling gold reserve and improve our balance-of-payments situation.

Wheat exports could reduce our immense and costly surpluses, created by Government subsidy.

And by no means least, American grain dealers hate to see markets of this size getting away from them.

That's their side of the argument for dealing with Russia. It's high time, however, that someone argued the case for the other side.

It must be evident that when we help the Soviet Union feed its people, its satellites, and in particular Cuba, we are increasing our own burden in fighting communism. How can this Nation engage in a fight against the Communist bloc with every possible risk of national obliteration, and then turn around and assist our enemy?

Maybe Soviet need for wheat is a way of forcing it to drain off its gold reserves and bolster those of America and other free world nations, and maybe it's nice to note that the boasting Kremlin leaders have had to swallow their claims of agricultural and economic advancement. But there is no doubt that when an enemy is on his knees, begging, that is no time to relax and let him stand up.

Russia is normally a wheat exporter and it has commitments. American wheat, if it joins that from Canada, will be sold by the Soviet, in turn, to East European Communist satellites, and to Fidel Castro's Cuba. It is entirely possible that ships will leave gulf coast ports and head directly to Havana.

What kind of world is that? If these deals by American grain brokers go through, every businessman who has railed against the dangers of socialism and communism might as well keep his silence.

Barron's Financial Weekly, on September 23, urged that Americans not be naively deceived by the "glittering prospects" of "quick dollars." Said Barron's: "If the United States decides to come to the aid of its enemies, it should at least be hardheaded enough to exact a heavy political price. In the global struggle between freedom and slavery, gold dollars are inadequate coin. * * * If this country wants to do business with the Communists, in grain or in any other commodity, it should insist on getting something of value in return—the razing of the Berlin wall, for example, or the evacuation of Red troops from Cuba."

Appeasement based on dollar hunger won't help subdue communism. And there is no excuse for mighty America to be lured into meek imitation of Canada.

As Senator KARL MUNDT, Republican of South Dakota, has said of this panic to deal with Russia: "Our farmers * * * expect the United States to lead the world rather than to follow every wrong policy practiced by our associates."

[From the Journal-American, New York, N.Y., Sept. 26, 1963]

GRAIN OF SENSE

To our neighbor Canada a dollar is a dollar and nobody is fussy about the source. That is, as long as the amount of dollars is big enough. Thus we have the spectacle of a member of the Western Alliance selling a half billion dollars' worth of wheat to the Soviet Union, part of which was known in advance to be earmarked for Castro's Cuba.

As a result of this deal, the largest ever for 1 year, U.S. wheat farmers, their congressional Representatives and the "Let's-not-be-beastly-to-the-Communists" school have been whooping it up for relaxing our rules against selling to the Soviet.

We think selling wheat to the Soviet is a sacrifice of principle and a help to a foe who has sworn "to bury" us.

It would be far better to sell all the wheat possible to the Western European countries.

Western Europe, restored to prosperity by U.S. help, needs no charity and can pay the top price. These countries mostly have been trading with the Communists as they can, despite the fact that it helps.

THE COMMON FOE

In so doing they have—ironically—acquired a lot of U.S. gold dollars which this country needs to balance our payments deficit.

The United States is a signatory to the International Wheat Agreement which prevents us from dumping our surplus wheat on the world market at this point. Since that pact

makes it possible for the Canadians and such to trade with the enemy without punitive action by us, it seems logical that the United States should reconsider it when it comes up for renewal.

Not the least important aspect of the wheat deal is the proof that Soviet crop failures are much more catastrophic than the Russians admit because farmers won't produce adequately under the Communist system.

This may be the only way the Russian people can get back at their Communist masters. It makes no sense for the United States to help the tyrants off the hook.

Mr. MUNDT. I urge those who are concerned about the possibility of our stumbling into new concepts of trade and aid without a careful consideration of all the facts to study, as well, recent statements on the Senate floor from Senators DODD of Connecticut; MORSE of Oregon; JAVITS of New York, LAUSCHE of Ohio, COOPER of Kentucky and PROXMIRE of Wisconsin.

Finally, Mr. President, I am disturbed by a widely distributed United Press report published late last week which reports on the alleged activities behind the scenes of Secretary of Agriculture Orville Freeman in connection with the trip to Canada of one Burton Joseph of Minnesota and the efforts to induce the Russian wheat committee to request American wheat. I have never seen a reply from Secretary Freeman to this United Press report and I believe it should either be confirmed or repudiated. I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD at this point.

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

FREEMAN CHALLENGED TO MAKE STATEMENT ON WHEAT SALE TALKS

ST. PAUL, MINN.—Agriculture Secretary Orville Freeman has been accused of "administrative bungling" of United States-Russian wheat talks, and challenged to make "a clear statement concerning the background of these negotiations."

Minnesota Republican Chairman Robert Forsythe also asked Freeman to "tell the people exactly when the deal got started and what role he has played."

Forsythe said during the weekend that Freeman, while in Duluth, Minn., with President Kennedy last Tuesday, said he was not personally involved in the negotiations.

But in a television appearance, Forsythe said, Freeman admitted being in the background for the past 2 weeks.

The chairman asked Freeman to clarify why he had Burton Joseph, husband of Minnesota's Democratic national committeewoman, head the negotiations with the Russions "when there are many other persons available with far more skill and experience."

Why, Forsythe asked, was Joseph placed directly at the head of a corporation to handle the trade instead of running it through regular export channels through the Department of Commerce.

"The American people must wonder why U.S. businessmen must go to Ottawa, Canada, to negotiate a trade of wheat with the Government of Soviet Russia," Forsythe said.

And why, Forsythe asked, were two Department of Agriculture employees—Robert Lewis and Clifford Pulbermacher—sent to Ottawa to observe the transactions under assumed names.

ORDER FOR RECESS UNTIL NOON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate recesses today, it recess until 12 o'clock noon tomorrow.

The VICE PRESIDENT. Without objection, it is so ordered.

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

The VICE PRESIDENT. Without objection, it is so ordered.

The committee amendment is a complete substitute for the bill. Under the precedents of the Senate, the committee amendment will be considered as original text, for the purpose of amendment.

The committee amendment is now open to amendment.

VOCATIONAL EDUCATION OPPORTUNITIES

The Senate resumed the consideration of the bill (H.R. 4955) to strengthen and improve the quality of vocational education, and to expand the vocational education opportunities in the Nation.

Mr. MORSE. Mr. President, in opening Senate debate on H.R. 4955, which contains the administration's recommendations on strengthening and improving the quality of vocational education—to which, as it was reported from the Committee on Labor and Public Welfare, there have been added; first, a 3-year extension and amendment of the various titles of the National Defense Education Act of 1958; and, second, a 3-year extension of the impacted area laws, Public Laws 814 and 874, modified only by the inclusion under those statutes of the District of Columbia—I propose to speak briefly at this time.

I shall discuss in short compass the general subject of educational legislation during the 88th Congress. Thereafter, in somewhat greater detail, I shall speak to the various provisions of the reported bill. I make this announcement at this time, in order that Senators may know that I anticipate, in this opening statement to address the Senate for about 40 minutes.

During this part of the debate, I am constrained to indicate that I shall not yield the floor for questions. This is done in order that the continuity of presentation, so essential to an understanding of this major legislation—a most desirable objective—may be preserved. At the conclusion of my opening statement, I shall be delighted to engage in colloquy with any of my colleagues on any point or matter affecting the bill.

Mr. President, while the majority leader is still present, I should like to raise a procedural question. I was asked this morning as to the plan for handling the bill today. It is my understanding that the Senator from New York [Mr. JAVITS] has an amendment which he may wish to submit to the bill, but that he may not be able to return to the Senate until late this afternoon. I also believe that the Senator from Vermont [Mr. PROUTY] may have an amendment which he may wish to consider submitting, although it may not become necessary for him to do so. I understand that he is being called back to discuss it. May I say to the majority leader that if it develops that it will not be possible to reach a final vote on the bill today, it is perfectly agreeable to me, as the Senator in charge of the bill, to consider with favor a unanimous-consent agreement—after we have had a little more time to see how the parliamentary situation develops—whereby we would limit ourselves on tomorrow to, let us say, 30 minutes to a side on amendments and an hour to a side on the bill, and have the final votes on the bill taken tomorrow. I make that announcement now, so that Senators will understand my frame of mind in regard to trying to arrive at a unanimous-consent agreement applicable tomorrow, and leaving today and whatever time we wish to devote to the bill tonight, if necessary, to full debate on the bill itself.

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

Mr. MORSE. I yield.

Mr. MANSFIELD. As always, the Senator from Oregon is most gracious and considerate. He knows that at least one Senator, and possibly two Senators, have been delayed, through no fault of their own, in reaching Washington, and that they have amendments which they would like to submit. In view of the gracious suggestion made by the distinguished Senator from Oregon, I would hope that this afternoon the leadership on both sides and the Senators who are most interested in the bill could get together for the purpose of offering, later today, a unanimous-consent agreement along the lines suggested by the Senator from Oregon. Again I thank him.

Mr. KUCHEL. Mr. President, will the Senator from Oregon yield?

The PRESIDING OFFICER (Mr. NELSON in the chair). Does the Senator from Oregon yield to the Senator from California?

Mr. MORSE. I yield.

Mr. KUCHEL. Is the Senator from Oregon aware of any other amendments by any other Senator which might be in order?

Mr. MORSE. It may be that the Senator from Arizona will submit an amendment or two, but I have not received official final notice in regard to that situation.

EDUCATION LEGISLATION PROPOSED TO THE 88TH CONGRESS

Mr. President, on January 29, 1963, President Kennedy sent to the Congress a most eloquent message on the state of American education. In so doing, he brought to the attention of the Congress, 24 major areas of education in which he felt legislation was needed.

These recommendations were embodied in S. 580, the National Education Improvement Act of 1963, which I had the honor to sponsor, and in which action I was joined by Senators McNamara, Yarborough, Clark, Randolph, Williams of New Jersey, Burdick, Pell, Mansfield, and Humphrey.

Hearings on these 24 proposals, as contained in S. 580, were undertaken on April 29 by the Education Subcommittee. These hearings were concluded on June 25, after 17 days in which administration witnesses and public witnesses were heard. These hearings, together with much informational material, have been printed in seven volumes, and are available to all Senators who desire to consult them. These seven volumes are, in my judgment, witnesses to the comprehensive and inclusive study made by my colleagues on the subcommittee.

At this point I wish to pay high tribute to all the Senators on the subcommittee, on both sides of the aisle, for their faithful attendance, their diligent study, and the sound advice with which they have supported me in our joint effort to enact the pending legislation. To each of them, I owe a debt of gratitude far greater than I can possibly pay.

Legislation in the field of vocational education and in the other areas covered by the reported bill represents but the first installment of educational legislation which the committee intends to present to the Senate during the life of this Congress. As Chairman of the Education Subcommittee, it is my fervent intention to permit the Senators on the committee and also Senators on the floor of the Senate to have an opportunity, through their votes, to work the will of the Senate on each of the President's recommendations. As an earnest of this intention, I point out that the vocational bill now before us is but one of four measures reported from the Committee on Labor and Public Welfare during the course of its executive session on September 25. One of these, H.R. 6143, the higher education facilities bill, will shortly be before the Senate. In fact, earlier today I filed a report together with minority views; and it will be printed, and should be made available to Senators within the next day or two.

It is as major a step in meeting the needs of the higher education segment of American education, as is H.R. 4955 in the area of vocational education. In the opening days of our hearings on S. 580, I indicated, as did many other members of the committee, that our concern would be with the enactment of sound educational legislation, as the overriding objective. The particular tactic or legislative strategy may change from time to time, but, for my part, I am more concerned with the substance of what can be done than I am within the legislative wrapping paper in which the essential substance is contained.

I know that some members of the committee, for whom I have the highest regard, have indicated by their individual views, which accompanied the committee report, that they would have greatly preferred a version of H.R. 4955 much broader in scope and content. I have the highest admiration and respect for these distinguished Senators. I assure them that we do not differ with them in principle or in objective. Our differences are procedural only. The bill before the Senate represents the best judgment of the majority of the committee. As the Senator in charge of the bill, I have a responsibility to my committee and to the President of the United States to bring forth a bill which contains, in our combined judgment, the best which can be accomplished at this time.

I have no apologies to make for the course of action the committee has adopted. This first educational bill, this first installment on the President's program, reaches a vital need in our economy for today, for next year, and for the years ahead. Two out of every three children and youths now in school, unless this bill becomes law, will enter the labor force of our country without any college education and without any vocational training.

A general high school diploma may be sufficient as a prework basis for many of these youngsters, but I am vitally concerned that a large proportion of them will be seriously hampered in finding and holding jobs. President Kennedy has reminded us that—

> Education cannot easily or wisely be divided into separate parts. Each part is linked to the other. The colleges depend on the work of the schools; the schools depend on the colleges for teachers; vocational and technical education is not separate from general education.

Our effort in the 88th Congress will be to meet, as best we can, these interlocked needs. Legislation brought before the Senate on H.R. 4955 in its three constituent parts was designed, first, to greatly strengthen and improve our vocational education programs; second, provide urgently needed amendment and extension of the National Defense Education Act; and third, continue the authorization for the major Federal program which provides both construction assistance and the financing of the operation and maintenance of a large segment of our public elementary and secondary school systems.

The higher education facilities bill, H.R. 6143, which I hope will be considered on the floor in the very near future, if enacted, will go far in meeting the pressing construction needs of higher education.

So it seems to me that by the approach we have adopted the committee is recognizing its responsibilities to the President and to the American people in the field of education.

VOCATIONAL EDUCATION AND THE FEDERAL POLICY

Mr. President, I turn now to H.R. 4955 and in particular to part A of that bill relating to vocational education.

In our hearings, at page 4317, we have included a study made by Dr. Sar A. Levitan, research professor of labor economics at George Washington University, published in May 1963. In the course of his study Dr. Levitan discussed the expanding interest of the Federal Government in vocational education from 1914 to the present date. I am indebted to his study for much of what follows with respect to the historical background.

It should be recalled that President Woodrow Wilson, a great educator and a great President, almost a half century ago appointed a commission pursuant to a congressional resolution to examine the need for Federal support to aid vocational education. The findings of that report were that most young people "tend to enter all sorts of low-grade skilled and unskilled industries, affording little or no opportunity for better wages or for promotion to a desirable life work. The few adolescents who rise to success as wage earners, whether by accident, rule of thumb, or sheer force of native qualities, acquire their skill and insight in ways that are wasteful to them and to business."

It was true then and it is even more true now. President Wilson's commission thought that one way to reduce this waste was to provide vocational education as an integral part of the educational system. It was unrealistic, the commission thought, for our educational system to concentrate on preparing students for a college education, when the vast majority would never go to higher education; therefore it recommended Federal grants to help develop a vocational educational program. The interstate character of labor mobility and the national flow of industrial products justified such Federal grants. It noted:

> A man may be born in Indiana, trained as a worker in Massachusetts, and spend his days as a machinist in California. A State cannot be expected to devote large sums from her public revenues to the making of good workmen for the benefit of other States. Only out of a common fund like the National Treasury can the burden be equalized and adjusted so that each State may, in justice, be expected to meet the obligation resting upon its schools. Industries are so interrelated that every State is interested commercially in the quality of the workmanship in every other State * * * Iron is rolled in Pennsylvania or Alabama, made into plows in Wisconsin, and in Oregon. * * *

These words could be repeated over and over again today. If anything the only addition we could make would be to point out that the National Defense and space efforts to which we are dedicated have emphasized the national interest in education.

From their report there came the landmark Smith-Hughes bill which was signed into law in February of 1917. The next major expansion in the Federal interest in vocational education took place in 1946 with the passage of the George-Barden Act. It provided an additional $29 million annually over and above the $7.5 million of the Smith-Hughes Act for the support of agricultural training, trade, industrial and home economics education and teacher training. In doing so, it added the further category of the distributive occupations.

In 1956 the Congress added two additional areas of federally aided vocational

training by authorizing an annual expenditure of $5 million for instruction in practical nurse training and $375,000 for training in the fisheries trades and industries.

In 1958, through amendments made by title VIII of the National Defense Education Act, $15 million was authorized annually to train highly skilled technicians in occupations necessary to the national defense.

TRIBUTE TO SENATOR HILL

I digress at this point to pay my very high regards and respects to the Senator from Alabama [Mr. HILL] for his leadership as chairman of the full committee, on which I have the honor of serving as chairman of the education subcommittee. I have the additional privilege of having the chairman of the full committee serve as one of my bulwarks on the subcommittee itself. I wish the record to show that through the years of recent history in the development of national education programs, in my judgment, no Senator has made a greater contribution to the effectuation of the recommendations that various administrations have made in the educational field than the Senator from Alabama [Mr. HILL].

This year, my task as chairman of the subcommittee would have been an almost impossible one, and I would not be standing before the Senate today urging passage of a vocational educational training bill that received the overwhelming majority vote of the full committee had it not been for the wonderful cooperation and assistance I received from the Senator from Alabama, the chairman of the full committee.

RECOMMENDATIONS OF PRESIDENTIAL PANEL OF CONSULTANTS

It is becoming increasingly apparent that much more yet remains to be done. Although, as was reported to the Congress in 1961 by the President, the basic purpose of our vocational education proposals is sound, the technological changes which have occurred in all occupations call for a review and a reevaluation of these statutes with a view toward bringing them into conformity with the vocational education needs of business, of industry, and of our young people. A panel of consultants on vocational education was appointed by the Secretary of Health, Education, and Welfare pursuant to the 1961 message. The panel consisted of representatives from the educational profession, labor, industry, agriculture, and the public.

The findings of the panel which were published in its report are the basis of the bill before the Senate.

TRIBUTES TO SENATOR RIBICOFF AND SECRETARY CELEBREZZE

I digress further. I think the Senator has left the Chamber for a moment. But speaking about the Department of Health, Education, and Welfare, I wish to express my thanks to two Secretaries of Health, Education, and Welfare.

First I thank the now Senator from Connecticut but until this session of Congress the then Secretary of Health, Education, and Welfare [Mr. RIBICOFF]. During the past 2 years, as we have worked long and hard in the committee to try to bring forth a meaningful, sound program in this field, I have always had the cooperation and gracious help of the previous Secretary of Health, Education, and Welfare. I want the RECORD to show my deep thanks for the great help he has been to me.

Since the appointment of the new Secretary of Health, Education, and Welfare, Mr. Celebrezze, I am privileged to announce to the Senate, we have had the same cooperation. We have had the able assistance from every head of the Department. The Secretary has made available to the staff of my subcommittee at all times whatever professional assistance we requested.

It is difficult to give due credit to all those who deserve due credit for the product which the committee has brought to the Senate today in legislative form, but certainly the two Secretaries of the Department of Health, Education, and Welfare are deserving of the high praise I have bestowed upon them in the remarks just made.

FINDINGS OF THE PANEL OF CONSULTANTS

Let us turn to the findings of the panel which was appointed by the Secretary of Health, Education, and Welfare pursuant to the President's 1961 message to review and evaluate vocational education.

What were the findings? Among them are these:

By 1970, 87 million persons will be working full time. Fifty-eight million of these, now employed, will need training to keep pace with new methods, new materials, new opportunities. Some 26 million young workers will enter the labor force by 1970. Their aptitudes, skills, and education must match the needs of a changing economy. Approximately 3 million women will switch from housework to jobs by 1970. They will need marketable skills requiring training.

Today's vocational education programs benefit 4 million young people and adults in about two-thirds of the Nation's high schools and in many community colleges. Local communities invest $117 million, States $89 million, and the Federal Government $48 million. Each State has a vocational education board to set policy.

But the numbers to be trained must be increased to meet the Nation's trained manpower needs today and in the years ahead. At least 80,000 highly skilled technicians must be trained each year to meet employment needs.

That is a vital statistic, Mr. President. I would have not a single Senator overlook it during the course of the consideration of this bill. I repeat it: At least 80,000 highly skilled technicians must be trained each year to meet employment needs.

We are graduating only 15,000 at present. About 5 million additional skilled craftsmen will need to be trained by 1970 for work in industry. Old jobs are disappearing. New jobs require special skills. Training and retraining are constantly needed to keep workers abreast of the change.

More than half of the Nation's privately employed workers are in service industries—largely sales and marketing—but only a small percentage of high schools offer training in these fields through distributive education. More than 10 million of those employed today are in office occupations, but no Federal funds are provided under the vocational education acts to aid office occupations training. For the one-third of all American women of working age employed and the growing number of young married women there is an urgent need for training, not now provided, in the dual responsibilities of homemaking and wage earning. Only 1 in every 35 employed workers is receiving training to upgrade his skills through evening extension programs.

After a careful review of vocational education, the President's Panel of Consultants on Vocational Education recommended a minimum Federal expenditure in 1964 of $400 million. The Federal contribution to vocational education, exclusive of the Manpower Development and Training Act and the Area Redevelopment Act, is now approximately $57 million a year.

The amount of Federal expenditure recommended by the panel takes into account the tremendous needs for vocational training over the next decade, which may be summarized as follows:

First. Vocational training opportunities must be available for the 22 million noncollege graduates who will enter the labor market in the 1960's.

Second. Vocational training, or retraining, must be provided for the millions of workers whose skills and technical knowledge must be updated, as well as those whose jobs will disappear due to automation or economic change.

Third. Vocational education must help to meet the critical national needs for highly skilled craftsmen and technicians providing vocational education and training beyond the high school.

Fourth. Vocational and technical training programs must prepare persons for many new and emerging occupations.

Fifth. Equipment and facilities of a specialized nature must be made available in order that vocational programs may be of high quality and in order that vocational opportunities be made available to more people.

Sixth. Teacher training programs, instructional materials, occupational information and guidance services, and research in vocational and technical education—all necessary to quality training programs, must be expanded and improved.

HISTORY OF LEGISLATION

Mr. President, on pages 2 and 3 of the committee report there is set forth the history of the legislation of part A of H.R. 4955, which describes the course taken in both House and Senate of the President's recommendation. I ask

unanimous consent that this section of the report be printed at this point in my remarks.

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

On January 29, 1963, President Kennedy sent to the Congress his message on education, to which was attached draft legislation designed to strengthen and improve educational quality and educational opportunities in the Nation.

Identical bills H.R. 3000 and S. 580, were introduced that day in both House and Senate. Hearings on H.R. 3000 were held by the Education and Labor Committee of the House of Representatives during February of 1963.

In March 1963, title V-A of H.R. 3000, which related to vocational education was further heard by the general Subcommittee on Education under the chairmanship of Representative PERKINS. On March 18, 1963, Mr. PERKINS introduced H.R. 4955. This bill, on June 6, 1963, was ordered reported to the House with amendments. On August 6, 1963, it passed the House of Representatives, as reported by a vote of 377 to 21. H.R. 4955 was received in the Senate on August 7, 1963, and was referred to the Committee on Labor and Public Welfare.

Hearings before the Education Subcommittee on S. 580, title V-A, of which concerned vocational education, began April 29 and were completed after 17 days of testimony, on June 25, 1963. During the course of these hearings testimony relating to vocational education was taken from Federal and State officials and from representatives of education organizations, as well as national organizations having an interest in expanding and improving this important area of education in the national interest.

On September 10 and 11, in executive session, the Education Subcommittee considered both H.R. 4955 and S. 580, in the light of the message to the Congress sent by the President on June 19, 1963, wherein he stated:

(C) That the pending vocational education amendments, which would greatly update and expand this program of teaching job skills to those in school, be strengthened by the appropriation of additional funds, with some of the added money earmarked for those areas with a high incidence of school dropouts and youth unemployment, and by the addition of a new program of demonstration youth training projects to be conducted in these areas;

(D) That the vocational education program be further amended to provide a work-study program for youth of high school age, with Federal funds helping their school or other local public agency employ them part time in order to enable and encourage them to complete their training.

The vocational education recommendations in this Presidential message were introduced in the Senate as an amendment to title V-A of S. 580 on July 18, 1963, by Senator MORSE for himself and Senators CLARK, FONG, HUMPHREY, INOUYE, JAVITS, MANSFIELD, PELL, RANDOLPH, and WILLIAMS of New Jersey.

The Education Subcommittee on September 11, 1963, recommended that H.R. 4955 be amended by striking the text of the bill as it passed the House of Representatives and substituting therefor, four new parts, as follows:

Part A—the text, with minor modifications, of the July 18, 1963, amendment of title V-A of S. 580, incorporating the expanded vocational education recommendations of the President;

Part B—the extension and amendment of the National Defense Education Act of 1958, discussed elsewhere in this report;

Part C—the extension and amendment of Public Laws 815 and 874 discussed elsewhere in this report; and

Part D—the extension and expansion of the Library Services Act, originally title VI-C of S. 580; and that the bill, as amended, be reported favorably to the full committee.

On September 25, 1963, the Committee on Labor and Public Welfare in executive session considered H.R. 4955 as reported from the Education Subcommittee, amended it by deleting part D (which was ordered to be reported as an original bill), adopted a number of technical amendments, and ordered reported H.R. 4955 favorably to the Senate as thus amended.

Mr. MORSE. Mr. President, at this point, I should like to pay my compliments to Representative PERKINS of the House Committee on Education and Labor, from whose subcommittee jurisdiction there came H.R. 4955.

Although in many details of the bill—in terms of the formulas employed, the cost, the definitions involved—there are differences, I believe it can be said that it was the careful work and study of the Perkins subcommittee which is primarily responsible for improvements made since the introduction of the bill last January. The credit for the very format of the legislation we are now considering should be given to the very able work of Representative PERKINS and his colleagues. The administration was so persuaded by the logic of his presentation that it adopted it for its own in the June 19 message from the President on equal employment opportunities which brought with it the draft language which is now part A of H.R. 4955 in the Senate version.

COMPARISON OF SENATE AND HOUSE VERSIONS OF THE BILL

Mr. President, the major changes made by the Senate committee to the bill as received from the House are these:

A. In accordance with the Presidential request, we have increased the authorization for the financing of the expanded program of grants to the States for vocational education in each year of its operation by $63 million.

B. We have raised from 5 to 15 percent of the amounts appropriated, the funding of research grants, leadership training, and pilot or developmental programs, all of which as a major purpose are directed toward meeting the pressing problems of urban school dropout and youth unemployment.

C. We have changed the formula for the distribution of the allotments to the States. The major differences here are that the Senate version contains a per capita income factor designed to assure an equalization of amounts available to the States. Under the Senate version of the bill, 30 States would receive a larger allotment than is provided in the House version. A chart which appears on page 6 of the committee report sets forth a comparison of the estimated distribution of the Senate funds authorization under the House and Senate formulas.

Mr. President, I ask unanimous consent that the table be printed at this point in my remarks, together with the table on page 7, which illustrates the equalization factor I have referred to.

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

Comparison of estimated distribution of amounts for grants to States in proposed Vocational Education Act of 1963 by (1) Senate formula, and (2) by House formula, fiscal year 1964

	Senate formula	House formula
Aggregate, United States	$91,800,000	$91,800,000
50 States and District of Columbia	89,518,466	90,247,758
Alabama	2,369,366	1,800,788
Alaska	105,404	134,463
Arizona	732,335	683,408
Arkansas	1,288,920	951,145
California	5,878,775	7,775,676
Colorado	845,613	895,994
Connecticut	841,582	1,188,263
Delaware	137,085	214,667
Florida	2,602,072	2,379,015
Georgia	2,746,246	2,195,571
Hawaii	355,823	373,404
Idaho	412,976	352,863
Illinois	3,866,629	4,830,116
Indiana	2,353,934	2,348,472
Iowa	1,434,152	1,353,302
Kansas	1,133,255	1,079,963
Kentucky	2,101,657	1,651,563
Louisiana	2,150,374	1,723,399
Maine	572,954	498,362
Maryland	1,403,004	1,559,497
Massachusetts	2,124,585	2,500,469
Michigan	3,652,770	3,832,260
Minnesota	1,757,679	1,678,844
Mississippi	1,757,249	1,222,602
Missouri	2,088,248	2,116,536
Montana	365,287	337,672
Nebraska	709,405	686,435
Nevada	98,770	141,007
New Hampshire	313,634	299,615
New Jersey	2,209,485	2,807,328
New Mexico	597,786	515,338
New York	5,733,310	7,850,966
North Carolina	3,355,694	2,646,105
North Dakota	415,333	334,457
Ohio	4,403,250	4,699,029
Oklahoma	1,410,078	1,226,479
Oregon	845,302	868,318
Pennsylvania	5,318,556	5,473,354
Rhode Island	434,835	438,788
South Carolina	1,938,814	1,435,581
South Dakota	405,990	341,572
Tennessee	2,489,261	1,950,461
Texas	5,563,187	5,050,714
Utah	548,246	493,963
Vermont	232,206	203,919
Virginia	2,522,743	2,207,920
Washington	1,339,655	1,428,804
West Virginia	1,217,405	993,793
Wisconsin	1,931,393	1,918,518
Wyoming	159,323	165,785
District of Columbia	246,831	391,195
American Samoa	18,699	12,731
Canal Zone		
Guam	56,690	38,489
Puerto Rico	2,178,955	1,482,533
Virgin Islands	27,192	18,489

Distribution based on the product of (1) the Federal percentages (based on per capita income) and (2) the State population (a) aged 15 to 19, (b) aged 20 to 24, (c) aged 25 to 64, with a minimum State amount of $10,000.

Distribution based on the State population (a) aged 15 to 19, (b) aged 20 to 24, (c) aged 25 to 64, with a minimum State amount of $10,000.

NOTE.—$108,000,000 is authorized for fiscal year 1964 under Senate amendment. $91,800,000 or 85 percent of this is distributed to the States. The remainder is for grants by the Commissioner of Education.

Equalization factor providing 3-to-1 range from lowest per capita income state to highest—Per capita personal income, 1961

1. Delaware	$3,013
2. Nevada	3,003
3. Connecticut	2,895
4. New York	2,848
5. California	2,780
6. New Jersey	2,714
7. Alaska	2,692
8. Illinois	2,672
9. Massachusettts	2,598
10. Maryland	2,472
11. Colorado	2,421
12. Hawaii	2,407

Equalization factor providing 3-to-1 range from lowest per capita income state to highest—Per capita personal income, 1961—Continued

13. Washington	$2,381
14. Ohio	2,330
15. Oregon	2,273
16. Wyoming	2,272
17. Michigan	2,270
18. Pennsylvania	2,261
19. Missouri	2,254
20. Rhode Island	2,250
21. Indiana	2,213
22. Wisconsin	2,194
23. Nebraska	2,168
24. Minnesota	2,149
25. Kansas	2,139
26. New Hampshire	2,130
27. Iowa	2,124
28. Arizona	2,074
29. Texas	1,993
30. Utah	1,989
31. Florida	1,965
32. Montana	1,963
33. New Mexico	1,908
34. Virginia	1,908
35. Vermont	1,899
36. Oklahoma	1,889
37. South Dakota	1,875
38. Maine	1,843
39. Idaho	1,807
40. West Virginia	1,690
41. Georgia	1,649
42. North Carolina	1,642
43. Louisiana	1,626
44. Kentucky	1,625
45. Tennessee	1,605
46. North Dakota	1,562
47. Alabama	1,492
48. Arkansas	1,446
49. South Carolina	1,433
50. Mississippi	1,229
United States	2,263

Mr. COOPER. Mr. President, will the Senator yield, or does he prefer not to yield at this time?

Mr. MORSE. I prefer, if the Senator does not mind, to make my explanation of the bill. Then, as I said, I will open myself up to questions. I feel that these remarks, in explanation of the bill, are going to be the terms of reference to which Senators will want to return when we continue the debate. In this speech I am seeking to fully explain the committee's point of view on various sections of the bill. But I assure the Senator from Kentucky there is no one I would want to take questions from more than from him. I well remember our associations together on the Labor and Public Welfare Committee for the many years the Senator served on it. He and I joined time and time again in seeing what we could do in getting legislation through the Senate that would be of assistance, so sorely needed, to the youth of our country.

Mr. President, in his message of June 19, President Kennedy proposed the addition of two new programs in vocational education. The first authorizes $15 million for fiscal year 1964 and such sums as the Congress determines for the next 4 fiscal years for Federal grants to establish and operate residential schools to provide vocational education to youths of high school age who need full-time study on a residential basis in order to benefit from vocational training. The language of the bill encourages the Commissioner to give special consideration in making these grants to colleges and universities and to State and local public educational organizations, to give special consideration to the needs of our large urban areas which have substantial numbers of youths who have dropped out of high school and are unemployed.

The success of any educational program is largely dependent upon factors other than the quality of formal instruction itself. The environment in which the school is located, the cleanliness, the attractiveness, the safety of passage through the neighborhood—all strongly influence the student's desire to attend school, his respect for education, and his willingness to accept the goals and purposes for which the school exists. The pressures on the student against educational achievement—scorn for schools among his neighborhood gang, hunger from inadequate diet, hostility or lack of concern for study at home, necessity of earning subsistence—these and other basic factors may so detract from any attempts at education that successful formal schooling is impossible.

The proposal for a 5-year program demonstrating the feasibility and desirability of the residential vocational education school is an important approach to solving these problems. Under this program, residential schools could be constructed, equipped, and operated so as to provide education in an atmosphere conducive to constructive learning, with an absence of such personal pressures as would detract from concentration and incentive in the home environment. The program is directed at, but not limited to, youth in large urban areas who have dropped out of school or are unemployed.

The second addition by the President recommended to the vocational education program was the establishment of a work-study program.

Mr. President, I ask unanimous consent that the paragraph on pages 11 and 12 of the committee report referring to this recommendation be printed at this point in my remarks, together with the table showing the estimated distribution of amounts of grants to the States for this needed purpose.

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

WORK-STUDY PROGRAM

The Senate amendment adds a new section authorizing $50 million for fiscal 1964 and necessary sums for each of the next 4 years for grants to States to enable local educational agencies (defined to include any public agency or institution providing a vocational education program) to give work assistance to students in full-time attendance in vocational education courses. The purpose of this section is to encourage and enable youths between the ages of 15 and 20—who otherwise would probably drop out of high school or discontinue their education after completing high school and be unable to find jobs—to continue in school in order to take the vocational training they need to equip them for gainful employment. These programs would provide part-time employment, of not more than 15 hours a week, in public schools or other public agencies. Monthly and annual earnings could not exceed $45 and $350, respectively, unless the student attended a school away from home, in which case the limits would be $60 per month and $500 per academic year. Youths would be selected for work assistance on the basis of their need for financial aid and their need for vocational education.

Annual appropriations would be allotted to the States on the basis of their populations aged 15 to 20 inclusive. States having plans approved under the preceding sections of the bill previously described would submit supplementary plans to participate in this program.

Estimated distribution of amounts (fiscal year 1964) for grants to States for work-study program

Alabama	$1,031,263
Alaska	70,807
Arizona	374,794
Arkansas	517,545
California	4,118,970
Colorado	489,265
Connecticut	625,805
Delaware	112,980
Florida	1,264,506
Georgia	1,235,668
Hawaii	212,374
Idaho	201,463
Illinois	2,544,965
Indiana	1,283,484
Iowa	749,423
Kansas	587,477
Kentucky	938,729
Louisiana	972,073
Maine	278,451
Maryland	837,752
Massachusetts	1,346,138
Michigan	2,073,618
Minnesota	926,910
Mississippi	724,056
Missouri	1,144,071
Montana	187,590
Nebraska	373,214
Nevada	72,199
New Hampshire	164,612
New Jersey	1,455,185
New Mexico	285,544
New York	4,059,446
North Carolina	1,522,846
North Dakota	190,752
Ohio	2,511,356
Oklahoma	683,182
Oregon	477,611
Pennsylvania	2,942,077
Rhode Island	241,584
South Carolina	847,835
South Dakota	192,472
Tennessee	1,102,500
Texas	2,780,839
Utah	281,910
Vermont	116,674
Virginia	1,227,400
Washington	775,248
West Virginia	568,788
Wisconsin	1,045,196
Wyoming	90,406
District of Columbia	194,826
American Samoa	8,029
Guam	21,319
Puerto Rico	905,846
Virgin Islands	10,927
Aggregate, United States	$50,000,000
50 States and the District of Columbia	49,053,879

NOTE.—Distribution is based on the State population aged 15 to 20.

PART B—EXTENSION AND AMENDMENT OF THE NATIONAL DEFENSE EDUCATION ACT OF 1958

Mr. MORSE. Mr. President, in bringing this legislation to the floor the committee was mindful of the urgent need to increase the student loan authorizations in title II of the National Defense Education Act. This is the program under which talented young people may borrow money needed to obtain collegiate and graduate education. The urgent need for an expansion of this program was amply

demonstrated in our hearings. As shown in the tables in the committee report on pages 13 through 17, the student loan program is now limited in two ways. First, there are requests for this fiscal year of $35 million over and above the present $90 million authorization which cannot now be met, and, second, there are 121 colleges and universities in the United States whose need for additional loan funds transcends the $250,000 limitation now in the statute.

Part B of H.R. 4955 would increase the authorization for this fiscal year to $125 million and would increase the institutional ceiling to $800,000, thus resolving both of these problems.

The committee took the opportunity thus afforded to make a number of amendments to most of the titles of the National Defense Education Act. Although in some instances these are minor, nevertheless adoption of these amendments will facilitate the administration of the act through removing many problems which have been encountered. Since these amendments are described fully in the report, I shall not dwell on them at length. I would point out only that the extension of 3 years of all titles is necessary for a very practical reason. School boards, college administrators, and State authorities in the internal operations of their programs labor under a handicap which is just as great to them as the handicaps faced by corporations and businesses. Budgets must be prepared, staff must be engaged, forecasts of activity must be prepared. The budget official of a college reviewing the requests of the deans and the administrative officials in charge of the loan programs need to have as much leadtime as possible if their decisions are to be soundly based. NDEA authority will expire on June 30, 1964, some 9 months from now. By extending the act at this time, we can help all of these educators take the steps which will result in decisions designed to stretch to the utmost for educational uses every dollar they receive.

I cannot stress too much the importance of the 3-year extension proposal in this bill from the standpoint of economizing on the educational dollar in college after college and school after school. It is wasteful not to give these college and school administrators the leadtime they need for making a wise expenditure of the money that is to be made available to them under the various titles of the National Defense Education Act program. If we wait until the 11th hour, we shall confront them with a situation in which they will be unable to make the sound judgments to which I have just alluded.

Mr. President, the result will be costly waste, or at the least, not the degree of economy and wise expenditure of education dollars which would be accomplished if the leadtime had been granted.

When we take a look at the educational needs of the country and of the inadequacy of the amount of money that is to be made available even under the best program we feel we can offer the Senate, we know we cannot justify wasting a single education dollar.

I stress to my colleagues in the Senate both the substantive importance of the recommendations the committee is making on this point and the procedural soundness of it. I sincerely hope I can receive from the Senate uniform support for this matter, for I plead in behalf of the committee.

We have labored hard, and have become saturated with evidence on this point by a long and careful study of the expert testimony and the research information which has been made available to us. It would be a great mistake if the Senate did not see fit to support its committee on this matter. So I say, unless the leadtime is given, the pressure upon such schools occasioned by last minute changes and adjustments can cause costly and wasteful results. It is just good, sound business sense for this act to be extended now.

PART C—IMPACTED AREAS LEGISLATION

Mr. President, all that has just been said concerning the necessity for a 3-year extension of National Defense Education Act applies with equal force to the school district superintendents in our federally impacted areas, with but one difference. These devoted public servants have already engaged in an act of faith in the Congress. Their legislation expired last June 30. I think the point need not be labored that an extension of these two laws at this time is vitally necessary if we are to avoid wholesale fiscal disruptions of the school districts involved.

I speak with some confidence on this matter, because I suspect that there is not even one Senator who has not already received a heavy volume of mail from school superintendents, members of school boards, community leaders, and parents in every school-impacted area in the country whose funds expired last June 30.

Of course, they are going ahead with the program, because some of us have gotten ourselves out on a limb—although I think safely so, and I do not believe it will break off under us—because we have said there is no doubt about Congress extending impacted area legislation. I believe we can take judicial notice of that.

However, that does not justify the concern that we have been causing these school superintendents and local school authorities. Therefore, I believe we should get on with the job today or tomorrow in extending the act, because we all know that public school districts educating one-third of the schoolchildren of America are the beneficiaries of impacted area legislation. We know what would happen in community after community if this specialized form of Federal aid to education should be cut off.

I have said in past debates over the years that it is always a matter of interest to me that we find so much opposition in some quarters to Federal aid to education, and apparently an oblivious ignorance on the part of many of our citizens that we have been engaged in Federal aid to education to the tune of hundreds of millions of dollars for many years. We are now giving Federal aid, and have for years, to school districts educating a third of the schoolchildren of America. I am also at a loss to understand the lack of fairness on the part of critics of Federal aid to education in respect to school districts educating the other two-thirds.

Why should they be set aside and told that their educational needs can receive no assistance from the Federal Government, when the evidence is irrefutable that in many school districts the educational system is much more seriously and much more gravely impacted with students and with money problems so far as the public welfare is concerned, than the so-called impacted area districts?

Be that as it may, I shall continue to do everything I can to see to it that the Public Laws 815 and 874 aid that has been extended is continued. I hope that, before we are through legislating, we shall provide at least the same aid for the school districts educating the remaining two-thirds of our boys and girls as well.

Some of us have had reservations concerning some aspects of the impacted area legislation in times past. I think the breathing space which the 3-year extension will give us will allow us sufficient time to subject these laws to the type of study which can result in modifications which may be necessary in the public interest. Because we extend this legislation at this time does not mean that we have foreclosed ourselves from considering legislation in this area during the intervening period.

CONCLUSION

Mr. President, I may have spoken at somewhat greater length than I had originally intended, but at this time I urge my colleagues to help American boys and girls of all ages to obtain, all the areas covered by the bill, educational objectives suited to their individual talents and abilities. In my judgment, this can be done at this time through support of this first installment of educational legislation in the 88th Congress, without amendment.

Mr. RIBICOFF rose.

Mr. MORSE. Mr. President, does the Senator from Connecticut desire to make an insertion in the RECORD?

Mr. RIBICOFF. First I wish to praise the distinguished Senator from Oregon.

Mr. MORSE. I am delighted to yield to the Senator.

Mr. RIBICOFF. I wish to praise the Senator for the speech he has made and the work he has done on this important piece of legislation.

Having been interested in education myself, particularly as Secretary of Health, Education, and Welfare, I wish to state publicly on the floor of the Senate that no other man in this country has done as much or has shown as much interest in the entire field of education as the distinguished Senator from Oregon. I know that what he is seeking to have the Senate do today will earn him the gratitude of not only the young people of this generation, but of future generations as well.

The Senator may recall that soon after I became Secretary of Health, Education, and Welfare I appointed a distinguished panel of people in all walks of life to review the entire field of vocational educa-

tion, under the chairmanship of Dr. Benjamin Willis, the able and imaginative general superintendent of schools in Chicago.

The recommendation of that panel would be carried out to a great extent by the legislation which the Senator from Oregon has introduced. This is landmark legislation. It is badly needed. It would be a tragedy for the country if the Senate failed to adopt the legislation proposed by the distinguished Senator from Oregon. Our country has grown rapidly. We have more and more youngsters, and must provide them with opportunities.

Furthermore, over the past decades there has been a retrogression in vocational education, instead of a progression. What we seek to do—and what the Senator has accomplished in his bill—is to build up these opportunities in the fields that require the most education and training—in the professions, technical fields, modern industry, and modern science.

Therefore, I consider it a real honor to come to the floor of the Senate today, following the distinguished Senator from Oregon, to place in the RECORD the praise that the Senator deserves for his continued interest in legislation for education and his loyalty to the cause of such legislation. There may be some educational bills in the days ahead as to which I may disagree with the Senator from Oregon; but on this piece of proposed legislation, I am with the Senator 100 percent. I express my personal gratitude; and I believe the country owes him a vote of thanks for the outstanding work he has done.

Mr. MORSE. I am exceedingly grateful to the distinguished Senator from Connecticut, who was formerly Secretary of Health, Education, and Welfare, for the very pleasant things he has said. It always makes one feel good to hear such words, undeserved though they may be. Nevertheless, I know of the sincerity of the Senator from Connecticut.

I did not realize that the Senator had stepped out of the Chamber momentarily a half hour or so ago. I was in the midst of my speech before I realized that he had stepped out of the Chamber but I knew he would read my remarks in the RECORD tomorrow. I discussed in his absence the wonderful work he did as Secretary of Health, Education, and Welfare. I referred to the appointment of the national panel of experts and consultants that prepared the report from which I quoted extensively in my explanatory speech today. I announced that much of the work of our committee is based upon the recommendations of that panel; in fact, I read many of their recommendations, word for word.

The Senator from Connecticut, both in his capacity as Secretary of Health, Education, and Welfare, and now as Senator from Connecticut, has built for himself one monument after another of public service which will go down in the history of American education. I believe that we would not have made the progress we have made in the Senate in the past 2 years on the subject of education had it not been for the help and cooperation we received from the Senator from Connecticut when he was Secretary of Health, Education, and Welfare.

We took through the Senate two parts of President Kennedy's educational program of the 87th Congress without suffering a single crippling amendment. Although we lost the bills either in the House or in conference, we were able to take those programs through the Senate, in no small measure, because of the great professional assistance we received from the Department of Health, Education, and Welfare and from the Secretary of Health, Education, and Welfare himself.

It is quite well known in the Senate that in those days my subcommittee spent many hours with the present Senator from Connecticut, as we hammered out the various compromises that we thought were unnecessary in order to insure passage of the proposed legislation, but still keep it in such form that it would accomplish the objectives we all had in mind.

I again thank the Senator from Connecticut for his great contribution.

Mr. RIBICOFF. Often little is understood about what has to go into legislation. People sit in the galleries and see a handful of Senators in the Chamber. The question is often raised as to whether the Senate is accomplishing its objectives. However, little is known about how much work Senators do that is not seen on the floor of the Senate.

I recall the mornings, afternoons, and nights that the distinguished Senator from Oregon spent in trying to prepare legislation in the field of education. One of the outstanding memories that will remain with me as long as I am in public life, and after that in private life, is the understanding, the knowledge, and integrity that are always displayed by the Senator from Oregon in the field of educational legislation. His heart was never faint when it came to educational legislation. The going is always tough in the field of education; it will still be tough to try to get meaningful educational legislation through Congress, the States, and localities. But if educational legislation is to be accomplished, it will be done only because men like the distinguished Senator from Oregon are sticking to this most important task.

The Nation must understand that in the years ahead one of our greatest assets, if not our greatest, will be education. Education is power; it is opportunity; it is happiness. As a nation we err if we do not realize that the future of our country depends upon meaningful educational legislation.

Education has many faces. Some people are interested in education at the college level; others are interested in vocational education; some are concerned about medical and dental schools; others are interested in elementary and high school education. But all education is a continuous process. If the educational crisis in America is to be solved, serious attention will have to be given to every phase of education. That is why I am so pleased that educational legislation in the Senate is in the capable hands of the Senator from Oregon. I wanted to be on the floor of the Senate to pay this deserved tribute to the Senator from Oregon, because I know what he has done in the past in the entire field of education.

Mr. MORSE. I am grateful, and humbled by the gracious remarks of the Senator from Connecticut.

Mr. RIBICOFF. Mr. President, the bill now before the Senate, H.R. 4955, will help to provide job opportunities. It will greatly expand and improve vocational education in our country. It will train youngsters—and adults—for jobs that need to be done. It will give them the skills and training needed to make a living in our increasingly complex economy.

I am especially pleased to support this legislation, a landmark in the field of education, which the Senator from Oregon has, with his usual competence and skill, presented to us. When I first took office as Secretary of Health, Education, and Welfare, I was very much aware of the need to update and upgrade the vocational education programs operated in our Nation since 1917.

Under these programs, vocational courses are taught in all the 50 States and territories, in a variety of institutions—comprehensive high schools, specialized vocational high schools, area vocational schools, community and junior colleges, and 4-year colleges. These courses range all the way from nurses aid to marine technology.

But in the 44 years between the enactment of the Smith-Hughes Act of 1917 and the start of a new administration in 1961, our Nation changed dramatically. The needs of our people changed—there are more of them, they move about more frequently and they are being educated and trained in a different sort of society. Obviously as we move into an age of advanced technology and increased industrialization and automation, our manpower needs must be fully satisfied and our young people fully prepared.

For these reasons, I asked an advisory group of 25 outstanding experts concerned with manpower needs and vocational education to advise me on the conditions of vocational education in America and make recommendations for its improvement and redirection. I asked Dr. Benjamin Willis, the able and imaginative general superintendent of schools in Chicago, to chair this panel. It was our hope that its recommendations would be ready for submission to the 88th Congress in 1963.

The timetable was met. Dr. Willis' panel visited schools in several cities, commissioned several research studies, and gathered information from experts and all points of view. The panel's recommendations are essentially embodied in the legislation now before us.

In these 2 years we have gathered additional and ample evidence that technological change, shifts in market demands, and other recent economic changes have had their adverse effects upon people seeking employment. We find that job opportunities are most often found in work requiring good educational background plus good specialized skills. However, we are not yet reaching enough of the unemployables—those with insufficient education to be trainable.

Mr. President, it would be a tragedy for the country if this legislation is not enacted. Its underlying purpose is to improve our vocational education system so that all people, whatever their age or level of academic achievement, may have an opportunity to acquire the education and training necessary to make them employable. In today's world, there is no place for unskilled hands or for undisciplined intellect. The job opportunities of today and tomorrow are in the fields that require the most education and training—in the professions, technical fields, in managament, clerical and saleswork, skilled and semiskilled work, and in the service field. Only about 5 percent of all the many jobs that people will hold will be classified as no skill required.

The bill now before us is based on two basic propositions. The first is that the occupational categories in the present statutes are no longer adequate to meet the needs of our rapidly changing labor market. The second is that the appropriation levels authorized by the present statutes are insufficient in view of our rising population and school costs.

Under H.R. 4955, such restrictions would be lifted, and States would be able to determine what portion of their respective Federal allotments would be assigned to which types of programs. We would have much more flexibility. Vocational education directors of local school systems could shift gears to meet changing employment opportunities and there would be enough funds to do the vocational education job right. The emphasis would be put where it belongs—on the kinds of people who need to be served and the special facilities and services needed to do the job.

A State's allotment could be used in accordance with an approved State plan to provide vocational education for youth attending high school—for those who have completed or left high school and who are available for full-time study in preparation for entering the labor market—for persons who need vocational training to learn new jobs or to advance in their present jobs—and for persons who need special attention because of inability to succeed in regular vocational education programs.

What is more, funds could be used for construction of area vocational-technical schools, that is, schools that enroll students from an entire city or from several neighboring school districts. Every State has plans for expansion of such area schools and many of them have constructed new schools in the past few years. But the greatest construction needs in vocational education remain for area schools that cross district lines—serving large numbers of people and offering a range of curriculum that reaches out to adults as well as youth.

Technical education would continue to grow under the new act; Federal funds could be used for teacher training and supervision, for State administration, and other auxiliary services.

And the multiple problems of big city vocational programs would be helped, in part at least. Fifteen percent of the Federal appropriation would be set aside for special demonstration and experimental projects aimed particularly at problems of out-of-school, unemployed youth in large cities, and youth with academic and other handicaps that prevent them from succeeding in regular vocational programs—the social dynamite of our society.

I urge the passage of the bill and the prompt appropriation of funds for implementing this legislation. It is in keeping with the American tradition that the many tasks of the world of work are equally important—that the man who works with his hands be just as well trained—have just as many opportunities—be just as respected—as the man who works at a desk. It is also in keeping with the democratic ideal that every man and every woman should have access to the education and training needed to develop to his highest potential.

Mr. CARLSON. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. CARLSON. I wish to express my appreciation to the Senator from Oregon for bringing up this bill. The legislation that is included in H.R. 4955 is not only timely but, I believe, is most important to the future education of our youth.

I am particularly pleased that the Senator has dealt with vocational education. It is my own opinion that we have failed to stress nationally the importance of the vocational phase of our educational program. Not only am I pleased with this part of the bill; I think we need to devote more attention to vocational education as we consider the difficulties that arise from the unemployment problem in this Nation. We should devote considerably more time and money to it and stress it more.

We need to elevate the standing of the vocational students and graduates of our schools. We stress the importance of getting all kinds of degrees—and they are important; but we need to begin to stress, as do many foreign countries, vocational education as a part of our educational training program.

I deeply appreciate the action of the Senator from Oregon today.

Mr. MORSE. I thank the distinguished Senator from Kansas. It is not flattery, but a statement of fact, to say that time and time again the Senator from Kansas has been of great assistance to me as we have sought to take educational legislation through the Senate. I thank him sincerely.

Mr. GRUENING. Mr. President, will the Senator from Oregon yield? I merely wish to continue the commendations which we have heard from two of our colleagues.

Mr. MORSE. It is very tempting to yield for that purpose; so I will yield.

Mr. GRUENING. I shall be brief, although I could wax eloquent and could speak at great length on the subject, because I have observed through the years that no man in public life has done more for the cause of education than has the senior Senator from Oregon; in fact, he has been an educator all his life. He was an educator before he came to the Senate, and he has been an educator not merely in the field of education, but in many other fields, as well, since that time.

Many questions of priority are before Congress. There are problems of defense, national security, unemployment, taxation, resource development, and civil rights—all of them important and all needing attention. But I know of no subject which is more paramount or more vital to the strength and perpetuation of our people's vitality and progress to maintain and enhance everything, we, as Americans, believe in and stand for than education—education on every level—primary, secondary, university, vocational, and professional.

No one has shown a keener interest or displayed a greater knowledge and persistence in trying to achieve these worthy goals than has the senior Senator from Oregon. I am happy to voice this commendation. I limit my remarks now only because of his desire to proceed with the bill. I could otherwise make a long speech, dealing with the outstanding record of devoted service in the field of education which the distinguished Senator from Oregon has made.

Mr. MORSE. Mr. President, the Senator from Alaska has been one of my teachers for many years. He was one of my teachers when he was one of the great journalists of America. He was one of my teachers in the meaning of constitutional liberalism. He was one of my teachers in his writings, time and time again, in which he pointed out to the American people that one of the primary purposes of our form of self-government is to promote the general welfare, not of a few people, but of all of them.

All he and I are seeking to do now, as we join forces—I as a student, and he as a teacher—is to fight for the enactment of legislation so essential to promotion of the general welfare of all the people, for unless we do a better job than we have been doing in connection with the schools of America, this country will go downhill. Its greatest asset—and also its greatest defense weapon—is the brain potential of the people of the country. Unless we keep that potential fully developed we are bound to weaken the security of our country, and we are also bound to weaken what I have been heard to say is one of the great defense weapons of our country, one which is more important than missiles, more important than tanks, and more important than nuclear bombs—the economy.

The Senator from Alaska, the Senator from Connecticut, the Senator from Kansas, and other Senators who join me in the fight for the passage of this education legislation, are seeking to have the Senate do this in order to strengthen the security of America and also to carry out the great teaching of the Senator from Alaska, who in his many writings and speeches has emphasized the importance of our keeping faith with the primary objective of our system of self-government; namely, always to do the things which must be done in order to promote the general welfare of all the people. So I appreciate very much the remarks of the Senator from Alaska, and I thank him.

Mr. President, for transitional purposes, I suggest the absence of a quorum.

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

Mr. MORSE. I yield.

The PRESIDING OFFICER. Does the Senator from Oregon withhold his suggestion of the absence of a quorum?

Mr. MORSE. I am perfectly willing not to have a quorum call at all, if the Senate is ready to proceed with consideration of the education bill.

I yield the floor.

Mr. PROUTY obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield to me with the understanding that he will not lose his right to the floor?

Mr. PROUTY. I yield.

The PRESIDING OFFICER. Without objection, the Senator From Vermont yields to the Senator from Montana with the understanding that he will not lose his right to the floor.

Mr. MANSFIELD. I have two purposes in mind. First, I wish to suggest the absence of a quorum for a brief quorum call; and, second, in conjunction with the distinguished minority leader, I wish to propound a unanimous-consent request.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

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

Mr. MANSFIELD. Mr. President, it is the understanding of the leadership that an amendment will be offered this afternoon by the distinguished Senator from Arizona [Mr. GOLDWATER]. It is our further understanding that tomorrow an amendment will be offered by the distinguished Senator from New York [Mr. JAVITS], and perhaps an amendment will be offered by the distinguished Senator from Pennsylvania [Mr. CLARK]. Other amendments may be offered.

As of now, to the best of our knowledge, it appears that, in addition to some excellent speeches prepared by members of the committee and other Senators, only one amendment will be offered this afternoon; so, exclusive of that proposal, I ask unanimous consent that beginning with the convening of the Senate at 12 o'clock noon tomorrow 30 minutes be allocated for each amendment, including an amendment to be offered by the Senator from New York, and that there be 1 hour on the bill.

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

Mr. MANSFIELD. I yield.

Mr. CLARK. I do not know whether I shall offer as a substitute the President's program, as encompassed in S. 580. It is a very comprehensive measure. If I do offer that, I should like to have an hour on that amendment, which would allow only a half hour for each side. Since it would be a comprehensive amendment, I do not think we could do justice to it in 15 minutes.

Mr. MANSFIELD. Mr. President, I change my request to 1 hour on each amendment and 1 hour on the bill.

The PRESIDING OFFICER. With the regular provisions?

Mr. HOLLAND. Mr. President, may I ask the distinguished majority leader a question?

Mr. MANSFIELD. Yes.

Mr. HOLLAND. Do any of the amendments which the Senator mentioned relate to the extensions in part C of the bill of the two school impact measures?

Mr. MANSFIELD. I would not be surprised if they did. That is the reason why I mentioned the Javits amendment by name. We have no information except that he intends to offer an amendment. I assume it would be the usual amendment. I think the best way to handle a matter of this sort is to face it. I see present in the Chamber the Senator from New York [Mr. KEATING]. Perhaps he can answer the question.

Mr. KEATING. Mr. President, I did not hear the question.

Mr. HOLLAND. My question was whether or not either of the amendments mentioned by the Senator related to part C, which, as I understand, is the part of the bill that relates to federally impacted areas.

Mr. KEATING. Yes.

Mr. MANSFIELD. The Goldwater amendment does not.

Mr. KEATING. The Javits amendment does relate to that section, as I understand.

Mr. HOLLAND. Has the amendment been prepared?

Mr. KEATING. So far as I know, it has not. I am sure the Senator would have no objection to a time limit, so far as that amendment is concerned.

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

Mr. MANSFIELD. I yield.

Mr. CLARK. In view of the comment of the Senator from Florida, I intend to offer an amendment on the impacted areas provision, but it would be to reduce the time from 3 years to 1. It would have nothing to do with the civil rights issue. Therefore, I am prepared to consent to the half-hour time limitation which the Senator requested.

Mr. HOLLAND. Mr. President, again reserving the right to object—and I shall not object—I have no disinclination to follow the course suggested by the Senator from Pennsylvania as to the time limit. I wondered what the suggestion of the Senator from New York was on that point.

Mr. KEATING. I believe my colleague [Mr. JAVITS] would have no objection to a limitation of time. He asked me to try to be sure that it did not come up this evening. I am quite sure he would agree to any reasonable limitation of time.

Mr. HOLLAND. I have no objection, subject to the understanding that has been reached.

The PRESIDING OFFICER. Does the Senator from Montana want the usual provisions in the unanimous-consent agreement?

Mr. MANSFIELD. Yes; except for the Javits amendment.

The PRESIDING OFFICER. Without objection, the unanimous-consent agreement is entered.

The unanimous-consent agreement, as later reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Tuesday, October 8, 1963, upon the convening of the Senate, during the further consideration of the bill (H.R. 4955) to strengthen and improve the quality of vocational education and to expand the vocational education opportunities in the Nation, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received, except the amendment by the Senator from New York (Mr. JAVITS) which shall be in order.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. PROUTY. Mr. President, first I wish to commend the distinguished chairman of the Subcommittee on Education for the courtesies which he has extended to members of the minority on that subcommittee. He has never been one to try to rush legislation through the subcommittee merely because he has the votes. He has at all times been helpful and cooperative, and I am most appreciative for his efforts and attitude toward the minority members of the committee.

Mr. President, unless Congress can reverse present trends, some 30 to 40 percent of the children now in the fifth grade will probably not be graduated from high school.

They will have to go out in the world and look for work without a high school diploma.

Mr. President, do you know what this means in terms of their future welfare?

It means higher unemployment. It means higher welfare costs. It means a great waste of youth and opportunity.

One of every 10 workers who fail to finish grammar school is unemployed today, as compared to 1 out of 50 college graduates.

A survey taken this spring showed persons of 18 years and older who had not finished high school made up 46 percent of the total labor force; yet such persons constituted 64 percent of the unemployed.

There is no wiser investment than education and no loss greater than the loss of youthful opportunity.

We must give our youngsters a chance to acquire at least the fundamentals of some skill or trade.

I am not talking simply about the 30 to 40 percent who will not complete high school. I am talking about the others as well. About half of the 60 percent who finish school very much need vocational

education. They must go to work, or keep house, or both, when they graduate.

In short, less than 20 percent of the Nation's fifth graders will enter college. The other 80 percent must find their place in the businesses, on the farms, or in the factories of America. They must have the schooling to help them commence their working life.

It has been said that the loss of 1 year's income due to unemployment is more than the cost of 12 years of education through high school; and if this cost is added to public welfare and other social costs, it is clear that if we fail to act now, we will pay the consequences later.

Our manpower requirements are changing daily, and employers ask one key question: "How much education have you had?"

The boy or girl who leaves school has been referred to in the past as a "dropout." Soon he or she will be termed a "left-out," because the face of America is changing.

Jobs filled by high school graduates rose 30 percent in the past decade, while jobs for those without secondary education decreased 25 percent.

The bill before us will help the States to maintain, extend, and update their programs of vocational education. The bill encourages the use of additional funds for the construction of area vocational schools.

In the form that it passed the House, Vermont would have received no help in setting up its area vocational institutions. This is true because the House defined an area school as one which is principally used for the provision of vocational education.

Vermont plans to make use of its regular high schools and set up area programs within these high schools.

At my request, the committee redefined the term "area vocational education school." Now the term includes as well a 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. This change will be of great benefit to Vermont and other smaller States that wish to utilize existing facilities in setting up their area vocational programs.

Another significant alteration made in the House-passed bill affects the allotment formula.

The House formula is based solely on population, and does not take into account State per capita income. I suggested to the Senate Labor Committee that the formula be amended to include the ability-to-pay factor, and the committee accepted the idea.

I support the vocational education provisions of the committee-reported bill because I believe they will reduce the incidence of school dropouts, increase youth employment by assisting young men and women to develop marketable job skills, and consequently place within their reach the fruits of a dynamic society.

I support as well the extension of all titles of the National Defense Education Act of 1958. The National Defense Education Act student loan program is helping hundreds of bright Vermonters from low- and moderate-income families obtain their college education.

The bill not only extends the loan title but increases the present $90 million authorization to $125 million for this fiscal year, thus adding an additional $35 million for student loans. Vermont colleges welcome this change because some have only 60 percent of the loan money they need to aid worthy students.

The Senate committee adopted an amendment which raises the maximum amount of loan funds a college or university can receive. Under present law no college may receive in excess of $250,000 in loan money in a given year. The University of Vermont actually requested nearly $279,000.

There was some discussion in committee of eliminating altogether the institutional loan ceiling but I asked that it be raised to not more than $800,000 and the committee acceded to my request.

We do not want the large colleges and universities to swallow up all the student loan funds and thereby deprive the smaller schools of a chance to help needy undergraduates.

The National Defense Education Act is one of the finest statutes ever passed by Congress and I am delighted that the committee has voted to extend it for a 3-year period. Without this program Vermont and other States would be lacking science, mathematics, and modern foreign language equipment. Under the program we have made great strides in these fields.

The guidance counseling and testing programs authorized by the National Defense Education Act are of increasing significance as we strive to alleviate the school dropout problem. These are now limited to secondary schools and do not apply to the seventh and eighth grades.

The bill would extend the testing program to these grades and the local schools will be able to spot sooner the potential dropout who can be assisted.

Under existing law there is a minimum allotment to each State of $20,000. This minimum would be raised by the committee bill to $50,000, to allow a more adequate basic program in States, such as Vermont, that have a small population. On the whole, the bill is good for Vermont and good for the country and I urge its adoption.

In closing may I say that when the manpower development and training bills were before the Senate I urged that their consideration be deferred until such time as the legislation for institutional vocational education had been reported.

It was my thought that if all the programs were seen, discussed, and acted upon together, we would be able to eliminate overlapping and duplicating functions. Under such an operation we could have reconciled what appear to be conflicting objectives.

A problem in point is the fact that under the manpower bills we pay youngsters up to $20 a week if they drop out of school and seek vocational training. Under the pending legislation we give youngsters an opportunity to earn up to $45 a month, and in exceptional cases $60, so that they will stay in school. We want to make certain that we are not acting at cross-purposes.

Since the manpower bills have already passed the Senate it is, of course, not possible to revise them at this moment so that they will be in conformance with the pending legislation. I do believe, however, that the money allocations in the manpower bills are out of line and in some cases provide authorization which far exceeds the amounts that can be effectively utilized.

Fortunately, there will be two further opportunities to help make certain that the manpower program and institutional vocational education are working in tandem. There will be Senate-House conferences on both programs and later the Appropriation Committees of the Congress will place them under scrutiny.

I expect to be a conferee with respect to both measures and I will certainly do what I can to straighten out a situation that could have been avoided had all vocational education measures been considered together.

The PRESIDING OFFICER. The committee amendment is open to amendment.

Mr. CLARK. Mr. President, Senators will note that attached to the committee report on the pending bill is a short statement of individual views signed by the junior Senator from Rhode Island [Mr. PELL] and myself.

We joined with the committee in reporting the bill, but we believe that the committee should, instead, have reported the complete text of the President's omnibus education bill, S. 580, as expanded in accordance with subsequent administration requests and augmented by the inclusion of part C of the committee's bill, relating to aid to federally impacted areas.

Speaking for myself only, and not for the Senator from Rhode Island, I deplore the provision in the committee bill which would extend the impacted area provisions of the present law by 3 years.

One of the real inequities in our present Federal aid to education legislation, in my opinion, is the impacted area situation. Two years ago some of us in the Senate tried to go along with the President in eliminating impacted area legislation and calling for a study, to determine what kind of legislation, if any, was needed to give Federal assistance to school districts which were seriously suffering because of an additional impact on their schools of children of Federal employees. That effort failed, and a 2-year extension was passed.

The President again, in his education message this year, tried to phase out the impacted area legislation, but this effort was rejected by the commitee, and a 3-year extension was written into the bill which the committee has reported to the Senate.

My objection to impacted area legislation is that it is wholly inequitable, in that it rewards inadequately school districts which should have more help, and rewards overgenerously school districts which do not need and should not get

any help. It has become pretty close to a public scandal because of its inequity.

I would have been willing to extend the impacted area provision of the bill for another year, if it were coupled with a provision for a prompt study, which would be reported to Congress next year, as to what kind of impacted area legislation, if any, should be passed. We made no serious effort in committee to find out. It has been thought—and I tell no secrets out of school—that if we sweetened the pending bill with a 3-year continuation of the present impacted areas legislation, this would gain some votes for the bill which might not otherwise be forthcoming.

I would have preferred to meet the problem head on, and tomorrow I may offer an amendment to reduce that portion of the bill which deals with impacted areas, to provide for a 1-year extension, instead of a 3-year extension, and to couple it with the kind of study which, in my opinion, would be desirable.

Returning to the individual views filed by the Senator from Rhode Island and myself—and I emphasize again that what I have said about impacted areas is my own view and not that of the Senator from Rhode Island—we note with great reluctance that we find ourselves obliged to differ with our colleagues on the committee, and we wish to make it plain that the three parts included in the present bill, dealing with vocational education, amendment of the National Defense Education Act, and aid to federally impacted areas, with the qualification I have noted, have our warm support. We feel that the other portions of the omnibus bill submitted by the President are no less deserving of consideration by the Senate, and we regret their omission from the present bill.

I have had in mind proposing, as an amendment in the nature of a substitute to the bill, the provisions of S. 580, the President's program. As I speak, I do not know whether, tomorrow, I shall do this or not. If to do so would result in a vote on the merits, to determine how many Senators prefer what the President sent to Congress to the present version, I would do so. I am fearful that it would be found, first, that the administration itself has already pulled the rug out from under its own recommendations earlier this year and would be advising Senators that it does not really desire the President's bill because the administration has concluded it is politically unfeasible. I have no doubt, because they have told me so, that Senators in charge of the bill would say, with deep regret, that while they personally might favor this approach, yet we must legislate on the floor of the Senate under the shadow of the House Rules Committee, under the views of the Members of the House who do not want the President's program, and that if we were to pass the President's program, the House Rules Committee might refuse to grant a rule to go to conference. Therefore, they will urge Senators, reluctantly to be sure, to support those in charge of the bill and the committee, and vote against such a motion. The end result might well be to discourage the President's program, because of the small vote which would be brought forward in support of it; and that is the last thing in the world that I would want to do. Therefore, it may well be that tomorrow I shall propose no such amendment, and that no other Senator will, either.

Again, I stress that what I have just said represents my own views as to motivation, and not the views of the Senator from Rhode Island [Mr. PELL], except so far as we aim at the same result.

Returning to our joint views, we noted that our national educational needs have passed now into the crisis stage where piecemeal legislation is no longer sufficient. The onrush of automation and what has come to be known as cybernetics—which might be defined as the marriage of the computer to the assembly line—is placing grave stress on our existing educational resources. We feel strongly that we must contemplate further rapid expansion of the need for highly skilled workers to man the increasingly sophisticated machinery upon which our very survival as a nation depends.

Both the Senator from Rhode Island and I are members of the Subcommittee on Employment and Manpower of the Committee on Labor and Public Welfare, the committee which reported the bill now before the Senate. We have been taking detailed, specific testimony ever since early in May on the question of the overlapping implications of our educational system with respect to the quite serious and continuing unemployment from which a substantial percentage of our labor force is suffering. One of the witnesses before the Subcommittee on Manpower and Employment said:

> Human history has been described as a race between education and catastrophe. In the past dozen years, education has been falling behind in that race.

We believe this statement to be true. We believe also that unless a broad program of aid to education is enacted, adequate to our needs, catastrophe will be the winner.

Mr. President, we are not about to enact such a broad program. We are dealing with the problem piecemeal. We have departed from the principle advocated by the President when he sent his omnibus education bill to Congress on January 29, almost 9 months ago. In that message, he said:

> From every point of view, education is of paramount concern to the national interest as well as to each individual. Today we need a new standard of excellence in education, matched by the fullest possible access to educational opportunities, enabling each citizen to develop his talents to the maximum extent possible.

As evidence of how terrifying the grave educational crisis has become, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Automation Called Major Cause In Loss of 40,000 Jobs a Week," written under byline of John D. Pomfret and published in the New York Times of October 4, 1963.

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

AUTOMATION CALLED MAJOR CAUSE IN LOSS OF 40,000 JOBS A WEEK

(By John D. Pomfret)

WASHINGTON, October 3.—A manufacturer of automation equipment told Congress today that automation was a major factor in eliminating more than 40,000 jobs a week.

John I. Snyder, Jr., chairman and president of U.S. Industries, Inc., said the contention that automation would not eliminate many jobs was "the most seductive of [the] myths" about automation.

"Too many people are willing to accept too many myths about what is going on around us in our factories and offices," Mr. Snyder told a Senate Labor Subcommittee. "Too few people accept the very truthful facts which are being turned up by real experience and intelligent study."

Mr. Snyder directly disputed a Labor Department estimate given to the subcommittee last Thursday. That estimate said rising productivity, in which automation and other technological advances played a major part, was eliminating a minimum of nearly 200,000 factory jobs each year.

"Personally, I think this is a gross underestimate of the real situation and that automation is a major factor in eliminating jobs in the United States at the rate of more than 40,000 a week," Mr. Snyder said.

"We must also keep in mind that automation is not only displacing people directly, but also indirectly through what are called 'silent firings' in reference to workers who would have been hired for jobs eliminated by automation," he went on.

The industrialist declared that equipment was being developed that works miracles. However, he continued, "as is too often the case in this age of the widening gap between scientific progress and man's ability to cope with it, we have failed to keep pace."

SEES PUBLIC TRANQUILIZED

Mr. Snyder attributed much of the failure to wide acceptance of myths about automation. This acceptance, he said, has had "a deep tranquilizing effect on many of those who otherwise might make effective contributions toward solutions to the human problems created by automation."

Mr. Snyder said another myth was that automation would create jobs for workers, not only in running the machines but also in maintaining and building them.

"The hard truth," he said, "is that modern automated equipment requires very little maintenance. If it did not, it would not pay to operate it; and if the equivalent number of workers replaced by automation were required to build the machines and systems, there would be no point in automating."

Mr. Snyder continued:

"A third myth that needs to be laid to rest is the belief that those who lose their jobs to automation can be retrained and put into other jobs requiring higher skills and paying more money. As studies have shown, automation is more likely to reduce rather than increase the demands for skills and aptitudes and, besides, many workers are just not retrainable, due to their levels of intelligence, education, and age."

CALLS RELOCATION UNLIKELY

Mr. Snyder said another myth was the contention that workers replaced by automation could find jobs in other areas of the country.

"The truth is that the workers thrown out of jobs are usually just those who are least able to move," he said. "They are the lower paid, the older, the unskilled. Either they cannot afford to move from an economic

standpoint or they are psychologically incapable of beginning a new life in a strange area."

"In the coming months and years, if we are to survive as a nation, we will need new sociological and economic ideas to solve the problems we face in this area," he said.

Mr. Snyder described the work of the American Foundation on Automation and Employment, which was established by his company and the International Association of Machinists to study the impact of automation. A foundation study on the shorter workweek to be issued soon will indicate that a reduction in working hours is necessary, Mr. Snyder said.

Mr. CLARK. Mr. President, the article refers to testimony given before the Subcommittee on Manpower and Employment by John I. Snyder, Jr., president of U.S. Industries, Inc. U.S. Industries, Inc., is a manufacturer of automation equipment. Mr. Snyder referred to the myths that people are ready to accept about what is going on around us in our factories and offices. He said:

Too few people accept the very few truthful facts which are being turned up by real experience and intelligent study.

He went on to say that the estimates of a number of individuals who are losing their jobs because of automation and the advance of computors into the assembly lines are, in his opinion, substantially understated. He felt that the loss of jobs was running at the rate of about 40,000 a week. The result is that jobs are no longer available to those who do not have a high educational level, and that jobs are practically unavailable for what used to be called that part of the labor force which is characterized by a strong back and a weak mind.

Two other New York Times articles are, I believe, pertinent to the argument I am now making. They have to do with the defects in NASA contracts pointed out just the other day by the National Aeronautics and Space Administration and by the General Accounting Office.

NASA, delivering its epilog for Project Mercury, gave a detailed indictment of poor workmanship provided by American industries for the Nation's first step in manned space flight. The General Accounting Office said that "bungled management in the National Aeronautics and Space Administration and in private industry had cost the taxpayers more than $100 million."

In both articles, the point is made that workmen on the projects do not have the necessary technical skill to complete them, in many instances, without the defects which resulted not only in serious failures of the end product, but also in running up a substantial expense to the Government.

I ask unanimous consent that the two articles may be printed at this point in the RECORD.

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

PROJECT MERCURY DEFECTS LAID TO PRIVATE INDUSTRY—CONTRACTORS CITED FOR AN AVERAGE OF 10 FAILURES ON EACH SPACE TRIP

(By John W. Finney)

HOUSTON, October 3.—The National Aeronautics and Space Administration delivered today its epilog for Project Mercury. Mingled through the customary praise was a detailed indictment of poor workmanship provided by American industry for the Nation's first step in manned space flight.

Project Mercury contractors, NASA said, delivered spare parts that were 50 percent defective, capsules with more than 500 defects, batteries with holes in them, electronic parts improperly soldered, valves improperly installed, gas-pressure regulators that were not clean, and breathing oxygen and water for the astronauts that was contaminated.

On each of the 6 manned space flights in the Mercury capsule, it was reported, there was an average of 10 malfunctions or failures in components of the spacecraft.

The only reason that equipment breakdowns did not result in potentially fatal failures, NASA declared, was because of backup systems and the effectiveness that astronauts exhibited in taking over when the automatic equipment broke down.

A 440-PAGE SUMMARY

The remarkably harsh indictment of American industry ran through a 440-page book summarizing the results of Project Mercury that were climaxed in the 22-orbit, 34-hour flight by Maj. L. Gordon Cooper, Jr., last May.

The book, similar to reports issued after each earlier space flight, was made public at a 2-day "Report to the Nation" conference on Project Mercury that opened here today.

The book did not specify company names. Engaged in Project Mercury were 11 prime contractors, 75 major subcontractors and about 7,200 vendors.

The report was unusual in its candor and criticism. It disclosed details that until now had kept secret.

As long as the project was continuing, space agency officials tended to dismiss delays as inevitable, to describe failures as successes in an experimental program and to minimize reports that the project was bedeviled by defective parts. The emphasis was always upon the progress being made by the "NASA-industry team."

Now that the $384 million project is over, the space agency has apparently decided to talk candidly about some of the problems encountered, particularly with the industrial contractors. It did so in terms remarkably similar to those used by Vice Adm. Hyman G. Rickover in his criticism of the "lack of excellence" shown by American industry in the nuclear submarine program.

A 22-MONTH SLIPPAGE

The report disclosed that a schedule developed early in 1959, shortly after the project was initiated, called for the first manned orbital flight to be made as early as April 1960. This would have permitted the United States to beat the Soviet Union to the achievement of the first manned orbital flight—the three-orbit flight of Lt. Col. John H. Glenn, Jr., did not occur until February 1962, after flights by two Soviet astronauts.

The 22-month "slippage," NASA said, reflected to a large extent the lack of experience and appreciation of the magnitude of technological problems to be solved when the original schedule was drafted.

* * * * *

Mr. Williams said there were problems repeatedly with "mismated or misconnected parts" that ruined components or gave false indications of trouble.

There was "continual difficulty," he declared, with "contamination that ruined metering orifices, check valves, pressure regulators, release valves, reducers, compressors, and other mechanical equipment as well as electrical and electronic equipment."

A LESSON LEARNED

One of the most important lessons to come out of Project Mercury, he continued, is that "certain standards that have been used for years in the aircraft industry must be revised and tightened to make them satisfactory for applications for aerospace equipment."

In support of this general indictment, the report presented the following citations of poor workmanship and defective parts:

During an early unmanned flight, motion pictures showed the interior of the capsule cluttered with washers, wirecuttings, bolts and alligator clips.

Thousands of man-hours were expended in testing assembly and installation of hardware "that later failed to meet performance specification."

During 1962 and 1963 about 50 percent of the spare components for the capsule had to be rejected after testing.

In the inspection of the escape-tower wiring for the primary and backup spacecrafts for the flight of Colonel Glenn, it was discovered that the electrical connectors had improperly soldered joints.

On the backup spacecraft for Major Cooper, a total of 720 system or component "discrepancies" were recorded, 526 of which were "directly attributed to a lack of satisfactory quality of workmanship."

In preparation for the flight of Comdr. Walter M. Schirra, Jr., 14 storage batteries were rejected because of leakage.

On the Schirra spacecraft, a valve in the altitude-control system was discovered to have been installed out of alinement.

On the Cooper flight, the umbilical cords holding the retrorocket package to the capsule failed to separate because the explosive squibs "were not loaded with the appropriate charge."

The cooling system on the Schirra capsule was "partially blocked by solidified lubricant," with the result that the astronaut had considerable difficulty achieving the proper temperature in his pressure suit.

On the Cooper flight, a condensate system designed to accumulate moisture and perspiration became clogged with metal shavings from a pump shaft.

COMPANIES ALSO ACCUSED WITH NASA OF WASTE IN LUNAR PROGRAM

WASHINGTON, October 3.—The General Accounting Office says bungled management in the National Aeronautic and Space Administration and in private industry has cost the taxpayers more than $100 million.

The hitherto secret report to Congress, dated March 29, was made public today. It says that as a result of mismanagement, the lunar exploration program has been delayed 2 years and an entire project involving a communications satellite has had to be redirected at a loss of $76 million.

The investigation was undertaken as a direct result of findings by the House Committee on Science and Astronautics, headed by Representative GEORGE P. MILLER, Democrat, of California, in June 1962.

Comptroller General Joseph Campbell reported:

"The findings are consistent with the conclusion reached by * * * [the] subcommittee on space sciences * * * that Government and contractor management of the Centaur program was less than adequate."

On May 8, 1962, the first flight test of the Atlas missile, using the hydrogen-oxygen fueled Centaur as a second stage, blew up 54 seconds after launching.

The failure was directly attributable to technical faults in the Centaur, the General Accounting Office said. These, it said, should have been known to the contractor, the Astronautics Division of the General Dynamics Corporation as early as 1960.

VARIED USES PLANNED

The Centaur was to be used as an upper-stage in the lunar exploration program, in the placing of the Advent communications

satellite in a fixed position orbit, in the exploration of the space between Venus and Mars and in other space exploration missions.

As of October 31, 1962, about $274.5 million had been spent on Centaur out of a total development cost estimated at $537 million. All of the expenditure, however, will not be lost since the program is continuing, the office noted.

It also noted the loss of $1.2 million to the Government through the explosions on the engine test stands at the Pratt & Whitney Aircraft Division's Florida installation.

These explosions, the office said, could have been prevented by the installation of automatic shutdown equipment in wide use in industry.

Plans for the Centaur now call for its use with the Atlas booster, and, ultimately, with the moon-exploring Saturn.

"Although the Air Force contracts with the Rocketdyne Division of North American Aviation, Inc., to provide field service support to all users of the Atlas," the report found, "NASA contracted with General Dynamics for estimated costs of $110,000 and a fee of $7,150 to provide such services for Atlas Centaur through a subcontract with Rocketdyne."

"In our opinion," it said, "the services should be provided under the existing Air Force contract."

As of October 31, 1962, NASA estimated it would require an additional $262.6 million to carry the Centaur program through to its planned completion in 1967.

PROGRAM COSTS RISE

Beyond this, the over-all costs of the Centaur-Saturn program were increased by $15 million after a program for development of an engine known as the 17.5K was canceled.

Up to this point all the Saturn boosters to be built by the Boeing Aircraft Co., had been designed around the Centaur upperstage 17.5K engine.

Additionally, another change in plans—to make some Centaur tests at NASA's Tullahoma, Tenn., facility—were canceled at a cost to the Government of $1.1 million.

In connection with the redirection of the Advent satellite program, the General Accounting Office said the Department of Defense was using one set of figures as a payload capacity and General Dynamics another.

"We found no evidence of official communication showing that NASA cautioned the Department of Defense as to errors in the Atlas-Centaur payload computations," its report declared. "In fact, in a letter to the Department dated August 3, 1961, NASA affirmed the payload as 618 pounds, as computed by General Dynamics."

"NASA stated also in that letter," it continued, "that an agreement had been reached for a Centaur improvement program whereby a reasonable probability would exist for a 1,110-pound payload."

Ultimately the payload capability was reduced to 513 pounds and, the office said, "the reduction in basic payload was attributed primarily to computational errors made by General Dynamics-Astronautics."

CONCERNS DECLINE COMMENT

A spokesman for the General Dynamics Corp. declined to comment here yesterday on the General Accounting Office's criticisms of the Centaur program. The spokesman explained that the responsible officers in the company had not yet seen the report.

A spokesman for the Pratt & Whitney Aircraft Division of the United Aircraft Corp. in East Hartford, Conn., also declined comment. He said the company was not prepared to say whether automatic shutdown equipment would have prevented the explosions at the engine test stand in Florida.

Mr. CLARK. Mr. President, I return to the need for a far more comprehensive Federal aid to education bill than the Senate is considering today. I have mentioned the piecemeal approach which a majority of the committee felt it necessary to take. This piecemeal approach suggests to me an underestimate of the critical role of education in our society and of the impending crisis in the educational system. Education has many goals and responsibilities, all of which are vital to a free society. But my comments today are confined to only one—the development of human resources through the educational system.

Repeatedly during the past spring and summer, and into the fall, witnesses at our hearings on the Nation's manpower situation have turned our attention to the educational system as the most important single longrun solution of the problem of unemployment in the United States. Secretary of Labor Wirtz gave the initial testimony in this regard at our hearings in May. He pointed out the correlation between education and employment. He testified that the unemployment rate among adult males in the age group between 25 and 54 having less than an eighth grade education is 9 percent, while among those who went on to high school but did not finish, the unemployment rate is nearly 7 percent. The rate for high school graduates is well below 4 percent. For those having some college education, the unemployment rate is practically nonexistent, as a practical matter. It is only 2 percent. This is less than the frictional unemployment one always finds in any area where individuals seek employment opportunities, or, after leaving their old jobs are looking for new ones. Those with college education find even a briefer period of unemployment necessary after graduation or in changing jobs.

Mr. President, I ask unanimous consent to have printed in the RECORD two tables submitted by Secretary Wirtz at the subcommittee hearings.

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

TABLE 7.—*Unemployment rates for males 18 years old and over, by years of school completed, October 1952 and March 1957, 1959, and 1962*

[Percent of civilian labor force]

Years of school completed	October 1952	March 1957	March 1959	March 1962
Total males, 18 years and over	1.5	4.1	6.3	6.0
Elementary:				
Less than 5 years [1]	2.1	8.0	9.9	10.4
5 to 7 years	2.4	6.2	9.7	8.5
8 years	1.4	4.4	7.3	7.5
High school:				
1 to 3 years	1.6	4.7	8.1	7.8
4 years	1.1	3.0	4.9	4.8
College:				
1 to 3 years	1.1	2.7	3.3	4.0
4 years or more	.4	.6	1.4	1.4

[1] Includes males reporting no school years completed.

Source: Bureau of the Census, "Current Population Reports," series P-50, No. 49 (1952) and 78 (1957); Bureau of Labor Statistics, "Special Labor Force Report," No. 1 (1959) and 30 (1962).

TABLE 8.—*Percent distribution of employed persons 18 years old and over by years of school completed, October 1952 and March 1962*

Major occupation group	Years of school completed					
	Less than 4 years of high school [1]		4 years of high school		1 year of college or more	
	October 1952	March 1962	October 1952	March 1962	October 1952	March 1962
Total employed, 18 years old and over:						
Number in thousands	33,318	28,920	15,876	20,688	9,716	14,331
Percent	100.0	100.0	100.0	100.0	100.0	100.0
White-collar occupations	18.7	22.2	53.1	53.8	80.8	83.2
Professional, technical, and kindred	1.1	2.0	5.2	6.7	40.8	43.1
Managers, proprietors, and kindred	8.0	8.7	13.0	12.4	15.7	17.2
Clerical and sales workers	9.6	11.5	34.8	34.8	24.3	22.9
All other occupations	81.3	77.8	46.9	46.2	19.2	16.8
Craftsmen, foremen, and kindred	17.4	16.2	15.2	13.7	6.5	5.0
Operatives and kindred	27.2	26.3	16.0	14.8	4.6	4.0
Service workers, including private household	13.4	17.5	7.3	10.4	3.8	5.2
Laborers, except farm and mine	8.1	7.6	2.8	3.0	.9	.9
Farmers and farm foremen and laborers	15.3	10.2	5.7	4.2	3.3	1.9

[1] Includes persons reporting no school years completed.

NOTE.—Because of rounding, these percentages may not add to 100.

Source: Bureau of the Census, "Current Population Reports," series P-50, No. 49 (for 1952); Bureau of Labor Statistics, "Educational Attainment of Workers, March 1962," unpublished tabulations (for 1962).

Mr. CLARK. Mr. President, Secretary Wirtz suggested the economy of expenditures on education from an income standpoint, by pointing out that the average high school graduate receives a lifetime income of about $100,000 more than the man with less than an eighth-grade education, while the difference in

lifetime income between a high school graduate and a college graduate is close to $140,000.

During July and August the subcommittee recessed its exploratory hearings, to consider important proposed legislation referred by the leadership and committee chairman to the subcommittee. Again, witness after witness reiterated the role of education as a longrun solution to each of these social and economic problems. Hearings concerning the functioning of the manpower development and training program revealed that public employment officers were screening eight unemployed persons for every one they were able to place in training. It was necessary to screen 500 women in order to get 30 with the necessary basic educational background to undertake training as practical nurses. Two hundred and eighty-seven persons were screened in order to find 20 who could profit from training as a hotel and restaurant cook. Even programs for training service station attendants met the obstacles of the functional illiterate who cannot read sufficiently to be able to handle credit cards. Training programs for domestic servants and building maintenance workers turned up large numbers who could not read sufficiently to differentiate between a box of rat poison and a box of detergent. It was as a result of these revelations that the subcommittee recommended, and the Senate passed, amendments expanding the Manpower Development and Training Act to allow basic training in reading and writing skills as a prerequisite for the skill training provided under the original act.

As the subcommittee moved into the area of equal employment opportunity, it became apparent that deprived educational backgrounds were almost as important a problem to the minority group worker as was racial discrimination.

For example, in 1961, one of every five adult nonwhites had less than 5 years of education—a rate of functional illiteracy five times higher than that for adult white workers. Certainly it is more than an accident that the first milestone of the accelerating racial unrest of the past few years was a Supreme Court decision in the area of education. Again, as the subcommittee held hearings concerning the increasingly serious problems of juvenile delinquency, we were confronted with the fact that juvenile delinquency, while not unknown among the better educated, is overwhelmingly concentrated among youth of low educational opportunities and attainments.

Mr. GRUENING. Mr. President, will the Senator from Pennsylvania yield for a brief comment?

Mr. CLARK. I am glad to yield.

Mr. GRUENING. I believe the Senator is rendering a great service in calling attention to the economic aspects and the economic benefits of education in this field. Most people think of education as something highly desirable, but with a distinctly abstract connotation. Here you are stressing the practical aspects of the program which will bear fruit in employment. Here is a program to make it possible to secure employment for the unemployed which is not available for those who are not adequately trained. Also it will help in stopping crime and juvenile delinquency. I believe the Senator is making a valuable contribution by emphasizing that point. I hope his wisdom in connection with this matter will be translated into further action.

Mr. CLARK. I thank the Senator from Alaska for his kind comments. I can only point out that if the Senator from Alaska has been privileged to hear, day after day after day, the testimony about the causes of our massive employment and about what Congress and the Nation should do to remedy it, I am sure he would feel even more strongly than he does at present about the interlocking or the overlapping needs for education in order to avoid unemployment.

A better educational system would not solve all of our unemployment difficulties; but it would have a much stronger impact on them than anything else we could do. This is why I deplore the jealousies between the House and the Senate, the attitude of the House Rules Committee, and the point of view of many Senators on the racial and religious issues. Furthermore, the failure of the administration to fight for the passage of its own bill is resulting in our dealing in this piece-meal manner with the existing educational problems. I do not say that, on balance, these bills are bad. They are not; they are good bills. The point is that they deal with only a segment of a much wider situation which is screaming for action.

I repeat that in many ways we are engaged in a race between education and catastrophe; at present catastrophe is winning, because there is no sense of urgency in the White House, in the Senate, in the House, or, I regret to say, among the American people. We come out with fine words; we receive wonderful messages; we make splendid speeches; and we hear excellent testimony. But—to use an analogy which I have used before on the floor of the Senate—then, like Ferdinand the bull, we sit down under a tree, smell the beautiful flowers, and let the rest of the world go by.

The purpose of my remarks today is to arouse people to the seriousness of this crisis. For that reason, I am deeply grateful to the Senator from Alaska for his interjection.

Mr. President, as a result of the testimony the subcommittee heard, it voted to broaden the Juvenile Delinquency Act. I am glad to be able to say that the position it took with respect to that act received such favorable response in the Senate that the bill was passed during consideration of the Consent Calendar, and I hazard the guess that many Senators do not even know that it was passed.

As a result of the testimony we heard, we have reported favorably to the full Committee on Labor and Public Welfare a very comprehensive fair employment practices bill. The chairman of that committee, the distinguished senior Senator from Alabama [Mr. HILL], has been asked to schedule an executive session of the Labor and Public Welfare Committee so that the views of the members of that committee, if any there be, which do not coincide with the views of the members of the subcommittee, can be adequately ironed out and discussed in executive session before the omnibus civil rights bill comes here from the House.

The social consequences of these educational deficiencies are of primary concern; but it would be impracticable—as the Senator from Alaska [Mr. GRUENING] has suggested—not to look at the economic consequences. On the other end of the occupational scale, despite a level of unemployment which has averaged 5½ percent of the labor force for the past 6 years, the subcommittee was troubled by evidence of growing shortages of the very high talent and highly educated manpower upon which technological development, economic growth, and social progress must be based. Just as one example, I point out that the Department of Labor estimates that in 1970 the supply of engineers will fall 239,000 short of the projected total requirements of 690,000 engineers. According to Secretary of Commerce Luther Hodges, "Shortages of higher talent manpower undoubtedly present impediments to growth and aggravate the balance-of-payments problem."

How far afield we get from the area of primary education and secondary education when we see the almost irrefutable logical implications of our failure adequately to upgrade our educational system.

The question which remains is whether our present educational system can meet these demands. When asked this question by subcommittee members, Mr. Ivan Nestigen, Under Secretary of the Department of Health, Education, and Welfare, answered:

> Evidence is obtainable from many sources which indicates that the resources of higher education in this country are not adequate to produce the high talent manpower needed for increasing our economic growth rate substantially.

Mr. President, I appreciate that the pending bill deals only in a peripheral way with the needs of higher education. It has incorporated in it a certain watered-down version of the President's omnibus bill provisions dealing with National Defense Education Act amendments. There has been reported to the calendar—and I have every reason to believe that it will be taken up promptly—a higher education bill which strikes out everything after the enacting clause of the House bill on higher education and substitutes what I consider to be the very sound proposals in the area of higher education which came from the conference between the House and the Senate, on which committee I had the privilege to serve last year.

I hope that that bill can be taken up and passed after the present bill, which deals primarily with vocational education, with impacted areas, and with certain of the National Defense Education Act amendments, has been disposed of.

Another bill on the Calendar which I hope will receive early and prompt consideration has to do with Federal

assistance for libraries. One of the key areas in which educational assistance from the Federal Government level is badly needed is our library system. We should upgrade, refurbish, and improve the libraries of our country. Senators will recall the old cliche about a gentleman who said that if he wanted to get a really good education, he would like to sit on one end of a log with Mark Hopkins as an instructor at the other end.

I suggest that an almost equally good education could be obtained by one who learns from books. If one does not have a decent library from which books can come to assist him in obtaining his education, he really has two strikes against him.

Considering the returns available, it is difficult to understand our reluctance in this country to invest adequately in education. Economists at the University of Chicago and elsewhere have concluded on the basis of careful investigation that the contribution to economic growth of investment in human capital, leaving aside all individual and social advantages, is greater than the contribution of investment in capital resources.

Mayor Walsh of Syracuse, a Republican, in discussing juvenile delinquency with the subcommittee reported that it was cheaper to maintain one's son for a year at Harvard or any other good Ivy League school than to maintain an uneducated, unskilled, unemployed high school drop-out in a State institution after his idleness had brought him into conflict with the law.

Think of that, Mr. President. It requires more money to keep a juvenile delinquent in a reform school than it does to send him through Harvard, Yale, the University of Oregon, the University of Alaska, or any of our other great educational institutions.

Can this investment be left to State and local resources? Not according to the Secretary of Commerce. He told the subcommittee:

> It will be unsound to leave the development of our manpower resources solely to efforts possible without augmentation of Federal programs.
>
> The President's immediate plans for aid to education are only the beginning steps needed to develop such a program. Our international and domestic responsibilities will not wait for us to bicker and delay in solving our educational problems.

I ask unanimous consent to have printed at this point in the RECORD the entire reply of Under Secretary Nestigen of the Department of Health, Education, and Welfare, when asked the question to which I referred earlier.

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

> Question. Can the present American educational system meet the responsibilities which will be placed upon it by the threatening manpower revolution?
>
> Answer. The threatening manpower revolution places some heavy responsibilities on the present American educational system. Our educational system must provide for advance in knowledge on which the technological changes necessary for longrun economic growth depends. It must provide the highly trained manpower necessary to effect these technological changes and to operate the kind of economy these changes produce. It must provide a flexible work force which can adapt to these changes. It must provide for those who are dislocated by these changes who do not have the occupational flexibility to move to other work. It must provide for the unskilled and undereducated who are plagued with unemployment and/or low wages.
>
> Our educational system has responsibilities for coping with these problems in both the short and long run. It must develop the manpower needed for higher economic output in the immediate future as well as in the longer run future. It must contribute to the efforts to deal with unemployment now, as well as take steps to prevent unnecessary unemployment from arising in the distant future.
>
> At the same time our educational system must not diminish the intensity of its commitments to other goals of our society: the informed, critical, responsible, and compassionate citizenry vital to effective functioning of our democracy; and a nation of individuals who have developed far enough culturally and emotionally to enjoy the life around them.
>
> Part and parcel of these manpower and other responsibilities is the role of education in meeting the awesome challenges of international cooperation and competition.
>
> Is our educational system up to these challenges? To put it bluntly, unless we step up sharply our efforts to assume these responsibilities, we are putting this Nation's—and the world's—future on the block. We are auctioning off the chance of our children for a decent, happy, and prosperous life to the lowest bidder. We will leave them with an overwhelming burden which, for lack of foresight and character, we refused to assume.
>
> There is too much embarrassing evidence around us to say that our educational system is meeting its responsibilities: a large proportion of our youth dropping out of high school before completion, a large proportion of our able youth not entering and/or completing college, 23 million adults who have not completed the eighth grade, to mention only a few of the distressing facts.
>
> Our educational system can meet the responsibilities which will be placed on it by the threatening manpower revolution as well as those placed on it by the aspirations and needs of our society. The question is whether it will.

Mr. CLARK. Mr. President, the uneducated and unskilled worker is not only an underprivileged individual. He is also an underproducer, an underconsumer, and a low taxpayer. He is a debit rather than a credit to the economic system.

Considering on one hand the serious domestic and international challenges facing our Nation and on the other the obligation of education to create a labor force flexible enough to meet every shift in technology or consumption patterns, produce highly trained manpower of great imagination and initiative, develop a citizenry aware of the world's problems and devoted to perpetuation of a free society and finally and more crassly with the demonstrated ability of investment in education to make a greater contribution to economic growth than investment in capital equipment, the reluctance of the Congress of the United States to face up to our educational problems and meet them adequately must remain a mystery.

Mr. President, I close as I began. We are engaged in a race between education and catastrophe. We are losing that race. The proposed legislation, admirable though it is, will make little progress in enabling us to catch up and run even.

I yield the floor.

Mr. PELL. Mr. President——

The PRESIDING OFFICER (Mr. WALTERS in the chair). The Senator from Rhode Island is recognized.

Mr. PELL. I agree with the Senator from Pennsylvania in that I would have preferred the President's omnibus bill. But I am delighted with the bill that has been reported to the Senate, and am very pleased indeed to support wholeheartedly that portion extending for 3 years aid to federally impacted areas.

THE NEW LOOK OF THE IMMIGRATION AND NATURALIZATION SERVICE

Mr. PELL. Mr. President, there appeared in the August 1963 edition of the Honolulu Beacon an article entitled "Uncle Sam Says 'Welcome'" written by Karl Detzer. This very factual and interesting report was written about the impressions that aliens and others receive when they arrive in Honolulu, Idlewild, and other ports of immigration.

I am very pleased to note that Mr. Detzer lavishly praises the new look of our Immigration and Naturalization Service, along with other Government agencies. In fact, much of the credit for the current policies of the Immigration and Naturalization Service, which have won such favor both here and abroad, belongs to Commissioner Raymond F. Farrell who has made every effort to streamline the entire department.

Mr. President, in the article Commissioner Farrell is quoted as saying:

> Congress intended the immigration laws to protect the innocent and be enforced with human kindness.

This I believe is a most humane and thoughtful approach to the administration of our present immigration laws.

At the time that Commissioner Farrell's nomination was before this body, I expressed the hope and the belief that his administration would be a humane one. I commend him now, for this has obviously been the case. Furthermore, I congratulate him for the good will and efficiency that is symbolic of the Immigration and Naturalization Service since his appointment as Commissioner by President Kennedy.

I ask unanimous consent at this time to have printed the aforementioned article in the RECORD at this point.

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

UNCLE SAM SAYS "WELCOME"

(By Karl Detzer)

> The big jet plane slowly descended from the blue of Hawaii's skies to an easy landing at the Honolulu International Airport, bringing a human cargo of Chinese, Japanese, several Thai, a party of American schoolteachers, and half dozen international businessmen.
>
> On the east coast a similar scene took place. A plane, slipping through the clouds

into New York's International Airport at Idlewild, brought 97 passengers. It was a typical planeload, such as lands at Idlewild on an average of once every 20 minutes. Every day of the year 4,500 passengers arrive from abroad, half of them noncitizens.

Off this plane came a dozen British, Swedish, and Belgian businessmen and a score of European tourists ready to marvel at New York's skyline or the Grand Canyon. Seeking permanent residence in the United States were a few uneasy immigrants from Norway and the Netherlands, a handful of East German refugees, and one little Austrian orphan bound for his grandparents' home in New Jersey.

From the Middle East were six exchange students coming for the fall school term. An African in tribal robe emerged, followed by a thin, dark woman in a sari. There were American tourists, students, teachers, business people. American or foreigner, each had to pass muster by inspectors of the U.S. Immigration, Public Health, and Customs Services.

As the passengers swarmed off the plane, one old woman stood confused, clutching an Italian passport. She turned, startled, when a pretty young girl in a trim blue uniform touched her arm.

"Welcome to the United States, signora," the young woman said in rapid Italian. "Per favore, may I see your papers? Thank you, signora. Don't worry, they are in good order. If you will please follow me? My name is Angela."

The old lady looked anxiously about, did not move. "My son, he was to meet me," she quavered.

"He's probably up on the balcony," the young woman replied, pointing. "Oh, you see him already? And grandchildren—how nice. We will hurry to them, signora. Come inside first, please—it will take only a few minutes."

The Public Health officer spent less than 15 seconds examining the woman's health certificate. The Immigration inspector at his high desk stamped her passport quickly and in Italian curdled by a Brooklyn accent, said "You may go to Customs next, signora. The signorina will guide you."

Under Idlewild's new experimental system the forms to fill out are much shorter, the approach friendlier, and it took customs and Agriculture inspectors only a minute or two to assure themselves that the two bulging bags contained nothing dutiable or proscribed. That was all; the Italian grandmother was "in." Chatting amiably, the girl in blue led her to the door, and there was her son. Only 8 minutes after this frightened woman met the health officer, she was hugging her grandchildren in front of the terminal.

The young woman who had greeted her, dark-haired Angela Aiello, was one of Idlewild's 10 port receptionists, a small elite corps established 7 years ago by the Immigration Service. These smiling young ladies meet most oversea arrivals at our major airports. They serve as interpreters, help with crying babies, tired children, or confusing documents, allay strangers' fears and tensions, guide them to inspectors who speak their language; in short, create good will.

There are 410 points of legal entry into the United States—284 on the Canadian and Mexican borders, 126 on the Atlantic, Pacific, and gulf coasts. In the past year 175 million inspections were made at these points. Forty receptionists serve in seven ports, including Honolulu. To qualify, a girl must be able to deal with the public in situations requiring sympathetic understanding, and be proficient in at least one foreign language. More than half of the present receptionists speak French, Spanish, or German. Others are at home in Italian, Swedish, Norwegian, with smatterings of other tongues. In Miami, the six busy receptionists are fluent in Spanish, and a few also speak Portuguese.

Workers at Honolulu must speak Japanese or Chinese. Timid Hong Kong refugees arrive here in large groups and only a good receptionist can ease their anxieties. Elinor Ho, the Honolulu supervisor, one of the original three port receptionists, has as assistants May Fong and Elva Hamamoto. The work these girls must do, and the way they do it, gives Honolulu the same important role as Idlewild, Washington officials say.

The port receptionist project and Uncle Sam's other efforts to meet the stranger with a smile are part of the "Welcome to America" campaign designed to help reverse the outward flow of dollars. Authorities believed that to substitute a smooth red carpet for snarls of redtape at our major entry points might encourage tourism here. At the port of arrival, each visitor is handed a welcome opening with President Kennedy's words: "No one who sets foot in the United States need do so as a stranger." Visitors for pleasure in 1962 numbered 852,000, up 11 percent in a year; from Europe alone the increase was 28 percent.

When the President dedicated the Dulles International Airport outside Washington, D.C., he said, "I hope that all the men and women who work at our airports and piers will show our best face to the world, realizing that the people who arrive here make a judgment of our country, and we want it to be the best."

The Immigration Service responded. Its new "Handbook for Inspectors" incorporates the President's words, emphasizing that the good officer "affects the lives and well-being of many people," and therefore "tempers his judgment with sympathy"—in short, he shows the best face of America.

Commissioner Raymond F. Farrell, appointed by President Kennedy in January 1962, is a mild-mannered but tough-minded career official of 55. He got his first Government job while he was a Georgetown University student, and has been with Immigration since 1941. Farrell slams the door relentlessly on aliens he calls "bad ones," but wants the "good ones" to be treated with sympathy and courtesy.

The laws for inspection of every arrival, alien or citizen, are unchanged, but the new Commissioner has simplified procedure, given his inspectors and supervisors freedom to make on-the-spot decisions.

He admits that at New York City's 540 miles of piers, most of which were designed for cargo rather than passengers, and at airports where international terminals are unfinished, tieups still occur. But at completed jet-age ports, experienced officers with the help of women receptionists can make the average check in half a minute.

The Commissioner is also doing all the law allows to ease arrival for those unfortunates whose only mistake has been to lose a paper or sign it improperly. He is convinced that no one ever loses a paper purposely, so if one is missing, it is up to his men to find it fast or get a substitute. He explains: "Congress intended the immigration laws to protect the innocent and be enforced with human kindness."

Another timesaver is preinspection by U.S. officials at foreign airports. This system, which uses the often-wasted hour between the time an international passenger confirms his ticket and the plane takes off, is now in force for flights from Canada, the Bahamas, and Bermuda, and soon may include Mexico. Preinspection officers also ride certain trains from Canada and most ships from Far Eastern ports to Honolulu.

When the Netherlands flagship SS *Zuiderkruis* arrived in Honolulu late for its stopover, it was Hawaii's district director who saved the Dutch captain's face by speeding clearances so that no one missed a day's sightseeing.

"Welcome to the United States" a card in their own language greets those passengers who have been inspected. "Upon arrival at your entry port, you may proceed to your destination without further inspection."

On Montreal's International Airport recently, U.S. Immigration officials handling the preinspection of two Canadian brothers noticed that something seemed seriously wrong with the younger one. He was suffering from a mental disease, it was disclosed, and his brother was accompanying him to Boston for treatment.

American laws bar any alien with a disabling mental illness from entering the United States. But the inspector, using what Commissioner Farrell calls a "reasonable approach," worked out with the U.S. Public Health officer a parole, under which the healthy brother and a Boston doctor would be responsible for the invalid. The brothers caught their plane.

Immigration's policy of helping where you can falls directly on 37 district directors, career officers in cities in the States and in Frankfurt, Manila, Mexico City, and Rome. It is their privilege to snip redtape and clear a passenger in doubletime.

Three days before last Christmas, Maria Socorro Compos-Valencia, a Mexican woman crossing into the States each day to work, brought the guards at San Ysidro a scorched piece of her alien resident card, damaged the night before when her house in Tijuana burned. Worse, the documents necessary to get her 5-year-old child a similar card had been destroyed. When officers routinely advised her, "You will need new photographs. Come back in a week or two," a supervisor interrupted:

"Why wait till after Christmas?"

The woman returned next day. Her own papers were ready, along with a 2-month "parole" for her child and a gift from Immigration employees of a $20 bill.

The Immigration Service's Schools are now all at Port Isabel, Tex. In 1962 at the Officer Development Center, 795 officers attended classes in a dozen areas of study; additional hundreds participated in extension courses in such subjects as elementary criminal evidence, nationality and immigration laws, and rules of arrest. A course in "public relations," Associate Commissioner Mario Noto explains, deals with "how to make friends among all races and conditions of men."

Last Christmas the New York district director received a letter from a Latvian woman his agents had just helped. She wrote:

"Sir, it is the happiest day since I left my mother country. I am far from Latvia but the feeling that I am welcome in your brightest and most beautiful United States makes me very happy. I will with my duties be like a native citizen. Lina Elvins."

She was a foreigner and needed help. But the young Indiana high school student who went to Europe last summer with 50 others was just as pleased with her reception when she returned. Back home, she wrote:

"One of my warmest memories is of the officials at Idlewild who were so friendly. Each one said something like, 'Did you have a nice trip, Stephanie? Did you spend all your money?' (How did he know?) 'Does it feel good to be back? Welcome home.' "

THREE HUNDRED THOUSAND PASS THROUGH HONOLULU

Thousands of aliens approaching the United States via Honolulu receive their first impression of the American people from a pretty Chinese girl named Elinor Ho. It's a very good impression.

Elinor is one of the Nation's original three port receptionists and she has been assisting elderly women, young mothers with babies, the confused and the abused since October 1956.

"Burping babies is just a standard part of my job," she says.

More than 300,000 people go through Honolulu's Immigration Service each year, making it the second busiest port of entry in the country. Idlewild is first.

It's an amazing collection of sizes, shapes and nationalities that gaze upon the "Aloha Welcome U.S.A." sign that decorates the new terminal. There are Japanese who refuse to talk Japanese, preferring to try out their sparse English. There are Chinese from Hong Kong who speak with a British accent. There are Samoans, still decked with leis made of shells or Van Camp tuna labels.

"But some of the most interesting are our own returning U.S. citizens," says Elinor. "You'd be amazed how many of them express surprise that I can speak English."

Immigration gives a fast inspection of papers, averaging 66 seconds per passenger. There were 26,000 people processed in June, 10,000 of them aliens and 16,000 U.S. citizens.

Agriculture inspection of arrivals is strict. Elinor recalls this incident:

An elderly Chinese woman was told that she would have to surrender an orange she had brought from Hong Kong.

"You mean I can't take this orange with me to San Francisco?" she blinked.

"That's right," said Elinor.

So the elderly Chinese woman took a small knife from her purse, pared the orange, and ate it on the spot.

THE 200TH ANNIVERSARY OF THE TOURO SYNAGOGUE AT NEWPORT, R.I.

Mr. PELL. Mr. President, I take great pleasure in calling attention to a recent editorial in the Newport Daily News regarding the bill I have introduced to commemorate the 200th anniversary of the Touro Synagogue in my home city of Newport, R.I.

The editorial emphasizes the historic significance of a commemorative coin which would not only depict the synagogue itself, but would also demonstrate the relationship between the synagogue and our Nation's first President, George Washington, who addressed to the Newport congregation these meaningful words, "To bigotry no sanction."

In addition, the editorial stresses that, because the Touro Synagogue has been designated as a national shrine, the legislation I have introduced would be most appropriate.

Mr. President, I ask unanimous consent to have printed the editorial I have mentioned at this point in the RECORD.

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

A COIN FOR THE SYNAGOGUE

Down through the years, commemorative stamps and coins have been issued by the U.S. Government to commemorate important events in our country's history, and particularly anniversaries of consequence.

What could be more appropriate at this time than the minting of a 50-cent coin to commemorate the 200th anniversary of the dedication of Touro Synagogue? Senator CLAIBORNE PELL believes in the appropriateness of the idea and so he introduced a bill to provide for the coin. Not only that, he has Senator JOHN O. PASTORE, of Rhode Island, and Senators KENNETH B. KEATING and JACOB K. JAVITS, of New York, as cosponsors.

Senator PELL proposes that only 25,000 of the coins be minted. With that limit, there would be no general circulation. But the piece would be sought not only by friends of Touro Synagogue as a memento of the anniversary but by that circle of numismatists who specialize in commemoratives.

The profile of George Washington, who visited the synagogue, would be on one side, and a likeness of the synagogue on the other, with the words of Washington, "To bigotry no sanction," taken from a letter he wrote to the congregation in 1763.

Although considerable opposition is voiced in certain Government circles over the issue of commemorative coins, it does seem as if this 200th anniversary of Touro Synagogue, standing as it does as a symbol of religious liberty is of such importance, that the Federal Government might mark it in this way, as it has marked the synagogue itself as a national shrine.

VOCATIONAL EDUCATION OPPORTUNITIES

The Senate resumed the consideration of the bill (H.R. 4955) to strengthen and improve the quality of vocational education and to expand the vocational education opportunities in the Nation.

Mr. McNAMARA. I wish to direct a question to the distinguished chairman of the subcommittee in charge of the bill. I should like to ask the Senator from Oregon a question which I hope he will answer for the RECORD.

Do I assume correctly that the words "initial equipment" as used in paragraph (3) of section 8 would include necessary instructional equipment, such as projectors and other audio-visual equipment, teaching machines, test grading machines, and the like? I believe it is the intent of the committee to define equipment in this way, but I simply wanted to make sure that this is the Senator's intent.

Mr. MORSE. Mr. President, I thank the Senator from Michigan for raising the question. There seems to be some doubt about the intent of the bill; and I think the statement that I shall now make for the RECORD ought to leave no room for doubt. I wish to make crystal clear in the RECORD that it is the intent of the committee that items such as those which the Senator from Michigan has named will be included in the equipment definition. As I said in the hearings, I believe we should plan and legislate now for the kind of education that we are to have tomorrow, and I am sure that that will involve a much wider use of modern teaching tools. I do not believe we can meet the problems of education in the 20th century with the horse and buggy methods which are all too frequently still used in our schools. The type of equipment mentioned by the Senator from Michigan and additional equipment that will be developed from time to time can fall under the definition of the bill.

Mr. McNAMARA. I thank the Senator from Oregon for his very clear answers.

REPORT ON U.S. AID PROGRAM IN 10 MIDDLE EAST COUNTRIES—AMENDMENT TO FOREIGN ASSISTANCE ACT OF 1961 (AMENDMENT NO. 213)

Mr. GRUENING. Mr. President, I have filed with the Subcommittee on Reorganization and International Organizations of the Committee on Government Operations a report of a study I made after the close of the last Congress and earlier this year of the U.S. foreign aid program in Turkey, Iran, Syria, Lebanon, Jordan, Israel, Greece, Tunisia, Libya, and Egypt. I ask unanimous consent that the findings and recommendations contained in that report, as well as the press release issued with respect to that report, be printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. GRUENING. Mr. President, in my report I deal extensively with the confusion in our program for aid to education abroad. These findings in my report were underscored by remarks made last week by Dr. Leona Baumgartner, Assistant Administrator, Agency for International Development, and Frank H. Bowles, president of the College Entrance Examination Board, before the American Council on Education.

According to the report in the Washington Post and Times Herald for October 6, 1963:

Both speakers outlined a situation in which American universities:

Frantically try to outdo each other in securing prestigious contracts to assist foreign universities.

Conduct raids on other American colleges and universities in a desperate search to find enough faculty members to send abroad.

Export a crazy quilt piecemeal pattern of isolated facilities—a library school here, an agricultural institute there.

Try to transplant made-in-America programs that look good but cannot survive because they do not fit into the native culture.

I ask unanimous consent that the news item concerning the chaotic condition of U.S. university aid overseas and headlined "U.S. University Aid Overseas Called Chaotic," be printed at this point in my remarks.

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

U.S. UNIVERSITY AID OVERSEAS CALLED CHAOTIC

American universities have rushed eagerly abroad to help higher education in underdeveloped countries, but the results sometimes have bordered on the chaotic.

This was pointed out here last week by Leona Baumgartner, Assistant Administrator, Agency for International Development. She spoke before the American Council on Education.

Frank H. Bowles, president of the College Entrance Examination Board, made similar criticism in a speech before the council.

Both speakers outlined a situation in which American universities:

Frantically try to outdo each other in securing prestigious contracts to assist foreign universities.

Conduct raids on other American colleges and universities in a desperate search to find enough faculty members to send abroad.

Export a crazy quilt piecemeal pattern of isolated facilities—a library school here, an agricultural institute there.

Try to transplant made-in-America programs that look good but cannot survive because they do not fit into the native culture.

Dr. Baumgartner insisted that much must be done to improve the system in which American universities receive contracts from

her Agency to carry out specific assignments overseas.

"Some U.S. universities in their eagerness for contracts, send their representatives to developing countries in search of contracts," she said. "Not infrequently, a U.S. university will visit foreign universities, discover a 'felt need,' then press AID to write a contract in support of the new relationship.

"I'm told that in at least one country a U.S. university deliberately sought to displace another university contractor. No surer way to confuse and antagonize a foreign university could be imagined.

"Both AID and the universities must insist on more rigorous technical and personal standards in selecting (oversea) faculty members," Dr. Baumgartner said.

Both speakers emphasized the importance of continuing assistance to oversea universities. "But the academic community is very lax in clarifying this need for the American people and for the Congress," Dr. Baumgartner stated.

"Some universities seem to be more interested in competing with one another for the prize of an AID contract than in pressing the case for greater investment in education as a key to national development."

Mr. GRUENING. Mr. President, in my report of my study of foreign aid in 10 Middle Eastern and African countries, I cite two examples of how that chaos works out in specific terms.

I ask unanimous consent that the two examples cited in the report be printed at this point in my remarks.

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

EXAMPLE A

Thus consider Technical Assistance Project No. 77-211 in Turkey. This project had as its purpose the establishment of a new university in eastern Turkey to be known as Ataturk University patterned after our own land-grant colleges.

To that end, a contract was entered into on August 23, 1954, between the United States and the University of Nebraska. Under the terms of that contract the university would provide a delegation of Turkish educators an opportunity to study land-grant colleges in the United States and would send a team of six to eight members of the university's staff to Turkey to do an intensive study of the need for a new university in eastern Turkey.

The contract called for the reimbursement to the University of Nebraska of salaries, travel expenses, etc. In addition, the University of Nebraska was to receive indirect costs of 10 percent of off-campus salaries of personnel assigned directly to contract work and 25 percent of the salaries of on-campus personnel. A maximum of $17,000 was set aside on the contract in addition to the equivalent of $12,500 to be provided in local currency by the Turkish Government.

The University of Nebraska's study of conditions in Turkey, of course, recommended the establishment of a new university there.

The contract was then amended to provide for the University of Nebraska to assist in establishing and manning a new university in Turkey. The amount to be spent under the contract was increased from time to time until on June 27, 1962, it was again amended to extend it to June 30, 1964—10 years after the original contract—with the maximum amount to be spent on the entire project (from its inception) raised to $2,919,000. The contract authorizes the University of Nebraska to send 26 people to Turkey for the calendar year 1958, 21 in 1959, and 19 in 1960 and thereafter.

For the fiscal year 1964, the sum of $146,434 is provided in the revised contract for salaries. Travel and indirect costs are also provided for in the revised contract making a total provided for in the contract for that fiscal year of $286,000. The original contract in 1954 was for a maximum of $17,000.

EXAMPLE B

Project 265-11-009 in Iran was initiated on June 26, 1951, when the TCA signed an agreement with the Utah State Agricultural College reciting that the Government of Iran had requested assistance in the development of the agricultural economy of that nation and agreeing that the Utah Agricultural College would provide that technical assistance. The contract had a terminal date of December 31, 1951, and a maximum limit of $100,000. It was extraordinarily deficient as to terms and conditions. (See exhibit V-A.) It was amended February 27, 1952—2 months after it had expired—to increase the maximum amount by $266,300 to $366,300, to give the Utah College 8 percent of whatever was expended as administrative expenses, and to extend the term of the contract to June 30, 1952.

On June 16, 1952, the TCA signed a project agreement with the Agriculture Minister of Iran and Karaj Agriculture College in Iran under which $130,000 was made available for the purchase of farm machinery in the United States and an additional $125,000 for the purchase of farm machinery in or out of the United States. Technical assistance to the college was also to be provided. The Ministry of Agriculture of Iran agreed to grant the college 17,875,000 Iranian Rials to renovate and expand buildings. This agreement was amended on November 26, to permit the local currencies to be used for training personnel. It was further amended on July 8, 1953, to allot 5 million additional Rials out of a jointly controlled trust fund for the purpose of paying the costs of installing the machinery purchased.

Meanwhile the contract with Utah Agricultural College had been amended on January 23, 1953, to increase the total amount by $204,772 to a grand total of $681,072 and to extend its concluding date to June 30, 1953. And the agency was still working under the simplest form of contract.

On September 11, 1953, the project agreement with the Iranian Government was amended to grant the Karaj Agricultural College the sum of $26,000 for the construction of a heating plant; $15,000 of this sum came from technical assistance funds and $11,000 from special economic assistance funds.

On November 18, 1953, the Iranian contract was again amended to grant an additional $65,500.

The contract with the Utah Agricultural College had been amended on July 31, 1953—a month after it had expired—to grant the college an additional $15,000.

New contracts and amendments were entered into between the ICA and its successor, Agency for International Development, and Utah Agricultural College until the latest amendment, dated December 11, 1962, to extend the contract termination date to July 31, 1964, and to increase the total dollar expenditure to $967,078.

And what had the agency been telling the Congress about this project?

In its presentation to the Congress for the fiscal year 1959, the agency told the Congress:

"2. Duration of project—Cost to United States after 1959: Project was initiated in 1952 and is planned for completion in 1960. No additional funds are contemplated for this project beyond fiscal year 1959."

Yet, in its presentation to the Congress for fiscal year 1963 the agency had this to say about the work to be done:

"Work remaining to be done includes:

"(a) Completion of the second phase of the construction program which will include buildings for biological and agricultural sciences, dairy industry and food technology, another dormitory, and 18 faculty residences.

"(b) Completion curriculum revision and integration to produce an effective and balanced program.

"(c) Further development of a practical training program to give students better training in practical problem solving.

"(d) Establishment of an office of Extension Education and greater participation in the inservice extension training program in cooperation with the Ministry of Agriculture.

"(e) Strengthening of the research program."

Thus, 12 years after the first informal contract with the Utah Agricultural College was signed, it has been extended into 1964 with ever increasingly ambitious plans for the years ahead.

Perhaps prophetically the presentation to the Congress for fiscal year 1963 was at variance with the project agreement concluded January 6, 1962. In addition to the above, mention was made in that agreement under the same heading of "Work To Be Done" of the following:

"Three urgent needs not included in the second phase of construction are housing for women students, a home economics building, and cafeteria facilities for an expanded student body.

"Future curriculum should include a home economics training program for women.

"Preparation of subject matter outlines and improving teaching methods for various new courses added in the new curriculum.

"Recruiting, reassignment, training, and taking other steps prerequisite to establishment of a complete staff of full-time faculty members. Participant training grants are necessary to provide specialized training for selected faculty members."

EXHIBIT V-A—AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND UTAH STATE AGRICULTURAL COLLEGE

Whereas the Government of Iran has indicated the desire to cooperate with the Government of the United States in improving and developing the agricultural economy of its people; and

Whereas the Government of the United States, through the Technical Cooperation Administration of the Department of State and the Office of Foreign Agricultural Relations of the Department of Agriculture, recognize the need for technical knowledge and skill in developing a progressive economy in Iran; and

Whereas the problems of education, sanitation, and sound agricultural practices require the services of technicians, specialists, instructors, and administrators in the particular agricultural fields; and

Whereas the Utah State Agricultural College has the staff and facilities necessary to assist in furthering the efforts of the United States of America in the fields of agriculture in Iran; and

Whereas the Utah State Agricultural College desires to participate in cooperative agricultural program undertaken in Iran;

Now, therefore, the determination has been made that a project identified as "Iranian Rural Improvement Program" will further the policy of the United States declared in the Act for International Development. In execution of this determination the Utah State Agricultural College, a nonprofit organization (hereinafter called the "College"), and the Government of the United States of America, by the Administrator of the Technical Cooperation Administration of the Department of State and by the Director of the Office of Foreign Agricultural Relations of the Department of Agriculture, mutually agree as follows:

ARTICLE I

SECTION 1. The College will make available in Iran qualified persons in the various fields of agricultural development, education, re-

search, and extension such as agronomy, forestry and range management, horticulture, irrigation, animal, dairy and poultry industry, agricultural engineering and mechanic arts, agricultural economics and related social sciences, and home economics as may be required in connection with plans of work approved under the provisions of Article I, Section 3, of this Agreement.

SEC. 2. The College shall be exclusively responsible for the payment of all expenses incident to fulfilling its obligations under Section 1.

SEC. 3. The College shall make available such qualified persons as may be required under plans of work agreed to by the College and the Director of the Office of Foreign Agricultural Relations of the United States Department of Agriculture and approved by the Administrator of the Technical Cooperation Administration of the United States Department of State.

SEC. 4. The College will submit to the Administrator, Technical Cooperation Administration, through the Office of Foreign Agricultural Relations, such reports as may be required by the Government, including the obligation and expenditure of funds connected with the project.

SEC. 5. The College will render such additional assistance as may be mutually agreed upon.

ARTICLE II

SECTION 1. The Government of the United States, through the Technical Cooperation Administration of the Department of State approves a grant, subject to the applicable terms and conditions of this agreement, to the College of $100,000, to assist in the financing of the project.

SEC. 2. The Administrator of the Technical Cooperation Administration upon approval of a plan of work shall advance to the College such part of the Grant referred to in Section 1 of this Article as he deems appropriate, taking into account the estimated cost of all services to be performed by the College pursuant to this Agreement.

ARTICLE III

SECTION 1. The Government of the United States will cooperate with the College and such other agencies as may be deemed necessary in the preparation of plans of work.

SEC. 2. The Office of Foreign Agricultural Relations will be responsible for technical supervision and assistance in executing the approved plans of work. The performance of services by the College under this Agreement will be subject to technical guidance of the office of the Director of the Office of Foreign Agricultural Relations.

ARTICLE IV

This agreement shall enter force when signed by the appropriate representatives of the College and the Government of the United States of America. It shall remain in force until December 31, 1951, or until prior termination by the College or the Government provided that such termination shall be effective 60 days after receipt by one party of the other's notice of intention to terminate. On or before March 31, 1952, the College will submit to the TCA an account setting forth all expenses incurred by it in carrying out the activities outlined in Article I hereof. Upon expiration or termination of the agreement the College shall return, on or before March 31, 1952, to the Administrator of the TCA any balance of funds received under this agreement which is not obligated by the College in execution of this agreement, provided that the College may retain such portion of the balance of the funds as may be required to prepare reports which may be requested by the Government.

ARTICLE V

No member of or Delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, unless it be made with a corporation for its general benefit.

For the Utah State Agricultural College:

LOUIS L. MADSEN,
President.

JUNE 23, 1951.

RUSSELL E. BRONTSON,
Executive Secretary-Treasurer.

For the United States of America:

HENRY G. BENNETT,
Administrator, Technical Cooperation Administration.

JUNE 26, 1951.

R. E. MOORE,
Director, OFAR, USDA

JUNE 26, 1951.

Mr. GRUENING. Mr. President, as is stated in the report, these two examples are illustrative only and many more could have been cited.

The foreign aid authorization bill, now before the Senate Committee on Foreign Relations, contains the following provision relating to educational assistance abroad:

Any cost-type contract or agreement (including grants) entered into with a university, college, or other education institution for the purpose of carrying out programs authorized by part I may provide for the payment of the reimbursable indirect costs of said university, college, or other educational institution on the basis of predetermined fixed-percentage rates applied to the total, or an element thereof, of the reimbursable direct costs incurred.

No limitation is placed on the amount which may be charged for overhead. And yet, with respect to similar types of contracts here at home, the appropriation bill for the Department of Health, Education, and Welfare places a ceiling of 20 percent on the charge for overhead. It seems to me that our foreign educational program should operate under the same restrictions as our domestic program.

Accordingly, Mr. President, I send to the desk an amendment to limit overhead costs in our foreign educational program to 20 percent. I ask unanimous consent that this amendment be printed at the conclusion of my remarks and that it lie at the desk until the close of business on October 15, 1963, in order to give those of my colleagues who desire to join me in cosponsoring this amendment an opportunity to do so.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred, and, without objection, the amendment will be printed in the RECORD and will lie at the desk, as requested.

The amendment (No. 213) will be referred to the Committee on Foreign Relations, as follows:

On page 10, strike out lines 9 through 16, inclusive, and insert in lieu thereof the following:

"(k) Any cost-type contract or agreement (including grants) entered into with a university, college, or other educational institution for the purpose of carrying out programs authorized by part I shall not contain any provision authorizing the payment of an amount for indirect expenses actually incurred in connection with such contract or agreement (or grant) in excess of 20 per centum of the direct costs."

EXHIBIT 1

II. FINDINGS AND RECOMMENDATIONS

The continuance of our foreign economic assistance program on an adequate basis is of prime importance to the United States and to the nations of the free world.

However, this should not mean that those of us who subscribe to this belief should be barred from voicing our criticisms of how the program has been and is being administered or how the program objectives are sought to be attained. For far too long this program has been shielded from public scrutiny and criticism by those of its advocates who voiced the fear that any such scrutiny and criticism would give aid and comfort to those who are unalterably opposed to any foreign aid program at all.

Such an ostrich-like posture, in the long run, serves only to harm any public program, which should at all times be subjected to searching public scrutiny, especially by the Congress. Today the foreign aid program is reaping the consequences of the years of suppressed criticism. With criticism on the part of its most ardent supporters muted, the program administrators through the years have been able to dismiss criticisms of how they were administering the program with the cavalier statement that those voicing the criticisms were against all foreign aid anyway.

The time has come for those of us who are in favor of the foreign economic assistance program to voice our criticisms of the program—as it has been administered, as it is being administered, and unless reformed, as it is likely to continue to be administered—loudly and publicly, but with the utmost objectivity, in an attempt to bring about needed reforms. Perhaps the administrators of the program will then give heed. For the sake of the program itself it is hoped that this result will take place—promptly.

It is in this spirit that this report has been prepared and these findings and recommendations have been made. Thus, while it is recommended that programs in certain countries be eliminated, at the same time it is recommended that the programs in other countries be maintained or increased and intensified.

On the basis of the facts presented in this report as a result of my study of our foreign economic assistance program in the 10 Middle East and African countries visited, the following findings and recommendations are made.

A. Criteria for determining which nations should receive U.S. foreign economic assistance

Findings

There is and has been far too great a tendency on the part of AID Administrators to proceed on the assumption that any nation in the free world not only should, but is entitled to, receive U.S. foreign economic aid. This assumption operates regardless of internal situation of the country aided, its political stability, the sincerity of its desire and earnestness to raise the living standards of and grant civil and political freedom to its people, or the state of its economic development.

Not all nations of the free world are equally entitled to receive foreign economic assistance. There is no mandate, or obligation, to give to any and all. Indeed to do so—which has been the general inclination of our foreign aid administrators—is the height of folly.

This indiscriminate selection of nations to receive U.S. foreign economic assistance means a waste of U.S. dollars and hurts our image in the world. Recipient nations have therefore come to accept, and even to demand, U.S. foreign economic assistance not only matter-of-factly but, in some instances,

even as a matter of right, rather than in a spirit of being and continuing to be worthy of its receipt, and of being willing and able to utilize such aid wisely, efficiently, and honestly and take such steps as may be required to insure attainment of the objectives of the assistance program.

In consequence our programs have been cheapened in the eyes of the rest of the world.

In most of the countries aided, carrying out needed reforms on behalf of the people results in many economic and political dislocations and requires sincere determination on the part of the nation's leaders. The United States plays directly into the hands of those protesting the dislocations and weakens the determination of the nation's leaders when they see a neighboring country continue to receive U.S. economic assistance without instituting needed reforms and without disturbing the status quo.

What is desperately needed in the AID program is a set of criteria for determining which nations in the free world are worthy of receiving U.S. foreign economic assistance. These criteria shoud be widely published. And, even more important, they should be rigidly adhered to. (See ch. XII.)

It is therefore recommended that the following criteria be adopted for determining which nation needing and requesting economic assistance from the United States should receive such assistance:

(a) There is a reliable, stable, and reasonably efficient system of government and a basic cadre of trained and experienced public administrators;

(b) There is a force of trained managerial personnel to administer intelligently any aided economic developments;

(c) There is a genuine desire for economic development, a realization of the obligations entailed in such economic development, and a readiness to sacrifice in the present for future economic growth;

(d) The budget of the country is austere and its income is not being spent on frills or on the import of luxury goods;

(e) The laborers in factory and in field—the skilled and unskilled workers and farmers—will receive a just share of the benefits accruing from economic development;

(f) There is no flight of private capital from the country;

(g) The country is not engaged in unprovoked military attack on its neighbors or in an unnecessary arms buildup for that purpose;

(h) The country is not committed to an economic system dedicated to the ultimate liquidation of private enterprise and investment;

(i) There has been formulated a well-conceived, not overambitious, long-range economic development plan;

(j) Needed equitable tax and land reforms have been adopted or are in the process of adoption.

B. Too many spigots dispensing foreign assistance

Findings

Through the years the United States has established or assisted in establishing many—too many—spigots for dispensing foreign assistance. Some are operated and financed entirely by the United States. Some are international organizations in which the United States pays a large portion of the costs. In addition, the United States contributes a goodly share to the assistance programs operated by the United Nations. Under the umbrella of the Department of State there is the AID spigot, the Development Loan Fund spigot, and the Bureau of Educational and Cultural Affairs spigot. Acting independently, there is the Department of Defense spigot with its civic affairs projects for public works in various countries under the heading of "Military Assistance." Also acting independently is the Export-Import Bank spigot.

Through the United Nations there is the United Nations Technical Assistance program and the United Nations Special Fund.

Then there is the IBRD (the International Bank for Reconstruction and Development), the IFC (the International Finance Corporation), the IDA (the Inter-American Development Association), and the IDB (the International Development Bank).

In addition, in some countries, the Department of State has operated educational grant programs through CARE via USIA. In Latin America, the Department of State has also been providing educational grants through a private organization called the Inter-American Schools Services.

Additional spigots are also created through the various annual acts appropriating funds for our domestic departments and agencies. The funds appropriated are to be used to purchase local currencies generated by Public Law 480 sales.

There is the spigot of the Welfare Administration of the Department of Health, Education, and Welfare. For fiscal year 1964, $1,200,000 requested.

There is the spigot of the Office of Education in the Department of Health, Education, and Welfare. For fiscal year 1964, $800,000 requested.

There is the spigot of the Office of Vocational Rehabilitation of the Department of Health, Education, and Welfare. For fiscal year 1964, $3 million requested.

There is the spigot of the National Institutes of Health of the Department of Health, Education, and Welfare. For fiscal year 1964, $9,673,000 requested.

There is the spigot of the Agricultural and Forestry Research Service in the Department of Agriculture. For fiscal year 1964, $2,500,000 requested.

There is the spigot of the Bureau of Commercial Fisheries of the Fish and Wildlife Service of the Department of the Interior. For fiscal year 1964, $300,000 requested.

In fiscal year 1964, $17,473,000 will flow through these six additional spigots. These are in addition to the funds flowing through the other spigots and are not funneled through AID.

Two additional spigots were created through special acts, one relating to India and the other to Finland. Through these two spigots flow U.S. dollars for the purchase of books and scientific equipment for these two countries. Through the spigot marked "India" have flowed 3,134,277.24 U.S. dollars. Through the other spigot marked "Finland" have flowed 943,249.86 U.S. dollars.

It is therefore recommended that there be a thorough review of each of the spigots mentioned above to determine whether there is a clear definition of purpose, method and operation of each spigot, whether it can be consolidated with another spigot or eliminated, and to preclude the practice of foreign governments of shopping for funds from spigot to spigot.

C. Interest rates on development loans should be no less than those paid by the United States to borrow money

Findings

Every time the United States makes a Development Loan at an interest rate of three-fourths of 1 percent repayable in 40 years, often with no repayment of principal and interest for the first 10 years, it is at the same time making an outright grant of from 50 to 75 percent of the face value of the loan. It costs the United States about 4 percent to borrow that money. It is a deception practiced upon the U.S. taxpayers to tell them the program is being changed over to one of loans repayable in dollars when in fact the low interest rates charged means that the grant program is continued. (See ch. VI.)

It is therefore recommended that Development Loans become loans in fact as well as in name and that interest rates on such loans be raised to the interest rate paid by the United States to borrow money.

D. Future uses of U.S.-owned local currencies present serious problems

Findings

The United States has outstanding many loans to many countries which call for their repayment in the future in local currencies. As the money is repaid, it, together with the interest it earns, is to be reloaned by the United States for projects designed to aid the economic development of the country repaying the loans. In the 10 countries studied, loans repayable in local currencies of $1.109 billion had been made as of December 31, 1962. Because of interest payments, the local currency fund in those 10 countries is increasing at the rate of $26.2 million each year.

Someone will have to administer these funds.

Our AID program in Israel is at an end and the AID mission withdrawn. However, during the next 10 years, our Embassy in Israel will be called upon to negotiate new loans in Israeli pounds in the amount of $250 million. Our total AID program to Israel in the 10 years, 1953–62 was $392 million.

The problem in Greece, where our program is also ending, will likewise be great. It is a disturbing thought that in the year 2003 (when the last loan already will be repaid in local currency) our Embassy in Athens will be passing on loan applications from the Greek Government. Will not the interference of the United States in the local economic development of a nation be resented so long after the original loan has been made and when we are loaning not dollars but local currencies? This problem faces the United States in the future to an ever greater extent as its formal AID programs come to "an end." Unless Congress lays down guidelines as to how such local currencies should be spent in the future, the United States will never be able to get off the treadmill, will never be able to end its aid program in any country, and will be forced to maintain, at the expense of the U.S. taxpayers, staffs to administer these funds of local currencies which will be constantly increasing. (See ch. VII.)

It is therefore recommended that (a) loan agreements calling for repayment in local currencies be renegotiated, wherever possible, with great inducements for their repayment in dollars; (b) consideration be given to the establishment of educational trust funds, jointly administered by our Ambassador and the Education Minister, into which fund local currencies can be repaid as the loans are paid. (See ch. VII.)

E. Inability to account for foreign aid expenditures

Findings

In calling for a breakdown of grants for education in foreign nations, it was shocking to find that AID and USIA were not in a position to reply readily due to their manner of keeping accounts. In fact, the reply from USIA stated that it destroyed its records after only 3 years. (See ch. VIII.)

It is therefore recommended that AID revise its accounting system and that USIA discontinue destroying its basic records so that they can be in a position to advise the Congress and the public on what U.S. aid dollars have been spent.

F. Clearer definitions needed of purposes of various aid categories

Findings

An example of the interchangeability of the various categories of AID was found in the situation in Iran where a loan from

"Supporting Assistance" was made to the government organization responsible for economic development while a loan to Israel for the same purpose was made from Development Loan Funds. (See ch. VI.)

It is therefore recommended that clear limitations be placed on the uses of "Supporting Assistance" so that it can no longer be used at the whim of the AID Administrator for unlimited, undefined purposes.

G. End use controls needed to prevent waste of aid dollars

Findings

AID dollars are loaned or granted to aid in a particular country's economic development. To prevent those dollars from being diverted into meeting that country's budget deficit or for the importation of luxury goods, it is essential that firm controls be exercised by AID to "follow the dollar" and see to it that it is in fact being used for the economic development of the country to which it is loaned or granted. This study indicated that such firm controls are not being exercised. (See ch. IV.)

It is therefore recommended that AID, with the assistance of the Comptroller General, immediately adopt proper controls over commodities purchased with U.S. AID dollars.

H. Closer integration of development loan program with remainder of aid program urgently needed

Findings

The Development Loan Fund program was originally administered by an independent agency. In 1961 it was placed in the Department of State and subjected to the supervision of the AID Administrator. The integration of the DLF program with the remainder of the AID program is still only on paper and is not a fact. DLF administrators in Washington make all the decisions as to which country will get what loans and on what terms, even though similar decisions for similar projects in the remainder of the AID program are made, at least in the first instance, by the AID mission in the country. (See ch. VI.)

It is therefore recommended that the Development Loan Fund program be decentralized—at least to a regional level—and that ways be found to bring AID personnel into closer affinity with the DLF program personnel.

I. The cloak of security has been needlessly thrown over too much of the aid program

Findings

In scrutinizing many of the AID presentations to the Congress in support of its authorizations and appropriations, it is obvious that the program has been hiding behind the cloak of secrecy far too long. Many documents classified for security reasons contained information already in the public domain. Through the years this cloak of secrecy has hurt the program because it has prevented U.S. citizens from obtaining an accurate picture of how their dollars were being expended in the total program. Secrecy begets suspicion so that the bringing to light of faultily conceived and executed projects casts a shadow on the entire program. (See ch. XI.)

It is therefore recommended that a serious effort be made to avoid classifying documents presented to the Congress for security reasons; that any documents so classified bear on its face an automatic declassification date unless the AID Administrator personally certifies that declassification automatically at any date in the future would be dangerous to the security of the United States; that authority to classify documents be confined to a small number of individuals; and that the authority to classify documents for security reasons with a declassification date more than 5 years later should be vested only in the Administrator of AID, or the Ambassador to the country aided.

J. Aid contract practices need reexamination

Findings

Instances were found in which contracts made by AID either on their face or through the process of renegotiating the contract provided for a fee fixed as a certain percentage of the cost of the project. The more the project ultimately costs, the higher the fee. Under such a practice there is a natural tendency to incur mounting costs.

In addition, the amounts allowed in contracts for the contractor's overhead appeared very large. (See ch. X.)

It is therefore recommended that AID contract practices be reexamined to avoid contractors' fees being fixed, directly or indirectly, as a percentage of the total cost of the project, and that the amount allowed for overhead costs be brought in line with the amounts allowed for domestic projects.

K. The country aided should not be permitted to levy customs duties on goods purchased in the United States with AID dollars

Findings

Examples were discovered, in examining some of the basic AID documents, that some of the project agreements did not provide that the goods purchased with the proceeds of the loan or grant in the United States would be admitted into the recipient country without the payment of customs duties. Other project agreements examined did contain such provisions. Where no such provision was contained in a project agreement, it meant that part of the U.S. dollars granted or loaned went to pay for the general upkeep of the country aided, and for purposes not provided for in the AID program or approved by the Congress. (See ch. X.)

It is therefore recommended that a standard provision be written into every AID contract and agreement for a grant or a loan that merchandise purchased with the proceeds of the grant or loan must be admitted duty free into the country receiving the money.

L. Technical assistance spread too thin

Findings

In the 10 countries studied, in the fiscal year 1962, there were 218 separate technical assistance projects on an almost unlimited number of subjects. There were in addition projects for which development loans were made, as well as local currency loans. Since they involve so many diverse subjects, it is a physical impossibility to make certain that their execution is efficiently carried out. We are thus scattering our aid as though from a shotgun rather than concentrating more effort on the fewer projects that need more aid now. (See ch. V.)

It is therefore recommended that all projects for which technical assistance is provided be immediately reexamined to cut back drastically on the number underway in any one country, with a view to bringing about more cohesiveness and direction in our technical assistance program and to weed out those projects which have been continued too long and which the host country should long before this have taken over.

M. Privileges and allowances of U.S. personnel stationed abroad should be uniform in each location in each country

Findings

The lack of uniformity of privileges and allowances accorded to U.S. personnel stationed abroad in the same country is disruptive of morale and efficiency. For example, State Department personnel stationed in a particular country may be given an allowance to enable them to send their children out of the country to school while military personnel, working at the next desk, are not given such allowances. At the same time, the military personnel may be given APO privileges while the State Department personnel stationed in the same place are denied such privileges. These discriminations without meaning were the single major criticism most often voiced by U.S. personnel abroad during the entire study. (See ch. X.)

It is therefore recommended that an interdepartmental committee be established to study the allowances and privileges of U.S. personnel stationed abroad and to make recommendations for changes to insure that U.S. personnel stationed in the same location in the same country abroad be accorded the same privileges and allowances.

N. The United States should exercise immediate leadership in and out of the United Nations to turn the Arab refugees into useful, productive citizens

Findings

Forty percent of the Arab refugees were not born in what is now Israel. Fifty percent of the total 1.1 million refugees are under the age of 18. Of the total of $38.5 million received by the United Nations Relief and Works Agency from governments in calendar year 1962, the United States contributed $24.7 million or over 70 percent. These are the basic three positive factors working in favor of a practical solution of the Arab refugee problem and of making them productive useful citizens.

There are two negative factors working against such a solution. The first is the fact that many Arab leaders want to continue to use the Arab refugees as pawns in their continuing fight against the existence of Israel. The second factor mitigating against a practical solution of the problem is that of the total of 11,651 personnel employed by UNWRA, 11,469—over 99 percent—are locally recruited persons who are themselves Arab refugees. Therefore, even if during all these years of its operation UNRWA had been in its top leadership dedicated to the concept of training the Arab refugees and settling them in Arab countries or other countries as useful, productive citizens, the vast majority of its employees were not and could not, because of their backgrounds, be dedicated to carrying out such a policy. These refugees have been placed in charge of teaching the young and therefore have been inculcating in them the belief that any resettlement in to the community will lessen the chances of their "return" to what they have been taught is their homeland, even though they have never been there. Such teachings cannot but continue to engender hate, unrest, and idleness.

A new approach must be found so that these Arab refugees will no longer be a thorn in the flesh of the world but will lead useful, productive lives. (See ch. X.)

It is therefore recommended that the United States should exercise immediate leadership in and out of the United Nations, offering, if necessary, to pay the total cost, but making every effort to have the cost shared, in proposing the following program:

(a) The establishment of a United Nations Middle East Peace Corps, along the line of our own Peace Corps, composed of volunteers from countries other than the countries involved, to work with the refugees in a well-financed program to educate and train the refugees, to help them obtain employment in the Arab countries or elsewhere, to assist financially in their resettlement in their places of employment, including resettlement grants and the granting of Cooley loans and loans and grants from Public Law 480 proceeds;

(b) Present local-hired employees of UNRWA should be replaced by Peace Corps employees, who should be international public servants, as soon as these local-hired employees of UNRWA can be retrained and

placed in jobs elsewhere, being given training and resettlement grants, financial assistance in resettling their families, purchasing homes, etc. (See ch. IX.)

O. U.S. financial aid to Turkey should continue with certain conditions

Findings

The U.S. financial aid program to Turkey has not been as successful as it might have been if the United States had not been as profligate with its money, if it had insisted on tighter control of the money granted and loaned, and if it had insisted that the Turkish Government place its political house in order. Turkey is a valuable ally of the United States and is deserving of financial aid from the United States but only to the extent that its own economy can absorb such aid in a program of orderly and realistic economic development. (See ch. III–A.)

It is therefore recommended that the U.S. economic assistance program to Turkey be continued but that it be immediately reviewed with a view toward reducing its level, dropping many of the all too many technical assistance projects and insisting that the officials in Turkey bring about the political stability so necessary for economic development as a condition to the continued receipt of even a reduced level of assistance, and that Turkey's NATO commitments be carefully reviewed in the light of the present military situation to see whether her defense commitments are excessive and whether some of the military expenditures can now be diverted to the economic development of Turkey.

P. U.S. financial aid to Iran should continue but on a more concentrated basis

Findings

Under the dedicated leadership of the Shah, needed reforms are being instituted in the face of tremendous opposition. These reforms have been too long delayed while our financial aid program continued on a very scattered basis. Now that the Shah has begun to move in the correct direction to assist in the economic development of Iran, he needs U.S. economic assistance more than ever. (See ch. III–B.)

It is therefore recommended that the U.S. economic assistance program for Iran be continued and that it should be concentrated on a lesser number of projects which will be of more immediate import in supporting the Shah's reforms without attempting to do everything at once. While there has been substantial improvement under the guidance of able Ambassador Julius Holmes, who vetoed the previously granted budget support, the program could be further tightened.

Q. U.S. financial aid to Syria should stop

Findings

The political situation in Syria has been and is too unstable to expect it to provide a climate in which economic development can take place. (See ch. III–C.)

It is therefore recommended that except for keeping commitments previously made, the U.S. economic assistance program for Syria should be stopped.

R. U.S. financial aid to Jordan should be continued at the same or higher level

Findings

Under the enthusiastic leadership of King Hussein, Jordan is making progress on the road to becoming a viable nation. Its leaders have the will to do so and should be given every encouragement by the United States in achieving their goal. The excellent leadership of our able Ambassador, William Macomber, who believes this desirable objective might be achieved in a decade, is really making the country team approach work in Jordan. (See ch. III–E.)

It is therefore recommended that the U.S. economic assistance program for Jordan be continued at the same or higher level, with a review of our technical assistance projects to concentrate more upon projects of a more immediately beneficial nature to Jordan's economic development.

S. U.S. financial aid to Libya should stop

Findings

Libya's oil revenues are continually increasing and that country is well able to afford to bring about its own economic development if it uses its revenues wisely. (See ch. III–I.)

It is therefore recommended that the U.S. economic assistance program in Libya stop, and, if technical guidance by U.S. experts is desired by the Libyan authorities, it be supplied by contract on a reimbursable basis.

T. U.S. financial aid to Tunisia should be continued at the same or higher rate

Findings

Tunisia, under the vigorous leadership of President Bourguiba, and with the wise guidance of Ambassador Francis H. Russell, offers a favorable and stable political climate, progressive in outlook and purpose in which to bring about economic development. With its leadership dedicated to that end there is a real opportunity to make economic progress. (See ch. III–H.)

It is therefore recommended that the U.S. economic assistance program for Tunisia be continued at the same level, or, if it is determined that it would not encourage Tunisia to overextend itself, at a higher level.

U. U.S. financial aid to Egypt should stop unless certain conditions are met

Findings

While professing to be genuinely devoted to the economic development of his country, President Nasser of Egypt has involved his country in a costly war in Yemen at a time when his own country faced no threat at all from events taking place in Yemen. Egypt committed approximately 28,000 troops to that war in Yemen in September 1962 at an estimated annual cost of $150 million. Our AID program for fiscal year 1962 was $224.1 million. The United States is pouring its dollars into Egypt to help its economy while Egypt is pouring it out in foreign war.

In addition, Egypt is spending untold millions in preaching, through all possible propaganda media, the violent overthrow of the Governments of Jordan and Saudi Arabia.

Egypt is also spending additional untold millions on arms, including the development of missiles, for the publicly avowed purpose of waging an aggressive war against Israel, which has made no such threats but which, because of the Egyptian arms buildup, has been forced to divert much-needed resources from its own economic development.

While Nasser has been a past master at playing off the East against the West, his close relationship with the Soviet Union while continuing to receive U.S. economic assistance runs counter to U.S. policy elsewhere. He is wholly dependent on the Soviets for arms and welcomes Soviet technicians as well.

It can rightly be said that U.S. dollars are enabling Egypt to wage war in Yemen, to foment trouble in Jordan and Saudi Arabia, and to arm to attack Israel just as surely as though they were spent directly for that purpose.

U.S. AID dollars are being used to build a police state with the Government owning and operating everything through nationalization of industries and businesses. U.S. AID dollars are therefore being used to prove that such totally Socialist type of police state can work economically. (See ch. III–J.)

It is therefore recommended that the continuance of the U.S. financial aid program to Egypt be conditioned upon:

(1) Egypt's prompt compliance with the terms of the United Nations settlement of the Yemen dispute;

(2) Egypt's reversal of her present armament policy so as to cease production of missiles, warplanes, submarines, and other implements of war clearly designed for aggressive purposes.

TWENTY-ONE RECOMMENDATIONS FOR CHANGES IN FOREIGN AID PROGRAMS MADE IN REPORT ON 10 MIDDLE EAST AND AFRICAN COUNTRIES

A detailed, lengthy report on the study of the U.S. foreign aid program in 10 Middle Eastern and African countries made by Senator ERNEST GRUENING, Democrat, of Alaska, for the Senate Committee on Government Operations was made public today.

Senator GRUENING studied the foreign aid programs in Turkey, Iran, Syria, Lebanon, Jordan, Israel, Greece, Tunisia, Libya, and Egypt late last year and early this year.

The Gruening report on foreign assistance contained 21 recommendations for changes in the administration of the U.S. program both at home and abroad.

In recommending 10 criteria to judge whether a country should receive foreign aid, the Gruening report stated that the program has been cheapened in the eyes of the world because we have not insisted that the nations receiving our assistance carry out programs of reform.

"What is desperately needed in the AID program is a set of criteria for determining which nations in the free world are worthy of receiving U.S. foreign economic assistance. These criteria should be widely published. And even more important, they should be rigidly adhered to."

There are at least 22 separate spigots from which U.S. dollars flow into foreign countries for their assistance. The Gruening report recommended that to the extent possible these spigots be consolidated so as to "preclude the practice of foreign governments of shopping for funds from spigot to spigot."

The report by Senator GRUENING pointed out that on loans made, for example, at three-fourths of 1 percent interest for 40 years, it is as though we also gave the recipient country a grant of 50 to 75 percent extra since the United States has to pay about 4 percent per annum to borrow the money to make the loan. The report recommended that "development loans become loans in fact as well as name and that interest rates on such loans be raised to the interest rate paid by the United States to borrow money (about 4 percent)." Since Senator GRUENING made this suggestion on the floor of the Senate, the House of Representatives voted to amend the Foreign Assistance Act to raise the minimum interest rates on development loans to 2 percent. Senator GRUENING has introduced an amendment to the Senate version of that bill to raise the interest rate to that recommended in his report.

The Gruening report called attention to a dangerous situation developing which will grow as the years pass. Loans to many countries are repayable in local currencies which in turn are mostly to be loaned for the economic development of the aided country. Because the loans are repayable with interest, the fund of local currencies available is constantly increasing. An example cited in the report was Israel:

"Our AID program in Israel is at an end and the AID mission withdrawn. However, during the next 10 years, our Embassy in Israel will be called upon to negotiate new loans in Israeli pounds in the amount of $250 million. Our total AID program to

Israel in the 10 years, 1953–62, was $392 million.

"The problem in Greece, where our program is also ending, will likewise be great. It is a disturbing thought that in the year 2003 (when the last loan already made will be repaid in local currency) our Embassy in Athens will be passing on loan applications from the Greek Government."

The report raised the question concerning these growing balances of foreign currencies:

"Will not the interference of the United States in the local economic development of a nation be resented so long after the original loan has been made and when we are loaning not dollars but local currencies?"

"The United States will never be able to get off the treadmill," the report stated, "unless Congress lays down some ground rules as to how such local currencies should be spent in the future."

The report suggests renegotiating the loan agreements wherever possible, offering great inducements for repayment in dollars. A second suggestion was the establishment of an education trust fund in those countries where our AID program is at an end and loans repayable in local currencies are outstanding.

The report also found that the administration of the Development Loan Fund was still from Washington and recommended closer integration of the administration of that fund with the remainder of the AID program by decentralization at least to the regional level.

Criticizing sharply the cloak of secrecy thrown around the presentations annually made to Congress in support of the AID program, the Gruening report recommended that every document presented to the Congress in AID's annual presentations, if classified for security reasons, bear the name of the person classifying the document and an automatic declassification date. The report cites the incident of Senator GRUENING coming across one sheet in an annual presentation where a few words were classified "secret." When Senator GRUENING requested that the words be declassified, he received a reply declassifying the words, but the letter of declassification was marked "confidential."

Pointing out that over 99 percent of the employees of the United Nations Relief and Works Agency were themselves Arab refugees, the Gruening report stated that these employees had been given the task of rehabilitating the Arab refugees, an objective contrary to beliefs of the Arab refugee employees. Senator GRUENING recommended the formation of a Middle East Peace Corps to replace the Arab refugee employees (who would be assisted in their own resettlement) and to help rehabilitate as many as possible of the Arab refugees into useful, productive citizens. The report stressed the fact that over 50 percent of the Arab refugees were not born in Palestine.

The Gruening report recommended that economic aid to Jordan and Tunisia be continued at the same or at a higher rate in view of the economic progress being made and the dedication of the leaders to the talk of bringing about reforms needed for the greatest economic development of their countries.

Aid would be continued to Turkey and Iran, under the recommendations of the report, under certain changed conditions designed to make the program more effective and efficient.

The report recommended the discontinuance of economic aid to Libya (which does not need it since its oil income is constantly increasing) and to Syria (because of the political chaos in that country).

With respect to Egypt, the report found that that country was engaged in a war of aggression in Yemen at a cost of $150 million so far (our AID in 1962 was $224.1 million). In effect, therefore, the United States is financing Egypt's war in Yemen. The report recommended that continuance of aid to Egypt be conditioned on its carrying out the terms of the U.N. settlement of the Yemen dispute and "Egypt's reversal of her present armament policy so as to cease production of missiles, warplanes, submarines, and other implements of war clearly designed for aggressive purposes." The report pointed out that because Egypt was acting in an aggressive way it was forcing Jordan to increase its armaments and, since we are furnishing economic aid to Jordan, Egypt's engaging in an arms race was costing the U.S. taxpayers money.

Among other recommendations in the Gruening report were those for tightening up AID's contracting practices, for reviewing accounting practices so that both AID and USIA would account accurate and speedily for funds spent, for doing away with the practice of an aided country levying customs duties on imports purchased with U.S. dollars, for the establishment of an interdepartmental committee to make uniform the allowance given personnel stationed abroad in the same city in the same country, and for revising end use controls to prevent the waste and misuse of U.S. AID dollars.

SOME INCONSISTENCIES IN OUR LATIN AMERICAN POLICY

Mr. GRUENING. Mr. President, last week, after the Dominican coup and the overthrow of a duly elected, constitutionally installed government by a military junta, I suggested that the United States request the junta to turn back the boat on which the deposed President, Juan Bosch, was being taken into exile and return him to his capital, and if the request were not obeyed, that the United States take him back.

This proposal was criticized editorially in both the Washington Evening Star and the Washington Daily News.

The impression seemed to have been gained, as exhibited in these editorials, that I was requesting a return to the discredited gunboat diplomacy of the earlier days of this century, when the United States intervened and sent our Navy and our Marines into Haiti, the Dominican Republic and Nicaragua, and other smaller countries to the south of us when we bombarded and seized Vera Cruz in 1914, killing a score of young Mexicans and when we sent the Pershing expedition into northern Mexico in an effort to capture Pancho Villa.

Both as a magazine and newspaper editor I fought against these policies and indeed I was one of the first American journalists to denounce them. They were still in existence at the outset of the Roosevelt administration in 1933. As the adviser to the U.S. delegation to the Seventh Inter-American Conference in Montevideo in the late fall of 1933, to which I was appointed by Secretary Hull, I used my every effort to persuade the delegation to champion the abandonment of these policies. It was done. Unilateral armed intervention, the gunboat diplomacy of the previous third of a century, went into the discard. I considered then, and have not changed my view, that it was a substantial achievement.

Those interventions, which we then, fortunately, abjured, not only were unilateral, following no request from the countries invaded and wholly contrary to the wishes of their people and their governments, but also were motivated invariably by a special interest in the United States and not of the country invaded. We sent our Marines into Haiti to rescue the interests of the National City Bank, into the Dominican Republic to collect the debts of foreign creditors, and in Central America to protect the operations of the United Fruit Co., and other private U.S. investments. It was both gunboat diplomacy and dollar diplomacy.

Our purposes today are, happily, entirely different. The Good Neighbor policy initiated by President Roosevelt in 1933 has been further amplified by President Kennedy's Alliance for Progress, which adds to a declaration of intent and purpose of good-neighborliness large sums of money to be expended in a variety of aids. Under this Alliance we offer freely and give educational aid, health aid, technical aid, economic aid, financial aid, and military aid. The military aid has been a gross failure because the military aid has gone to support the very juntas which have overthrown the democratically constituted governments when and where they were either established or sought to be established.

That is what has happened in the last 2 weeks in the Dominican Republic and in Honduras and happened earlier in other Latin American countries, Guatemala and Ecuador. In short, we are intervening economically and militarily for the benefit of these countries through our Alliance for Progress. What then is wrong about having the constituted government of a country seeking to establish and maintain democratic forms ask for our military aid, not against dangers which do not exist, but against real dangers and when its overthrow is threatened or accomplished? We now give the Latin American countries military missions which have not been successful in instilling democratic ways into their military, or in protecting their governments against outside aggression because there has been no outside aggression. But there is now no protection for the inside aggression of the type we have witnessed in the Dominican Republic and in Honduras and elsewhere and which will certainly recur again in other Latin American countries unless we change our policy.

There is a strange inconsistency about our national policies in this area. Five years ago, in response to a request from the President of Lebanon, who was not overthrown but merely feared overthrow, we sent the powerful Sixth Fleet to the shore of Lebanon and landed 6,000 Marines to protect him against this feared overthrow. When the danger had subsided, we withdrew our military forces. If that was done in distant Lebanon, why is a similar action on a much smaller scale not correct in nearby Central America and the Caribbean when the heads of these freely elected and constitutionally organized governments request such military aid.

We have been and are heavily engaged in Vietnam to the extent of 12,000 "advisers." They are supposedly "technicians," but of course they are troops and it is sheer hypocrisy to pretend that they are anything else. It is only costing us a million dollars a day, but far more serious, it has cost us the lives of 100 American young men.

Presumably we are there at the request of and with the consent of the Diem government, but there seems to be serious question as to just what our relationship to the Diem government really is. It is certainly not a friendly and cooperative relationship.

Yet there, way across the world, in an area as remote from us as any that can be found on earth, we are thus heavily engaged—financially, economically, and militarily. But, at our very doorstep, in the Caribbean and Central America, we apparently hesitate to act similarly on the ground that we must not intervene militarily.

I submit that these inconsistencies are hard to follow.

The situation has been further confused by an almost incredible statement given out yesterday, and published in full in the Washington Post, by Edward M. Martin, Assistant Secretary of State for Inter-American Affairs. Mr. Martin's statement, according to the Post, was written for the New York Herald-Tribune at its request and is being circulated to diplomatic posts in Latin America. Mr. Martin now finds that there is much that is desirable, attractive, and praiseworthy in the performance of these military juntas. Does this indicate that while on the one hand President Kennedy is pursuing a policy of withdrawing recognition from the junta-seized Dominican Republic and Honduras and withdrawing our aid mission to show our disapproval of the overthrow of the democratically constituted governments there and our disapproval of such military takeovers, the Assistant Secretary of State in charge of Latin American affairs is paving the way for a different policy? If this is a trial balloon, it should promptly be shot down.

I think that the Congress and the public are entitled to an explanation of this strange dichotomy within our administration.

Last week 22 Senators wired the President, pointing out that the mere severance of diplomatic relations and the announcement of canceling aid, while a highly desirable step, was insufficient if we left the personnel of our various missions in the countries where such action has been taken. Based on our past performance, where, after announcing a similar policy, we yielded weakly, a week or two later, reestablished diplomatic relations and restored foreign aid, the continued presence of the personnel would be an indication to the usurping junta that our declared intentions were not to be taken seriously. In response to this, the President quite properly announced the withdrawal of the aid and military personnel from the Dominican Republic, and he is to be commended for it.

But this is not quite enough. All personnel except a caretaker should be withdrawn, which includes our diplomatic mission and personnel of the Peace Corps. In addition to that, the President will have an even more effective weapon if he announces the cancellation of the Dominican sugar quota. The basic quota for the Dominican Republic is 190,000 tons. This was written into the law—quite unwisely—and cannot be touched. However, in addition, under the so-called honey bee amendment, the President has allocated 130,000 tons of the 150,000 tons available to the Dominican Republic. Also, the President has allocated 198,000 tons of the global quota to the Dominican Republic. In addition, the President allocated to the Dominican Republic 71,000 tons of the deficit quota (the amount of the quota the other Latin American countries could not meet).

Thus, under this bonanza policy we are buying 589,000 tons of sugar from the Dominican Republic. All but the 190,000 of this which cannot be withdrawn should be promptly canceled. In those circumstances, I am quite confident the Dominican junta will be prepared to reestablish the constitutional government which it so ruthlessly and illegally overthrew. Corresponding action should be taken in Honduras so that the election scheduled within a few days shall take place.

An excellent article, by Dan Kurzman, on the tragic new developments appeared in Sunday's Washington Post. I ask unanimous consent that it and the statement by Assistant Secretary Martin be printed at this point in the RECORD.

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

LATIN COUPS HERALD NEW AGE OF TYRANNY

(By Dan Kurzman)

Democracy in Latin America is in danger of being snuffed out by the coup d'etat in a pathetic reassertion of history.

Latin America has found it no simple matter to cultivate democracy in the crusty soil of an authoritarian Spanish heritage. The United States has had equal difficulty in reconciling its obligations under the Alliance for Progress with a profound sense of guilt for past imperialistic sins in this hemisphere.

Relatively democratic regimes have sporadically come to power in Latin nations ever since the Spanish were ousted in the early part of the 19th century. Mexico has known democracy since its revolution in 1912. But in general, only in the last decade or so has there been anything resembling a democratic breakthrough. Now, it appears, an era of retrogression has begun.

The democratic government of Dominican President Juan Bosch was overthrown 2 weeks ago. The military overthrew the democratic government in Honduras on Thursday. Constitutional rule is also threatened in Venezuela, Colombia, and El Salvador.

Earlier this year, constitutional regimes fell in Guatemala and Ecuador. And countries that never have been democratic—Haiti and Paraguay—continue to stagnate under one-man dictatorships.

LESS HARSH TYRANTS

The picture is not entirely black. Only a few years ago, almost all of the 20 Latin American countries were under the totalitarian heel. Moreover, the new dictatorships are generally far less harsh than the traditional ones. For they are led not by individual tyrants but in many cases by paternalistic commanders of national armed forces with at least some feeling of responsibility toward the people.

As for Argentina and Peru, where constitutional regimes were ousted last year, the military rulers actually permitted at least partially free elections which were won by men acceptable to them. Many modern officers are more interested in maintaining their privileges than in wielding political power.

But if despite the deterioration, the current situation in Latin America represents a considerable improvement over conditions in the past, the Alliance for Progress is nevertheless threatened by the chain reaction of coups now unsettling the continent, particularly Central America.

Political democracy is one of the principal aims of the Alliance. For only within a democratic system, both American and Latin leaders believe, can the other chief aims—social and economic reform—be fully realized.

This is, in fact, more nearly true for Latin America than for other underdeveloped areas because dictators in this region have traditionally exploited rather than helped the people. No Turkish Ataturks have ruled in Latin America.

Unlike the situation in the Afro-Asian world, where indigenous nationalists are in control, the Latin American ruling classes are composed largely of the descendants of the Spanish (Portuguese in Brazil's case) colonialists who ruled the continent with an iron hand.

These colonialists thus left a legacy of feudal authoritarianism with those sons who decided not to return to Spain when the Latin American nations won independence. That legacy is today at the root of the region's troubles.

The independent oligarchies that developed allied themselves with ambitious middle class military officers who discovered that profitable business opportunities, social prestige and important privileges could flow from such arrangements. Today this alliance is still operating.

POLITICAL APATHY PREVAILS

With such power alined against the exploited Latin peoples, apathy has generally characterized their political attitude. Only after World War II did they begin to comprehend their strength and exert sufficient pressure on their rulers to cause them to give way to democratic or pseudodemocratic forces for prolonged periods.

This pressure substantially increased with the establishment of the continent's first Communist government in Cuba. For Fidel Castro, though supported by only a small minority of Latins, succeeded before openly entering the Communist camp in awakening many of them—through propaganda if not action—to the fact that the masses have the power to direct their own destiny.

The Alliance for Progress, in still further nurturing this realization, if for different purposes, has thus become a source of increasing fear among the privileged. Some of the more realistic members of the oligarchies and armed forces have come to realize that social and economic reform is inevitable and that such reform will hurt them less under a democratic than under a Communist system.

But many other traditionalists are clinging to their feudal ways, rationalizing that the people are not ready for democracy yet but doing little to prepare them for such a system.

The ouster of Bosch in the Dominican Republic has dramatized the fears and ambitions of the militarists and extreme rightists with brutal clarity. Bosch was by no means an ideal political leader. He was a poor administrator. He would not take the advice of friendly, more experienced leaders.

His impetuosity and directness antagonized the very people he had to influence, including the business community, the church, and the army, all of which feared his reforms.

Nevertheless, Bosch chalked up some impressive achievements in his 7 months in power. He cut Government expenditures, eliminated corruption, balanced the budget, paid back foreign debts before repayment was due and vastly increased dollar reserves. Nor is it likely that any other leader would have been a much better administrator, considering the fact that all experienced men had been purged for their services to dictator Rafael Trujillo.

Far more important, Bosch, a true idealist, however naive, created a democratic precedent after 30 years of tyranny. No one was sent to jail for opposing him. The people luxuriated in a freedom they had never known before and social reforms, however tangled in redtape, promised them a bright future.

Only for the rightists and militarists did the future look bleak—by their reckoning. Democracy and social reform would mean for the oligarchs that they could no longer hoard the national wealth but would have to use some of it to improve the lives of the people. Democracy and social reform would mean for the military a reduction in privileges and political influence.

Members of the rightist alliance were not overly concerned with Bosch's administrative abilities. Nor is it likely they believed, as they charged, that Bosch had led the country to the brink of communism. They had made up their minds the moment Bosch won the presidential election last year that, one way or another, he would have to go. And they took full advantage of Bosch's shortcomings in justifying his ouster.

The reversion of the Dominican Republic to dictatorship has unquestionably been the worst blow yet to the Alliance for Progress. For the United States had, in a sense, treated that country, emerging in full innocence after 30 years of suppression, as a mother would treat an infant.

The infant has now succumbed to the terrible forces of history. And, compounding this tragedy, so has the United States in the sense that history has generated an extreme reaction to itself. For decades, this country shamelessly intervened in Latin America—economically, politically, and militarily—in its own selfish interests.

President Roosevelt finally reversed this policy and a new era of inter-American multilateralism began, in which the principle that no American State had the right to interfere in the affairs of another became the keystone.

To some extent, the Alliance for Progress, approved by all Latin nations except, of course, Cuba, has given the United States the right to use the bait of economic aid to encourage these countries to institute necessary reforms. But taking action to keep a particular government in power, democratic or not, is another thing—at least in the minds of U.S. leaders who shrink before the possibility of being accused again of "imperialism."

Moreover, to the potent blend of fear and conscience was added the embarrassment derived from the U.S. "hard" attitude toward the Peruvian junta when it took power last year. Once the junta announced it would hold new elections, the United States, under pressure, particularly from American businessmen in Peru, normalized relations with that country.

Strangely, the United States does not appear to realize that its initial hard attitude toward the Peruvian junta was largely responsible for the return of democracy to the country and should be a model for other similar situations.

In any event, the United States, although knowing well in advance that a coup in the Dominican Republic was imminent, confined efforts to save its infant to "please don't" talks with the military, as it did in Honduras.

Thus does history threaten to triumph over the peaceful revolution called for by the Alliance for Progress.

MARTIN'S STATEMENT ON POLICY FOR LATIN AMERICA

(U.S. policy in Latin America is under sharp attack. The top State Department official in the conduct of this policy is Edwin M. Martin, Assistant Secretary of State for Inter-American Affairs. The following statement by Martin, written for the New York Herald Tribune, is being circulated to diplomatic posts in Latin America.)

(By Edwin M. Martin)

By tradition and conviction as well as a matter of policy, the United States opposes the overthrow of constitutional and popular democratic governments anywhere.

This is especially true in Latin America, with whose people we have such close historical ties and whose aspirations for political and economic freedom we support wholeheartedly. Moreover, under the Charter of Punta del Este, the people of the Western Hemisphere have bound themselves in a joint effort for political and socioeconomic development—the Alliance for Progress—within a framework of free and democratic institutions.

The deviations from these principles which we have observed in the 2 years since Punta del Este have caused some to question the validity of the principles of the charter and some impatient cynics to ignore the progress which has been made.

Both the impatient idealists and the defeatist cynics ignore the realities of rising nationalism; the anxieties caused by social revolution; the challenge posed by the Alliance for Progress to old value systems; the threat to the established order brought on by the new, and finally the strain which rapid social and economic change places on fragile political institutions.

In short, there is a temptation to measure current events not against historical reality and substantive progress, but against somewhat theoretical notions of the manner in which men should and do operate in a complex world.

UNDETERRED BY FROWN

We all have respect for motherhood and abhor sin. We may observe, however, that while motherhood has prospered, so has sin. In an increasingly nationalistic world of sovereign states, a U.S. frown doesn't deter others from committing what we consider to be political sins. And as we are pretty nationalistic ourselves and rightfully proud of our great successes, we sometimes find this fact frustrating.

Our task has only begun when we have stated our position. The real issue is how, under the conditions of the present-day world, we can assist the peoples of other sovereign nations to develop stable political institutions and help them strengthen their beliefs in these institutions so as to make them effective against brute force.

In Latin America there are very few who would argue as a matter of principle for violent overthrow of constitutional regimes. Most of those who support or accept coups d'etat would simply maintain that their particular case was surrounded by unique circumstances. This is "yes, but" argument.

Genuine concern with an overturn of the established order, fear of leftwing extremism, frustration with incompetence in an area of great and rising expectations, and a sheer desire for power are all formidable obstacles to stable, constitutional government—especially in countries where the traditional method of transferring political power has been by revolution or coup d'etat. In most of Latin America there is so little experience with the benefits of political legitimacy that there is an insufficient body of opinion, civil or military, which has any reason to know its value and hence defend it.

No two countries are alike, but in general we feel that in order to enlarge their experience of legitimacy, and thus their respect for it, we must strengthen in each society the power of the educated middle class with a stake in the country, and hence in peace and order and democracy for all the people. This is in fact what the Alliance for Progress is all about—it is as much a sociopolitical revolution as it is an economic one.

As societies come to have more respect for constitutional civilian governments with wide popular support, these governments will no longer be easy targets for military coups. But to tip the balance even more in favor of established civilian governments, we also must assist the military to assume the more constructive peacetime role of maintaining internal security and working on civic action programs. The latter are especially valuable in identifying them with the problems and goals of the civilian population.

CAN'T EXCLUDE MILITARY

Even in the United States we argue about the areas of national policy in which the military have a rightful voice. In Latin America we cannot aim to reduce them to impotence in the national life—rather it is a problem of acceptance of a mission in support of legitimate governments against subversion from extremists of both right and left, whose threat of force must be met by force. There must be military participation in the formulation of some national policies; they cannot be excluded altogether.

I should not wish this emphasis on the need for the military to acquire a new and somewhat more limited role in political life to be read as a downgrading of the real contribution they have made to political freedom and stability in many countries. Peron in Argentina, Perez Jimenez in Venezuela and Rojas Pinilla in Colombia were all military dictators who were thrown out with the help of their own military in the 1950's. And the two worst dictators today in Latin America, it should be noted, are not military men and were able to consolidate their power by reducing the regular military forces to impotence.

Nor are the military universal supporters of those who oppose change as represented by the programs of the Alliance. Governments controlled by the military have overseen the election to power this year in Argentina and Peru of two of the most progressive regimes either country has ever had. This year in Ecuador and Guatemala, military regimes have announced reform programs of substantial importance.

Nevertheless, the fundamental facts remain—military coups thwart the will of the people, destroy political stability and the growth of the tradition of respect for democratic institutions and nurture Communist opposition to their tyranny. Moreover the military often show little capacity for effective government, which is a political rather than military job.

Apart from our and the Alliance's vigorous long-term efforts to eliminate the political vacuums on the civilian side which invite military action, as well as our efforts to train the military in their most valuable role, what can the United States do in the case of specific threats or coups which nevertheless come?

INTERVENTION OPPOSED

Unless there is intervention from outside the hemisphere by the international Communist conspiracy, the use of military force involving the probability of U.S. soldiers killing the citizens of another country is not to be ordered lightly.

Nor can we, as a practical matter, create effective democracy by keeping a man in office through use of economic pressure or even military force when his own people are not willing to fight to defend him. A democracy dependent on outside physical support of this kind is a hollow shell which has no future. The people had better start all over again. Moreover, once outside military support is used it may prove hard to withdraw. We have seen in this century—in Haiti, the Dominican Republic, and Nicaragua—how politically unproductive military occupations are, even when carried out with the best of intentions.

We must use our leverage to keep these new regimes as liberal and considerate of the welfare of the people as possible. In addition, we must support and strengthen the civilian component against military influence and press for new elections as soon as possible so that these countries once again may experience the benefits of democratic legitimacy. Depending upon the circumstances, our leverage is sometimes great, sometimes small.

One should not underestimate what has been accomplished by the United States and Alliance policies I have described. They are accomplishments that have truly enhanced the long-term prospects of the Alliance.

In Argentina, the military walked up the hill a number of times to look at the green pastures of full military control and the power and prerequisites that would go with it. Each time a combination of wiser heads in the military, along with more and more confident civilian leaders who were strongly buttressed by U.S. diplomatic support and aid programs, turned them back. The elections were held on schedule.

In Peru, the 1-year rule of the junta was about the most respectful of civil liberties most progressive in its policies, and quickest to give up its power peacefully in the history of Latin American military regimes. Here again the strong stand taken by the United States prior to recognition helped to secure public commitments on, and follow-through from, the junta to pursue liberal policies—liberal of course only for a military dictatorship.

NO REPRESSION IN ECUADOR

A similar story can be told of the Ecuadorian junta, which is governing through an able and representative civilian cabinet and generally without repression of civil liberties.

In every case mentioned there has been a novel and notable absence of reprisals against the leaders of the ousted regimes. The firing squads or prison guards, so characteristic of earlier political upheavels in Latin America, have been eschewed. This restraint can be credited to the progress Latin America has been making under the Alliance and to U.S. influence brought to bear through all the means open to us, to produce moderation and a prompt return to constitutional and democratic regimes.

I fear there are some who will accuse me of having written an apologia for coups. I have not. They are to be fought with all the means we have available. Rather I would protest that I am urging the rejection of the thesis of the French philosophers that democracy can be legislated—established by constitutional fiat.

I am insisting on the Anglo-Saxon notion that democracy is a living thing which must have time and soil and sunlight in which to grow. We must do all we can to create these favorable conditions, and we can do and have done much.

But we cannot simply create the plant and give it to them; it must spring from seeds planted in indigenous soil.

VOCATIONAL EDUCATION OPPORTUNITIES

The Senate resumed the consideration of the bill (H.R. 4955) to strengthen and improve the quality of vocational education and to expand the vocational education opportunities in the Nation.

Mr. YARBOROUGH. Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

VOCATIONAL EDUCATION AND NATIONAL DEFENSE EDUCATION ACT NEED TO BE EXPANDED, AND IMPACTED SCHOOL AID CONTINUED

Mr. YARBOROUGH. Mr. President, as one of the cosponsors of the original National Defense Education Act of 1958, I am greatly pleased that the Senate is acting today to extend the life of my favorite legislative effort in my some 6 years in the Senate. In its 5 years of life, the NDEA has done more for American education than any other legislation ever passed by Congress or a State legislature, with the possible exception of the Morrill Land Grant College Act of 1862, or the World War II GI bill. Today the initials "NDEA" are as familiar a part of the educational scene as the initials "Ph. D."

The NDEA is a great program; it has benefited hundreds of thousands of students and teachers in the few years since its enactment. It was an attempt by Congress to insure that our national education effort was at a par with that of other industrialized countries of the world. It made a good start toward that goal. There are other education programs which many of us have also sought to add to our national effort. Some have been added in limited measure, but we have not yet been successful on all of them or the most extended versions of some of them. These other education programs will be added in time—all of them—one reason being that the undoubted success of the NDEA illustrates the wisdom of congressional action to correct national deficiencies in our educational system and to stimulate our national effort in education.

Part B of the bill under consideration today, H.R. 4955, extends the National Defense Education Act for another 3 years, and makes some modest improvements in the various programs. Perhaps the most needed improvement is the increased authorization provided for the student loan funds.

The student loan fund, title II of the NDEA of 1958, is the most widely known and praised of the provisions of that act. Through loans made by the colleges from capital contributions authorized in 1958, about 180,000 students each year are able to continue their college education. Many more are unable to obtain NDEA loans because the funds are exhausted too soon. The new bill will correct this in part by raising the annual authorization from $90 to $125 million the first year, and by raising the ceiling for individual institutions from $250,000 to $800,000. It is very important that the larger colleges be able to provide loans in proportion to the size of their student bodies.

If we do not raise that limitation, a student who goes to a larger college is discriminated against and does not have as fair an opportunity to obtain a loan as one who goes to a smaller college.

Students at three of the larger universities in my own State of Texas already require far more funds than can be made available due to this institutional ceiling. It should be raised. Extension of the loan program as a whole is of very great importance to the students at the 77 Texas colleges and universities taking part. In a survey made of Texas student borrowers, 94 percent reported that they could not have begun or continued their college studies without this assistance.

I wish to interpolate a point that is not shown in the statistics, but which I have learned from my personal observations in traveling to different colleges.

With $90 million a year for loans, it is estimated that the average student loan is $500. That fund keeps 180,000 students in college annually. That is the average size of a National Defense Education Act loan ($500) but I am of the opinion that these loans are keeping many more than that number (180,000) of students in college, for this reason: I have been told by presidents of several of the smaller colleges in Texas that if, for example, they have one student who needs a loan of $500 and five students who need a loan only $100 each, they funnel the $500 loan into the National Defense Education Act program in order to save paperwork, and then lend the other five students $100 each from local funds. Many colleges have local loan funds, to provide some student loans. So by placing the larger loans under the National Defense Education Act program, they provide funds to a larger number of students who need smaller loans each, out of the funds the college has for that purpose.

The president of Sam Houston State Teachers College, with an enrollment of more than 5,000 students, which is next to the oldest tax supported institute of higher learning in my State, told me that often, with a loan of $100, or a loan of as low as $50, a student can be kept in school for a year.

He said—

> If a boy comes here, and we can get him a $100 loan, or sometimes a $50 loan, that will be enough to have him registered, and he can then be given a job sweeping out dormitories, or perhaps he can wait on tables.

The smaller loans of $50 or $100 are not funneled into the National Defense Education Act. Therefore, we are keeping in school far more than the 180,000 students who borrow under the National Defense Education Act program each year.

I ask unanimous consent to have printed at the conclusion of my remarks, as a footnote to my remarks, the list of colleges and universities in Texas which have received funds under the National Defense Education Act for student loans,

and the amount each year since the institution of the program.

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

(See exhibit 1.)

Mr. YARBOROUGH. Other sections of the National Defense Education Act are vital to our modern educational needs: Graduate fellowships, strengthening the teaching of science, mathematics, and modern foreign languages, improving the educational uses of communications media, expanding the guidance, counseling, and testing of students, and strengthening educational statistical services.

Graduate fellowships are awarded to those working in new or expanded graduate programs.

This provides for $1,500 for fellowships, as distinguished from loans. It is an attempt to insure adequate graduate programs in all parts of the Nation, and would avoid any undesirable concentration of graduate study at a few institutions or in one section of the country. It is already far concentrated. This has meant nearly 300 graduate fellows have pursued their studies in Texas who might have been attracted to other States. It has been a great help in building Texas brainpower resources to match our natural resources.

A major purpose of the authors of the National Defense Education Act was to increase the knowledge of foreign languages to match our worldwide responsibilities and commerce. In 1958 there were only 46 modern "language laboratories" in U.S. public high schools. The year of the passage of National Defense Education Act was 1958. Five years ago there were only 40 modern language laboratories in U.S. public high schools. At the end of the 1963 fiscal year, there were some 6,000 such modern facilities for language instruction.

This is only one of many possible illustrations of why I say, with the possible exception of the Morrill Land-Grant Act of 1862 or the G.I. Education Act at the end of World War II, the National Defense Education Act of 1958 is the most far-reaching and beneficial educational proposal passed by a State legislature, by the Congress, or even by any colonial assembly, in the history of the American people.

In Texas, the foreign language program has had many beneficial results. In the field of foreign language laboratories in public high schools, electronic equipment is used to teach foreign languages. A junior high school in my city of Austin, Tex., teaching the German language, has not only the required electronic equipment, and the individual booths, in which the students can listen to their own voices and to the voices of others speaking German, without a teacher being present, but in addition there are also established foreign language libraries with books in German and in English. That is only one illustration.

Nearly 370 elementary and secondary school language teachers will have attended seven modern language institutes held at three Texas institutions by the end of the 1963–64 academic year. Over $530,000 has been obligated during the 5 years for this activity, including $112,686 for two institutes conducted during the summer of 1963, one at Our Lady of the Lake College, San Antonio, and one at Texas Technological College, enrolling over 80.

Language and area centers: Three centers supporting studies of South Asia, the Middle East, and Latin America, have been established at the University of Texas, Austin. These centers offer instruction in seven languages, namely, Spanish, Portuguese, Arabic, Hebrew, Persian, Hindi, and Telugu. A total of about $266,000 has been obligated for this program, of which $88,000 is for 1963–64 activity.

Some 85 fellowships have been awarded over the past 5 years for the study of languages of critical importance, at the University of Texas. Obligations for this program total about $263,000 over the 5 years, including $124,000 for 41 awards for study in 1963–64. The 1963–64 awards include 13 special postdoctoral fellowships for the study of Portuguese.

Language research and studies: Approximately $27,000 has been obligated for two language research projects in Texas. Contracts have been awarded to A. & M. College of Texas for the production of a Bengali-English, English-Bengali dictionary and to the University of Texas for the preparation of a college textbook of spoken Egyptian—Cairo—Arabic.

In addition, during the 5-year period, about $7.6 million in Federal funds has been paid to Texas on a 50–50 matching basis for strengthening instruction in science, mathematics, and modern foreign languages in public elementary and high schools. Loans totaling approximately $63,000 have been made to private elementary and secondary schools.

Texas now employs seven supervisors in these subjects at the State agency level as contrasted with only four before the act was passed.

In guidance and testing, Federal grants to Texas totaling approximately $3 million for local guidance programs helped make possible an increase in the total of full-time school counselors. The number has risen from 800 in 1958, to an estimated 1,050 in 1963. During this same period, from 1959 through 1962, 2.8 million scholastic aptitude and achievement tests were given, with the help of Federal funds, to public secondary school students.

When the Texas picture is thus seen, one can realize what an impact the National Defense Education Act has had in the Nation as a whole. I regard this 3-year extension of the act as one of the most constructive steps that the Senate will take this year. Our action to better the educational system of the Nation goes to the root of wise action to improve the quality of American life. There is no sounder governmental program.

Extension of Public Laws 815 and 874, aid for schools in the federally impacted areas, is also of great importance to Texas. The 3-year extension of the program proposed by part C of H.R. 4955 will be of great benefit to school budget planning in the 249 Texas school districts which have been affected by Federal activities. This is a very equitable program which sends some $17 million yearly to Texas school districts to maintain a quality education program for the children of Federal employees.

I am very much pleased to see this bill before the Senate. I have mentioned 1 State; other Senators can speak of the other 49 States and discuss the impact of the proposed legislation over the Nation as a whole.

Vocational education is a field in which Congress wisely has been active for many years. However, it is time for us to turn our attention to revising the vocational educational program to meet the needs of modern business and industry. It is necessary to extend it into other fields. Part A of H.R. 4955 as passed by the House and modified by the Senate is a good step in this direction. We need to provide the funds by which students can be trained in the many new vocations that are created as new technologies spring up.

The bill as reported will provide an expanded educational program for high school students. It will also provide funds for vocational training for the high school dropout, and the post high school youth preparing to enter the labor market, as well as those who have entered the labor market but need further training to achieve job stability. An expansion of the vocational training program into other fields is urgently needed.

Special attention will be directed to youths having academic, socioeconomic, or other handicaps that impede their progress in regular vocational education programs. Recognition is given to the area vocational education schools, which are proving of increasing importance as the centers in which an area's needs for skilled technical workers can be supplied.

Texas has matched the existing Federal vocational education funds almost 10 to 1 with State and local funds.

I am glad to give these facts, because it is often said that some States do not do their part, but wait for the Federal Government to put up the money. This is not a correct statement. Federal funds are a stimulus; they provide the start. Once the program has been started, and the States and local school districts understand their value, the program multiplies, as is shown in my State of Texas, where State and the local districts are matching the Federal Government's contributions with their own funds in a ratio of 10 to 1.

In 1962, combined expenditures in Texas of over $24 million provided training for nearly 400,000 persons. As under the proposed bill the Texas entitlement would rise to $5.5 million, matching State and local funds in the same proportions would result a needed expansion of vocational training to provide my State with an adequate supply of workers

with space age skills. All the aspects of this program, in its improved form, will be of great benefit to the economy of my State, to our people and our industry, and I urge its passage by the Senate.

My State is only a mirror of conditions as they exist in the 50 States, as shown by a recent survey of education, published in Parents magazine.

Mr. President, in recent years some attacks have been made on vocational agricultural training. It is said that because of the mechanization of agriculture, such training is no longer needed. Texas has some 300,000 farm families. In my opinion, vocational agricultural training is needed as badly now as it ever was. Agricultural training is now provided in the schools of many of the larger States of the South, the West, and the Midwest. Agriculture and business are lumped together and are called agrabusiness. Many persons trained in vocational agriculture enter programs related to agriculture, such as the chemistry of pesticides, insecticides, fertilizer, and the processing of agricultural products.

In Texas, of all the people who work in manufacturing industries, more work in agricultural manufacturing than in any other kind. They are engaged in the processing of food from the fields, of chickens and turkeys that come from the brooders, and of the beef produced on the ranges. Many persons receive vocational agricultural training and then go on to college, then into businesses related to agriculture.

I have before me a letter which illustrates this point. The letter is from John E. Hutchison, director, cooperative extension work in agriculture and home economics, Texas A. & M. College System and U.S. Department of Agriculture Cooperating, College Station, Tex. The letter reads:

COOPERATIVE EXTENSION WORK IN AGRICULTURE AND HOME ECONOMICS, TEXAS A. & M. COLLEGE SYSTEM AND U.S. DEPARTMENT OF AGRICULTURE COOPERATING,

College Station, Tex., September 23, 1963.

Hon. RALPH YARBOROUGH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR YARBOROUGH: I appreciated very much your letter of September 13 transmitting a copy of the Senate Appropriation Committee's report. This is indeed good news, and as I have discussed with you personally, the increase is badly needed to adjust salaries of Texas Agricultural Extension staff members. For example, during the biennium ending August 31, 1963, we lost 63 county agricultural agents and assistant county agricultural agents who left our service for positions in other agencies and industries which pay considerably higher salaries. I hope very much that the House will concur and adopt the Senate bill.

Your continued interest and assistance is very much appreciated.

Sincerely yours,
JOHN E. HUTCHISON,
Director.

These county agricultural agents and assistant agents were trained in the vocational agricultural programs. There is a great demand for them in the agricultural industry and in the Government service. They will be found at all our embassies throughout the world.

The people of most of the countries of the world are hungry. Many of those countries could produce a food supply sufficient to keep their people from starving, if only they had the agricultural knowledge to do so.

Our trained agricultural personnel provide some of the least expensive assistance in our aid program, considering the service they render. It should be remembered that of the almost 3 billion people in the world, more than half go to bed hungry every night, get up hungry in the morning, and are hungry all day. They have not the ability to produce the quantity of food needed in their country that we have in ours. They do not have the agricultural know-how that this country has to produce the food necessary for their people.

We should not cripple this program at home, where there is an opportunity to produce so much with so few dollars.

The help given to children by this training is exemplified in the report entitled "Education for a Changing World of Work," a report of the panel of consultants on vocational education. This panel made a special report on whether agricultural vocational education was outmoded. The programs were being studied to see whether the money could better be spent in some other line of endeavor. I read two paragraphs from page 99 of the report:

High school graduates who have completed 3 or more years of vocational agriculture hold a significant economic advantange over farm-reared high school graduates who have not had such training. An Iowa study of 1943–54 graduates who were farming in 1955 showed that 89 percent of those with training in vocational agriculture were above hired-hand status, 57 percent farmed 161 acres or more, and vocational agriculture graduates realized in 1955 a mean of $7,720 in total gross sales from farming. Of the graduates who did not have vocational agriculture training, 79 percent were above hired-hand status, 48 percent farmed 161 acres or more, and all those with farms realized a mean of $5,788 in total gross products. Thus, vocational agriculture graduates realized an average of $1,932 more in 1955 than other graduates who worked on farms.

A study of the effectiveness of vocational agriculture was conducted in Mississippi in 1959 to find out what effect vocational education had, over a period of 30 or more years, on farming and on other aspects of the lives of the people in the community. Of the 1,090 farmers surveyed, 21 percent (232) had taken vocational agriculture in high school, 48 percent had participated in adult farmer classes, and 16 percent had received all day adult farmer instruction. Those who received organized instruction in vocational agriculture lived in better homes, achieved a higher rate of production, and participated in more community activities than others.

Mr. President, I ask unanimous consent to have printed in the RECORD certain remarks by Dr. Miles Peterson, president of the American Vocational Association, and professor of the Agricultural Education Department of the University of Minnesota, St. Paul, Minn., beginning in volume 4, of the hearings, at page 2070. They show the great benefits received from the very few dollars invested in this program.

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

REVIEW OF VOCATIONAL EDUCATION PROGRAMS

Permit me to review briefly the assistance to vocational programs in the several States presently provided under existing laws.

Under the Smith-Hughes (Public Law 347, 64th Cong.) and George-Barden (Public Law 586, 79th Cong.) Acts are provided total appropriations and authorizations of $57 million.

The total Federal assistance under Smith-Hughes and George-Barden Acts amounts to about: $3.5 million for distributive occupations; $8.9 million for home economics; $31 million for trade and industrial programs (includes $5 million for practical nurse training and $15 million under title VIII of NDEA for training highly-skilled technicians); and $13 million for agricultural education (the $13 million for agricultural education may be compared with the more than $70 million of Federal funds being made available annually to the Agricultural Extension Service of the U.S. Department of Agriculture).

Existing vocational education acts are just as sound today as they were when enacted into law. They should not be repealed or replaced. They have charted the way for more equitable educational opportunity and created a framework and foundation for the future.

Under existing legislation the States have built a system of teamwork and cooperation that has stood the test of time. Vocational educators have developed an esprit de corps and morale unmatched elsewhere in education. High standards of teacher education and certification requirements reflecting the essential specialized competence; State leadership through the establishment and support of supervisors in the various fields of services; travel and subsistence for teachers enabling them to more readily participate in professional improvement; stability and status in State departments of education—all these and other benefits to those dependent on vocational education of a high order have been made possible through congressional action.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the RECORD the statement of Miss Catherine T. Dennis, State supervisor of home economics education, of the State Department of Public Instruction, Raleigh, N.C., beginning with the last paragraph on page 2126, volume 4, of the hearings on educational legislation, 1963, and continuing through the conclusion of her statement on page 2128. Her statement shows the need for vocational education in home economics.

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

PREPARED STATEMENT OF MISS CATHERINE T. DENNIS, STATE SUPERVISOR OF HOME ECONOMICS EDUCATION, STATE DEPARTMENT OF PUBLIC INSTRUCTION, RALEIGH, N.C.

Mr. Chairman, I am Catherine T. Dennis, State supervisor of home economics education, Division of Vocational Education, State Department of Public Instruction, Raleigh, N.C. I represent the American Vocational Association and am speaking for the home economics membership of this association in behalf of Federal appropriations for vocational home economics.

We believe in the vocational education program and we believe in Federal support of it. Millions of American families have benefited by this program since its beginning under the Smith-Hughes and subse-

quent acts. We are indebted to the U.S. Congress for its vision in establishing and maintaining the home economics program through these acts and we sincerely urge you to continue the appropriation for it as a part of vocational education. With certain modifications in the wording of the existing and subsequent acts, further expansion in the education of youth, especially girls and women, for gainful employment in occupations involving knowledge and skills in home economics subjects will be possible.

A BRIEF OF JUSTIFICATION

The value of vocational home economics during the preceding years cannot be estimated in dollars. Statistics from the States, as compiled by the U.S. Office of Education for the year 1960–61, show an enrollment of 1,610,334 in vocational home economics programs, 629,225 being women and men enrolled in adult classes. In fact, 42 percent of the total enrollment in vocational education is in this field with the primary emphasis placed upon strengthening home and family living. The ultimate goal of women is marriage and motherhood. Never in the history of the United States have so many women married and at so early an age. One out of every two marriages is contracted by a girl under 20 years of age and one out of every three babies is born to a mother of this age group. Preparation for the most important goal of life can no longer be left to "learning at mother's knee," because mother is apt to be working away from the family 8 to 9 hours daily. Mobility will probably affect the lives of the young homemakers, forcing them to live far from parental guidance, so that decisions related to family life will have to be made in terms of previous training or lack of training. Home economics is the only subject in the high school program centered around the aspects of daily living. Values related to family living in a democratic society form the core of the program—the how and importance of child rearing, the strengths of the individual as developed through living in an atmosphere of love and consideration, the use of the economic resources of the family for satisfying shelter and surroundings, the wise consumption of income to meet individual needs, the well-being of each family as influenced by the emotional, physical, and spiritual surroundings so essential to individual security. Thousands of home economics teachers and families view this training as essential to the welfare of our Nation. If the funds are not continued, many schools will be without this program or the amount of instruction offered greatly curtailed. This curtailment will be largely in the innumerable small high schools where it is now the only vocational program offered to girls and adult women.

The Department of Labor recently stated that in 1960 there were 24.2 million women workers in the labor market. Of this number, only 5 percent were college graduates. During that same year, however, approximately 80,000 home economists, every one of whom held at least one college degree, were in the labor market. They are the teachers, extension agents, college professors, dietitians, nutritionists, research workers, specialists, and women economists in business. Research from many States prove that today's professional home economist was influenced during her high school experience, almost 100 percent, to enter this professional field. This is but another evidence of the importance of vocational home economics at the high school level in contributing to the educational leadership so greatly needed in our society.

The mores of this country have habituated us to the philosophy that a mother's place is in the home, while in actuality the pressures from the labor market for more workers, the less-than-average U.S. income for 50 percent of our families, and the desire on the part of families for more of the goods and services in an affluent society, indicate that more women will enter the labor market and remain in it for a longer period of time. The reports from the National Manpower Council in 1951 and 1960 concur with the need for women workers. "Women constitute not only an essential but also a distinctive part of our manpower resources. They are essential because without their presence in the labor force we could neither produce and distribute the goods nor provide the educational, health, and other social services which characterize American society. They constitute a distinctive manpower resource because the structure and the substance of the lives of most women are fundamentally determined by their functions as wives, mothers, and homemakers."

THE EXPANDING CONTRIBUTION OF VOCATIONAL HOME ECONOMICS

With some modification in the wording of the existing acts and any subsequent act, the program can be greatly expanded to include training for competency in wage-earning occupations.

Many occupations fall within the purview of the skills and knowledge of home economics. These occupations have increasing significance in view of many changes that are taking place in homes and communities and particularly because of the increasing numbers of women who find it necessary to become wage earners.

According to information from leading U.S. economists, the greatest expansion in growth of our economy lies in the areas of distribution and service. "The Occupational Outlook Handbook" states that the service industry will grow faster than any other in spite of mechanization and automation. These are tasks which machines cannot do. In 1961 "service" expenditures constituted 42 percent of the total consumer outlay. Many of these services are jobs that serve families and homes. It is in this last category that home economics will be able to make a great contribution in training for expanding fields of employment. Service occupations which use home economics knowledge and skills include those that have both a community and home focus. Included in these occupations are such positions as household managers, homemaker assistants, food service managers, caterers, lunchroom managers, lunchroom workers, dressmakers and home tailors, alterers, hospital aids, hotel housekeepers, hospital housekeepers, child care personnel, cooks and chefs, and personnel for services to the aged.

If history is to serve as a guide, we must conclude that man rarely becomes aware of significant trends until they overwhelm him. This is perhaps the state in which we find ourselves today, but if the Congress will continue the home economics appropriation, leave the responsibility of allocation to the State boards of education approved by the U.S. Commissioner of Education, we can and will expand the vocational home economics program to meet the challenge of our changing society.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the RECORD, from the Senate committee's report on the bill, report No. 553, certain paragraphs on page 10.

There being no objection, the excerpt from the report (No. 553) was ordered to be printed in the RECORD, as follows:

AMENDMENTS TO VOCATIONAL EDUCATION ACT OF 1946 (GEORGE-BARDEN) AND SMITH-HUGHES ACT

Both versions would continue these acts but with the following modifications to freely permit interchange of funds between all the existing categories and from the existing programs to the new program, and to broaden the occupations and groups for whom training can be provided under the principal George-Barden and Smith-Hughes categories. Thus—

1. Any State would be permitted to combine any portion of any of its allotments under existing laws with any other allotments under these laws, as well as with its above-described allotment under the new law.

2. Any State could use funds earmarked for vocational education in agriculture for any occupation involving knowledge and skills in agricultural subjects, such as forestry, soil conservation, landscaping, horticulture, etc., whether or not involving work on the farm or work projects involving practice on a farm.

3. Home economics funds (now limited to training for work in the home) could be used for vocational education in any gainful occupation involving knowledge and skills in home economics subjects, such as home companions for aged and disabled, day care center workers, nursing home assistants, hotel and motel housekeepers, home cleaning services, etc. Beginning with fiscal 1966, at least 25 percent of these funds must be used for training for gainful occupations in the House but not the Senate version.

Mr. YARBOROUGH. Mr. President, home economics education now is limited to training for work in the home. However, under a broadened program of home economics education, it would be possible to provide vocational education in many gainful occupations and in connection with many allied subjects, such as training to be companions in the homes for the aged and the disabled; training for work in day care centers; training for work as nursing home assistants; training for work as hotel and motel housekeepers; training for work in connection with housecleaning services; and so forth. But beginning with the fiscal year 1968, under the House version, at least 25 percent of these funds must be used for training in gainful occupations. In other words, at least 25 percent of the home economics funds would then have to be used to train for work in nurseries, motels, homes for the aged, and similar work. Such a provision does not appear in the Senate version of the bill, because it is clear that training in basic home economics is definitely needed.

Furthermore, as has been pointed out, many of those who take home economics training are qualified, at the end of their schooling, to be hired as schoolteachers, as day care center workers, or as dietitians. Therefore, and particularly in view of the population explosion, an arbitrary requirement that those trained under this home economics program be trained only for gainful occupations would be a backward step, because it is clear that an expansion of the homemaking program, as well as in these areas, is needed.

The Senate committee version eliminates the House provision that at least 25 percent of the funds for home economics training must be used to train for employment in gainful occupations outside the home. The Senate version would leave that matter optional with the States, while the House version would arbitrarily impose the "at least 25-percent provision" on the States. The House provision would constitute Federal interference, at least to some extent.

We believe that each State should be allowed to decide for itself what part of the funds should be used for training in basic home economics and what part should be used for training in gainful occupations.

In short, Mr. President, we believe that the State authorities, knowing their own conditions in their own States, should have the power to decide what portion of these funds should be used, under their own State laws, for training in home economics for the home and what portion for training in gainful occupations outside the home. That power is given the States under the Senate version.

Mr. President, I yield the floor.

EXHIBIT 1

Institution	Funds received fiscal year—						
	1959	1960	1961	1962	1963	1964	Total
Texas	$1,722,486	$1,897,142	$2,824,936	$3,850,428	$4,641,512	$5,338,383	$20,274,887
Abilene Christian College, Abilene	85,925	55,397	112,014	182,700	189,350	234,850	860,236
Amarillo College, Amarillo [1]	1,506						1,506
Arlington State College, Arlington	5,639	24,374	58,500	35,333	59,559	58,405	241,810
Austin College, Sherman				28,800	36,814	52,631	118,245
Baylor University, Waco	78,315	172,152	250,000	250,000	250,000	250,000	1,250,467
Bishop College, Dallas	19,476	22,350	36,000	100,510	134,187	217,811	530,334
Blinn College, Brenham				24,681	24,741	23,568	72,990
Butler College, Tyler			8,100	6,827	10,327	13,451	38,705
Cisco Junior College, Cisco	9,097	6,169		5,389	14,835	13,613	49,103
Clarendon Junior College, Clarendon					13,500		13,500
Del Mar College, Corpus Christi	20,622				6,950	15,223	42,795
East Texas Baptist College, Marshall	21,544	25,000	33,750	44,213	45,377	55,709	225,593
East Texas State College, Commerce			43,200	53,943	60,934	64,946	223,023
Fort Worth Chrisitan College, Fort Worth						21,508	21,508
Hardin-Simmons University, Abilene	50,116	77,520	126,000	172,283	204,300	219,569	849,788
Henderson County Junior College, Athens	18,070	9,578	9,900	21,398	22,267	30,300	111,513
Hill Junior College, Hillsboro						6,431	6,431
Howard County Junior College, Big Spring		8,750	9,499	3,730	5,006	5,601	32,586
Howard Payne College, Brownwood	44,327	42,550	67,500	90,676	103,500	114,175	462,728
Huston-Tillotson College, Austin	16,374	8,077	8,676	38,631	53,576	67,627	192,961
Incarnate Word College, San Antonio			45,000	58,430	75,254	78,114	256,798
Jacksonville College, Jacksonville	4,193	4,130	10,116	9,263	13,714	10,539	51,955
Jarvis Christian College, Hawkins	9,097	13,793	31,500	107,640	224,280	241,195	627,505
Lamar State College of Technology, Beaumont	18,796	38,165	75,600	86,400	83,700	92,860	395,521
Lee College, Baytown	15,663	8,677	10,420	10,839	24,559	9,208	79,366
Le Tourneau College, Longview					13,500	23,421	36,921
Lon Morris College, Jacksonville	11,040	9,625	14,566	16,196	18,186	14,052	83,665
Lubbock Christian College, Lubbock				36,381	38,365	56,209	130,955
Mary Allen College, Crockett	3,722	2,512	2,200	2,204			10,638
Mary Hardin-Baylor College, Belton	13,317	18,700	27,000	35,285	38,295	57,307	189,904
McMurray College, Abilene	25,373	27,720	57,375	66,150	22,270	72,018	270,906
Midwestern University, Wichita Falls	7,518	14,400	23,760	27,000	27,879	30,125	130,682
Navarro Junior College, Corsicana	10,802				13,161	7,904	31,867
North Texas State University, Denton	156,628	128,003	28,683	80,883	63,900	43,914	502,011
Our Lady of the Lake College, San Antonio	17,987	18,635	32,400	61,065	66,253	81,679	278,019
Pan American College, Edinburg	8,677	14,977	18,180	31,929	40,484	30,103	144,350
Paris Junior College, Paris	10,024	720	10,610	12,627	5,420		39,401
Paul Quinn College, Waco	12,415	2,250	18,000	26,933	19,861	23,356	102,815
Prairie View Agricultural and Mechanical College, Parairie View	15,663	26,433	42,435	53,249	52,303	44,017	234,100
Ranger Junior College, Ranger	13,398	10,970	3,795	8,180	21,763	22,291	80,397
Rice University, Houston					100,800	100,299	201,099
Sacred Heart Dominican College, Houston	10,379	9,900	13,680	20,823	17,586	24,553	96,921
St. Edward's University, Austin	14,059	10,800	9,900	27,450	30,558	33,989	126,756
St. Mary's University of San Antonio, San Antonio	28,757	45,900	80,325	55,350	102,060	109,345	421,737
Sam Houston State Teachers College, Huntsville			85,050	101,832	121,306	167,179	475,367
San Angelo College, San Angelo	12,530	2,991	14,961	20,408	14,833	16,159	81,882
San Antonio College, San Antonio	38,855			5,400	15,147	19,498	78,900
San Jacinto Junior College, Pasadena					12,000	6,886	18,886
South Plains College, Levelland	7,319	7,542	29,001	39,686	42,515	43,562	169,625
Southern Methodist University, Dallas	92,512	63,734	86,796	124,020	150,397	177,111	694,570
Southwest Texas State College, San Marcos			34,650	37,464	58,751	59,288	190,153
Southwestern Assemblies of God College, Waxahachie		7,200	7,200	12,990	10,411	12,735	50,536
Southwestern Union College, Keene						5,855	5,855
Stephen F. Austin State College, Nacogdoches			36,000	41,400	38,250	40,401	156,051
Sul Ross State College, Alpine			27,216	31,298	37,715	39,511	135,740
Tarleton State College, Stephenville	5,639	8,056	15,000	24,185	36,211	43,035	132,126
Texarkana College, Texarkana	10,176		8,100	14,760	16,643	17,429	67,108
Texas Agricultural and Mechanical University, College Station	93,977	90,611	108,000	108,000	115,200	151,286	667,074
Texas Christian University, Fort Worth	144,027	84,078	85,500	72,900	157,379	149,306	693,190
Texas College, Tyler	16,334	22,345	31,500	46,112	96,811	106,177	319,279
Texas College of Arts and Industries, Kingsville	45,109	25,785	45,900	48,150	39,295	54,453	258,692
Texas Lutheran College, Seguin		11,700	11,700	23,400	25,235	29,422	101,457
Texas Southern University, Houston		22,500	32,175	45,000	24,886	74,521	199,082
Texas Southmost College, Brownsville	5,242		1,440	2,498	4,298	4,532	18,010
Texas Technological College, Lubbock	43,855	135,000	99,479	47,250	98,646	150,184	574,414
Texas Wesleyan College, Fort Worth	29,760	36,925	21,294	58,379	13,364	36,273	195,995
Texas Western College, El Paso	16,352	16,240	40,500	50,580	48,460	60,503	232,635
Texas Women's University, Denton	34,458	72,124	31,021	110,659	131,324	121,202	500,788
Trinity University, San Antonio	39,158	30,926	38,360	88,088	89,183	126,398	412,113
Tyler Junior College, Tyler		8,214					8,214
University of Corpus Christi, Corpus Christi	22,103	19,920	42,000	64,450	68,162	96,178	312,813
University of Dallas, Dallas	10,089	14,416	30,800	45,902	70,508	81,846	253,561
University of Houston, Houston	93,977	147,738	250,000	250,000	250,000	250,000	1,241,715
University of St. Thomas, Houston	9,397	7,380	9,450	14,400	15,123	16,182	71,932
University of Texas:							
Austin	124,400	147,579	193,310	250,000	249,975	243,966	1,209,230
Dental branch, Houston	6,400	7,500	6,986	16,908	17,929	18,122	73,845
Medical branch, Galveston	15,900	12,321	40,500	45,225	43,457	57,121	214,524
Southwestern Medical School, Dallas	3,100	7,200	7,965	10,800	11,785	14,931	55,781
Wayland Baptist College, Plainview				15,939	17,253	20,639	53,831
Wharton County Junior College, Wharton	2,664						2,664
Wiley College, Marshall	20,634	28,890	34,398	88,954	149,686	154,576	477,138

[1] Withdrawn from program but retained funds representing loans made.

Mr. GOLDWATER. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On pages 25 and 26, it is proposed to strike out all of section 2, and to insert in lieu thereof the following:

SEC. 2. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1964, $45,000,000, for the fiscal year ending June 30, 1965, $90,000,000, for the fiscal year ending June 30, 1966, $135,000,000, and for the fiscal year ending June 30, 1967, and each fiscal year thereafter $180,000,000, for the purpose of making grants to States as provided in this part.

On page 32, beginning in line 1, strike out everything down through line 20, as follows:

(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.

On page 51, beginning on line 1 strike out all of section 13, as follows:

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 realloted 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.

Mr. GOLDWATER. Mr. President, I shall not be long in explaining my amendment.

The purpose of my amendment is to substitute the money authorization of H.R. 4955, as passed by the House, for the amount provided by the Senate committee approved bill. As passed by the House, H.R. 4955 would have authorized a total of $630 million for the first 5 years for grants to States for strengthening and expanding vocational education. In contrast, H.R. 4955 as approved by the Senate Labor and Public Welfare Committee would authorize grants amounting to $945 million for the first 5 years. In addition, $180 million would be allowed for the construction of residential vocational schools, not provided for in the House version. A work study program not authorized by the House version would add $310 million to the cost.

My amendment would strike out the language that would provide for the work study program. It is not what one would think from reading its title. It would enable a young man or student to work, and to be paid for his work, and at the same time to study. In all, the Senate committee version would cost $1,435 million, as compared to the House version cost of $630 million, a more than 100-percent increase in the amount approved by the House.

I wish to make it abundantly clear that I do not oppose vocational training. I believe the program, ever since its inception in 1917, has been one of the better programs engaged in by the Federal Government. It has been operated in an orderly fashion. It has not involved the expenditure of overly large sums by the Federal Government; and I believe that, on the whole, the States have done an exceedingly good job in managing the programs.

My whole objection to the bill as it now stands is that it would be much too costly; it would cost too much money. No need has actually been shown for this great increase—which is 15 times greater, I may say, than what the President originally asked for, early this year, in his first message to Congress on this subject. In short, there is no demonstrable need for this costly addition. On January 29 of this year, President Kennedy submitted to Congress a proposed program for education to strengthen and improve educational quality and educational opportunity in the Nation.

Accompanying this Presidential request was a draft bill providing for $5.3 billion in Federal funds to carry out the program. The President's education message, a document of 13 pages, contained a mere 4 paragraphs devoted to vocational and special education. And title V of S. 580—introduced on behalf of the administration—authorized an additional $23 million a year for 4 years for an expanded vocational education program.

So what we are talking about at the outset this year in the President's first proposals is a $92 million 4-year program.

Less than 5 months later, President Kennedy sent still another message to the Congress, this time dealing with the subject of civil rights. Included in the requests contained in this message were proposals for greatly increasing vocational education funds authorized in the administration's education bill, S. 580, and provision for a work-study program for youth of high school age. Thereupon, the Senator from Oregon [Mr. MORSE], chairman of the Subcommittee on Education, offered an amendment in the Senate to S. 580, carrying out the Presidential requests on vocational education contained in the civil rights message. In the interim, the House had passed a vocational education bill, H.R. 4955, which increased the authorization requested by the President. The committee, during the consideration of the House-passed bill, struck out the House language and substituted for it the Morse amendment.

Mr. President, it is interesting to note that in the President's message to the Congress on civil rights he devoted very little attention to this field. In this field—the President's civil rights program—I find myself in agreement. I should like to be able to vote for a program that was not so costly as to be out of all consideration, and one which would provide more vocational education, not merely for Negroes alone, but for all people in our country who have to acquire greater skill. One of the deficiencies in our educational system today is that across the country we have dropped the manual training type or the industrial type of high school—the high schools that I knew as a boy. The school dropout rate was higher than it is today. A young man could take many types of manual training or vocational training to acquire a skill.

In no way wishing to call it to anyone's attention, my brother and I gave to the high school system a farm which we owned near Phoenix, Ariz., so that an agricultural school could be started at the high school level. It has been very successful. It is the type of education which I think we should be stressing as much, if not more, than so-called higher education, because many young men know, when they enter high school, that they will not finish. Many girls know they will not finish. So why fill their minds with information that they will not be able to use profitably as they find themselves searching for jobs?

Mr. SALTONSTALL. Mr. President, would the Senator be willing to be interrupted?

Mr. GOLDWATER. I am glad to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Do I correctly understand that the amount recommended by the President in his original message was $92 million for a 4-year period, and that the House bill, which is now being considered, provided for $630 million for a 5-year period?

Mr. GOLDWATER. That is correct.

Mr. SALTONSTALL. The bill that is now before the Senate is for a 5-year period and would cost $1,400 million, as opposed to a cost of $630 million over a 5-year period as provided in the bill passed by the House. Are those figures correct?

Mr. GOLDWATER. The Senator is absolutely correct.

Mr. SALTONSTALL. What additional objectives are in the bill that has been reported by the Senate committee as opposed to the House bill? Does the House bill provide for all the requests of the President? I understand that my question is double-barreled.

Mr. GOLDWATER. I should like to read the specific requests of the President, which I believe will answer the second part of the Senator's question. Then I will answer the first part of the question, because it will tie in better that way. After reciting the need, the President went to two specifics. He said:

(C) That the pending vocational education amendments, which would greatly update and expand this program of teaching job skills to those in school, be strengthened by the appropriation of additional funds, with some of the added money earmarked for those areas with a high incidence of school dropouts and youth unemployment, and by the addition of a new program of demonstration youth training projects to be conducted in these areas;

In the next paragraph he said:

(D) That the vocational education program be further amended to provide a work-study program for youth of high school age, with Federal funds helping their school or other local public agency employ them part time in order to enable and encourage them to complete their training;

That is the answer to the Senator's specific question as to what the President requested. That is the extent of his request.

In the House bill no mention was made of the grants for residential vocational schools or grants for work study. The Senate inserted both those provisions. The residential vocational school program in a 5-year stretchout would cost $180 million. The grants for work study in a 5-year stretchout would cost $310 million. In my amendment, both of those provisions would be stricken. My amendment would restore to the bill the amounts authorized by the House bill, and would not include the language proposed by the committee. Does that answer the Senator's question?

Mr. SALTONSTALL. I believe it does. In other words, in the Senate bill are two additional recommendations that were not contained in either the House bill or the President's message.

Mr. GOLDWATER. No. I do not wish to leave that impression, because the President asked that there be a work study program. But I can find nothing in his message to indicate that he asked for residential vocational schools to be authorized. That provision was put in by the Senate committee.

Mr. SALTONSTALL. A residential vocational school is a school in which a person will reside and learn a trade?

Mr. GOLDWATER. It could be interpreted in that way. It could also be a boarding type of school. The school could be built in a person's home. The teaching would be done there and the student would live there.

Mr. SALTONSTALL. So the issue before the Senate at the present time between the Senator from Oregon [Mr. MORSE] and the Senator from Arizona is whether or not the Senate should include those two additional objectives.

Mr. GOLDWATER. That is a part of the difference. The rest of the difference lies in the fact that, in my opinion, the cost is too high. In my mind, the greatly increased cost cannot be justified. The House authorized the sum of $630 million. I believe that amount goes far beyond what is needed.

The President asked for a 4-year program, which would cost $92 million in 4 years. That was 5 months before he sent forward his civil rights message, in which he suggested that some of the things provided for in the Senate bill be done. There has been no justification on either the President's part or the committee's part, for going even as high as $630 million. In my judgment $450 to $480 million could probably be justified. But $630 million is what the House provided. I would be perfectly willing to accept those figures, but I naturally would prefer that the President either be specific in his requests for funds or ask us for a lesser amount to start with.

I shall not take the trouble to read the President's message on civil rights, but in my mind he has pointed out very well and very completely the problem with respect to both white people and Negroes who have not had an opportunity to be educated properly. Let us call them Americans. They are unfortunate Americans who, either by their own choice or through other circumstances, have not received proper schooling.

I ask unanimous consent that that portion of the President's message on civil rights entitled section III(2) be printed at this point in my remarks.

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

(2) More education and training to raise the level of skills: A distressing number of unemployed Negroes are illiterate and unskilled, refugees from farm automation, unable to do simple computations or even to read a help-wanted advertisement. Too many are equipped to work only in those occupations where technology and other changes have reduced the need for manpower—as farm labor or manual labor, in mining or construction. Too many have attended segregated schools that were so lacking to adequate funds and faculty as to be unable to produce qualified job applicants. And too many who have attended nonsegregated schools dropped out for lack of incentive, guidance, or progress. The unemployment rate for those adults with less than 5 years of schooling is around 10 percent; it has consistently been double the prevailing rate for high school graduates; and studies of public welfare recipients show a shockingly high proportion of parents with less than a primary school education.

Although the proportion of Negroes without adequate education and training is far higher than the proportion of whites, none of these problems is restricted to Negroes alone. This Nation is in critical need of a massive upgrading in its education and training effort for all citizens. In an age of rapidly changing technology, that effort today is failing millions of our youth. It is especially failing Negro youth in segregated schools and crowded slums. If we are ever to lift them from the morass of social and economic degradation, it will be through the strengthening of our education and training services—by improving the quality of instruction; by enabling our schools to cope with rapidly expanding enrollments; and by increasing opportunities and incentives for all individuals to complete their education and to continue their self-development during adulthood.

I have therefore requested of the Congress and request again today the enactment of legislation to assist education at every level from grade school through graduate school.

Mr. GOLDWATER. Mr. President, as I mentioned earlier, in contrast to the President's initial request of $92 million over a 4-year period for an expanded vocational education program and the increased figure approved by the House, H.R. 4955 as amended by the Morse amendment, embodying the President's latest request, will cost the taxpayers of this country a staggering $1,435 million in the first 5 years alone.

Such a fantastic increase in proposed expenditures, more than 15 times the amount originally requested, would, of necessity, have to be justified by a radical change in the factors and circumstances giving rise to the vocational education proposals of January 29. But the civil rights message of June 19 offers no proof of such change to warrant the Congress enacting a program which eventually will cost billions of dollars and add still another burden to our already colossal Federal debt.

The civil rights message speaks of the high rate of unemployment among our young people due to the declining demand for unskilled workers and to the continuing problem of high school dropouts. Granted that these two factors offer sufficient incentive to upgrade and expand our vocational education programs throughout the country, there has been no dramatic change in either school dropouts or youth unemployment since the beginning of this year which should compel the Congress to accede to the President's excessive fiscal demands—and what I consider to be the excessive fiscal demands of the House, and certainly the overly excessive demands of the Senate committee.

To sum this up, for nearly 3 years the administration has talked economy and practiced extravagance. Each year of the present administration has been a rise in expenditures and a consequent mounting of Federal deficits. By the end of fiscal 1965, it is estimated, its financial policies will have added approximately $25 billion to the Government's spending level and $35 billion to the public debt.

The New York Times of Sunday, September 29, 1963, contains a very informative article concerning the debate on the tax bill in the House of Representatives. Stating that the close vote on rejection of the Republican proviso to make tax relief contingent on a reduction of budgeted Federal expenditures reflects the mood of the Congress to check the trend to increase expenditures, the writer further points out that in order to win the House battle on the tax bill, President Kennedy promised to maintain "an even tighter rein on Federal expenditures, limiting outlays to only those expenditures which meet strict criteria of national need."

We stand ready to take the President at his word and offer him every possible assistance in pulling in the reins on galloping Federal expenditures. We believe that the President can begin at once to carry out his promise to cut down on unnecessary Federal programs by instructing his supporters in the Senate to abandon the committee-approved bill and reinstate his original vocational education proposal.

I am willing to go a step further and suggest that the House language be accepted, which would provide $630 million. I believe that is more than adequate to meet the problem. It is presumptuous for anybody to so state, but I believe this amount would be a little difficult of expenditure even by such experts as there are in the Department of Health, Education, and Welfare. It is more than six times what the President originally asked. The Senate version would provide 15 times the amount the President originally requested. I do not believe the problem is 6 times greater or 15 times greater. If it is greater at all, it is greater by a small percentage point.

I cannot recall any testimony in my experience on the subcommittee to indicate that any American has been denied vocational training. There may be cases which have not come to my attention.

I do not wish to belabor the Senate on this point at any greater length. I should like to have a yea-and-nay vote on my amendment, if a sufficient number of Senators are present to order it.

The PRESIDING OFFICER (Mr. BREWSTER in the chair). The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that a breakdown of the expenditures as reported by the Senate Committee on Labor and Public Welfare may be printed in the RECORD.

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

H.R. 4955 as reported by Senate Labor and Public Welfare Committee

[By fiscal years]

Sec. 2—Grants to the States for vocational education:	
1965	$108,000,000
1964	153,000,000
1966	198,000,000
1967	243,000,000
1968	243,000,000
Permanent program with annual authorization of $243,000,000; 1st 5 years	945,000,000
Sec. 4(c)—Grants for construction of vocational schools (residential):	
1964	15,000,000
1965 (estimate)	75,000,000
1966 (estimate)	30,000,000
1967 (estimate)	30,000,000
1968 (estimate)	30,000,000
Open-end appropriation 1st year, 5-year program	180,000,000
Sec. 13—Grants for work study; programs for vocational education students:	
1964	50,000,000
1965 (estimate)	60,000,000
1966 (estimate)	60,000,000
1967 (estimate)	65,000,000
1968 (estimate)	75,000,000
Open-end appropriation after 1st year, 5-year program	310,000,000
Total cost of vocational education program for 1st 5 years	1,435,000,000
Sec. 22(a) title II—Student loan program, National Defense Education Act:	
1964	35,000,000
1965	45,000,000
1966	55,000,000
1967	60,000,000
4-year program	195,000,000
Sec. 25(a) title V—Guidance counseling and testing, National Defense Education Act:	
1964	2,500,000
1965	2,500,000
1966	2,500,000
1967	2,500,000
4-year program	10,000,000
Total cost H.R. 4955:	
Vocational education	1,435,000,000
National Defense Education Act amendments	205,000,000
Total	1,640,000,000

Mr. MORSE. Mr. President, I rise to urge the Senate to reject the amendment of the Senator from Arizona.

This entire problem was considered quite thoroughly in committee; and the committee, by an overwhelming vote, reported the pending bill to the Senate. I make these comments for the RECORD in opposition to the Senator's amendment.

INCREASED FUNDS FOR VOCATIONAL EDUCATION

The President's June 19 message on equal employment opportunities and the accompanying legislative program gave particular note to the impact of the proposed educational program upon our No. 1 domestic problem—equal rights and equal opportunities for all our citizens. As the President pointed out, the enjoyment of civil rights is largely a function of employment opportunities while the availability of employment opportunities is largely a function of educational attainment:

> There is little value in a Negro's obtaining the right to be admitted to hotels and restaurants if he has no cash in his pocket and no job.

The exceedingly high rates of Negro unemployment—more than twice that of white workers—cannot be substantially reduced until Negro educational opportunities are massively expanded and Negro manpower skills are drastically upgraded to meet modern technological requirements.

As the President said:

> Although the proportion of Negroes without adequate education and training is far higher than the proportion of whites, none of these problems is restricted to Negroes alone.

I stress that, because in my judgment, an attempt will be made to overemphasize the fact that this will provide equal employment opportunities. I favor that. The point to remember is that many thousands of white youths in this country are becoming unemployable—not unemployed, but unemployable—because until they are trained or retrained, or until they can have the benefits of vocational programs which we are stressing, they cannot hold down jobs. No one will hire them. That is one of the results of the great problem of automation. From time to time in the Senate we hear a great deal about automation. The committee is striking a blow against the bad social effects of automation by the proposal for vocational training this afternoon.

I continue with the quotation from the President:

> This Nation is in critical need of a massive upgrading in its education and training effort for all citizens. In an age of rapidly changing technology, that effort is failing millions of our youth.

The Commissioner of Education has focused attention on the need for greatly increased expenditures with the following description:

> Under present trends some 30 to 40 percent of the youngsters now in the fifth grade will probably not be graduated from high school unless we undertake vigorous reforms. They will go to work—or vainly look for work—without a high school diploma. They should have the opportunity, during their too brief period of schooling, to acquire at least the rudiments of some skill or trade. This applies also to most of the other 60 percent who, we now estimate, will complete high school only. About half of these boys and girls will go to work or keep house, or both, after graduation. The others will enter college or some posthigh school educational institution, but less than half will acquire a college degree. To put it another way, less than 20 percent of today's fifth graders will become college graduates—the physicians, scientists, lawyers, and teachers of tomorrow. A large number of those who do not complete college will join our nonprofessional working population—in business, in the trades, in industry, in the service occupations and on the farms. Their schooling should prepare them to start their working life.

The training to be supported under the Vocational Education Act of 1963 would be focused upon the needs of high school students, persons who have completed or discontinued their formal education and are preparing to enter the labor market, adults now employed but in need of upgrading in their skills or of learning new skills, and young men and women with special educational handicaps. The proposal also calls for the construction and equipping of urgently required area vocational education school facilities and for increased emphasis on services to improve the quality of vocational education programs, including inservice teacher training, teacher supervision, program evaluation, demonstration, development of instructional materials and administration.

Let me point out that an unemployed person does not pay taxes. I want to rest the proposal of the committee on a hard, cold, economic foundation. The bill being considered this afternoon is, in a very real sense, a loan bill. It is, in a very real sense, a loan by the taxpayers of the United States to the young people of this country dropping out of schools, those who have given up their formal education, those who are out looking for jobs without the skills to obtain jobs.

This expenditure will pay for itself over and over again, as the years go by, in the form of increased taxes the recipients will be able to pay, which they could not possibly have paid if they had been unemployable or had been able to work at the menial jobs at the salaries they would have been paid if they had not had the advantages of the provisions of this bill.

I urge passage of the bill on that basis.

Estimated expenditures for all of public elementary and secondary education by all levels of government in 1962–63 were $19.5 billion. Of that total, approximately $300 million or 1½ percent were expended in federally supported vocational education programs. Present Federal expenditures for vocational education are $57 million per year. The proposed increase of $108 million—rather than $45 million as in the proposed amendment—while desperately needed to provide additional programs and facilities would advance the share of total expenditures devoted to federally supported vocational education to approximately 2 percent.

Surely, this is a modest proposal, considering that 8 of 10 youngsters stop their education before graduation from college, many being totally reliant on vocational training for their occupational future.

WORK-STUDY PROGRAM

The amendment of the senior Senator from Arizona would also kill two proposed new programs in vocational education, two programs which hold considerable promise of coping with the national tragedies of school dropout and youth unemployment. To accept this amendment is to accept the shortsighted view that funds not spent today are funds saved. Actually, what the proposed amendment would do is to cut off an experimental approach to solving the scandalous and costly national problems of school dropouts and youth unemployment, problems which would be met, in part, by the new vocational education bill.

When the President asked on June 19 for increased opportunities for all of our citizens to achieve the educational excellence required if they are to achieve and maintain stable employment, he also asked for a work-study program for high school age students enrolled in full-time vocational education programs. He wished the country to encourage and assist its youths who might otherwise drop out of school so that these youths might continue their education and equip themselves for gainful employment.

Thus, H.R. 4955 proposes a 5-year demonstration program, authorizing the modest sum of $50 million in fiscal year 1964, to enable the States to assist local educational agencies to give part-time employment opportunities to vocational education students in need of such employment if they are to continue with their studies. The proposed program would provide employment of not more than 15 hours a week, in public schools or other public agencies. Monthly earnings would not exceed $45 nor annual earnings of $350 unless the student attended a school away from his home, in which case the limits would be raised to $60 per month and $500 per academic year. In other words, adoption of the amendment offered by the Senator from Arizona would mean that at least 14,000 students would be denied the opportunity to continue their vocational education studies in the coming school year just at a time in history when we have almost a million school dropouts each year, just at a time in history when it is coming to be recognized that education is not an expenditure but the only true investment the Nation can make if it is to have national security, full employment and, hence, continuing economic health. The amendment, in short, is not really economical at all, but actually is careless of our national resources and thoughtless of our national future and the future of our young people.

Another effect of the proposed amendment is to do away with the $15 million which the President has proposed be invested to determine the feasibility of coping with the problems of school dropout and youth unemployment through the establishment of pilot residential schools providing vocational education to youths of high school age who could benefit from full-time study on a resi-

dential basis. In establishing these schools, special consideration would be given to the needs of large urban areas where there are substantial numbers of young people who have dropped out of high school and who are, consequently, unemployed.

The success of any educational program is largely dependent upon factors other than the quality of formal instruction itself. The environment in which the school is located, the cleanliness, the attractiveness, the safety of passage through the neighborhood—all strongly influence the student's desire to attend school, his respect for education, and his willingness to accept the goals and purposes for which the school exists. The pressures on the student against educational achievements—scorn for schools among his neighborhood gang, hunger from inadequate diet, hostility or lack of concern for study at home, necessity of earning subsistence—these and other basic factors may so detract from any attempts at education that successful formal schooling is impossible.

The proposal for a 5-year program demonstrating the feasibility and desirability of the residential vocational education school is an important approach to solving these problems. Under this program, residential schools could be constructed, equipped, and operated so as to provide education in an atmosphere conducive to constructive learning with absence of such personal pressures as would detract from concentration and incentive in the home environment. The program is directed at, but not limited to, youth in large urban areas who have dropped out of school or are unemployed.

In conclusion, I think the country can afford the experimental approach invested in this proposal for residential vocational schools. It can afford the President's modest suggestion of a work-study program and it can afford the level of appropriation in grants to States authorized by H.R. 4955. What the Nation cannot afford is the posture of economizing which, in reality, spells inadequate investment for the growing vocational needs of a growing people.

Let me summarize very quickly. This is the expanded program that was made available after the House committee ordered reported the bill H.R. 4955. In my judgment there are many Members of the House who want the bill as we reported it because they want the expanded program that has been developed. They want it, not only as a result of the June 19 message the President sent to the Congress in regard to this program, but also, I would hope, as a result of hearings we conducted on June 25 and the expert testimony and evidence that was then put into our hearings.

I am asking for a frontal attack on the social problems of automation, which are the No. 1 domestic economic issue facing the country. If we do not do something about the economic disjointures being caused by automation, in the not too distant future we shall find ourselves with a serious unemployment crisis. To prevent it, we must train people so that they can hold jobs.

Mr. President, in conclusion I think it is interesting to take a look at the statement of the Senate Republican Policy Committee under date of March 4, 1963, on the subject of "The Forgotten Youth."

In that statement the Senate Republican policy committee assessed the need for greater attention to problems of vocational education. Commenting on the Federal role, the committee paper referred to the President's Panel of consultants on Vocational Education. I quote from their statement:

> The experts (panel) agreed there is a deep-seated need for added vocational and technical courses and that the need will increase during the years ahead. They recommended an immediate start and set a price tag of $400 million.
>
> Yet, in its school message the administration came up with the figure of $73 million.

That was the first message I delivered last January.

Continuing with the quotation:

> A study of the complex problems facing young people today—and the society into which they must fit—indicates that perhaps the experts, not the administration, were on the right track.

The experts were right, and the administration was wrong in the first instance. When it took a second look at the problem in June of 1963, it sent the second message. The Senator from Arizona is correct. I used that as the basis for part A of the bill. It was presented to the committee. Hearings were held on it, and the committee, by a huge vote, recommended it to the Senate. This is a sound bill on vocational education. I urge its passage.

Mr. GOLDWATER. Mr. President, I think I made my position very clear on this point during my earlier recitation. I subscribe to the position of the Republican Policy Committee which the Senator from Oregon read. I think the figures I used, of between $450 million and $480 million, would be more in keeping with the need than $630 million. However, I am perfectly willing, in my amendment, to go to $630 million.

I said before that when the President first submitted his message on the subject, it called for $23 million a year for 4 years, which is $92 million. The House proposes a figure a little in excess of six times that amount. The Senator is talking about a figure 15 times that amount. If the need were for either 6 or 15 times the amount, there would be no need for the amendment, but no need has been shown for any increase in the bill other than the President's figure. Even so, he was not specific as to amount. I want to give the President an opportunity to live up to his promise to help the taxpayers by cutting down on expenditures.

If any Senator is so inclined to express himself to his constituency, I feel he can do so by voting on my amendment.

Mr. KEATING. Mr. President, I oppose any move to cut the funds provided for vocational education. The United States is today in a 20th-century, space-age world. It is no longer enough for our youngsters to learn the three R's. Unless they learn a trade or profession, they may find themselves filling unemployment forms instead of filling a worthwhile job.

Vocational training is certainly one of the first steps to reduce the continuing, disturbingly high rate of unemployment. High school dropouts, frequently depressed by an education that seems to have little relevance, can look forward to a life of sporadic and low-paid employment at best. This is not only bad for our youth. It is bad for the country.

In fact, it is clear that, with increased science programs and heavy emphasis on technological skills, the country cannot afford to neglect any talent.

This bill would provide four different types of aid in the field of vocational education: a permanent aid program to the States to maintain, extend, and improve vocational education; development of new programs through research grants and pilot programs; establishment of grant-aid to States for residential educational institutions near urban areas; and finally, part-time employment opportunities in public agencies for needy youth. In short, not one but a number of different avenues will be pursued in the pursuit of adequate training for all our young people.

I have for sometime been deeply concerned about the high unemployment among minority groups. Nearly three times as many Negroes are without jobs as whites. Economic rights are as important as civil rights in the 20th century. There is no better way to promote economic gain among minority groups than to provide adequate vocational training for all those who seek it.

For that reason, I regret that there is no specific language in the vocational training section that prohibits discrimination, segregation, or unequal treatment of minority groups. This is all the more disturbing to me insofar as the formula for State allotments approved by the Senate substantially reduces the proportion of funds available for New York and other urban States. Heavy increases are evident for some States, which are rich in resources yet niggardly insofar as State taxation is concerned. Had the Senate committee not increased the funds actually authorized, New York would be receiving $2 million less under the Senate formula. Southern States would receive up to $700,000 more.

Under these circumstances, it is important that the program be administered with full regard to the equal rights and the need for equal opportunities, on the part of all U.S. citizens—most especially so in a field like vocational training which is particularly designed to assist those who stand in need of additional training and under employment opportunities.

Nevertheless, I cannot support this amendment, offered by Senator GOLDWATER, to reduce the funds available by approximately $800,000 and to eliminate both residential institutions and pilot experimental projects. Funds spent for vocational training are a direct investment in our future—in increased employment and in more advanced technological skills. In my view, it is at least as important to reach the disadvantaged

youth and presently unemployable sector of our economy with training for jobs and income as it is to reach the moon. This bill is a constructive measure. The funds recommended by the Senate committee will be repaid many times over in reduced welfare costs and increased tax returns from those who will benefit therefrom. Nothing could be more constructive, or more strongly in the interests of the entire Nation than an effective vocational educational program, as is proposed in this legislation.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

The question now arises on the amendment offered by the Senator from Arizona to the committee amendment in the nature of a substitute. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Indiana [Mr. HARTKE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Wyoming [Mr. MCGEE], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Michigan [Mr. MCNAMARA], the Senator from Montana [Mr. METCALF], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I further announce that the Senator from West Virginia [Mr. RANDOLPH] is necessarily absent.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Connecticut [Mr. DODD], the Senator from Indiana [Mr. HARTKE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Michigan [Mr. MCNAMARA], the Senator from Montana [Mr. METCALF], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] would each vote "nay."

On this vote, the Senator from South Dakota [Mr. MCGOVERN] is paired with the Senator from Texas [Mr. TOWERS]. If present and voting, the Senator from South Dakota would vote "nay" and the Senator from Texas would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Jersey [Mr. CASE], the Senator from New Hampshire [Mr. COTTON], the Senator from New York [Mr. JAVITS], the Senator from Iowa [Mr. MILLER], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senators from Nebraska [Mr. CURTIS and Mr. HRUSKA] and the Senator from Hawaii [Mr. FONG] are absent on official business.

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from New Jersey [Mr. CASE]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from New Jersey would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Hawaii [Mr. FONG]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Hawaii would vote "nay."

On this vote, the Senator from Iowa [Mr. MILLER] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from Iowa would vote "yea" and the Senator from New York would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from South Dakota [Mr. MCGOVERN]. If present and voting, the Senator from Texas would vote "yea" and the Senator from South Dakota would vote "nay."

The result was announced—yeas 23, nays 52, as follows:

[No. 184 Leg.]

YEAS—23

Allott	Dominick	Mundt
Beall	Ellender	Pearson
Bennett	Goldwater	Robertson
Boggs	Hickenlooper	Saltonstall
Byrd, Va.	Holland	Simpson
Carlson	McClellan	Thurmond
Cooper	Mechem	Williams, Del.
Dirksen	Morton	

NAYS—52

Aiken	Hill	Nelson
Anderson	Humphrey	Neuberger
Bayh	Inouye	Pastore
Bible	Jackson	Pell
Brewster	Jordan, N.C.	Prouty
Burdick	Jordan, Idaho	Proxmire
Byrd, W. Va.	Keating	Russell
Cannon	Kuchel	Scott
Church	Long, Mo.	Smathers
Clark	Long, La.	Smith
Douglas	Magnuson	Stennis
Edmondson	Mansfield	Talmadge
Ervin	McCarthy	Walters
Fulbright	McIntyre	Williams, N.J.
Gore	Monroney	Yarborough
Gruening	Morse	Young, Ohio
Hart	Moss	
Hayden	Muskie	

NOT VOTING—25

Bartlett	Hruska	Miller
Case	Javits	Randolph
Cotton	Johnston	Ribicoff
Curtis	Kennedy	Sparkman
Dodd	Lausche	Symington
Eastland	McGee	Tower
Engle	McGovern	Young, N. Dak.
Fong	McNamara	
Hartke	Metcalf	

So Mr. GOLDWATER's amendment to the committee amendment in the nature of a substitute was rejected.

Mr. MORSE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORSE. Mr. President, while so large a number of Senators are in the Chamber, I think it would be helpful if the Chair would announce the unanimous-consent agreement entered into for tomorrow.

The PRESIDING OFFICER [Mr. BREWSTER in the chair]. The Chair instructs the clerk to read the unanimous-consent agreement.

The Chief Clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Tuesday, October 8, 1963, upon the convening of the Senate, during the further consideration of the bill (H.R. 4955) to strengthen and improve the quality of vocational education and to expand the vocational education opportunities in the Nation, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received except the amendment by the Senator from New York [Mr. JAVITS] which shall be in order.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. MORSE. Mr. President, I wish to announce, with the full approval of the majority leader and the minority leader, that, because some Senators have engagements tonight and did not expect votes today, and because two or three Senators who desire to offer amendments have not yet returned to Washington, there will be no more votes tonight. There may be further debate, but there will be no more votes tonight.

Mr. PASTORE. Mr. President, I realize that the Senator from Oregon cannot give his judgment with precision, but could he estimate the number of votes that may be taken tomorrow?

Mr. MORSE. It is difficult to determine the number of yea-and-nay votes that will be asked for, but my guess is that there will be three or four. It is my hope that consideration of the bill can be concluded by late afternoon tomorrow.

Mr. PASTORE. I thank the Senator.

The PRESIDING OFFICER. The committee amendment is open to amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

DEFENSE SPENDING IMPACT ON UNEMPLOYMENT AREAS

Mr. HUMPHREY. Mr. President, today I wish to comment on the report of the Select Committee on Small Business, the Subcommittee on Retailing, Distribution and Marketing Practices, relating to the Government's program policies as they relate to the use of procurement in redeveloping distressed areas. Also, I have included in this report, as chairman of the subcommittee, a compilation of policy directives, statutes, and regulations, relating to procurement in distressed areas.

This report has been released and published under date of August 19, 1963, and as I have indicated is a report from the subcommittee to the full committee.

Mr. President, for over a dozen years a clearly stated national policy has been to encourage defense spending in areas of persistent and substantial labor surplus. Through the administrations of three Presidents—President Truman, President Eisenhower and President Kennedy—we have aimed to help our distressed areas by placing contracts, particularly defense contracts, where there was economic need and underemployment.

However, a report made today to the Select Committee on Small Business by its Subcommittee on Retailing, Distribution and Marketing Practices, on which I have the privilege to serve as chairman indicates we have essentially failed in encouraging defense spending in areas of persistent and substantial labor surplus.

Only 4 percent of all the defense contracts are let in these areas. Over 50 percent of research and development work done in the university and research institutions goes into two States, and prime contracts often follow the research and development work into these same areas.

As a result of this and old fixed habits of procurement, new suppliers operating in the distressed areas find it difficult to find contracts. Our present device for placing contracts in distressed areas, the partial set-asides, has been less than successful, since it has placed less than one-quarter of 1 percent of defense moneys in these areas.

I call the attention of Senators to the fact that the defense budget is a substantial part of the total gross national product, and therefore the use of defense funds, the manner in which these funds are allocated in terms of services, of personnel, or the procurement of supplies and equipment, is of vital importance to the economic well-being of the Nation.

Mr. President, our policy, or at least our asserted policy, of encouraging defense spending in areas of substantial labor surplus has been an expensive failure, not only economically, but socially, creating on the one hand public strains on housing, schools, and other municipal facilities, where there is a very large amount of defense spending going on in a limited area, and on the other hand, Government programs and unemployment with its companion miseries where we have substantial unemployment or underemployment.

We have tried to overload our cities with boom economies where contracts have been placed—a despairing people and a sick economy where contracts have not been placed. But it is hoped much can be done. Even now, the impact of defense spending does not necessarily have to create such social and economic problems. The expenditure of these funds can bring more strength to our chronically distressed areas and to their people. At least, Mr. President, a determined effort to have a better allocation of these funds could be of some help.

I should like, therefore, to call attention to the subcommittee's recommendations, and I stress the point that these are but the subcommittee's recommendations—the full committee as yet has not acted.

First. We have recommended that the Defense Appropriation Act be amended to allow total set-asides to distressed areas.

Second. We believe that a greater proportion of military facilities and bases should be placed in distressed areas. I would qualify that with some of the documentation in the hearings, by saying that these installations could and should be placed in distressed areas, provided it does in no way impede, jeopardize or weaken our national security. It is quite obvious that certain military installations have to be placed in the proper area regardless of the economic consequences.

Third. There should be more equitable distribution of research and develop contracts because of their importance in determining where subsequent production prime contracts are placed.

Fourth. More effective programs must be adopted to insure the placement of subcontracts in distressed areas.

Fifth. Greater use should be made of existing programs of retraining, facilities assistance, loans, and other programs, to increase the capabilities of firms in distressed areas.

Sixth. To insure that the economic consequences of defense purchasing, of procurement, are considered. Offices of Economic Utilization Policy should be established in all appropriate agencies and departments, with their directors at the level of Assistant Secretary.

Seventh. Government procurement contracts should provide for purchase at the point of origin, so that firms located in distressed areas will be competitive with firms located near the point of delivery.

Eighth. The responsibility of the Office of Emergency Planning should be expanded to include the preparation studies and suggestions to improve the long-range health of the economy.

Mr. President, if these recommendations—or recommendations within the spirit of the suggestions—are carried out, then it is my view that defense spending can and will have a favorable impact on our economically distressed areas. In those locations where there should be found a surplus of labor, we will approach the national policy goal of use of defense spending in a way which does not create economic distress which the subcommittee discovered in so many areas of the country.

Mr. President, I ask unanimous consent that a statement relating to the study that we have released today be printed in the RECORD.

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

HUMPHREY REPORTS ON DEFENSE SPENDING IMPACT ON UNEMPLOYMENT AREAS

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, said today that shifts in defense spending in recent years have been responsible for the creation of many economically distressed areas in the country.

In a statement prepared for the Senate, HUMPHREY said that the "avowed national policy" to help distressed areas with defense contracts has been a "complete failure."

HUMPHREY based his conclusions on a Senate subcommittee report, released today, titled "Impact of Defense Spending on Labor Surplus Areas."

"Congress, President Kennedy, and President Eisenhower all have supported a policy of channeling a reasonable share of defense contracts to areas of high unemployment," he said.

"Contrary to this policy, the impact of defense spending has not helped our distressed areas. It has created new ones."

HUMPHREY noted the following points from the report released today by the Senate Small Business Subcommittee on Retailing, Distribution, and Marketing Practices:

1. More than 12 percent of the Nation's population lives in areas of persistent and substantial unemployment, but only 4 percent of all defense contracts is awarded to firms in those areas.

2. From the Korean war years to 1961, purchases of weapons, ammunition, and tank-automotive equipment declined from more than 50 percent to less than 13 percent of all contracts. In the same period, missile and electronics defense purchases increased from less than 12 percent to more than 51 percent.

3. Because of this shift—and the Western States' headstart in missile and electronics capability and the Midwest's specialization in the traditional defense equipment—the East North Central States' share of defense contracts declined from 27.4 to 11.8 percent. The share of the Mountain and Pacific Coast States increased from 18.6 to 32.6 percent.

4. As a result, the East North Central States (Ohio, Indiana, Illinois, Michigan, and Wisconsin) have lost $6.1 billion per year in defense contracts since the end of the Korean war.

"This loss," HUMPHREY concluded, "meant the loss of hundreds of thousands of jobs and the growth of new distressed areas.

"The uncoordinated shift of defense spending in the 1950's has resulted in unbalanced economies in different areas of the country.

"Cities and areas which received large increases in defense spending often experienced an overload on their public facilities, housing, and labor supplies. Areas which lost major portions of defense contracting encountered exactly the opposite problems—labor surplus, housing surplus, and decreased public facilities and services through loss of tax revenues."

The Humphrey subcommittee report, based on hearings and staff studies conducted this summer, stated: "By anticipating shifts in defense spending and other factors in our economy and acting accordingly, industry and Government—working cooperatively—could have prevented many distressed areas."

The subcommittee report concludes with a series of recommendations for steps to balance the patterns of defense spending and

soften the impact of major changes in defense spending:

1. Amending the Defense Appropriations Act to allow all of the work for a particular defense contract to be set aside for distressed areas. At present, the "set-aside" program allows only part of a defense contract to be awarded to a firm in a distressed area.

2. Establishing an Office of Economic Utilization in all appropriate agencies, to assure that economic problems are considered in the award of contracts. The Director of each Office would hold the rank of Assistant Secretary and would be responsible for advising procurement officers of distressed area problems.

3. Adopting programs to equalize the distribution of research and development contracts. This would include task forces which would be sent to universities to help them qualify for and obtain Government research contracts.

4. Placing more defense subcontracts in distressed areas, through a requirement for prime contractors to report the names and location of firms to which they have let subcontracts.

5. Locating more military bases and other Government projects and facilities in distressed areas by requiring clearance for new facilities to be placed outside distressed areas.

6. Providing in Government contracts for purchase of materials at the point of origin to give firms in distressed areas a competitive opportunity with firms located near points of delivery.

7. Expanding responsibility of the Office of Emergency Planning to include preparation of studies and suggestions to improve the long-range health of the economy.

Mr. HUMPHREY. Mr. President, I should like to add that I am fully aware of the fact that research and development contracts must be placed in the industries, universities, and research laboratories that have the competence to be able to fulfill the requirements of the research and development needs.

However, it is also to be noted when a research and development contract is given, or is let, to a particular university, industry or research establishment, that said industry, or university, or research establishment, tends to develop and to grow and to recruit the manpower that is necessary to fulfill the requirements of the contract.

It is well known that in the postwar years, there has been some distortion in our economy through defense spending, primarily because of the change in the technology of weapons or in what we call weapons technology. We have had during the war years of World War II the Detroit-Cleveland-Chicago complex, so to speak, of the automotive industry area booming and expanding because of the mechanical equipment, the vehicles, the tanks, and at that time the planes that were constructed in the area. But in the postwar period where we have come into the missile age and into rocketry and into the sophisticated electronics development and fast supersonic aircraft, we have witnessed much of the defense research and development dollar going to the west coast or the east coast in selected areas and without due consideration, it appears to me, to the proper geographical distribution.

No part of this country has a monopoly on brainpower; nor does any part of the country have a monopoly on technological know-how. In fact I believe it is fair to say that we are a very fortunate nation in having a wide distribution of the university facilities, technical and vocational schools, and industrial research facilities.

Many such facilities are found in every section of our country. Therefore, speaking now for myself and not reading the language of the committee report, it is my view that by more careful attention on the part of the Department of Defense, the National Aeronautics and Space Administration, the Atomic Energy Commission and any other agency of the Government that receives substantial funds—we could very well substantially eliminate the unemployment problem in many of the distressed areas.

Of course this concern should include a more careful program of subcontracting such as the test procedures now being used by the Department of Defense.

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

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I commend the distinguished assistant minority leader for the statement he has made. The fact is that there has been an unfortunate distribution of defense and space contracts which has generally overlooked the Midwest. I invite the attention of the Senator to the fact that, the universities of the Midwest graduate approximately one-third of the Ph. D.'s in the Nation.

In the past 10 years the University of Wisconsin has led the country in the number of Ph. D.'s graduated. The number graduated from the University of Minnesota is also very high. The University of Michigan also rates high on the Ph. D. level.

However, though the schools of the Midwest graduate more Ph. D.'s than schools in any other area of the country, fewer Ph. D.'s, in terms of population, actually work in our area than work in other parts of the country. The Ph. D.'s in the Midwest graduate and go to either the east coast or the west coast. They do not remain at home. The point I wish to make is that it is clear that we have the intellectual resources, the university resources, and excellent faculties. Our people pay heavily in taxation to provide that kind of education. Somehow, in some way, and somewhere we lose those people when opportunities come to put them to work in research and development within our Midwest area. Many of those people would prefer to live in areas where their roots are. They leave because opportunities arise elsewhere.

I ask the Senator from Minnesota if it is not true that, unless we obtain greater opportunities as a result of Government encouragement and Government recognition of the value to our country in dispersing defense contracts to some extent we shall lose a great national asset in having a region of our country which has done more than its share in producing intellectual capacity not having an opportunity to share in the fruits of that development.

Mr. HUMPHREY. I agree with the Senator. My remarks should not be interpreted as critical of any particular area of the country. What I am saying—and I recognize that it is easier to make a statement than to carry out a program—is that there should be a better geographical distribution of the research and development contracts and the procurements for the Department of Defense and other Government agencies; consideration should be given to areas of persistent and substantial labor surplus and critical economic distress.

I recognize that my suggestion poses some administrative difficulties. But for all the administrative difficulties involved, the economic distress and human misery that accrues because of failure properly to distribute and utilize Federal funds in some of the areas of persistent unemployment continues to mount. What I am asking for is a more carefully considered policy that will be effectuated by action.

Mr. PROXMIRE. Along that line, I recall when the Senator from California [Mr. KUCHEL], who is present in the Chamber, was interested in an accelerator—atom smasher—for Stanford University. The University of Wisconsin and the Midwest University Research Association supported and favored that proposal. It was said to be a good thing for the whole Nation. It was good from the standpoint of science.

Now, in the Midwest, there is need to have located near Madison, Wis., a similar device, which would serve the areas of Michigan, Minnesota, Wisconsin, Illinois, and other States. The Senator from Minnesota [Mr. HUMPHREY], the Senator from Michigan [Mr. HART], and others have joined me in asking that consideration be given to an accelerator for that region. I am happy to say that the University of California scientists have supported the Midwest proposal enthusiastically, recognizing that it would be in the interest of science.

If that proposal can be given real consideration, largely and basically on its merits, but also in terms of what it would do for the Midwest community in making research opportunities more widely available and enabling scientists to remain in the area and work, and also giving business a basis for attracting scientists directly to work right in the Midwest, it seems to the Senator from Wisconsin that it would be a way of fulfilling the kind of specific action which the Senator from Minnesota has so properly and wisely called for.

Mr. HUMPHREY. I thank the Senator. Perhaps a statement made during the hearings would be of some interest to Senators. It is a statement of the representative of the Department of Labor. Mr. Wolfbein, the labor economist and statistician, said:

> One of the most dramatic indications of the changing geography of American industry is seen by the simple fact that one out of every six jobs in the United States is located in just three States—California, Texas and Florida.

The report states that Mr. Wolfbein contends that the result of the shift is that the Great Lakes area has suffered; in fact, States like Wisconsin, Michigan, Illinois, Indiana, and Ohio increased their employment less than the national average.

Then Mr. Wolfbein pointed out:

It is interesting to note that the Department of Labor recites the U.S. Government as one of the primary causes for this shift in employment. The reason given is increased spending for research and development and the great increase in spending for modern weapons systems. In fact, it was learned that 42 percent of all manufacturing in the Los Angeles area was defense connected.

Mr. President, the report is very interesting, and I commend it to Senators. I commend it also to the attention of every businessman and every worker in the United States, because substantial information is to be found in the hearings. I have before me only a condensation of the hearings as contained in the report of the subcommittee. I quote from the report:

The third shift is a change in the type of goods being purchased by the Defense Department, as highlighted by the fact that in 1953 missile purchases accounted for only 0.5 percent of the hard goods delivered in that year, while in 1961 they had taken up 33.6 percent. There has also been a significant increase in the proportion of electronic equipment being purchased. Perhaps one of the most significant shifts in Government purchases is in the field of tank-automotive, weapons, ammunition, and production equipment, which has gone from 50.09 percent of the goods delivered in 1953 down to 12.4 percent of the goods delivered in 1961.

I mention that point to the Senator from Michigan because it was in his area that the tank-automotive type of equipment had its center of operations, so to speak, in production.

Also highly significant is the increase in contracts for research, development, testing, and evaluation (R.D.T. & E.). In 1961 these contracts totaled $6 billion and constituted about one-fourth of all prime contracts awarded in the United States. These facts make it clear that this shift in spending by the U.S. Government has caused the second shift relating to engineering employment.

Then we see in the report the following statement:

It is startling to learn that the Mountain and Pacific States during World War II received only 13.5 percent of the prime contract awards, but by 1961 this had increased to 32.6 percent. The geographical locations of R.D.T. & E. contracts—

That is what we call research, development, training, and education contracts—

were even more closely concentrated than the contracts for hard goods. California alone accounted for 41.3 percent of such contracts let by the Defense Department. A report issued by the Department of Labor, Office of Manpower, Automation, and Training, entitled Manpower Report No. 1, states that California in 1961 received a total of $2.5 billion in R.D.T. & E. contracts from the U.S. Government, which constituted two-fifths of this budget. Some interesting comments in connection with these shifts are to be found in a document entitled "The Changing Patterns of Defense Procurement," issued by the Office of the Secretary of Defense, June 1962, concerning the geographical shift in contract awards.

My colleagues will be interested to know that more than 12 percent of the people of the Nation live in areas of persistent and substantial unemployment, but only 4 percent of our defense contracts are awarded to firms in those areas.

The situation with regard to research and development contracts is perhaps the most serious because the consequences have far-reaching effect on follow-on production.

The final point I wish to make is that I have heard the Department of Defense give rejoinder to the criticisms of present policy. They say, "We are trying to get the most for our dollar, Senator. We find that giving a research and development contract to a certain area which already has expert knowledge, where the people are acquainted with Government procurement patterns, produces the most for the dollar."

When one talks about set-asides for Government purchases of defense materials in areas of labor surplus or unemployment, the Department of Defense says, "Yes, but it may cost us more, Senator, to get some electronic equipment there or to get a missile there."

The point I tried to make in the hearings is that this is one Government, one country. It is not the government of the Department of Defense, as if that were a member of the United Nations with national sovereignty. The Department of Defense gets its money from the same bucket that the unemployment compensation group gets its money, namely, the taxpayers' bucket.

The taxpayers of America pay the bills. The taxpayers pay for food for the needy. The taxpayers pay for the relief assistance we must give in some communities. The taxpayers pay for accelerated public works. The taxpayers pay for area redevelopment. If we added the cost of food stamps, distribution of surplus food, extended unemployment compensation, relief checks, accelerated public works and all the rest—which are all public expenditures—to the cost of items procured, we would see that some of the items which it is said are bought cheaply on competitive bidding become rather expensive. Had some of the items been available to be purchased in the areas of unemployment, the workers would have been at work. Unemployment compensation would have been unnecessary. Relief checks would have been unnecessary. Surplus food distribution to the needy would have been unnecessary. In other words, all the social costs could have been eliminated, thereby reducing the total cost to the taxpayer of what I call the socially and economically expensive policy followed today, when there is not a proper distribution of defense, NASA, and other contracts to the areas of persistent unemployment and chronic labor surplus.

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

Mr. HUMPHREY. I yield to the Senator from Michigan.

Mr. HART. Would it oversimplify the situation to a point of inaccuracy if I suggested that the Senator from Minnesota would agree that if the factors he described—unemployment insurance, aid to the needy, and so on—were tallied into the total cost, not only would there be a decreased dollar cost, but also we would be a stronger Nation.

Mr. HUMPHREY. The Senator is quite correct. We would be a stronger Nation, with a healthier and more satisfied people. Our people would be participating in the economic growth of the Nation, rather than being recipients of the kinds of assistance we hand out in the form of emergency assistance.

Mr. HART. We are talking about defense expenditures, mostly.

Mr. HUMPHREY. We are indeed.

Mr. HART. Those moneys are spent to make us strong and secure?

Mr. HUMPHREY. The Senator is correct.

Mr. HART. Therefore, it is quite consistent that we urge the Department of Defense to consider not alone a bookkeeper's answer as to which is the lowest bid but also the historian's verdict as to what will make us a stronger Nation. That is their responsibility, as it is mine and that of the Senator from Minnesota.

Mr. HUMPHREY. Exactly. I have tried to make it clear that sometimes, when we consider only the cost of an item, as the Defense Department does, we ignore the social costs which result from many factors, such as unemployment and the frustration that comes with it, and the lack of economic growth. If we added all the other things—unemployment compensation, public works, relief assistance—we would learn that the policy of letting the contract in what seems to be the cheapest area actually turns out to be the most expensive, because this is one country.

Mr. HART. As did the Senator from Wisconsin, I thank the Senator from Minnestota for making available to all of us—and the Defense Department, also—this analysis. This is a subject which has concerned me and many others. It is not easy to feel a certainty with respect to one's own judgment as to precisely how we should handle it. Clearly it is a subject which needs objective analysis and study.

There is a feeling that when a region we represent obtains a defense contract that is because it deserves it; and when some other region gets a contract, that is the result of politics. This situation does not do the Nation or the Defense Establishment a bit of good. There should be some clarity as to the factors which can be built into the decision as to where the contract shall be placed.

I see in the Chamber the distinguished—and in this area, to the extent anyone would suggest that politics is a factor, extremely effective—Senator from California [Mr. KUCHEL]. I believe even the Senator from California would agree that if the bookkeeper approach happened to produce all the defense procurement in California and California had an earthquake, someone would be screaming, "How stupid was the Defense Department. How silly to follow the bookkeeper."

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

Mr. HUMPHREY. First, if the Senator will permit, I should like to make an insertion in the RECORD. Then I shall be happy to yield to my good friend

from California who, I know, is anxiously waiting to discuss the present geographic concentration of defense spending.

Mr. KUCHEL. I merely wish to try, if he will give me an opportunity to do so, to let Members of the Senate understand exactly and precisely and with consummate accuracy what the report seeks to accomplish.

Mr. HUMPHREY. The Senator is quite helpful. I doubt that he intends to be in this instance, but he is helpful.

Mr. President, I ask unanimous consent that the group VI, Recommendations, starting on page 14 of the report, and concluding on page 24 with item 32, may be printed in the RECORD.

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

VI. RECOMMENDATIONS

National policy considerations and emphasis

1. Direct more forcibly Government agencies to carry out the Nation's avowed policy of encouraging the placement of contracts in labor-surplus areas.

It is quite clear from the President's statements of February 2, 1961, and February 27, 1962, the continuance in effect of the policy set forth in the Defense Production Act of 1950 (50 U.S.C. app. 2062), the issuance of an amended Defense Manpower Policy No. 4 on July 6, 1960, the enacting of the Area Redevelopment Act of 1961 (Public Law 87-27 of May 1, 1961), the Manpower and Training Act of 1962 (Public Law 87-415 of March 15, 1962), these hearings and acknowledgments of legislative and executive action on the part of agency heads, that there is a national policy (inclusive of Defense policy, Commerce policy, Labor policy, Office of Emergency Planning policy, and other agencies).

This national policy is to encourage the placement of contracts and facilities in areas of persistent and substantial labor surplus, and to assist such areas in making the best use of their available resources to achieve the objectives of—

(a) Preserving management and employee skills necessary to the fulfillment of Government contracts;

(b) Maintaining productive facilities;

(c) Improving utilization of the Nation's total manpower potential by making use of the manpower resources of each area;

(d) Assuring timely delivery of required goods and services and promoting readiness for expanded effort by locating procurement where the needed manpower and facilities are fully available.

Much remains to be done in the implementation of this policy to overcome what appears to be negative and halfhearted compliance on the part of the Government agencies and departments. It is the recommendation of this subcommittee that emphasis and reemphasis be given to this national policy by immediate and affirmative action on the part of all Government departments and agencies to implement this policy. This will require clear enunciation of departmental policy, objectives, organization, goals, and reports of activities in the conduct of the overall national policy to enable retention and conservation of our Nation's manpower, productive capacity, and resources.

Legislative action

2. Section 523 of the Defense Appropriations Act should be amended by altering parts which hinder the Department of Defense in implementing DMP No. 4.

The subcommittee was told all too often of the negative aspects of legislative provisions in the application of the national policy. These negative provisions seem to be the basis for grounding of departmental policy against rather than in consonance with the national policy. The subcommittee is not unmindful of the provisions in the Defense Appropriations Act, section 523 of Public Law 87-577, precluding a price differential to relieve economic dislocation, but believes that this provision has been utilized far too often to forbid actions entirely appropriate under exceptions to the Armed Services Procurement Act of 1947, as amended, and other authorities.

The subcommittee recommends removal of this provision or, in the alternative, such clarification through appropriate hearings and reports that "economic dislocation," as utilized in this or similar actions, does not relate to actions within the policy, purposes, and scope of defense manpower policy No. 4. The recommendation for removal, if carried out by the Congress, will make the Defense Appropriations Act consistent with that of other agencies of the Government, such as NASA, AEC, Commerce, GSA, and like agencies whose appropriations do not contain such provisions.

On the affirmative side, the subcommittee recommends enactment of a provision authorizing total set-asides of a procurement for labor surplus areas where it is determined by the agency head or his designee that such total set-asides would be in the interest of maintaining and mobilizing the Nation's full manpower and other resources and productive capacity or in the interests of national defense programs in assuring a national (all States and territories) industrial and mobilization base.

Executive action—policy formulation

3. Revise defense manpower policy No. 4 so that it will reflect new laws and recently created agencies.

The subcommittee further recommends that defense manpower policy No. 4 be rejuvenated and updated to better reflect the national policy in all regards. The Surplus Manpower Committee provided for therein is outmoded. The national policy set forth in defense manpower policy No. 4 should clearly set forth the requirement that departmental policy shall not be initiated or interpreted to overrule national policy objectives. Defense manpower policy No. 4 should, and the subcommittee recommends that it be, updated to give recognition to the purposes and objectives of the Area Redevelopment Act of 1961, the Manpower and Training Act of 1962, the Merchant Marine Act of 1936, as amended by the addition of section 502(f) of Public Law 84-805, the Defense Production Act of 1950, and like legislation. The emergence of NASA and other agencies such as GSA, whose activities have an impact on the national policy, should also be considered in such updating.

4. Revise part 8 of section I of the armed services procurement regulations to reflect more clearly the national policy.

Part 8 of section I of the armed services procurement regulations sets forth the procurement procedures in relation to labor surplus areas. Part 8 should be revised to spell out more clearly the national policy and the duties of procurement officers in carrying it out.

Executive action—interagency relationship

5. Abolish the Surplus Manpower Committee and create an Economic Utilization Board with representatives from interested departments.

The subcommittee was made fully aware of the interrelationships required in the conduct of the national policy between Defense, Commerce, Labor, OEP, NASA, GSA, and other agencies of the Government. An interagency counsel representative of the major agencies and departments should be established whose function it would be to coordinate the interagency relationships including those covering the presently inactive and obsolete Surplus Manpower Committee (DMP No. 4, par. 4(e)). It is suggested that in this regard it would be more appropriate to designate a committee of this type as an economic utilization committee or board with representation from all agencies having major procurement and other policy activities. The character of the representation should be changed from one that is procurement-oriented to one that is oriented to the national policy implications and considerations.

Executive action—organization and personnel

6. Create an Office of Economic Utilization Policy with responsibility to improve agency performance in all appropriate agencies.

7. Place the Directors of Offices of Economic Utilization Policy at the level of Assistant Secretary. Such offices must be staffed adequately so that they are able to make appropriate studies, work with potential bidders, State governments and local units.

The implementation of a successful labor surplus area national policy requires departmental organization and personnel sufficiently geared and oriented to carry out the national policy requirements. Every agency with major procurement responsibilities should establish an Office of Economic Utilization Policy with responsibility to improve agency performance. Exceptionally well-qualified men of supergrade capability should direct these offices. They should be placed high in the organization of the departments, first, to indicate the importance placed upon the program, and, secondly, to cut across existing organizational lines and departments. In an agency such as the Department of Defense, where areas of policy control and operations cut across subagency units such as the research and development, the production end of procurement, the operation and maintenance, the construction and foreign assistance programs, and involve the Defense Supply Agency, Army, Navy, and Air Force activities, this is essential. The Director of the Office could well be an Assistant Secretary of Defense. NASA, GSA, FAA, and like agencies should have directors reporting to the agency head.

The Offices of Economic Utilization Policy should be adequately staffed with competent personnel at all necessary levels of action, so that the national policy can be carried out at all major procurement locations. The committee particularly feels that attention should be given and studies made on the effects of critical unemployment in any given area, with reports being given to a legislative branch of the Government as well as to the executive.

Offices of Economic Utilization Policy should be equipped and maintained with all of the necessary data to assist various agencies of the Government as well as the State and local community groups which are calling on the Government for assistance. Personnel should be trained to present the procurement opportunities, programs, and procedures of their department in all aspects such as facilities assistance, financing, interpretation of regulations, relief under extraordinary circumstances, and like activities.

8. Offices of Economic Utilization Policy should continuously encourage prime contractors to establish new facilities in distressed areas.

Offices of Economic Utilization Policy and ARA should systematically encourage firms to establish new facilities in distressed areas by pointing out the Government procurement and other advantages of these areas.

Executive action—contracting and subcontracting procedure

9. Devise and adopt programs which would create a wider geographical distribution of R. & D. contracts.

Agencies, with particular emphasis on the Department of Defense, should be more concerned with the development, maintenance, and retention of the industrial, scientific, and mobilization base in their awarding of research and development and like contracts. There should be a national spread and a planting of the seed corn of R. & D. which will lead to production contracts in all sections of the country. The excellent institutions of learning in all States have research capabilities which could and should fulfill basic and applied research contract and grant needs. Each area of the country has R. & D. capabilities within its scientific and industrial groupings which could and should be given the opportunity to take on development and design activities. It is not enough to say that concentration in certain areas of the country, on the basis of Nobel Prize winners, is the only answer in the achievement of national policy objectives in R. & D. and supply procurement programs.

10. Adopt the program now being experimented with which requires 25 percent of selected contracts to be produced in distressed areas and devise a more liberal and exact interpretation of labor surplus area set-aside policy. Contracting officers from all agencies, on procurements over a certain size, should report on why a set-aside under DMP No. 4 was not utilized.

The set-aside programs of the DOD should be stepped up with recognition given to other types in addition to those set forth in ASPR 1-800. There should be set forth liberal interpretation of "economic production run or reasonable lot" to assist procurement and contracting personnel. The program now successfully underway in the Defense Department, which requests a specific percentage of selected contracts lending themselves to subcontracting to be produced or subcontracted in a labor surplus area, should be encouraged and utilized in other Government agencies. The percentage factors to be utilized in such contract actions should be flexible to enact contract placement under varying situations to as many prime contractors as possible.

11. Adopt new programs under which more subcontracts are awarded in labor surplus areas.

12. Institute a reporting system by which prime contractors with awards above $100,000 must report subcontracts.

Greater emphasis must be given to the problem of subcontracting by prime contractors to firms in labor surplus areas. This will require missionary work in the conduct of the national policy with such contractors and it is for this reason that personnel at all levels of procurement should be entirely familiar with the national policy requirements. The "best efforts" clause (ASPR 1-805.3) and its meaning and purpose should be stressed in contract negotiations and coupled in interest with the requirements of ASPR 3-501 on preparation of requests for proposals and quotations. The subcommittee recognizes that many of the labor surplus areas lack large defense-oriented industrial complexes to qualify as prime contractors and that much of the capacity in such areas falls within the small business categories. These small businesses must be assisted in obtaining small Government contracts, as well as subcontracts. The use of breakout would assist such small contractors. The make-or-buy section of contract proposals should be carefully reviewed by procurement personnel to be sure that the national policy is being carried out. Pertinent statistics and other data should be available to all procurement personnel to assist them and prime contractors in the placement of contracts in labor surplus areas. An award program giving recognition to good work on the part of procurement personnel and contractors should be established.

13. Government procurement contracts should provide for purchase at point of origin so that firms located in distressed areas will be competitive with firms that are located near points of delivery.

There seems to be no reason why production should be encouraged near points of delivery, yet freight costs are lower for firms adjacent to points of delivery and thus they are more competitive. Firms in distressed areas should be entitled to produce for the U.S. Government, regardless of their location. Competition may be so keen that for many of the common products purchased by the Nation, the difference in freight charges alone may be the prime factor in keeping firms in distressed areas from securing Government contracts.

14. ARA and the Office of Economic Utilization policy should study the feasibility of having a factor covering public costs occasioned by economic dislocation included in the determination of costs in placing contracts.

One of the functions of the Government contract under the national policy set forth in DMP No. 4 is to encourage full utilization of existing production facilities and workers in preference to creating new plants or moving workers, thus assisting in the maintenance of economic balance and employment stability. Where unemployment develops in certain areas, unemployment compensation costs increase, and plants, tools, and worker skills remain idle, and are unable to contribute to our defense program.

Therefore, the subcommittee recommends that a study be made of including in the determination of costs for purposes of evaluation in the placement of contracts a factor covering other public costs which would be occasioned by the pullout of contracts in a persistent and substantial labor surplus area and the impact (money and otherwise) on other Government agencies.

15. Prevent further concentration of defense industry by permitting negotiation of contracts under 10 U.S.C. 2304.

The subcommittee believes that among the tools available to the Department of Defense which would facilitate the national defense in its retention of the industrial base and manpower resources, and which could be utilized in labor surplus areas, are the provisions set forth in 10 U.S.C. 2304, providing for exceptions under which contracts could be negotiated. These exceptions could and should be utilized to preclude undue concentration, allow dispersal, utilization of investments in facilities, authorize research and development activities, and like contract actions in labor surplus areas.

16. Allow modifications of contracts under authority of Public Law 85-804 and Executive Order 10789 in cases where such action would maintain productive facilities for national defense.

Another avenue for action would be to utilize the powers set forth in the Contract Adjustment Act of 1958 (Public Law 85-804, and contained in 72 Stat. 972), and Executive Order 10789 of November 14, 1958 (23 F.R. 8897), which would authorize amendments and modifications to contracts under certain situations, including hardship relief, and which actions would facilitate the national defense in the retention of skills, capabilities, protection of Government investment, protection of Government facilities, and like activities in surplus labor area cases.

Executive action—establishment of facilities

17. Place new Government facilities wherever possible in labor-surplus areas by requiring clearance for the placement of such facilities outside of labor-surplus areas.

The testimony dealt mostly with procurement and the impact of Federal contracts made with private firms. The Defense Manpower Policy No. 4 requirement concerning the location of Federal and defense facilities, while not discussed in detail, is important. Each year Federal officials plan and propose numerous projects from temporary buildings to multistory permanent ones. Typically, these facilities have been concentrated in a few localities, some where the unemployment is relatively low. Agencies in the Federal Government which contemplates establishment of facilities in the amount of an excess of $50,000 should be required to clear such facility action and to explain placement of such facility in other than a distressed or labor surplus area, or to point out the reasons why this mandate in Defense Manpower Policy No. 4 has not been complied with.

Executive action—assistance to sources

18. Implement the policy of maintaining the mobilization base.

The subcommittee is aware of the fact that all Government agencies want responsive and responsible contractor sources. The subcommittee further recognizes that the source finding, selection, and maintenance of source data are integral parts of the procurement activity. The sum total of these sources is the industrial, scientific, and mobilization base of the Nation and all areas of the country should be an active part of this base. The retention of this entire industrial, scientific, and mobilization base is a national defense objective and should be so recognized.

The subcommittee recommends that the Department of Defense exercise the use of the exceptions set forth in 10 U.S.C. 2304 and the policy dictates of the Defense Production Act of 1950, as implemented in its Directive 3005.3 to maintain an all-State and territory industrial and mobilization base. Economic impact situation reports covering active sources where immediate help is needed should be prepared at the economic utilization headquarters in the agencies and sent out to all procurement activities to the end that immediate steps could be taken to retain and conserve the resources.

19. Make more readily available federally owned production equipment for the use of firms in labor-surplus areas.

One of the major areas to be harnessed for utilization in labor surplus areas is in the form of facilities assistance. The experience of the United States in the oversea mutual defense assistance programs, which included facility assistance, bespeaks this fact. The provisions set forth in ASPR XIII covering acquisition and utilization of tooling and other forms of facilities should be liberalized to recognize and authorize labor surplus area contract acquisition and utilization. Procedures should be devised to permit prompt execution of arrangements with contractors, allowing use of Government facilities on commercial as well as defense work where there are community impact situations involving closing down by reason of stretchout, cutback, or termination of Government business. If high-level approval of actions is to be acquired, then immediate steps should be developed to process such cases in an expedient way. The Department of Defense, OEP, and other agencies working on policy and other aspects should develop better procedures for this purpose. The DOD should immediately undertake studies with respect to its authorities to utilize Public Law 883, 80th Congress, and 50 U.S.C. 451, in training activities. Its industrial reserve should be made available to labor surplus contractors under liberal terms to assist them in getting contracts and to enable them to better perform a variety of prime and subcontracts. Programs should be initiated to indicate the "how and where" such facilities might be acquired and utilized in the conduct of defense and other agency contracts.

20. Render financial assistance to firms where it tends to encourage dispersal of defense industry.

Another possible avenue for utilization which affords guidance to the DOD is contained in the Defense Production Act of 1950,

as amended (50 U.S.C., app. sec. 2062, et seq.). The policy section of this statute, which is still in effect, calls upon the agencies of the Government, including the Department of Defense, to insure productive capacity by encouragement of geographical dispersal of industrial facilities and by the discouragement of concentration of such productive facilities within limited geographical areas. This policy also requires, where practicable and consistent with existing law, to render financial assistance for construction, expansion and improvement of industrial facilities, and in the procurement of goods and services.

21. Lend, lease, transfer, or sell machine equipment to nonprofit institutions who will use it in programs which will materially contribute to national defense.

Another provision in law, the National Industrial Reserve Act of 1948 (50 U.S.C., sec. 451), declares it to be the intent of Congress to provide for the future safety and defense of the United States by assuring an essential nucleus of Government and industrial plants, and a national reserve of machine tooling and industrial manufacturing equipment. Under the National Industrial Reserve Act of 1948, there is within the power of the Secretary of Defense authority, when he deems such action to be in the interest of national security, to establish policies respecting such property, to direct transfers, to direct leasing, to authorize dispositions by sale or otherwise, and to authorize and regulate lending to nonprofit educational institutions or training schools upon determinations that the programs of such schools for the use of property will contribute materially to national defense.

Under foregoing authorities, the subcommittee believes and recommends actions by the DOD which would more effectively correlate its procurement, construction, and other activities with the national policies respecting labor surplus areas. The subcommittee recommends studies by the DOD that will enable the foregoing authorities to be utilized in this regard.

22. Render technical assistance directly to contractors and subcontractors in labor surplus areas and indirectly to subcontractors through prime contractors.

The subcommittee further recommends that the DOD determine the feasibility of providing to contractors in labor surplus areas technical assistance both to primes and to their subcontractors where conditions are such as to warrant such action. It is recognized that while administratively it is not the responsibility of the DOD to perform a contractor's contract for him, the fact does remain that interpretation and assistance in understanding the design disclosure package data of a contract and other forms of technical aid can be given such prime and subcontractors and will enable their performance of the contract in a more satisfactory way.

A study should also be initiated with respect to determining the feasibility of assistance by prime contractors to their subcontractors in this same regard.

Executive action—source selection and dissemination of requirements

23. Facilitate source finding through the use of electronic data processing methods.

Many sources, particularly those in labor-surplus areas, are untapped, unrecognized, and thus not utilized. They are, in most cases, ready, willing, and able to participate in furnishing national manpower and facility resources which should be utilized. To better use these sources, the subcommittee believes and recommends augmented activities by Defense and other agencies in the development of electronic and other capabilities for source finding, determination of capability, and utilization to meet national policies and objectives. The Area Redevelopment Administration's program for the development of source data should be clearly understood in all departments and utilized. Much missionary work with respect to source development and utilization will be done without expense to the Government departments by State and local development commissions, by labor unions, chambers of commerce, and like civic groups.

24. Make requirements of proposed procurements more readily available.

The subcommittee recommends that agencies such as DOD, NASA, AEC, and GSA take immediate steps to better develop and utilize all labor surplus sources. This may require, in cases, additional time for procurements, better publicity, more utilization of the daily synopses prepared by the Department of Commerce and like media, educational meetings, and like activities. Methods and procedures for source selection, dissemination of requirements, preparation of requests for proposals, determinations and findings, and like procurement matters should be made available to industry associations (AIA, NSIA, EIA, AOA, and others) and to the aforementioned groups, as well as to requesting contractors. The evaluation techniques utilized in source selection should be carefully spelled out.

Executive action—training activities

25. Organize task forces to meet with officials of educational institutions, scientific, and industrial groups in all States to help them participate in R. & D. contracts.

Defense, NASA, AEC, and like task forces should be organized to visit and meet with officials of educational institutions, scientific, and industry groups within each of the States to help them establish relationships with the U.S. Government in those regards. The Department of Defense should establish programs for this purpose.

26. Increase the efforts to educate potential bidders as to bidding procedures and criteria used in bid evaluation.

The subcommittee is aware of and commends the DOD in its activities covering discussions of procurement regulations, technical meetings, and like training activities to afford science and industry knowledge as to the ways and means whereby Government contracts are programed, funded, executed, and performed. The subcommittee believes and recommends that much more can be done in this regard. It is our understanding that many of the industrial associations have agreed to and would work with the DOD in the conduct of meetings and in activities which would bring into effect the national policy considerations in labor surplus areas. In the same regard, the State and local governments have asked for such meetings. It is believed that they should be arranged in all labor surplus areas of the country. Such conferences could be sponsored by the DOD, NASA, GSA, and other agencies and should solicit the participation of prime contractors, subcontractors, and other interested elements of the community. As a part of such conferences, field trips should be undertaken through distressed areas, so that procurement representatives could meet on the spot with firms and civic leaders interested in Defense activities.

27. Indoctrinate procurement officers as to the President's national policy and its implications of assisting distressed areas through Government contracts.

There appears, also, to be a need for definite indoctrination of Defense, NASA, GSA, and other personnel engaged in procurement activities bringing to their attention the national policy implications and considerations, and affording them sufficient guidance as to the relationship of procurement to such policies. This, in turn, will require educational activities by the agencies with their own personnel.

Executive action—research and studies

28. Investigate the relationship between the letting of R. & D. contracts and the placement of pursuant prime contracts.

Such a study should include a case-by-case study to determine the frequency with which R. & D. contractors received follow-on prime contract awards. It would also be useful to determine to what extent procurement officers investigate the possibility of placing prime contracts with firms who have not done the R. & D. work.

29. Publish statistics relative to productive potential in labor surplus areas useful to firms considering placing new facilities in labor surplus areas.

The Commerce Department should find and publish statistics on each area as to such factors as work force, numbers and capability, resource advantages, and such economic factors as average number of days lost due to sickness, labor problems, and average rates of production.

30. Issue complete reports on agencies' implementation of DMP No. 4.

NASA and GSA should issue a quarterly report similar to the reports that are now issued by the Department of Defense, entitled, "Military Prime Contract Awards Placed in Areas of Substantial Unemployment." This report should include a complete breakdown of contracts awarded in substantial and persistent labor surplus areas as well as the number of contracts which are set aside under DMP No. 4. In this connection, the report issued semiannually by the Department of Defense should include all these statistics.

31. Expand the responsibility of the Office of Emergency Planning to include preparation of studies and suggestions to improve the long-range health of the economy.

A thorough consideration should be given to expanding the function of the Office of Emergency Planning to include making studies and recommendations to increase the economic strength of our Nation. DMP No. 4 recognizes the tremendous necessity of maintaining a healthy and growing economy as seen in its opening statement:

"Success of the defense program depends upon efficient use of all our resources, including manpower and facilities, which are preserved through practice of the skills of both management and workers."

No persuasion should be necessary to convince the Congress that an expanding unemployment rate makes us as vulnerable to ultimate defeat as if we were to fall behind the Communist bloc in military technology.

One of the most significant findings of these hearings is that a lack of coordination and planning may be responsible for some of the Nation's worst economic problems, including the existence of persistent and substantial labor surplus areas. It may well be that by anticipating shifts in defense spending and other factors in our economy and acting accordingly, industry and Government, working cooperatively, could have prevented distressed areas. Such a study should include the possibility of expanding the Office of Emergency Planning to perform the following functions:

(*a*) Collecting suggestions and projections of future U.S. Government activity affecting the economy.

(*b*) Making a survey of all leading industries and other productive areas of the economy to determine their long-range plans and potential problems.

This information, properly formulated, could be used cooperatively by Government and industry in making long-range economic plans and projections.

Executive action—assistance to small businesses

32. Continue active and increasing effective implementation of governmental policy regarding small business participation in Government procurement.

The subcommittee has consistently supported a strong governmental policy to assure small concerns a fair opportunity to compete for Government contracts. Because

of the interest of this and other congressional committees, an active and effective program of assistance to small concerns exists within the various procurement activities. In addition, Congress has authorized a program of procurement set-asides for small business. This subcommittee has supported this program and continues to do so. It hopes that the scope of the set-aside program will be broadened to make an even greater percentage of Government procurement available to small concerns in those cases where sufficient competition among small bidders can assure competitive prices.

The small and independent American businessman is the first to suffer in depressed areas. Accordingly, this subcommittee strongly urges that existing programs and those recommended in this report to assist depressed areas be pursued vigorously along with all other established programs of assistance to small concerns. Such an effective governmental program fully supported at all levels will serve to strengthen the American small business community and the entire national economy.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that the defense manpower policy as outlined, from page 7, to the bottom of page 10, be made a part of the RECORD.

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

III. DEFENSE MANPOWER POLICY

The sole effort of the Department of Defense to utilize defense contracts to alleviate unemployment in substantial and persistent labor surplus areas is found in Defense Manpower Policy No. 4. This policy was adopted in 1951, and was issued by the Director of the Office of Civil Defense Mobilization under Executive Order 10480 and Executive Order 10773.

The latest revision of this document is dated July 6, 1960, and may be found in volume 25 of the Federal Register, page 5283. This remarkable document proclaims unequivocally:

"It is the policy of the Federal Government to encourage the placing of contracts and facilities in areas of persistent or substantial labor surplus, with first preference being given to areas of persistent labor surplus, and to assist such areas in making the best use of their available resources in order to achieve the following objectives:

"(a) To preserve management and employee skills necessary to the fulfillment of Government contracts and purchases;

"(b) To maintain productive facilities;

"(c) To improve utilization of the Nation's total manpower potential by making use of the manpower resources of each area;

"(d) To help assure timely delivery of required goods and services and to promote readiness for expanded effort by locating procurement where the needed manpower and facilities are fully available."[1]

This policy has been adopted because of the fact that the defense program depends upon efficient use of all our resources. It is further frankly recognized that:

"The words 'substantial labor-surplus areas' and 'persistent labor-surplus areas' are used in both the Defense Manpower Policy No. 4 and the Area Redevelopment Act, 75 Stat. 48, sec. 5(a). The Department of Labor classifies unemployment areas according to these two documents as either 'substantial labor-surplus area' or 'persistent labor-surplus area.' The same criteria is used by the Department of Labor to make this classification under both documents so that if an area is a substantial and persistent area which would qualify as a distressed area in 5(a) of the Area Redevelopment Act, it would also qualify for set-asides of Government procurement contracts under Defense Manpower Policy No. 4.

"When large numbers of workers move to already tight areas, heavy burdens are placed on community facilities—schools, hospitals, housing, transportation, utilities, etc. On the other hand, when unemployment develops in certain areas, unemployment compensation costs increase and plants, tools, and workers' skills remain idle and unable to contribute to our defense program."[2]

In general, the policies of Defense Manpower Policy No. 4 are implemented by directives to the Department of Labor, Government procurement agencies, the Department of Commerce, the Small Business Administration, the Surplus Manpower Committee of the Office of Civil and Defense Mobilization, regional directors of OCDM, and all Federal departments and agencies planning sites for Government facilities expansion. The three most important provisions of Defense Manpower Policy No. 4 are ones that direct the procurement agencies to award negotiated procurement contracts to the contractors who will perform a substantial proportion of the production within labor-surplus areas. It urges procurement agencies to set aside portions of procurements exclusively with firms which will perform a substantial proportion of the production within labor-surplus areas. The directive which seems to have been least implemented is the one which states that all Federal departments and agencies shall give consideration to labor-surplus areas, particularly to persistent labor-surplus areas, in the selection of sites for Government-financed facilities expansion, to the extent that such consideration is not inconsistent with essential economic and strategic factors that must also be taken into account.

The President himself, in a memorandum to the Cabinet and principal agencies, dated February 27, 1962, stated his personal concern for using the weight of the Federal Government to give preference to redevelopment areas in the awarding of contracts. In view of this, the question arises why so few contracts are placed in substantial and persistent labor-surplus areas. The answer lies partly in an amendment attached to the Defense Appropriations Act of 1957. This amendment has been placed in every appropriation act since 1953, and in the current act (sec. 523, Public Law 87-577) reads as follows:

"*Provided further*, That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations."

This amendment has turned out to be disastrous for a successful implementation of Defense Manpower Policy No. 4, because of the interpretation placed upon it by the Office of the Comptroller General of the United States in opinion B-145136, dated March 3, 1961. In this opinion the Comptroller General stated:

"On the record we must construe the limitation in question as precluding the expenditure by the Defense Establishment of appropriated funds under any contract awarded on the basis of a labor surplus area situation at a price in excess of the lowest obtainable on an unrestricted solicitation of bids or proposals."

Because of this opinion, a program has had to be devised which has been set forth in part 8 of the Armed Services Procurement Regulation (ASPR) and subpart 1-18 of the Federal Procurement Regulations (FPR) respectively.[3] Detailed explanation of these regulations may be found in the statement of James E. Welch, Deputy General Counsel, General Accounting Office.[4]

Explained briefly, the program works as follows:[5] Where a Government procurement is severable into two or more economic production runs, and where one or more labor-surplus-area concerns are expected to have the technical competency and productive capacity to furnish a severable portion of the procurement at a reasonable price, such portion or portions may be reserved; i.e., set aside for exclusive award to labor-surplus-area concerns. Such set-asides enjoy preference over small business set-asides. Furthermore, in case of a tie bid, a firm located in a labor-surplus area is given preference, even though the procurement may not have been set aside for labor-surplus firms.

In awarding a contract for a procurement set aside for a labor-surplus area, negotiations are conducted only with responsible labor-surplus-area concerns (and small business concerns to the extent indicated below) which had submitted responsive bids on the non-set-aside portion at a unit price within 120 percent of the highest award made on the non-set-aside portion, in the following order of priority and under the following conditions:

Group 1. Persistent labor-surplus-area concerns which are also small business concerns.

Group 2. Other persistent labor-surplus-area concerns.

Group 3. Substantial labor-surplus-area concerns which are also small business concerns.

Group 4. Other substantial labor-surplus-area concerns.

Group 5. Small business concerns which are not labor-surplus-area concerns.

Within each of the above groups, negotiations with such concerns are conducted in the order of their bids or proposals on the non-set-aside portion, beginning with the lowest responsive bid. The set-aside quantities are awarded at the highest unit price awarded for the non-set-aside portion, adjusted to reflect transportation and other cost factors which were considered in evaluating bids on the non-set-aside portion. The sole responsibility for implementing this program rests on the contracting officer, and the absolute ineffectiveness of this program is well explained by Mr. Linton, when he states:

"The partial set-aside which currently is used requires that the total quantity of goods to be bought must be divisable into two or more economic production runs. The variation in quantity requirements is such that the percentage which can be divided will never be large enough to make this system a technique of major significance."[6]

Certainly something should be done to make this program work more effectively. In 1960, less than 1 percent of the defense contracts were set aside under this program. As clumsy as it is, however, it would seem that a better showing than 1 percent could be made.

IV. ADDITIONAL ACTIVITY

The hearings brought out the fact that many Government agencies are engaged in or contemplating programs which will more adequately utilize Government procurement to alleviate conditions in areas of substantial and persistent labor surplus. The following is a compilation of these activities, by Department:

Department of Defense

1. At the direction of the President, created the Office of Economic Utilization Policy. It is the function of this Office to advise the Defense Department of the economic impact of their proposed action. Under the Director

[1] Hearings, app. I, p. 157.

[2] Hearings, app. I, p. 157.

[3] Hearings, p. 93.

[4] Hearings, pp. 93 and 94.

[5] Hearings, pp. 136 and 137.

[6] Hearings, p. 70.

of Economic Utilization Policy, there is an Adviser of Economic Utilization Policy in each of the services—Army, Navy, and Air Force—as well as the Defense Supply Agency. The functions of this Office are as follows:

(a) Maintains and disseminates to appropriate units of the organization current information on areas, industries, and specific facilities which are, or may become, economically distressed, and which have a significant potential to participate in defense procurement and logistics programs.

(b) Provides information in connection with specific major procurements and other logistics actions to those responsible for final decision, in order to assure that there is full awareness of underutilized economic resources and that this is taken into consideration in making such decision.

(c) Cooperates with State, regional, local, and industry leaders, upon request, in informing the appropriate Department of Defense officials of the capabilities of underutilized plants and other resources which can be employed in support of defense procurement and logistics programs.

(d) Continuously studies procurement policies and practices in order to recommend revisions in policies, and to identify opportunities for more effective implementation of the armed services procurement regulations relating to labor surplus.

(e) Assists contracting offices to assure full application of the Department's labor-surplus area policies by increasing the sources on bidders' lists, by reviewing potential procurements to increase the number of set-asides, and by working with prime contractors on their subcontracting planning.

(f) Works with the aerospace industry to form a committee which would voluntarily make an effort to subcontract with firms in labor-surplus areas.

2. Is experimenting with a new program which may provide a partial answer. This program, instead of dividing the requirement between two firms, would result in one firm either producing a certain percentage in a labor-surplus area or subcontracting a certain percentage to firms in labor-surplus areas.

Specifically, the program requires first that the procurement agencies select those items which lend themselves to subcontracting. The percentage of subcontracting is arbitrary at this time. It requires that the item to be procured lend itself to at least 50 percent subcontracting. When such a forthcoming contract is identified, the request for proposal (which is in the form of an invitation to bid) contains a clause requiring the low bidder either to perform 50 percent of the contract value in the labor-surplus area or to subcontract that amount in such an area. If the contractor fails to agree, then the next low bidder who is within 120 percent of that bid and qualifies as a small business in a labor-surplus area will be given an opportunity to meet the price. If there is no such small business, then any business next in line which is within 120 percent of the low bid and is also willing to produce or subcontract 50 percent in a labor-surplus area will be given an opportunity to meet the low bid. If no contractor can be found to meet the qualifications of subcontracting or performance in a labor-surplus area, the original low bidder will receive the contract.

3. Is considering a further proposal with promise which arises from the fact that most of the capacity in distressed areas is in the form of small business. The proposal would utilize the small business set-aside through cooperation with the Small Business Administration. A study of labor-surplus areas shows that for the most part they do not contain large defense-oriented industries, but do contain substantial numbers of small businesses which could participate in the defense effort. Thus, the Small Business Administration would seek to have partial labor-surplus set-asides placed in contracts that are set aside 100 percent for small business.

Mr. HUMPHREY. This particular section outlines the existing defense policy. The policy has much to commend it. What is needed is the proper effectuation and activation of the policy.

I await the rejoinder of my esteemed and beloved friend from California, who renders valuable service to his State, and undoubtedly will point out again that all that has happened is just as it ought to be.

I say to the Senator from California that I think the world of his State. It is a beautiful State. It is a marvelous State. It has a great economy, wonderful people, a fine Governor, and great Senators. Many people from Minnesota have gone to California because they like the climate. They like many of the economic opportunities there through many of the research and development contracts. I want to bring a few of them back home to good old Minnesota and the Middle West, and the Great Lakes States; and to do so not only through the powers of rhetorical persuasion, but also because of economic opportunity.

I now yield the floor, and I shall await the response of my distinguished friend.

Mr. KUCHEL. Mr. President, I want to say to my friend that it may well be, from the standpoint of the people of Minnesota, that they would like to have the people in California who were born in Minnesota return to their homeland, and perhaps that may be a laudable purpose for my colleague from Minnesota, but not for me, to announce as a goal. I am sure, however, that he would do me the honor of making at least one exception, and that is Mrs. Kuchel. She is happy to be a Californian. I am sure the Senator from Minnesota would not want her now permanently to return to her native State, against her will.

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

Mr. KUCHEL. I yield.

Mr. HUMPHREY. One of the reasons why the Senator from Minnesota has been so determined to see a better distribution of some of the research and development contracts is the quality of our people. I speak now particularly of the State of Minnesota. I know of no better witness to the fine quality, characteristics, intelligence, and charm of the people of Minnesota— and particularly of the feminine sex—than the decision of the distinguished minority whip, the Senator from California, when he selected his bride from Minnesota.

Mr. KUCHEL. Yes, the Senator is correct.

Mr. HUMPHREY. Sleepy Eye, Minn. We are very much honored that the Senator from California found his lovely lady in our State. We are very proud of that fact. Even though it would be wonderful to have her back with us, I think the Senator is entitled to the best, and he has the best.

Mr. KUCHEL. I thank the Senator. The honor is the other way around. It is my honor. I am highly pleased that my wife is a Minnesotan.

Mr. President, I am about to ask the Senator from Minnesota some questions relative to the several recommendations that the subcommittee of the Select Committee on Small Business has made today to the Senate as they appear in the news release. I think it is a commendable thing that each of us in this Chamber, representing as best we can the State from which he comes, seeks to place the problem of his constituents constantly in his mind—but in the last analysis, all of us are, first, Americans. This is the United States of America. The responsibility of the Federal Government runs to all of us, whether we live in Minnesota, Wisconsin, Michigan, Pennsylvania, California, or elsewhere; and the responsibility to maintain free America and to maintain a defense posture, to deter aggression, or, if necessary, successfully to combat it, is a Federal responsibility that knows no State lines.

I turn now to the news release which my able friend from Minnesota alluded to in his earlier remarks. I turn particularly to the recommendations set forth in the news release. The first recommendation reads as follows:

Amending the Defense Appropriation Act to allow all of the work for a particular defense contract to be set aside for distressed areas.

I want to understand what that means. It appears to be rather vague. Is the able assistant majority leader saying that the law of this land, in his judgment and in the judgment of the subcommittee, should be amended so as to require the Secretary of Defense, in awarding any defense contract, to allocate all of it to distressed economic areas, exclusively?

Mr. HUMPHREY. No. What we recommend is to permit the Secretary to make that allowance.

I have lost my copy of the report.

Mr. KUCHEL. I will give my able friend the copy which he so graciously furnished me earlier.

Mr. HUMPHREY. The Senator may recall that I offered this amendment, without too much success, I regret to say, in the Committee on Appropriations.

Mr. KUCHEL. I recall it with great pleasure. The committee was correct in disposing of the amendment in that fashion.

Mr. HUMPHREY. The Senator opposed it with effective and devastating results, for which I shall forgive him momentarily.

Mr. KUCHEL. Very well.

Mr. HUMPHREY. What I am suggesting is that under the defense appropriations a portion or all of a particular defense contract be set aside for a distressed area. However, this could only be done if the Defense Department found that there were sufficient firms in labor surplus areas to insure that competitive bidding would bring fair and reasonable prices. This is done at the present time under the small business set-aside program. I must remind the Senator that even now 85 percent of defense procurement is done by negotiation and not by formal advertised bidding. Therefore by demanding sufficient firms under the

proposal in the report to assure fair and reasonable prices more competition would be realized as is the case in the small business set-aside program than is now realized in most defense procurement.

We are suggesting that where there are areas of critical and persistent unemployment, the Secretary of Defense shall be permitted, under an amendment to the Appropriation Act, to set aside a portion or all of a particular contract, if it can be fulfilled, and if there is some competition within the labor surplus areas, so that there is bidding and a competitive practice or procedure. It is spelled out in some detail in the printed report.

Mr. KUCHEL. While the Senator is obtaining a copy of the report, let me see whether I understand him, for the comments he has just made add considerably to recommendation No. 1. My colleague is aware, of course, that for the past decade, and more, the Federal law has required the Department of Defense to award contracts, on the basis of the lowest available price, to any bidder otherwise qualified.

Mr. HUMPHREY. No; I disagree with that statement. They are not all awarded on the basis of competitive bidding. There are many negotiated contracts.

Mr. KUCHEL. The Senator is correct; but is the Senator, in his recommendation No. 1, talking in terms of allowing the Secretary of Defense to negotiate contracts for weapons systems, also, in defense operations? Is that what the Senator is contending for?

Mr. HUMPHREY. If the price range is competitive; in other words, if it does not put an undue burden on the Federal Treasury when the costs in the area which are involved in what we call social costs are taken into consideration.

I do not believe we can ignore the fact that frequently through a Government policy we upset an area to the point where we place upon the area undue burdens of unemployment, which are met by Federal-State expenditures in order to take care of human needs.

Mr. KUCHEL. Where is the Senator reading from?

Mr. HUMPHREY. I read from page 14 of the subcommittee report, as follows:

> The subcommittee was told all too often of the negative aspects of legislative provisions in the application of the national policy.

That has reference to the defense manpower policy which is a part of the law. It is the policy that these contracts, wherever possible, should be let in areas of unemployment.

Mr. KUCHEL. I deny that statement, but I will not interrupt the Senator in his answer, because I wish to pursue the basic reasons which sponsor recommendation No. 1 in the report.

Mr. HUMPHREY. The basic reason is quite simple. It is that the Defense Department has the money, and the unemployment areas have the unemployed people. If the unemployment area has the facilities, if there is competition within the area, if skilled workers are available within the area, and if it has the equipment the Government needs, a policy decision should be made to provide that either all of the contract or a portion of it shall be filled in that area, to provide employment; provided that the equipment is of the required standard and meets specifications, and provided, further, that the delivery dates and all other factors relating to the Government's requirements, are fulfilled.

Mr. KUCHEL. So recommendation No. 1 asks for a change in the law, to authorize the Secretary of Defense to allocate an entire defense contract by negotiation?

Mr. HUMPHREY. Or by bid.

Mr. KUCHEL. Or by bid. Is that correct?

Mr. HUMPHREY. That is correct.

Mr. KUCHEL. Exclusively to so-called economically distressed areas?

Mr. HUMPHREY. It might be for a particular commodity, or for a particular contract. It does not mean all contracts. It may be for a particular item with respect to which the equipment, facility, management, technology, and the skilled workers are available in the area, and where the price is not unreasonable in terms of competitive bidding and in negotiated contracts.

Mr. KUCHEL. What is the Senator's understanding as to the availability to the Secretary of Defense of the right to award contracts with respect to distressed areas?

Mr. HUMPHREY. He does very little about it.

Mr. KUCHEL. Is it not a fact that for 10 years Congress has required him, on a bid-contract, to award the contract to the——

Mr. HUMPHREY. The lowest bidder.

Mr. KUCHEL. The lowest responsible bidder?

Mr. HUMPHREY. The Senator is correct. There is no doubt about it. However let me make it clear that under the proposal in the report no set-aside could take place unless it was first found that there were a sufficient number of firms eligible to bid to provide competition. This is essentially the way the small business set-aside program works and Assistant Secretary Thomas Morris testified before a House committee that this method does not increase the cost to the Defense Department. I must also point out that even if Assistant Secretary Morris was wrong and there was a slight increase in cost to the Defense Department the total savings to the American taxpayer would be tremendous and I will not detail again the high cost to the taxpayer to maintain labor surplus areas.

What the Senator from Minnesota is trying to state is that the Defense Department is a part of the National Government. It gets its money from all the taxpayers, just as the Interstate Commerce Commission, for example, gets its money from all the taxpayers. In this connection I would also venture an opinion that no high-ranking officer in our defense establishment could defend in terms of national security the geographic concentration of defense spending that has occurred in this country.

Mr. KUCHEL. The Senator has been a leader in the Senate with respect to the alleviation of many social problems which plague the American people. I have followed him in the Senate with respect to extending unemployment compensation. The Senator will recall that fact. Unemployment is a matter of deep and serious concern to all of us, and we need continually to face that problem.

However, would not the Senator agree that the only reason why the Pentagon was built, and the only reason why there is an office called the Office of the Secretary of Defense, is to supply the American people with a measure of security which the American people need in this melancholy world? Is that not correct? Does not the Senator agree?

Mr. HUMPHREY. I believe that. The answer to the Senator's earlier question—and I know what he is about to point out to me, namely, that the job of the Defense Department is to defend the Nation——

Mr. KUCHEL. Is that not correct?

Mr. HUMPHREY. That is correct.

However, the Defense Department could not defend itself in a paper bag if it did not have people. People are to be found all over the country. The Nation is as strong as the Pentagon, and the Pentagon is as strong as the Nation. The Pentagon is nothing more nor less than the visible evidence of the basic strength of the Nation. If there are areas of distress and economic dislocation throughout the Nation, then the Nation has a weak spot. I would also say again to your question that geographic concentration of defense spending does not make the country easier to defend.

I think this Government recognized this in 1953 when it adopted DMP 4. I quote from that document as it now reads:

> It is the policy of the Federal Government to encourage the placing of contracts and facilities in areas of persistent or substantial labor surplus, with first preference being given to areas of persistent labor surplus, and to assist such areas in making the best use of their available resources in order to achieve the following objectives:
>
> (a) To preserve management and employee skills necessary to the fulfillment of Government contracts and purchases;
>
> (b) To maintain productive facilities;
>
> (c) To improve utilization of the Nation's total manpower potential by making use of the manpower resources of each area;
>
> (d) To help assure timely delivery of required goods and services and to promote readiness for expanded effort by locating procurement where the needed manpower and facilities are fully available.

The latest revision of this document is dated July 6, 1960, and may be found in volume 25 of the Federal Register, page 5283. It was issued by the Director of the Office of Civil Defense Mobilization under Executive Order 10480 and Executive Order 10773.

Then we continue, as the report shows, to the language which I believe is the heart of the problem:

> The directive which seems to have been least implemented is the one which states that all Federal departments and agencies shall give consideration to labor-surplus areas, particularly to persistent labor-surplus areas, in the selection of sites for Government-financed facilities expansion, to the extent that such consideration is not inconsistent with essential economic and strategic

factors that must also be taken into account.

Mr. KUCHEL. What has the Secretary of Defense, Mr. McNamara, done with that directive?

Mr. HUMPHREY. Then we come to the language which vitiates part of that program. We say, as stated in the report:

The President himself, in a memorandum to the Cabinet and principal agencies, dated February 27, 1962, stated his personal concern for using the weight of the Federal Government to give preference to redevelopment areas in the awarding of contracts. In view of this, the question arises why so few contracts are placed in substantial and persistent labor-surplus areas. The answer lies partly in an amendment attached to the Defense Appropriations Act of 1957. This amendment has been placed in every appropriation act since 1953, and in the current act (sec. 523, Public Law 87-577) reads as follows:

"*Provided further*, That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations."

This amendment has turned out to be disastrous for a successful implementation of DMP No. 4, because of the interpretation placed upon it by the Office of the Comptroller General of the United States in opinion B-145136, dated March 3, 1961. In this opinion the Comptroller General stated:

"On the record we must construe the limitation in question as precluding the expenditure by the Defense Establishment of appropriated funds under any contract awarded on the basis of a labor surplus area situation at a price in excess of the lowest obtainable on an unrestricted solicitation of bids or proposals."

Mr. President, what it really boils down to is that the Federal Government, on the one hand, says, "Take care of the labor distressed areas. Take care of the areas of unemployment. Do a better job in the use of research and development contracts which are not competitive, but which are negotiated."

The Government gives approximately $6 billion of those contracts to the State of California. I can well understand why the Senator from California is battling here. Bless his heart. He is doing an outstanding job with the help of the Department of Defense. That does not require any competitive bidding. Contracts for research and development are given to California.

Mr. KUCHEL. Does the Senator from Minnesota suggest that there is any favoritism or politics or fraud in the activities of the Department of Defense?

Mr. HUMPHREY. None whatsoever. I suggest that it is a habit. For example, I suggest that the great University of California today has a substantial part of its entire budget in Federal contracts. Naturally, it follows that the University of California having done good work, having done a remarkable job, the Department of Defense finds it easy to give the University of California another contract. They have the personnel, so they get another research and development contract. Then they get more good people. See where the Nobel Prize winners are to be found today. The great University of California is an excellent, marvelous institution. I would be the last one to say anything derogatory about it, because it is one of the great universities of the world. It becomes greater and greater and greater every time Uncle Sam puts another $100 million into it.

Mr. KUCHEL. Why does Uncle Sam put hundreds of millions into it?

Mr. HUMPHREY. All I say is that the work ought to be spread around a little. That is all. If it were spread around a little more, it might be possible to find a labor distressed area where some of the money could do some good.

Mr. KUCHEL. The Senator from Minnesota has suggested that in 1957 Congress took action in the appropriation act to require that the Secretary of Defense award military contracts to the bidder offering the lowest price. The Senator is correct. We did it before 1957; we have done it every year following 1957. We did it in the Senate Chamber less than a month ago. It is the law of the land. It ought to be the law of the land, because one reason why this country faces internal problems today is the prodigious sum of money we are required each year to expend for the Military Establishment. I am afraid we shall be compelled to continue to expend prodigious sums of money for the defense of the American people in the future.

The American people, whether they live in Sleepy Eye, Minn., or Anaheim, Calif., are interested in having their Government conduct its business in as economical a fashion as possible. That is the reason why Congress, every year for more than a decade, has ordered the Secretary of Defense and the Secretary of State, where bids are made available, to accept the bid that represents the lowest cost to the American taxpayer.

Mr. HART. Mr. President, will the Senator from California yield for a question?

Mr. KUCHEL. I will yield in a few minutes. On my time, I asked the able Senator from Minnesota a question.

Mr. HUMPHREY. See what an answer the Senator from California got.

Mr. KUCHEL. Now I want to do a little talking on my own time. I have said on the floor of the Senate before, and I repeat it now—as I recall, the Senator from North Dakota [Mr. BURDICK] was in the chair the last time there was a similar colloquy, and the Senator from Ohio [Mr. LAUSCHE] was speaking—the Secretary of Defense has an important and grave duty, which is to provide for the defense of the American people. In my judgment, he is performing an excellent, honorable service. The Secretary of Defense is a dedicated man. I do not want the Secretary of Defense, no matter who he may be, to be saddled with additional responsibilities in the field of social legislation. Neither does Congress, including this particular Congress, which passed judgment once again when it passed the Defense Appropriation Act a few weeks ago.

My grandfather was an immigrant from across the sea. He came to Pennsylvania a century and a half ago, more or less. He went across the Plains. He went to California. People have continued to go west; and today I suppose it is true that California is the most populous State in the Union. Each year some 600,000 more people come to California. Among them must be many Ph. D.'s, some of whom have graduated from the University of Minnesota, the University of Wisconsin, and elsewhere. I want to help the University of Wisconsin when I can, and I want to help the University of Minnesota when I can, for I am an American. What helps one part of the country will help another part of the country.

However, I am appalled at these recommendations. I will not say I am shocked, because some of them have been made before. But I am appalled at the recommendations. I am appalled that Senators should demand that the law be changed so that in given instances entire contracts for the defense of our country be awarded not to supply weapons for defense, but, rather, to provide jobs in economically distressed areas of the country. Bring on the proposed legislation for that purpose, and let me help to supply jobs, if I have to, in economically distressed areas. But do not make me saddle upon the back of the Secretary of Defense a responsibility in addition to that which he has today.

The second recommendation which the able Senator makes from the Subcommittee on Small Business suggests that there be established "an Office of Economic Utilization in all appropriate agencies, to assure that economic problems are considered in the award of contracts."

Congress has already disposed of that problem. As the able Senator has said, the Senate Committee on Appropriations disposed of the problem in committee. They disposed of it by continuing to do exactly what each Senate Committee on Appropriations has done for many years: they recommended a continuance of the provision in the law which would require, in the interest of the American taxpayer, that the lowest responsible bidder do the work for America's defense. Once again, several weeks ago, the Senate approved that recommendation.

Third, it is recommended that there be adopted "programs to equalize the distribution of research and development contracts."

If the equalization and distribution of research and development contracts means requiring some kind of geographical distribution of research and development contracts across this country by the Department of Defense, I am sure the opposition that I feel to such a recommendation will be reflected in the position of the Secretary of Defense, the President, and an overwhelming majority of Members of Congress. There is only one basis on which a research and development contract ought to be awarded to anybody and that is on the basis that the Department of Defense, acting through its professional people and its civilian heads, determines that it is in the interest of the security of the American people to award that contract to X, Y, or Z.

Recommendation No. 4 suggests that more defense subcontracts be placed in distressed areas. On the theory that the whole contains all the parts involved, this is simply a kind of addendum to

recommendation No. 1, which states the entire contract should go to a distressed area.

Mr. President, now listen to recommendation No. 5. I preface my comments by saying again that the Senator from Minnesota is my friend, and is a fine Senator, but will the Senator listen to his recommendation No. 5.

Locating more military bases and other Government projects and facilities in distressed areas by requiring clearance for new facilities to be placed outside distressed areas.

If I understand what that means, Mr. President, it is that this subcommittee recommends the enactment of legislation under which military installations would be placed in distressed areas, without regard to whether their placement there would help the defense of the country.

Mr. HUMPHREY. Mr. President, at this point will the Senator from California yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from California yield to the Senator from Minnesota?

Mr. KUCHEL. I yield, and I hope the Senator will say to me that in this instance my apprehension is unnecessary.

Mr. HUMPHREY. It is unnecessary, ill-founded, and unwarranted, and no basis for it even exists.

Mr. KUCHEL. I hope the Senator will tell me more.

Mr. HUMPHREY. As I said earlier today, with reference to the paper the Senator now holds in his hand, which is an abbreviated excerpt from the report, it would not apply to the point where it would in any way minimize, jeopardize, or inhibit our fulfillment of our defense needs or interfere with the proper location of our defense facilities. All we were doing there was reciting what is already a part of the defense manpower policy; but I thought it would be nice to remind the Defense Department that it would be possible for it to give thoughtful consideration to Defense and Manpower Policy Directive No. 4; that if it could locate military installations or facilities in an area of economic distress or of persistent unemployment, without jeopardizing the defense structure of the United States or the strength of our Defense Establishment, the Department should do it, and that it would be helpful to do so.

Mr. KUCHEL. Then what I have just read from the subcommittee's report about "locating more military bases and other Government projects and facilities in distressed areas," is not exactly what the subcommittee means?

Mr. HUMPHREY. Oh, yes; it is exactly what the subcommittee means, and it is exactly what the Defense and Manpower Policy Directive No. 4 already provides. But it is exactly what the Defense Department is not doing; and I wanted to remind the Defense Department to "get on with the job"; that is all.

Mr. KUCHEL. Then I regret to say that I continue to be shocked, because I do not want the Secretary of Defense to be compelled to place a military installation at any place on any basis except one: Is this in the interest of the security of the American people?

Will not the distinguished Senator from Minnesota agree with me on that?

Mr. HUMPHREY. Yes, of course I would say that. But let me say to the distinguished Senator from California that sometimes it is possible, in evaluating the location of a defense installation, to give consideration to unused equipment, unused facilities, vacant land, or areas where some social benefits might be derived from the construction of a defense establishment. There is nothing wrong with that. If it is possible to help people at the same time that provision for the defense of the country is made, I see no reason why the Defense Department should express any opposition.

Mr. KUCHEL. I do not believe the Department would, either. But has the Senator talked to the members of the staff of the Secretary of Defense?

Mr. HUMPHREY. I certainly have, and I have the highest regard for them.

Mr. KUCHEL. Do they approve of this subcommittee recommendation?

Mr. HUMPHREY. I believe they do approve of that version of it; but even though a thing may be approved, sometimes nothing is done about it.

Mr. KUCHEL. Have they said they approve it?

Mr. HUMPHREY. Yes.

Mr. KUCHEL. Is that statement in writing?

Mr. HUMPHREY. They testified they are all for it. I just want them to "get on with it"; that is all.

Mr. KUCHEL. Can the Senator indicate at what page in the hearings one can find the Department's approval of these recommendations?

Mr. HUMPHREY. Yes, under DMP 4 this is the official policy of the executive branch of this Government and certainly concurred in by the Secretary of Defense.

Mr. KUCHEL. No, I mean the recommendations set forth in the news release of today.

Mr. HUMPHREY. Yes. All I am pointing out to the Senator from California is the fact that we are quoting the law. We are simply saying, "This is the law, please do something about it."

Of course, we cannot make the Department of Defense do anything, because the Senator from California will not let me; but we can suggest to the Department that it follow the manpower policy directive laid down in Directive No. 4:

It is the policy of the Federal Government to encourage the placing of contracts and facilities in areas of persistent or substantial labor surplus, with first preference being given to areas of persistent labor surplus, and to assist such areas in making the best use of their available resources. * * *

Then in Defense Manpower Directive No. 4 we find this:

2. Purpose. It is the purpose of this Defense Manpower Policy No. 4 to direct attention to the potentialities of areas of persistent or substantial labor surplus, hereafter referred to as labor surplus areas, for the placement of procurement contracts or the location of new plants or facilities, and to assign responsibilities to specified departments and agencies of the Government to carry out the policy stated below.

Let me say to the Senator from California that at our hearings, members of the Defense Department said they thought that was a good idea.

Mr. KUCHEL. Let me say, Mr. President, that if—heaven forbid—the subcommittee's recommendations were to be approved by the full Committee on Small Business, and if thereafter there were to result a piece of legislation purporting to write into the law the recommendations to which I have just referred, there is not the slightest doubt that the Secretary of Defense himself or high ranking personnel on his staff would testify before us in opposition to such legislation. There can be no question at all about that. Let the record show clearly that the Secretary of Defense has not approved the recommendations of the subcommittee; and let the record also show clearly that when, in the past, some individual Senators have attempted to make a gigantic WPA out of defense procurement, the Secretary of Defense has urged the Members of Congress to refuse to pass such proposed legislation.

I should like to refer briefly to the other two recommendations the subcommittee made:

No. 6. Providing in Government contracts for purchase of materials at the "point of origin" to give firms in distressed areas a competitive opportunity with firms located near points of delivery.

In the present instance I shall not raise the question of jurisdiction, though I must honestly say that before anyone could pass judgment on the validity of any part of recommendation No. 6, the entire subject ought to be threshed out by the Senate Committee on Armed Services. It is something the effect of which on the American economy would not be classified on the basis of how big or how little the business might be with which the Government was contracting.

No. 7 recommendation is as follows:

Expanding responsibility of the Office of Emergency Planning to include preparation of studies and suggestions to improve the "long-range health of the economy."

Since my comments on the present occasion are directed against recommendations that have to do with a change in the present law with respect to defense procurement, I shall make no comment at this time on recommendation No. 7.

I have no doubt that I speak for every Senator and every citizen in our land when I say that all of us desire that the Department of Defense, in contracting with any American businessman, give consideration to the competence of a businessman to do a job. I believe I represent the feeling of the American people and a great majority of our colleagues when I say that the American people desire the Secretary of Defense to perform efficiently and economically.

Thus they would approve our continuing in the law a guideline which provides that that kind of basis be followed.

My able friend from Minnesota has suggested that we need "a better allocation"—his words—of defense contracts. Mr. President, I believe that

allocation of defense contracts for any social purpose, however valid they might be otherwise, would not be in the interest of the defense and security of the American people. Therefore, I believe that the allocation of defense contracts must continue to remain in the honorable, decent, and sound discretion of the Secretary of Defense and his staff in the Pentagon.

More than a year ago, Robert McNamara, the Secretary of Defense, wrote a letter to a Member of the House of Representatives. The entire text of the letter appears in the CONGRESSIONAL RECORD, volume 108, part 2, page 2140. I wish to read most of the letter, skipping the introduction:

> It is, indeed the policy of this Department to award defense contracts with full recognition to the priorities involving considerations of merit. Capability of performance, quality, and price are primary factors in our determinations. We are currently engaged in intensive efforts to strengthen incentives for outstanding performance.
>
> As I stated before the Armed Services Committee, we recognize that changes in military programs create very difficult problems for the businesses, communities, and individuals affected. Therefore, we have taken such reasonable measures as lie within the capabilities of the Government to alleviate hardships. Within the Defense Department itself we have established a special office to deal with problems stemming from such dislocations. We shall continue these efforts in the future but we cannot compromise the basic principle that the defense programs must be guided primarily by national security requirements.

The letter was signed by Secretary McNamara. It was addressed to Representative HARRY R. SHEPPARD.

In my judgment, the Secretary's comment in that letter represents precisely the comment that he ought to make and precisely the concept of his duty that I have. We ought not to hamstring the Department of Defense. We ought not to punish, prod, or push the Department of Defense into assuming any greater responsibility than that which it has today.

Under those circumstances I desired to voice my vigorous objection to the proposals of the Senate subcommittee and to say that, in my judgment, they would not serve the public interest if they were to be adopted, as I hope and pray they will not be adopted.

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

Mr. KUCHEL. I yield to the Senator from Michigan.

Mr. HART. In concluding, the Senator from California stated his conviction that the Secretary of Defense was correct in the excerpt read from the letter, that national security considerations should be the factor which determines the decision of the Department of Defense. I renew my question: What if the low bids were to put all the work in California, and California should have an earthquake? Are there not factors other than the low bid that relate to the national security decision? That is my point.

Mr. KUCHEL. I remember that a number of years ago the policy in the Defense Department, by Executive order, was one of dispersal. I think some people called it dispersion. I never knew whether there was such a word. At any rate, there was a policy of dispersal. I remember on one occasion when one of our colleagues who still serves in the Senate hurriedly prepared and offered as an amendment to a defense bill a provision to carry out dispersal by mandate of Congress rather than merely by authority of the executive. The amendment was adopted. It became the law. It remained in the law. There was some question as to interpretation, for it was hurriedly drawn. I participated in some discussions as to what it meant. As I recall, in the subsequent development of new weapon systems, offensive and defensive, the problem raised by a dispersal program was eliminated, for it was felt, I take it, that with modern weapons and modern means of delivery, a policy of dispersal would not promote, to the same extent that might previously have been the case, any security with respect to military hardware or weapon system production.

Today, as the Senator well knows, military hardware and weapon systems are being manufactured all across our land—on the east coast, in the South, in the central part of the country, in the great Southwest, in the semiarid areas of Western America, and in the great Northwest region.

To answer the Senator's question, it is my judgment that today, whether necessary or not, there is an actual dispersal of work all across the country. In past colloquies on this subject I have placed in the RECORD statistical information which I do not have available at the moment, to demonstrate how, through subcontracting, a prime contract is spread to the four corners of the United States.

Mr. HART. I believe the Senator understood my question. I am suggesting that if—as a result of the operation of the economics for which, apparently, the Senator argues; namely, that low bidders shall get all the contracts—the day should arrive when, instead of Los Angeles having 42 percent of its manufacturing employment based on defense, it should be 100 percent, and 100 percent of the hardware was being turned out there, and an actual disaster occurred, somebody would wonder how stupid we were and we would have been stupid.

The reason I urged this point is to suggest that at some stage the Department of Defense has an obligation to make a judgment other than a bookkeeper's judgment. We should face the fact that we have not yet developed a blueprint which will guide as prudently as we should the decisions as to how we shall regulate the several competing factors.

That is the reason why I am delighted that the subcommittee, under the chairmanship of the distinguished Senator from Minnesota, has put before the Senate again a paper which will compel us to ask ourselves the question, "Are we operating as prudently as we can the disbursement of moneys which in total have an economic implication which perhaps few economists would wish to say with absolute conviction they understand?" That is the reason why I believe the arrival of the subcommittee report is a good thing.

As a parenthetical footnote, if anyone who reads the RECORD for the past hour should want to support the old bromide that the Communists preach about us—that we cannot afford disarmament, and we are the threat to the peace—he probably would find a useful chapter. This is the tragedy of it all.

If Los Angeles, for its manufacturing employment, depends 42 percent on defense tools, disarmament would have a very gritty sound even if circumstances should permit us to move in that direction, unless we developed a blueprint which would persuade those who work on the tools that we can indeed afford disarmament. This is one aspect of the parochial debate which rarely is voiced, and really should concern us more.

Mr. KUCHEL. Going back to the first part of the question the Senator asked, I thought he was asking me about the possibility of an earthquake in jest, or at least in semijest, for I very much doubt that anyone would seriously contend that the hazard of earthquakes ought to be taken into consideration in the production of any kind of goods or services for the Government. I quickly add that when nuclear installations have been undertaken or sought to be undertaken in California, appropriate scientific studies have been made to determine whether there were any great hazards along those lines. The decisions have been made on the accumulation of the evidence.

I hope my good friend from Michigan will not advance seriously an argument in favor of these regrettable recommendations from the Select Committee on Small Business on the theory that earthquakes have something to do with the subject.

Mr. HART. I shall clarify the question.

Mr. KUCHEL. That is a distressing thing.

Mr. HART. I used earthquakes as an example of a factor which ought to give pause to the argument that we should ask the accountants where all the work should go. It could as well have been a question phrased to begin: "If awarding production to the low bidders so concentrated defense procurement that every labor area of the Nation suddenly was found to be dried up, with skills disappeared, and all skills had been concentrated in another place—" and so forth.

I was merely using earthquakes as an example, as I use the disappearance of labor pools across the country as illustrations of the fact that there must be factors relating to national security that one does not get from the accounting department. That is exactly what I mean.

This is hard music to play to a taxpayer, who delights when anoyne gets up to pound the table about low cost.

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

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may have an opportunity to yield to my able friend the acting majority leader, although it is interrupting a colloquy between the Senator from Michigan and myself.

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

Mr. HUMPHREY. It will be a pleasant interruption.

First, I would comment on the statement of the Senator from California that there is no policy to disperse facilities. This has in fact been the law of the land since 1950. So that this will be further called to the attention of the Secretary of Defense and the Senator from California, I quote from page 33 of the report which contains section 2062 of the Defense Production Act. In particular, I call attention to the last clause of the next to the last sentence:

Defense Production Act of 1950, Public Law 81-774, 64 Stat. 798, 50 App. U.S.C. § 2061 et seq.

§ 2062. Declaration of policy

In view of the present international situation and in order to provide for the national defense and national security, our mobilization effort continues to require some diversion of certain materials and facilities from civilian use to military and related purposes. It also requires the development of preparedness programs and the expansion of productive capacity and supply beyond the levels needed to meet the civilian demand, in order to reduce the time required for full mobilization in the event of an attack on the United States.

In order to insure productive capacity in the event of such an attack on the United States, it is the policy of the Congress to encourage the geographical dispersal of the industrial facilities of the United States in the interest of the national defense, and to discourage the concentration of such productive facilities within limited geographical areas which are vulnerable to attack by an enemy of the United States. In the construction of any Government-owned industrial facilities, in the rendition of any Government financial assistance for the construction, expansion, or improvement of any industrial facilities, and in the procurement of goods and services, under this or any other Act, each department and agency of the executive branch shall apply, under the coordination of the Office of Defense Mobilization, when practicable and consistent with existing law and the desirability for maintaining a sound economy, the principle of the geographical dispersal of such facilities in the interest of national defense. Nothing contained in this paragraph shall preclude the use of existing industrial facilities.

Next, I point out that the point being made by the Senator from Michigan is made very evident by Cape Canaveral. I do not know whether it is cheaper to have a missile site at Cape Canaveral or cheaper to have it in Arizona, Minnesota, Michigan, Alabama, or in any other State. I do know why the missile launching is at Cape Canaveral. It is because of climate, because of accessibility, because of certain factors relating to tracking stations, and so on. There are many factors which are totally unrelated to the dollar sign.

This is perfectly true as to the Minuteman missile. Why is the Minuteman missile placed in some areas and not in others? I have a problem explaining this to the people of Minnesota. Finally I tell them, "It relates to the topography. It relates to the geological structure of the soil."

It is not a question of whether it is cheaper to put the missiles in North Dakota than in Minnesota, or cheaper to put them in Minnesota than in Montana. It relates to certain factors of national security.

The same can be said of many other things, especially in the field of atomic energy. Sometimes we must place a plant near a source of water supply, or away from an urban area.

The hour is growing late, but I wish to add that our good friend from California is slightly too defensive. The report does not give four or five recommendations, and the Senator has concentrated his attention upon one recommendation. The only reason for the recommendation for removing certain language from the Defense Department Appropriation Act was that the Defense Manpower Policy Statement No. 4, according to the testimony of the Department of Defense, has been difficult to administer. The Department of Defense has tried to administer it.

I am not here to attempt to criticize Mr. McNamara. I think he is a distinguished citizen, a great administrator, and an outstanding Secretary of Defense. I merely say that if the defense dollar is to continue to be as big as it is in the total economy, and if there are problems of unemployment and economic dislocation because of Government policy, we should try to take into consideration the use of the defense dollar to relieve some of the conditions created by Government policy.

There are 32 recommendations in the report—not 6, not 7, not 8, but 32. The one which has been concentrated upon today as the "chamber of horrors" is the fact that the defense manpower policy—which specifically provides that it shall be the policy to encourage the placement of contracts and facilities in areas of persistent and substantial labor surplus—is not being implemented because of language that the Congress placed in the Defense Department Appropriation Act.

We are making a suggestion that possibly there could be some modification of that language. That is on one item. There are 31 other recommendations. Let me say to the Senator from California that $2½ billion worth of research and development contracts from the Defense Department going into his State in 1961 represented about 41½ percent of the total amount of research and development contracts. In 1961 a total of $6 billion of research and development contracts from the DOD, and $2½ billion worth of them goes to the State of California. That is about 41 to 42 percent.

Those are not competitive bid contracts. They are negotiated contracts.

It is a fact of economic life that that the hardware, the production of the tools and the equipment, follows research and development. Research and development can be spread across the country. The Defense Department itself made this statement in our hearings. This statement appears on page 6 of the report:

It must be recognized that the Midwest, with its great university resources, and with its heavy annual production of Ph. D.'s and other professionals, did not in fiscal year 1961 obtain a share of defense prime contract awards, either for production, for general R.D.T. & E., or for nonprofit research proportional to its share of the Nation's scientific and technical skills. Conversely, considerable R.D.T. & E. and some basic research, is being conducted in areas where local institutions of higher learning fall far short of producing a comparable flow of trained professional and scientific manpower.

We are not arguing that one part of the country be torn down. We are arguing—and the committee gave its attention to this particular facet or part of the problem—against economic dislocation; namely, that in the granting of Government contracts, particularly in the field of research and development, greater consideration should be given to a proper geographic distribution, on the basis that has been stated by the Senator from Michigan [Mr. HART]—national security. For example, national security today requires a second source. Taking the example of procurement of axles for Army trucks, the axle contracts are not given only to one company. There must be a second source, even if the second source costs more than the first source. The entire contract for the purchase is not given to the lowest bidder. The Department is required to have a second source, even though the second source charges more for the same axle than the first source charges. Why? Because a second source is needed for the security of our country.

There is need to have the security of the country considered in terms of the economic well-being of the Nation. I think we need to consider the proper use of our manpower, facilities and equipment, and not have a great deal of idle plants while others are overworked and overused. The American Government is spending billions of dollars in certain parts of the country to keep people from starving, while in other parts of the country it is spending hundreds of millions of dollars trying to provide streets, sewers, or water, because there is a congestion of people. It is not sensible economic policy.

It seems to me that if there were some effort on the part of the Congress and the executive branch to meet these problems, we could alleviate some of them.

I remind my friend from California and any other Senator that even if a contract is awarded in a distressed area, any business that obtains a Government contract first must be approved by the Defense Department as to its facilities. It is not merely a question of saying, "You are a poor fellow. Here is a contract." The business firm that gets the contract must meet the standards set by the Defense Department as to the serviceability and adequacy of the facilities. It must also be able to meet the standards of competency, capacity to produce, quality of goods, quantity of goods, and the ability to produce on time.

Furthermore, our recommendations provide that there must be competition, so there is not a stacked price. But we do provide—and the Government has said this since 1953—that where there is persistent and chronic unemployment, there should be an attempt to bring into that area, if it does not jeopardize the

security needs of the Nation, defense contracts for procurement of goods and services and the location of facilities. This is not something the Small Business Committee recommends. It has been the manpower policy of the Secretary of Defense and the President of the United States through two administrations. But one of the troubles is that if there can be no price differential at all, a proper application of the defense manpower policy is frequently inhibited. President Kennedy said, for example:

> Economists tell us that an unemployment rate of 6 percent is the danger signal. When a community passes that point it is officially regarded as an area of "substantial labor surplus." If it remains there it is entitled to special Government help through defense procurement and other programs.

The President says we ought to do something about it. The Secretary of Defense says we ought to do something about it. But the Congress in the Appropriation Act says these things can be done provided it does not cost anything.

What we are really saying is that we are supposed to relieve unemployment, assist surplus labor areas, provide new jobs and new production, but we do not do it in a certain area if it costs 10 cents more than it does in the most productive area of the country to produce a similar kind of product. In the meantime the cost of unemployment is ignored. So is unused plant capacity. Skilled workers become rusty in their skills. Human misery is ignored. The cost of unemployment compensation is ignored, as are relief, the cost of surplus food, mortgage foreclosures, and general economic distress.

All we are saying in the report—which I think makes good sense—is that with the huge amounts of Federal funds available, we should try to give effective consideration to the use of funds to relieve distress, provided that in so doing security is not jeopardized or an undue burden is not placed on the American taxpayer.

I charge, on the floor of the Senate, that the present policy costs us much more in dollars and much more in human frustration and agony than the program recommended in the report. The program calls for proper utilization of our resources and effective and economic utilization of those resources. There were 32 recommendations, as a result of extensive hearings, recommendations with which Mr. Linton, of the Defense Department, is in substantial agreement, but on which he asks the Congress of the United States to give him a helping hand.

THE KENNEDY ADMINISTRATION'S PROGRESS ON MOVING ECONOMY, CUTTING SPENDING

Mr. PROXMIRE. Mr. President, the most recently available figures now indicate that the Federal deficit will be nearly $5 billion less than forecast in the January budget.

This revised estimate, based on new receipt and expenditure figures, is good news for the American people. The estimate proves that the President meant what he said when he promised to hold down Federal expenditures and to get the economy moving again. The administration is to be complimented on the results to date.

These figures, prepared at my request by the staff of the Joint Economic Committee, indicate that Federal expenditures in fiscal 1964 should be down more than a billion dollars from the level estimated by the administration in January.

As the same time Federal receipts will probably be more than $3.5 billion above the January estimates. This higher level is due in part to the delay in enacting tax reduction. However, it is also associated with a vigorous economy that is growing more rapidly than expected.

As a result of these various factors, the Federal deficit will be nearly $5 billion less than anticipated. This means savings to the American public. We are rapidly approaching a time when we will be able to pay all our Government's bills from tax income. This is fiscal responsibility at its best.

Mr. President, this suggests to me that tax reduction should be further delayed. The argument has been advanced that tax reduction is the fastest way to reach a balanced budget yet these estimates clearly prove that we are now well on the way to balancing our budget. We should not impede this progress by tax reduction now which will obviously deepen our deficit and perhaps prevent ultimate balance in our Federal budget.

I ask unanimous consent to have printed in the RECORD a table giving the breakdown of the revised estimates on Federal receipts and expenditures.

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

Estimated administrative budget receipts and expenditures for fiscal 1964 [1]

[In billions of dollars]

	January 1963 budget estimates	Current estimates	Difference
Receipts:			
Individual income tax	45.8	50.8	+5.0
Corporate income tax	23.8	22.7	−1.1
Excise taxes	10.4	10.3	−.1
Miscellaneous receipts	4.0	3.7	−.3
All other	3.6	3.7	+.1
Interfund transactions	−.7	−.7	
Total	86.9	90.5	+3.6
Expenditures:			
Funds appropriated to the President	4.4	4.4	
Agriculture Department	6.6	6.0	−.6
Defense Department	52.2	52.2	
HEW	5.7	5.5	−.2
Interior	1.2	1.2	
Labor	.4	.3	−.1
Treasury	11.2	11.6	+.4
AEC	2.8	2.8	
HHFA	.7	.5	−.2
NASA	4.2	4.4	+.2
VA	5.5	5.2	−.3
Eximbank	−.6	−.7	−.1
Other	5.2	5.0	−.2
Interfund transactions	−.7	−.7	
Total	98.8	97.7	−1.1
Deficit	−11.9	−7.2	4.7

[1] Estimates developed in part by the Joint Economic Committee staff.

Mr. PROXMIRE. I point out that the cuts by the administration in expenditures include a $600 million reduction for the Department of Agriculture, $200 million for the Department of Health, Education, and Welfare, $100 million for the Department of Labor, $200 million for the Housing and Home Finance Agency, and $300 million for the Veterans' Administration.

NEW BUDGET ESTIMATES

The President has repeatedly indicated that he intends to hold down Federal expenditures as much as possible consistent with our national obligations. The President has stated this on at least two occasions to Congressman WILBUR MILLS in connection with the tax reduction bill.

Many of us in Congress have felt that machinery should be available by which we in Congress, and the public generally, could be more effectively informed concerning the current rates of Federal expenditures. The Statistics Subcommittee—of which I am chairman—of the Joint Economic Committee felt this need so strongly that it has this as one of its major recommendations in its recent report on the Federal budget. The entire Joint Economic Committee unanimously endorsed this recommendation.

The Joint Economic Committee also took a pioneering step during the last fiscal year. The committee staff drew together and published its own set of budgetary predictions. The purpose of this release of budgetary estimates was twofold: first, to show trends in expenditures and receipts, and, second, to emphasize the importance of the publication of such data. Obviously, the Joint Economic Committee staff is not equipped to do a complete job of reporting current budgetary developments. However, the attempt last year was a useful first step and the committee staff received a considerable amount of favorable response from the Congress, the press, and the public generally.

Mr. President, a member of the staff of the Joint Economic Committee, Mr. Gregory Guroff, gave me technical assistance in making comparable the estimates where I have not put in the RECORD about the trends in Federal receipts and expenditures for the current fiscal year, which is now about one-fourth over. Updated estimates have now been developed, and I believe they represent a useful source of information to the Members of the Senate and to the public generally.

A related set of figures has recently been provided by the senior Senator from Virginia [Mr. BYRD] in his report from the Joint Committee on Reduction of Non-Essential Federal Expenditures. These figures show that in July of this year total civilian personnel in the executive branch numbered 2,518,857. In August the comparable number was 2,515,008, or a decrease of almost 4,000 employees.

The important question for us as Senators concerns the significance of these figures for public policy. I think the first conclusion that should be drawn is that we have saved the taxpayer money by our delay in enacting a tax cut, para-

doxical as that seems. The President's original forecast for receipts in fiscal 1964 contemplated tax reduction to take effect in July 1963. That tax reduction has not occurred. As a consequence, the Federal Government is in a stronger position to pay its bills. Thus, the amount of our deficit is less, which means in turn that we need to borrow less and increase our national debt by a lesser amount. Since we must pay interest on this national debt, the savings of the American people will be in the form of a lower total interest cost in the future. This situation is the same as an individual who decides to pay off his existing debts before he incurs new obligations. This is exactly what we are doing when we defer tax reduction.

This kind of policy might not be wise in a period of recession, if the economy were contracting instead of expanding. My point is that in a period of economic expansion, when business is going well, we should not deliberately deepen the deficit and unbalance the budget further.

A second policy conclusion that must be drawn from these budgetary predictions is that our present tax rates are not, contrary to what the administration contends, repressive upon the economy. The best evidence of this fact is that the economy is growing and receipts are rising more rapidly than Federal expenditures.

It has been argued by this administration that the most rapid way to balance our Federal budget is to enact tax reduction. Yet the evidence from these projections is that we are well on the road toward balancing our Federal budget now. Tax reduction may very well stymie the progress we are presently making toward a balanced budget.

DON'T SELL WHEAT TO RUSSIA AT SUBSIDIZED PRICE

Mr. PROXMIRE. Mr. President, in yesterday's New York Times there appeared a letter from Mr. Robert Strausz-Hupe, who is active as the director of the Foreign Policy Research Institute of the University of Pennsylvania. He writes a very interesting analysis, questioning the wisdom of the proposal to sell wheat to the Soviet Union. He writes:

Whatever might be the purpose of American policy, it should not be to help the Communists to gloss over their spectacular failure. Communist leadership has directed Soviet capital investment into space spectaculars and the creation of nuclear power, designed to coerce the West into retreat and appeasement. The Soviet machine for war and blackmail has been built at the expense of the welfare of the Russian people.

The United States should not only not assist Communist leadership in passing the buck for these pernicious investment policies, but should also point out vigorously to world opinion the true cause of the Soviet economic debacle. All they have to do is shift funds now spent on military-technological "firsts," including 100-megaton nuclear tests, into tractors, fertilizers, and agricultural research and Soviet food rations per capita would be more than ample to insure a healthful diet.

I ask unanimous consent that the letter to the editor may be printed in the RECORD at this point in my remarks.

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

WHEAT FOR RUSSIA

TO THE EDITOR OF THE NEW YORK TIMES:

Not a few of the most tragic mistakes in national conduct are made in small installments. The risks we incur in concluding a wheat deal with the Soviet Union, which according to the Times of October 2 is now favored by the U.S. Secretary of Agriculture, seem to be smaller than those inherent in the conclusion of the nuclear test ban treaty. Yet, like the nuclear test-ban treaty, it signifies the abandonment of heretofore strongly held policy positions. Hence, the wheat deal which the administration is now ready to make should be submitted to the widest and most searching deliberation rather than be consummated in a precipitate and offhand way.

With proper management, the Soviet Union could be the largest grain producer on earth. Her cultivable acreage is larger than ours; and the soil of the Ukraine is more fertile than any comparable wheatlands in this country. Before World War I Russia was one of the major wheat exporters in the world market; before World War II the East European countries now under Communist rule supplied a large part of Western Europe's food requirements.

FAILURE OF SYSTEM

If the Communist system, 46 years after its establishment, has not licked the problem of agricultural production, then it follows that it is a rotten economic system. The most highly planned socialist system upon earth fails to satisfy the dietary needs of the population—and this in the face of its alleged record achievements in science and technology and the vast potential wealth of the arable land.

Whatever might be the purpose of American policy, it should not be to help the Communists to gloss over their spectacular failure. Communist leadership has directed Soviet capital investment into space spectaculars and the creation of nuclear power, designed to coerce the West into retreat and appeasement. The Soviet machine for war and blackmail has been built at the expense of the welfare of the Russian people.

The United States should not only not assist Communist leadership in "passing the buck" for these pernicious investment policies, but should also point out vigorously to world opinion the true cause of the Soviet economic debacle. All they have to do is shift funds now spent on military-technological "firsts," including 100-megaton nuclear tests, into tractors, fertilizers, and agricultural research and Soviet food rations per capita would be more than ample to insure a healthful diet.

AGRICULTURAL PROBLEM

The advocates of the wheat deal point out the advantages to be derived from selling part of our gigantic wheat surplus against "hard cash." The "hard cash" which we are likely to receive will be Soviet gold, mined by slave labor in eastern Siberia. This unpalatable fact might not weigh heavily in the minds of those concerned with solving the problem of our agricultural surpluses by expanding our export markets. Yet the simplest calculation should reveal that the real problem of American agriculture and the world market for agricultural products is not insufficient demand but the fantastic price support and quota policies pursued by major Western countries.

The remedy for the ills of American agriculture will not be found in selling a parcel of our wheat surplus to the Soviets but in the adoption of rational and equitable domestic agricultural policies and in a long overdue agreement among the free world's major agricultural exporters. These steps will have to be taken before "Atlantic partnership" will develop into something more tangible than pious declarations.

The wheat deal with the Soviet Union might help us to evade for a while the need for coming to grips with the problem of our domestic agriculture. This might not be the least of its many unfortunate implications.

ROBERT STRAUSZ-HUPE.

PHILADELPHIA, *October 2, 1963.*

MILWAUKEE JOURNAL ATTACKS DOUBLE STANDARD IN DISCRIMINATION

Mr. PROXMIRE. Mr. President, the Milwaukee Journal published an excellent editorial in its issue of Friday, October 4, 1963. It is entitled "Double Standard."

The Milwaukee Journal points out that distinguished southern Members of Congress have been voting with enthusiasm for the bracero bill, which prohibits discrimination against Mexican laborers who are in this country.

I point out that the bill for which these southerners are voting is not an empty statement on discrimination. Under its terms, the editorial points out, "the Mexican Government can identify communities in the United States that allegedly discriminate against the Mexican braceros and their families."

This provision has been used, and 10 Texas communities have been put off limits by the Mexican Government. The provision has been enforced by the Labor Department.

The question arises if it is right for the Mexican Government to prohibit discrimination against Mexican citizens in this country in places of public accommodation, why is it all wrong for our own Government to ban discrimination for American citizens also.

I ask further consent that the editorial may be printed in the RECORD at this point as part of my remarks.

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

DOUBLE STANDARD

The Senate has been pointedly reminded that efforts to assure civil rights for Negro citizens in general and Negro servicemen in particular follow a pattern endorsed by Congress on five occasions in the last dozen years. In fact, southern Congressmen who object so strenuously now have been strong supporters of the Mexican migrant labor law of which the nondiscrimination agreement is a part.

The agreement is not just a pious statement. Under its terms the Mexican Government can identify communities in the United States that allegedly discriminate against the Mexican "braceros" and their families. If upon investigation our Secretary of Labor agrees, no braceros may be assigned to or remain in the discriminating area. If the Secretary doesn't agree, the Mexican Government may bypass him and get pledges directly from officials of the communities involved to take appropriate action.

The agreement has been used. As of September 1962, no fewer than 10 Texas communities were "off limits." The Labor Department threat of imposing sanctions has also opened a Texas public swimming pool, a movie house and beauty parlors to braceros. In one New Mexico community it won a promise from officials that the police and a city judge would stop dealing unfairly with Mexicans.

Nobody, least of all the southern Congressmen, objected when the agreement was enforced in behalf of Mexican citizens. They like cheap labor for constituents. Why shouldn't the same power be put back of the drive to give our own Negro citizens their rights? It should. As Senator MAURINE NEUBERGER, Democrat, of Oregon, says, the migrant labor agreement has established "an irrefutable precedent for the President's civil rights legislation."

KEATING ASKS: "WHY HELP REDS WIN?"

Mr. PROXMIRE. Mr. President, I ask unanimous consent that an excellent article written by the distinguished Senator from New York [Mr. KEATING] entitled "Why Help the Reds Win the Cold War?" published in a recent issue of the Reader's Digest, be printed in the RECORD at this point.

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

WHY HELP THE REDS WIN THE COLD WAR?

(By KENNETH B. KEATING, U.S. Senator from New York)

"You'd better get over here fast," the voice on the telephone barked at Joe Drago one bleak December morning in 1961. "They've got us making machines for Russia. The guys are hopping mad, and there's talk of a wildcat strike."

Drago, president of Machinists Local 898 on Long Island, hurried to the Fairchild Engine & Airplane Corp. plant at West Babylon. "Look at this" said Frank Chimera, a partly paralyzed Korean veteran. He handed Drago one of the Russian-language instruction plates the men had been told to rivet to nine complex differential transmissions that the plant was building. The machines were for a papermill being assembled by the Beloit, Wis., Iron Works for shipment to Russia.

Later, in Washington, a union delegation explained why the Soviets shouldn't have this machinery. The Russians could use the transmission to rotate military radar and radiotelescopes. Or, by copying them, the Russians could free technological brains for space and military projects.

But the union's protests were in vain; the entire transaction had been approved by the U.S. Government.

The Senate Internal Security Subcommittee has piled up evidence of dozens of similar cases and come to this conclusions: The United States and its allies are openly and willfully helping Communist nations strengthen themselves for both economic and military advances in the cold war. Here is how:

We've allowed Russia to use the West's vast merchant marine to sustain its empire. Cuba has been able to endure only because Russia has made use of free-world ships to keep its outpost supplied with the necessities of life, thereby freeing Communist vessels to ferry troops, missiles, and munitions. Yet when AFL-CIO longshoremen refused to load vessels taking part in Cuban trade, the State Department applied pressure to halt their action. During the first 6 months of this year, free-world ships made some 175 trips to Cuba.

We've allowed economic aid to go to Communist nations even when they are waging a shooting war against Americans. In the last 2 years, while North Vietnamese Communist guerrillas were killing Americans in South Vietnam, France sent railway locomotives, rolling stock, and essential motor vehicle parts to North Vietnam. Our Government didn't even protest.

We knowingly send U.S. products to other Western nations, to replace comparable items they are shipping to the Communist bloc. For instance, U.S. policy maintains an embargo on trade with Communist China; yet over the last 2 years we have shipped 19 million bushels of wheat to West Germany, enabling the Germans to grind 19 million bushels of wheat into flour for Red China. We did nothing to stop this deal—although diplomatic sources report that the flour went not to the starving Chinese people but to the elite police state functionaries and 2,500,000-man army who keep them in bondage. Moreover, our Government has defended the shipping of Canadian and Australian wheat to Red China—14 million tons in the past 3 years and more on the way—on the flimsy ground that the Chinese will have to use their skimpy gold reserves to pay for it.

Most important, we are helping to strengthen the Soviet Union's basic industries. As late as 1961, Russian industry was still so backward that two-thirds of all automobiles in the country, one-fourth of all construction machinery and one-third of all metal-cutting tools had been idled by shoddy components and lack of spare parts. What happened next? The Western nations stepped up their exports to the Soviet bloc. These now top $4 billion a year, with technologically advanced machinery, even entire factories, accounting for more than half the total.

There is no lack of awareness among the American people and Congress as to the foolhardiness of nourishing a self-declared enemy—nuclear test ban notwithstanding—so that he can succeed in his announced determination to destroy us. Soviet leaders from Lenin to Khrushchev have frankly stated that they would buy, copy or steal the latest achievements of Western technology. This brazen policy lay behind Khrushchev's boast in 1958 that Russia could build new enterprises without wasting time on the creation of designs and the mastering of production processes for new types of equipment.

By taking advantage of existing trade channels our enemy grows stronger daily. Yet our allies refuse to recognize that trade is a crucial weapon in the cold war, and the executive branch of our own Government is reluctant to use laws that Congress has already passed to prevent that weapon from being used against us.

For example, in 1949 Congress passed the Export Control Act to limit shipments that would aid the Communists. Long lists of embargoed strategic goods were compiled. The NATO nations and Japan the next year set up an independent committee (called COCOM) in Paris to coordinate similar allied controls. Nevertheless, during the Korean war millions of tons of Western-made supplies reached Communist China. European industrialists, major recipients of Marshall plan aid, filled Communist orders for everything from radar sets to airplane propellers. Bitter GI's captured enemy units whose shoes, trucks, tires, surgical instruments and communications equipment were manufactured in the West, some of it stamped "Made in U.S.A."

An outraged Congress in 1951 passed the Battle Act, which orders termination of all U.S. economic and military assistance to any nation that ships embargoed items to hostile nations, specifically the Soviet bloc. However, except for arms and implements of war, a loophole allows the White House to ignore the act if unusual circumstances should make it detrimental to U.S. security to cut off aid. Nineteen aid-receiving governments have ignored the Battle Act some 33 times, and in every case the State Department has persuaded the White House that unusual circumstances were involved.

Furthermore, our Government has done little to resist the steady erosion of the COCOM embargo list. Consider copper. When copper in all forms was embargoed in 1952, the Soviet military buildup was seriously delayed. Only by laboriously contrived methods was the Soviet bloc each year able to bootleg an estimated 75,000 tons. But in 1954 other NATO members talked the United States into removing copper wire from the embargo list, and the Reds began filling their copper needs by purchasing and melting down the wire. Instead of reimposing the embargo, U.S. negotiators soon agreed to delete all copper from the COCOM list. As a result, the Soviet bloc now imports 250,000 tons per year of this critical item.

In Western Europe, businessmen are competing fiercely to sell the most technologically advanced machinery to the Soviet bloc. And, incredibly, NATO member governments are even extending $200 million annually in credit guarantees to finance Soviet purchases. Britains' Glacier Metal Co. is building a million-dollar plant near Gorki to manufacture ultra-hard metal-alloy crankshaft bearings for auto and truck engines, a feat the Soviets have never mastered. British firms are furnishing several complete plastics plants, and are building the Russian synthetic-fiber industry, a chronically troubled field for Moscow. Britain's Vickers company will deliver to Red China this year six Viscount jet-prop planes loaded with radar and navigation equipment on COCOM's embargo list. Such planes can be used in transporting troops.

Britain's trade with the Soviet bloc has increased 50 percent since 1959. France's has been stepped up almost the same amount. Italy's exports to the Soviets virtually doubled from 1959 to 1961, and are still zooming. They include complete plants and processes to produce chemicals, paper pulp, tire cord, automation equipment, ball bearings and ships for the Soviet oil tanker fleet. The Fiat Motor Group of Turin has been negotiating to build a huge $168 million plant in Russia capable of turning out 120,000 tractors a year—vastly easing the Soviet agricultural crisis.

West German trade with the Red bloc in 1961 amounted to $476 million—the highest in the free world—and nearly 90 percent of it consisted of vitally needed chemicals, machinery, transport equipment, and manufactured goods. Shipments to Russia include a polyethylene plant, precision machine tools, and other strategic items. Contracts have been signed for two chemical plants, a pulp-and-paper factory, and a tubing mill for making large oil pipe.

Not only has the U.S. Government made little effort to halt this allied trade; our officials have been loath to keep our own businessmen out of it. Three years ago, Henry B. Patterson, a young research engineer, became concerned because the Government had told his employer, the Bryant Chucking Grinder Co. of Springfield, Vt., to go ahead and sell Russia 45 highly strategic machines for making precision ball bearings. Such machines "are obviously a component of armaments," Patterson wrote Senator WINSTON PROUTY, of Vermont.

Senator THOMAS J. DODD, vice chairman of the Senate Internal Security Subcommittee, began an inquiry. Shipment of the machines, he found, had been okayed by the Commerce and State Departments despite strenuous objections from the Department of Defense and despite the fact that, in our own space programs, the machines had dramatically reduced the size of satellite equipment. "It has taken us 20 years to give the United States unquestioned superiority in this field," testified the president of a New Hampshire company that helped develop the machine. "This sale will give Russia a tremendous advantage."

Only after the full findings of this investigation were published did the Commerce Department halt the loading of six

machines aboard a Soviet freighter at a Boston dock. It was too late, however, to stop the shipment of vital instruction books and drawings.

This case shocked me and many other Members of Congress who had assumed that our export control laws were being effectively administered. A worried House of Representatives set up a special committee to learn if there were other cases. Despite efforts to keep it from looking at pertinent Government documents, the committee found "glaring instances where we have economically strengthened the Soviet bloc countries." Sample:

In May 1960 the Commerce and State Departments overrode strong protests from Defense Department experts and approved a Soviet order of $5,300,000 for two automated machine-tool production lines. "I would rather send them a gun than a machine tool," one Defense official said later. "A machine tool can be used over and over to make guns, missiles, tanks, and other weapons."

By law, U.S. officials are supposed to crack down on foreign traders who secretly reship U.S. made strategic items to the Communist bloc. Yet the Commerce Department made only 20 checks on the 130,000 licensed American shipments to free world nations during 1961. As a result, a delegation of French machine-tool executives who toured eight Russian factories that year found that 80 percent of the new machines bore U.S. trademarks.

In an effort to halt these trade abuses, Congress last year brushed aside State Department opposition and voted to impose strict controls on shipments to the Soviet bloc of any goods that contribute substantially to Communist economic or industrial power. But the new regulations have been interpreted so loosely that they are virtually meaningless. During just one 9-week period this year, for example, the Commerce Department licensed 81 shipments to Communist countries of electronic computers, information processing machines, electronic testing and inspecting machines, electron tubes and related equipment.

We must stop helping the Communists in their drive for world domination. Trade can be a powerful asset for the free world. At present it is a Soviet asset. The balance should be tipped the other way, and at once. In self-defense we must take these all-important steps:

1. Stop selling strategically important goods to the Communist bloc. There are laws on the books against selling anything that will build upon the Reds' basic industries and economic power. These laws must be enforced.

2. Persuade our allies that it is against their own self-interest to trade with the enemy. (Last November, when the administration finally put pressure on West Germany and Italy to stop selling the Russians large steel pipe, needed for an oil offensive against the free world, those countries canceled large Soviet orders. The British, however, moved to try to fill them, although the pipeline Russia is building will vastly increase Soviet power in East Europe and Berlin.)

3. Establish a free-world trade organization with the power to regulate trade with the Communist bloc, to devise and carry out a unified Western trade strategy, and to come to the aid of any ally whose economy is disrupted in this struggle. To permit sound coordination of military and economic strategy, this organization should be an integral part of NATO.

The NATO countries, plus Japan and Australia, control two-thirds of the world's industrial capacity. They have the economic force to put communism on the defensive. The United States and its allies must make use of this force.

THE ANNUAL MEETING OF THE INTERNATIONAL FINANCIAL INSTITUTIONS

Mr. CLARK. Mr. President, last week, in my capacity as chairman of the Subcommittee on International Finance of the Senate Committee on Banking and Currency, I had the pleasure of attending, as a congressional observer, some of the sessions of the annual meeting of the World Bank for Reconstruction and Development, the International Finance Corporation, the International Monetary Fund, and the International Development Association.

The Senator from New York [Mr. JAVITS] and the Senator from Minnesota [Mr. HUMPHREY] have already placed in the RECORD a number of the more pertinent speeches made at these most interesting meetings.

The meetings were opened by President Kennedy, who spoke to the Directors of these four agencies, gathered in Washington from 102 countries all over the world. As the President said, the purpose of such international institutions is to "permit capital to be deployed around the world in the most effective and efficient manner."

The Soviet Union, the European countries behind the Iron Curtain—with the exception of Yugoslavia—Switzerland, and Communist China, are the only countries in the world which are not now members of one or another of these international financial institutions. The Bank itself acquired 20 new members this year.

Mr. President, I ask unanimous consent that as an example of this worldwide membership there may be printed at this point in the RECORD a list of the members of the International Monetary Fund. The list shows the equities of each country and the votes which each country is entitled to cast on matters which come before the Fund for decision.

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

Members, quotas, and voting power as of Sept. 30, 1963

Member	Quota		Votes	
	Amount	Percent of total	Number [1]	Percent of total
	Millions			
1. Afghanistan	$22.50	0.14	475	0.26
2. Algeria	60.00	.39	850	.47
3. Argentina	280.00	1.80	3,050	1.69
4. Australia	400.00	2.57	4,250	2.35
5. Austria	75.00	.48	1,000	.55
6. Belgium	337.50	2.17	3,625	2.00
7. Bolivia	22.50	.14	475	.26
8. Brazil	280.00	1.80	3,050	1.69
9. Burma	30.00	.19	550	.30
10. Burundi	11.25	.07	362	.20
11. Cameroon	15.00	.10	400	.22
12. Canada	550.00	3.54	5,750	3.18
13. Central African Republic	7.50	.05	325	.18
14. Ceylon	45.00	.29	700	.39
15. Chad	7.50	.05	325	.18
16. Chile	100.00	.64	1,250	.69
17. China	550.00	3.54	5,750	3.18
18. Colombia	100.00	.64	1,250	.69
19. Congo (Brazzaville)	7.50	.05	325	.18
20. Congo (Leopoldville)	45.00	.29	700	.39
21. Costa Rica	15.00	.10	400	.22
22. Cuba	50.00	.32	750	.41
23. Cyprus	11.25	.07	362	.20
24. Dahomey	7.50	.05	325	.18
25. Denmark	130.00	.84	1,550	.86
26. Dominican Republic	15.00	.10	400	.22
27. Ecuador	15.00	.10	400	.22
28. El Salvador	11.25	.07	362	.20
29. Ethiopia	15.00	.10	400	.22
30. Finland	57.00	.37	820	.45
31. France	787.50	5.07	8,125	4.49
32. Gabon	7.50	.05	325	.18
33. Germany, Federal Republic of	787.50	5.07	8,125	4.49
34. Ghana	35.00	.23	600	.33
35. Greece	60.00	.39	850	.47
36. Guatemala	15.00	.10	400	.22
37. Guinea	15.00	.10	400	.22
38. Haiti	11.25	.07	362	.20
39. Honduras	$11.25	.07	362	.20
40. Iceland	11.25	.07	362	.20
41. India	600.00	3.86	6,250	3.45
42. Indonesia	165.00	1.06	1,900	1.05
43. Iran	70.00	.45	950	.53
44. Iraq	15.00	.10	400	.22
45. Ireland	45.00	.29	700	.39
46. Israel	25.00	.16	500	.28
47. Italy	270.00	1.74	2,950	1.63
48. Ivory Coast	15.00	.10	400	.22
49. Jamaica	20.00	.13	450	.25
50. Japan	500.00	3.22	5,250	2.90
51. Jordan	9.60	.06	346	.19
52. Korea	18.75	.12	437	.24
53. Kuwait	50.00	.32	750	.41
54. Laos	7.50	.05	325	.18
55. Lebanon	6.75	.04	317	.18
56. Liberia	11.25	.07	362	.20
57. Libya	15.00	.10	400	.22
58. Luxembourg	14.00	.09	390	.22
59. Malagasy Republic	15.00	.10	400	.22
60. Malaysia	35.00	.23	600	.33
61. Mali	13.00	.08	380	.21
62. Mauritania	7.50	.05	325	.18
63. Mexico	180.00	1.16	2,050	1.13
64. Morocco	52.50	.34	775	.43
65. Nepal	7.50	.05	325	.18
66. Netherlands	412.50	2.65	4,375	2.42
67. New Zealand	125.00	.80	1,500	.83
68. Nicaragua	11.25	.07	362	.20
69. Niger	7.50	.05	325	.18
70. Nigeria	50.00	.32	750	.41
71. Norway	100.00	.64	1,250	.69
72. Pakistan	150.00	.97	1,750	.97
73. Panama	.50	.01	255	.14
74. Paraguay	11.25	.07	362	.20
75. Peru	37.50	.24	625	.35
76. Philippines	75.00	.48	1,000	.55
77. Portugal	60.00	.39	850	.47

See footnotes at end of table.

Members, quotas, and voting power as of Sept. 30, 1963—Continued

Member	Quota		Votes		Member	Quota		Votes	
	Amount	Percent of total	Number [1]	Percent of total		Amount	Percent of total	Number [1]	Percent of total
	Millions					*Millions*			
78. Rwanda	$11.25	.07	362	.20	92. Tunisia	$20.40	.13	454	.25
79. Saudi Arabia	55.00	.35	800	.44	93. Turkey	86.00	.55	1,110	.61
80. Senegal	25.00	.16	500	.28	94. Uganda	25.00	.16	500	.28
81. Sierra Leone	11.25	.07	362	.20	95. United Arab Republic	90.00	.58	1,150	.64
82. Somalia	11.25	.07	362	.20	96. United Kingdom	1,950.00	12.55	19,750	10.92
83. South Africa	150.00	.97	1,750	.97	97. United States	4,125.00	26.54	41,500	22.94
84. Spain	150.00	.97	1,750	.97	98. Upper Volta	7.50	.05	325	.18
85. Sudan	15.00	.10	400	.22	99. Uruguay	30.00	.19	550	.30
86. Sweden	150.00	.97	1,750	.97	100. Venezuela	150.00	.97	1,750	.97
87. Syrian Arab Republic	15.00	.10	400	.22	101. Vietnam	20.50	.13	455	.25
88. Tanganyika	25.00	.16	500	.28	102. Yugoslavia	120.00	.77	1,450	.80
89. Thailand	45.00	.29	700	.39					
90. Togo	11.25	.07	362	.20	Total	15,542.75	[2] 100.00	180,925	[2] 100.00
91. Trinidad and Tobago	20.00	.13	450	.25					

[1] Voting power varies on certain matters with use by members of the Fund's resources.
[2] These figures do not add to 100 percent because of rounding.

Mr. CLARK. As the President remarked, the Fund was able to weather, in good order, the Cuban crisis, the run on sterling early in 1963, and the continuing balance-of-payments deficits of the United States. The President also stated:

> There is a sharp distinction between long-term questions of international liquidity and the current problems of international imbalance. We do not intend to neglect the latter while pursuing the former.

His comments had reference to our international balance-of-payments situation. He stated his conviction and determination that the United States should maintain the present price of gold at $35 an ounce. He said also that as our international balance of payments improves, a strain will be placed on the reserves of dollars in other countries, where reserves will come to the United States from those countries, and perhaps test the necessary liquidity of the banking systems of those other countries. We must be sure that the movement to improve our own balance of payments does not deprive foreign capital markets of adequate liquidity.

The goal of economic health for all nations, fostered by the banking fund, said the President, is second only in urgency to the quest for peace.

I have mentioned the International Bank for Reconstruction and Development and the International Monetary Fund. But a word must be said about the International Development Association, an agency created in large part because of the strong and fine support it received from the distinguished senior Senator from Oklahoma [Mr. MONRONEY] a number of years ago, when he served on the Committee on Banking and Currency. IDA, as the International Development Association is known, has been making loans around the world—50-year loans with a 10-year grace period before any repayment need be made, with no interest, and with a service charge of only three-fourths of 1 percent.

Those loans have been of valuable assistance in helping underdeveloped countries of the world to begin to bring their economies into balance and to move forward with an adequate gross national product.

At the meeting last week, 17 countries indicated that they were prepared to increase the capitalization of IDA by an additional $750,000 of new capital in order to assure its continued activity. There was a good deal of conversation—which I hope will end in action—to the effect that the World Bank, whose enormous surplus and earnings, which are mounting every day, should in due course transfer some of the surplus to IDA, in order to provide it with even greater capital resources to continue with its development loans.

One question—and a serious question it is—which arises as a result of the consideration last week of our international balance-of-payments problem is, Do the commitments of the United States exceed our resources? If they do, we must either increase our resources or reduce our commitments. I believe the question to be an open one. That our resources could be substantially increased must be clear.

We have at the moment almost 4 million unemployed. We have much unused capital resources. We have been unable to get our economy running at full speed, although since President Kennedy took office in January 1961 the situation has substantially improved. However, we need to take further drastic steps to reduce our unemployment and to increase our gross national product through a better utilization of our existing capital structure.

Turning to our commitments, they include, first, the defense of the free world; second, providing resources for underdeveloped countries; third, providing the principal capital market for the free world. As Under Secretary of State George Ball said, in a fine speech he made at the meeting: "the outward and visible manifestation of the vast effort my country is making for the benefit of free men everywhere" is just what the United States must be cautious in continuing, unless we can assure that our resources are increased to the extent necessary to balance our payments. The program for balancing our international accounts, which was advanced some time ago by the President, received commendation at the meetings last week. We can hope that, in due course, that program will be successful.

We also know, as we think in terms of international finance, how important it would be for other solvent nations to increase their contributions to world development, instead of relying to the extent they presently do on the United States. It should be noted, however, that real strides have been made in spreading more evenly the work of the International Bank for Reconstruction and Development. It was developed at the meetings that more than half of the Bank's bonded indebtedness is now held outside the United States. This means that other creditor countries are cooperating to a substantially greater extent than hitherto in financing the work of the Bank and in helping to make capital funds available to underdeveloped countries all across the world.

Another interesting fact is that as a result of our own efforts, only 10 percent of our present foreign assistance program is being rendered in dollars. The remaining 90 percent is being furnished in goods and services. This was brought out in a fine address made by Secretary of the Treasury Douglas Dillon.

It is now nearly 20 years since the International Monetary Fund and the World Bank for Reconstruction and Development were established at the Breton Woods Conference of 1944. The world has changed a great deal in the past two decades. With the recovery of Europe from the massive devastation of World War II, and the return of convertibility among the currencies of most major industrial countries in early 1959, new international economic patterns have emerged.

Our difficulties with the "balance-of-payments problem have called forth a welter of restrictive measures, all of them involving the sacrifice of other American goals in the interest of halting and correcting our payments imbalance. I am not here calling into question either the need to take such steps or their expected efficacy, although I appreciate that others have done so. But I believe that it is only fair to point out that measures such as the proposed interest equalization tax on foreign investments, increases in domestic interest rates, the practice, of "tying" foreign aid with buy American clauses, and the abandonment

of local procurement—at cheaper prices—by our oversea establishments in order to save dollars are plainly inconsistent with American policy objectives and interests outside the balance-of-payments field.

Nevertheless, although our deficits have produced problems at home, they have brought benefits elsewhere. The dollars which we have paid out in such large amounts over the past 5 years have supplied the free world with the monetary liquidity which is essential to its economic health. Not only are we the architects of the post-World War II economic revival; we have been, and we continue to be, banker to the world. We have financed the free world's economic growth with our own dollar deficits.

But what will happen to international liquidity if the measures we are taking to reduce our deficits succeed? The answer, according to the Brookings Institution study group which reported to the Joint Economic Committee on July 28, 1963, is that world monetary reserves will shrink in relation to the level of international transactions, and the free world will find itself without adequate reserves for continued economic growth. The Brookings group felt that in order to avert this result—and I quote here from the statement of Walter S. Salant, who directed the study:

> The United States should immediately begin to press for an agreement to strengthen international liquidity.

It is interesting to note that this report of the Brookings Institution, which was written by Mr. Salant, fell on rather deaf ears, so far as the U.S. Treasury and the Board of Governors of the Federal Reserve Bank were concerned. By means of the papers which were circulated to the congressional observers and to other advisers who attended the meetings last week, there was an obvious effort to downgrade the recommendations of the Brookings Institution. This, I believe, was because those recommendations went further, in suggesting action by the United States, to be followed by action by the other creditor countries of the world, than at one point some of those in the Treasury Department and the Federal Reserve Board were prepared to go.

However, I am happy to note that as a result of the conversations last week an excellent article written by Under Secretary of the Treasury Roosa, the way was opened for an important study of additional measures felt to be necessary to improve international liquidity.

The article written by Under Secretary Roosa was published in the current issue of the quarterly magazine, Foreign Affairs, and it has already been placed in the RECORD.

The pertinent part of the article is:

> The stage has clearly been reached both in terms of facilities and mutual understanding, when governments can in prudence examine together two profound questions: Does a reasonable projection of the present course of the growth of monetary reserves point toward a possible inadequacy of international liquidity over the years ahead? And if such inadequacy should appear possible, what steps can usefully be considered now, to provide for the nature and dimensions of future needs that can be foreseen or foreshadowed?

I suggest, Mr. President, that Mr. Roosa's article, and certainly the additional action taken at the meeting last week, might provide the basis for the eventual determination by the creditor nations of the world that what is needed is a world federal reserve system or a world central bank, not unlike our own Federal Reserve System, and along the lines of the one recommended by Professor Triffin, of Yale University, whose writings and speeches in this regard have called forth a great deal of comment, both favorable and unfavorable. Professor Triffin would like to see the International Monetary Fund transformed into an international central bank empowered to create international credit in amounts determined by international agreement. As I stated, it would constitute, in effect, a world federal reserve system, standing in relation to the central banks of the member countries roughly in the way the U.S. Federal Reserve banks stand in relation to commercial banks in this country.

There is a vast gulf between the Triffin view and orthodox economic theory; but I am pleased to note that at least in one particular that gulf shows signs of shrinking. Until quite recently, the official view, both here and in Europe, had been that the danger of there not being adequate liquidity at some time in the future was so remote as not to warrant any attention at present. I believe I can safely say that as a result of the article written by Under Secretary Roosa and the position taken by our delegates at last week's meetings, that view has now been abandoned, for we joined the other creditor countries of the world in announcing sponsorship of a 10-nation survey of the problem of future international liquidity. Those 10 include the United States, the United Kingdom, West Germany, France, Italy, the Netherlands, Sweden, and Japan. These nations are the principal creditor nations, and are the ones primarily interested in seeing to it that the elimination of their balance-of-payments problem in the United States will not cause any undue disruption of liquidity abroad, and that the mechanisms of a national nature which are created will make it possible to cope with what we hope will be a constantly increasing world trade.

It is important that instrumentalities of this sort be brought into being in the foreseeable future, because it is clear that the present gold standard will not be adequate to enable us to continue to have the credit necessary to finance an expanded world trade.

I am particularly pleased to have been granted the privilege of sitting in on last week's meetings as a congressional observer; but of equal, or greater, interest will be the study these 10 nations are making and the complimentary study which the president, Pierre Paul Schweitzer, who is the new Director of the International Monetary Fund, will make.

It is interesting to note that Mr. Schweitzer, a French citizen, is a nephew of the distinguished French scientist, doctor, musician, theologian, and clergyman, Albert Schweitzer, whose work in the jungles of Africa and whose wonderful writings are known to all.

For myself, Mr. President, I close on this note: Just as in the future we shall achieve world peace, we shall have to think in terms of eventually yielding some part of our national sovereignty. So if we are going to have adequate international financing institutions able to deal with the intensely complex problems of finance and world trade and the maintenance of adequate liquidity, and if we are not to find ourselves again in the situation we were in during the 1930's when the whole international mechanism of finances, monetary systems, and world trade broke down, we must be imaginative and must look ahead.

This subject will be considered very seriously by Mr. Schweitzer's group. For myself, I would be prepared to relinquish such sovereignty as might be necessary, if a carefully prepared plan which would protect the vital interests of the United States of America could be submitted to us for approval.

We on the International Finance Subcommittee of the Banking and Currency Committee will follow very closely the study which the 10 are making, and will also look very carefully at which the Director of the International Monetary Fund does.

I hope the Joint Economic Committee, under the leadership of the Senator from Illinois [Mr. DOUGLAS] and Representative REUSS, of Wisconsin, will hold another series of hearings which will develop what took place last week at these international meetings.

Congress has an important interest in exercising both its legislative functions and its oversight functions in assuring that the international monetary and lending policies which are adopted will serve our national interests.

Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the testimony given by Mr. Walter S. Salant, of Brookings Institution, who is mainly responsible for the Brookings report. He gave the testimony on July 29, 1963, before the Joint Economic Committee.

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

OUTLOOK FOR WORLD TRADE AND RESERVES

> Our projections lead us to believe that the dollar value of international transactions will grow by at least 35 percent between 1961 and 1968. If U.S. deficits continue in 1963 and 1964 but diminish to zero between 1965 and 1968—I am now talking about total deficits, not basic deficits—and if monetary gold stocks grow at the same rate as they did between 1947 and 1961, gold and dollar reserves will rise by about 12 percent between 1961 and 1968. This compares with the 35 percent increase in international transactions. World monetary reserves would thus shrink in relation to the level of international transactions.
>
> Whether this relative decline would create a problem of liquidity depends, of course, on whether liquidity is adequate now and how

much the need for liquidity grows in relation to the growth of the value of world transactions. So far as the need for liquidity is concerned, we think that imbalances in total international payments will increase in relation to total payments. The major countries are likely to be faced with persistent imbalances arising not so much from deficiencies or excess of aggregate demand but from structural factors, such as changes in technology, in competitive positions, or in the structure of world demand for their products. Imbalances arising from such causes cannot be eliminated quickly without jeopardizing domestic economic growth, price stability, or other vital objectives. To avoid jeopardizing these objectives, equilibrium must be reached gradually. The existing monetary mechanism will not provide enough liquidity to finance deficits over periods long enough to permit such gradual adjustment. Without the means of financing deficits over such periods, preoccupation with balances of payments is likely to override considerations that are fundamentally more important. The deficit countries will be placed under increasing constraints. Such a situation might well induce actions that would restrain their rates of growth unduly.

Indeed, these restraints could prevent the forces making for improvement in the U.S. balance of payments from materializing fully. If a U.S. balance-of-payments surplus should begin to develop, some other countries would begin to move toward deficit positions and might take restrictive measures to stop this movement. In that event, the forces making for improvement of the U.S. payments position would merely have caused the world to exchange one problem for another. Thus, there is a dilemma: A strengthening U.S. balance of payments would leave the world as a whole—and the United States, too—little if any better off than does a U.S. deficit. This suggests that the fundamental problem may not be the U.S. balance-of-payments deficit but the world's monetary system.

It is often said that maintenance of balance in international payments, if not an ultimate end of policy, is a means of restraining countries from pursuing undesirable economic policies. Balance-of-payments discipline, however—like any other discipline—is desirable only as a means to ends that are desirable. It is not desirable if it requires the subordination of higher priority objectives.

The U.S. Government has not, on the whole, compromised its basic foreign policy and defense objectives because of balance-of-payments considerations. These considerations, however, have played an important role in failure to achieve maximum production and employment. The additional slack in using productive capacity at a level associated with unemployment of 6 percent instead of, say, 4 percent of the labor force involves losing output estimated at about $30 to $40 billion every year.

Policies tying economic aid to procurement in the United States and requiring military expenditures to be made in the United States rather than abroad add considerable cost to the taxpayer. They also arouse resentment in the rest of the free world, protect high-cost U.S. industries from the spur of foreign competition and foster poor allocation of resources. Moreover, there is increasing pressure to compromise the objectives of foreign aid for balance-of-payments reasons. It is clearly in the interest of the United States to develop an international monetary mechanism that will permit adjustments to take place without compromising other goals.

THE NEED TO IMPROVE THE INTERNATIONAL MONETARY MECHANISM

The present international monetary system is essentially a system of quasi-fixed exchange rates with international reserves held in gold and national currencies (principally dollars and sterling). The price of gold in terms of dollars is fixed, and other currencies are pegged to the dollar, thereby providing a fixed structure of exchange rates among various currencies. The pegs are adjustable, however. Adjustments have been made often enough to keep the possibilities of further changes alive in the minds of central banks and private owners of capital.

In our view, fixity of exchange rates is a virtue. By removing much of the uncertainty of international transactions, it tends to increase the volume of trade and productive international investment, thus contributing to efficient use of world resources. The more certain it is that the rates will be maintained, the greater are these advantages. We believe, therefore, that the present system of fixed exchange rates should be strengthened so as to preserve and enhance its advantages and mitigate its disadvantages.

The main disadvantage of the present fixed rate system is that it requires countries whose payments are not in balance to restore balance more rapidly than may be consistent with important domestic and international objectives. Deflationary measures, the classical means of improving the balance of payments, cut employment and real incomes—effects which are neither politically feasible nor economically desirable in a modern industrial country. In the United States, large absolute reductions in real income cause only small decreases in imports, and these decreases are partly offset by decreases in exports, so that very substantial declines in total production and income are necessary to induce relatively small improvements in the net balance of payments. Furthermore, higher interest rates, while discouraging domestic investment, may not be effective in attracting capital to a currency when stronger currencies are available.

Rapid adjustment is especially difficult if exchange rates that are normally fixed may be changed when an imbalance in payments is judged to be fundamental. The prospect that a weak currency may be devalued discourages stabilizing capital movements and fosters destabilizing movements. This reinforces the basic factors originally responsible for the currency's weakness. Moreover, when the authorities decide to devalue or are forced to do so, they usually make the devaluation so great that no one will doubt that the new rate can be maintained. As a result, currencies which have been overvalued before their parities are altered are likely to be undervalued afterward.

If an international payments system is to provide the benefits of fixed parities without these disadvantages, it must generate confidence in the fixity of the parities. Given greater liquidity, this confidence would probably develop, because it would gradually be recognized that payments adjustment at fixed parities is possible if enough time is available.

ACTIONS NEEDED IN THE NEXT FEW YEARS

The United States should immediately begin to press for an agreement to strengthen international liquidity. Since the study and negotiations needed to obtain agreement on a new mechanism for international liquidity may take a long time, however, the United States will be obliged to deal with its balance-of-payments problems within the framework of the present mechanism.

Measures to finance the deficit

Even if the projections of this report are realized, there probably will be deficits in the U.S. balance of payments for the next several years. However, U.S. reserves are so large, compared to likely levels of the deficit, that we see no reason for concern about financing these deficits while working to improve the international monetary system. Despite the substantial reduction in U.S. monetary reserves and the large increases in liquid dollar claims of foreigners, U.S. reserves and other resources for meeting continuing deficits remain very great. The U.S. Government should make clear that it regards its reserves as existing to be used for these purposes.

The statutory requirement of a gold reserve against Federal Reserve notes and deposit liabilities long ago ceased to serve any useful purpose. It should be abolished. Its abolition would make clear that the reserves are available to the full and at all times, not merely in emergencies, to serve their only useful function.

The United States should also draw on the IMF—as it now proposes to do—to finance some of its future deficit. Such drawings would help to promote the idea that use of the Fund's resources is not an act of last resort; more willingness of IMF members to draw on it would increase effective liquidity.

Such steps would establish that the United States is willing to use its reserves and credit facilities to support the dollar.

Measures to improve the balance of payments

We do not recommend that the Government at this time take any steps to improve the balance of payments other than measures which seem desirable in themselves. Actions already taken, such as tying aid and restricting certain types of military expenditures abroad, should be regarded as temporary. Further restrictive measures of this type would be of negligible benefit, if not positively harmful. To cut aid or military expenditures for balance-of-payments reasons would be an unwise and unnecessary sacrifice of more important objectives.

As the balance-of-payments deficit declines, foreign aid expenditures should gradually be untied.

We have stressed that measures which might endanger U.S. economic growth and the restoration of high employment levels should not be adopted for balance-of-payments reasons. This means that it is inadvisable to raise interest rates in an attempt to affect international flows of capital, unless the adverse domestic effects of higher rates can be fully offset by fiscal expansion. The balance of payments and other goals will be served, however, by wage and price restraint during the course of recovery to high employment. Restraint on wage and price increases will benefit the U.S. competitive position without retarding domestic growth. The Government's efforts in this direction should be stepped up as the country moves toward full employment.

Devaluation of the dollar also should be rejected. Devaluation might actually weaken, rather than strengthen, the dollar. If other countries—especially those in the European Economic Community (EEC)—devalued their currencies in line with the dollar, the U.S. deficit would not be reduced, but the future willingness of foreigners to accumulate dollar assets would be curtailed. Even if other major currencies were not devalued, however, devaluation of the dollar should be rejected. Devaluation is appropriate only when a balance-of-payments deficit is clearly caused by a fundamental disequilibrium that is not likely to diminish in the future. Our projections suggest substantial future improvement at the current exchange rate. Devaluation, therefore, might throw the United States into substantial surplus and other countries into deficit.

The United States should bargain vigorously with the EEC for trade liberalization in the coming negotiations under the General Agreement on Tariffs and Trade and insist on some minimum concessions. A satisfactory agreement should preserve and enlarge foreign markets for Temperate Zone agricultural products, liberalize EEC imports of manufactured goods, especially those from Japan and underdeveloped countries, and re-

duce discrimination against tropical products of Latin America and other non-EEC countries. Agreement should not be sought at any price.

Measures to improve arrangements for international liquidity

The U.S. Government should make a major effort to establish with other countries an adequate international liquidity mechanism. The immediate task is to formulate a plan which meets the criteria for a satisfactory system. The next task is to seek international agreement on such a plan.

We propose four requirements of a satisfactory system:

1. It must provide enough liquidity at the outset to finance substantial imbalances while adjustments are taking place, and it must provide for increases in liquidity as the need for liquidity grows.

2. Additional liquidity which takes the form of credit should be available readily and promptly, and for a period long enough to permit elimination of the deficit. Substantial amounts should be obtainable automatically by deficit countries. By agreement, additional amounts should be made available to countries with particularly intractable balance-of-payments problems if appropriate measures for dealing with these problems are being taken.

3. The possibility of shifting reserves from weak to strong currencies must be prevented. These problems would be avoided if industrial countries committed themselves to hold a substantial fraction of their reserves in an international institution, with creditor countries accumulating credits in an international unit of account and debtor countries accumulating similarly denominated debits or reducing previously acquired credits.

4. For such a system to work it is probably necessary that the principal financial and industrial countries consult fully and frequently and coordinate policies that have substantial effects on international payments.

As to getting an agreement, Western European countries are not likely to be receptive to U.S. proposals which seem only to ask them to commit themselves more irrevocably and firmly to propping up the present dollar exchange standard. If the United States wishes to gain European support for an expanded international liquidity arrangement, therefore, it must consider the possibility that the dollar's role as a reserve currency would be curtailed.

It is sometimes said that full maintenance of the dollar's postwar role as a reserve currency is essential to U.S. national power or prestige. We think this view mistaken. The economic power and prestige of the United States come primarily from its high productive potential and its success in using that potential. Reduction of the reserve currency role of the dollar would have far less effect on U.S. prestige than continuation of the present failure to operate the U.S. economy at or near capacity. To return to my earlier analogy, a merchant may get some prestige in being known as not only the biggest merchant but also a banker in his community. His banking role may justify him in making some sacrifices to maintain the more liquid position that he needs since he has opened himself to withdrawals by depositors. But if he has to scrimp on the more important foundations of his prestige—reduce his efficiency by not maintaining up-to-date equipment in his major business or injure the long-term prospects for his business by not sending his sons to college or both—then it is time he asked himself how much the additional prestige of his banking role is really worth. If beyond that, he has to beg his depositors to keep their funds with him, the question is still easier to answer.

Beyond this, which is mainly a question for the United States to answer for itself, is the question whether other countries will agree to a system providing greater liquidity while the United States is in a deficit position. Perhaps agreement will prove to be difficult to reach in this situation. But we shall not know until we try. The Government should not defer beginning discussions merely because there is a deficit. If agreement does prove difficult to reach, it may become easier to reach as the deficit declines and the surpluses of other countries diminish. Hope of agreement should not be given up, therefore, while there is a prospect that the U.S. deficit will disappear. And the United States itself should resist any tendency to lose interest as its payments position improves.

An alternative international monetary mechanism

If it becomes clear that agreement on a satisfactory liquidity mechanism cannot be obtained, the United States must seek an alternative. The best alternative, in our view, would be a modified system of flexible exchange rates consisting of a dollar-sterling bloc and an EEC bloc, with fixed rates within each bloc and flexible rates between them. Within Western Europe, the logic of economic integration demands that fixed parities be maintained among the members of the European Economic Community, a fixity which they could easily effectuate. Countries whose economies are closely alined to the major members of each bloc would presumably wish to tie their currencies to that bloc. The only significant fluctuations, therefore, would be in the rates between the dollar-sterling bloc, on the one hand, and the Western European bloc on the other. Violent changes in these exchange rates would be prevented by intervention of the stabilization authorities in the foreign exchange markets. In practice, we would expect the range of these fluctuations to be limited.

This modified flexible exchange rate system would allow the United States greater national autonomy in the use of fiscal policy, since the external consequences of such policies would be offset by movements in the exchange rate. The fluctuations in themselves would correct basic imbalances between currency blocs without imposing general deflation in deficit countries or general inflation in surplus countries. Such a system would also reduce the need for international reserves.

Nevertheless, there are some true costs in adopting our second-best, two-bloc proposal. The volume of international trade and capital movements between the members of the two blocs would probably be smaller than under a system of fixed parities with adequate provision for international liquidity. The unity and cohesion of the free world would probably be better served by a system of fixed parities with provision for adequate liquidity. That is why we regard the two-bloc system as inferior to such a system. We believe its shortcomings to be less serious, however, than those of any alternative that would be available if the improved fixed parity system could not be attained. It would eliminate the deflationary bias inherent in fixed rates with inadequate liquidity. Since it would contribute to more rapid economic growth, world trade might be larger than under the present system, despite the impediment of rate flexibility. It would be the least harmful means of obtaining international balance if it were not possible to develop a fixed exchange rate system with adequate provision for liquidity.

We repeat, however, that in our view it is only a second-best proposal. Our decisive preference is for a system of fixed rates with an adequate liquidity mechanism. More important than the choice of mechanism is our major policy thesis: That the United States seek agreement on an international payments mechanism that permits adjusting national balances of payments without compromising the important goals of national and international policy.

Mr. CLARK. Mr. President, I yield the floor.

SALES OF WHEAT TO THE SOVIET UNION

Mr. HUMPHREY. Mr. President, in recent days I have been advocating that U.S. grain firms be authorized to sell wheat to the Soviet Union and to other countries in the Eastern bloc. What I have been suggesting is that these firms be authorized to sell wheat in the same manner as they do in their sales to the West European countries and other areas of the world.

I repeat that what I have been recommending is that these be commercial sales, preferably for hard currency or gold, and, at most, on very short-term credit.

I emphasize that it is essential that action be taken now. An announcement by this administration in support of such sales will be of great assistance in helping to correct the balance-of-payments deficit, and also will be a master stroke in terms of foreign policy.

Such a sale would be good business. This would be a case of mutual hard bargaining of mutual advantage. Victory over communism will not come from denying them wheat. Victory over communism can come from a demonstration of our superiority—and certainly agriculture is one area where we can outproduce the Communists per person by 5 to 1.

Mr. President, I want to make it fundamentally clear that trade in agricultural commodities to the Soviet bloc presently is going on under the supervision of the Department of Commerce.

The United States is not subsidizing any country, because we offer wheat and flour on the basis of the world market price in competition with other wheat and flour exporters. Our export subsidy on cotton is about 8½ cents a pound. This payment of $42.50 per bale does not subsidize a country. What it actually means is that we are moving commodities out of this country and subsidizing our own cotton producers.

The Soviet-bloc countries can buy wheat or flour from any one of a half dozen other exporting countries in the world, and those other exporting countries may or may not have an export subsidy on that wheat or flour. Wheat and flour are freely available in the world market, and the only way we can sell on competitive terms is for us to have an export subsidy on them in order to meet the prices of the other competing exporting countries. The reason for this is, as is well known, that our price support system is holding our domestic market price above the world market price. There is no advantage one way or another from the standpoint of the Soviet bloc for them to get a subsidized commodity from the United States, if they can get it somewhere else.

EXPORT CONTROL ACT

Mr. President, I also wish to call the attention of this body to some other

fundamental facts regarding the enforcement of the Export Control Act. This law originally was passed as an emergency measure, prompted in part by domestic shortages and threats of inflation created by abnormal foreign demand. It also plainly recognized the important relationship between exports and our foreign policy and national security. It conferred on the President very broad general powers to restrict and control export trade. The act permits the President to delegate the authority thus conferred upon him. This delegation was made to the Secretary of Commerce who operates this program with the advice and counsel of other interested agencies of Government.

The Export Control Act of 1949, which authorizes the President to prohibit or curtail exports from the United States, contains in section 3 the following language:

(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof.

There is a specific congressional exclusion from export controls of agricultural commodities deemed to be in surplus with the specified exception that it be used to the extent necessary to further the foreign policy of the United States and to aid in fulfilling its international responsibilities and to exercise the necessary vigilance over exports from the standpoint of their significance to the national security.

In the report of the Select Committee on Export Controls of the House of Representatives issued May 25, 1962, the following paragraph appears, and again I quote:

As a matter of policy, agricultural commodities outside of price supports (those commodities which are not under the export payment system) could be sent to Russia and the bloc under the authority of a general license.

On June 22, 1961, a change in policy on export controls were effected and a regulation issued by the Department of Commerce which generally permitted licensing of subsidized surplus agricultural commodities to the European Soviet bloc, if sold for dollars or convertible currency. Prior to export of such commodities a commitment would have to be obtained from the importing agency in the Soviet-bloc country that the commodity would not be reexported to another country without approval from the U.S. Government.

The select committee was advised that there was widespread misunderstanding of this regulation and objections to the same. Such opposition led to an amendment of the agriculture bill to declare it the congressional policy not to sell subsidized surplus agricultural commodities to the bloc.

Former Assistant Secretary of Agriculture, John Duncan, testified in October of 1961 before the House Select Committee on Export Control that inquiries had been received prior to June 1961 with respect to the possible export of 500,000 tons of U.S. wheat to the Soviet Union. Mr. Duncan further testified that upon receipt of the inquiry there was no approved procedure for authorizing such licenses.

In June of 1961 the Department of Commerce announced the procedure for licensing of subsidized commodities had been approved. However, apparently the time lag between the inquiry and the approval of procedure resulted in our loss of this substantial volume of export business.

Mr. President, in view of the entire legislative and economic history of the Export Control Act, I feel that fundamentally the Department of Commerce should place all surplus agricultural commodities, except those for which an export subsidy is being paid, under general license. This would assist our farmers in the movement of feed grains, oilseeds, fats and oils, dry edible beans, and many other commodities. The Department of Commerce can supervise any possible reexport of these commodities in exactly the same manner it now does with respect to Poland and Yugoslavia.

I am not recommending in any way that any of these exports be made on any concessional terms. We should be realistic and utilize the profit motive as a means of showing the Communist world what our agriculture can accomplish. Our export firms can assist in the commercial marketing of these essential commodities.

This would not involve a change in policy but only a change in the method of doing business. In today's competitive world we should not put anchors on the ability of our farmers, our workers, or our businessmen to export essential commodities into world channels.

Sales of wheat and flour to the Soviet Union and Eastern bloc countries can be helpful to the United States in that this will reduce our Government costs of storage, which in 3 years will cost more than the amount of any export subsidy. It also would be of benefit in our balance of payments—and in view of the 1964 wheat referendum—it will be of great benefit to our wheatgrowers.

The future markets already reflect this potential benefit.

Mr. President, somehow or other the world will make this wheat available to Mr. Khrushchev for his hard currency. We should not put our farmers in the position of being the residual supplier after everyone else has made all possible sales. We should not put our flour mills in the position of being residual suppliers and denying work to thousands of workers in our flour mills.

I urge that a decision be made as rapidly as possible.

I have continued to make that recommendation day after day, and I am hopeful that today, tomorrow, or this week the affirmative decision will be made.

DRUG RESEARCH AND OUR FOOD AND DRUG LAWS

Mr. HUMPHREY. Mr. President, is the case of the indicted Maryland physician a complete rarity? Is it so unusual, so exceptional, that no generalizations whatsoever can be drawn from it? Or is it perhaps part of a larger pattern which requires therefore the closest scrutiny?

Final answers cannot be given at this point. It can, however, be stated that—

First. The Senate Government Operations Subcommitte of which I am chairman, has heard from physicians of the Bureau of Medicine of the Food and Drug Administration that there have been several such cases, as bad or almost as bad as the one involving this particular Maryland physician. Furthermore, it is our understanding that Food and Drug Administration is now investigating several such cases.

Second. There has never been any question in my mind but that the overwhelming mass of drug testing in the United States is absolutely honest.

The sins of one individual, or of a small number, should not be allowed to tarnish the excellent name of the medical profession and of the American pharmaceutical industry.

The case of the Maryland physician should not, therefore, be either overstated or understated, underestimated or overestimated.

BACKGROUND OF MARYLAND CASE

It will be recalled that the Subcommittee on Reorganization and International Organizations had heard testimony on this particular case as far back as March of this year. Our witness was John O. Nestor, M.D., a pediatric cardiologist, employed then, as now, as a medical reviewer in the New Drug Division of the Bureau of Medicine of the Food and Drug Administration. His testimony may be found in Part 3 of our publication series, "Interagency Coordination in Drug Research and Regulation."

On page 784, Dr. Nestor described how his suspicions had been aroused by this case. On pages 792–796, the subcommittee reprinted as exhibit 122 an outstanding article on the case by Miriam Ottenberg, of the Washington Star, on what she called, "The Case of Dr. Z."

On page 815, we reprinted, as part of exhibit 126, Dr. Nestor's memorandum to his superiors as far back as August 1961, suggesting that steps be taken against repetition of what Dr. Nestor regarded as the "fraud" in this case.

The Department of Justice release of October 3, 1963, was necessarily short. It did not indicate that it was Dr. Nestor who first spotted what he regarded as the impossible test results, reported by the Maryland physician. It should be noted that this was months after the new drug application had already been approved by the Food and Drug Administration. The only reason why Dr. Nestor entered the case was that two serious reactions in infants had been reported. Dr. Nestor had never previously handled the case. It was given to him because he is a trained pediatrician. He traced down the necessary facts.

SERIOUS QUESTIONS ARISING OUT OF MARYLAND CASE

But certain serious questions now arise. Let me list half a dozen such questions:

First. If Dr. Nestor found that the Maryland doctor's results were "impos-

sible," why did not the drug companies which received the reports in the first place so find? Are not they as diligent as the Food and Drug Administration in making certain that test results which they submit meet minimal acceptable standards? In most instances, I am sure the drug companies do try to be as diligent as the Food and Drug Administration. Certainly, in the one instance of the infant diarrhea drug, the company was not. Yet, the health of the most vulnerable of all human beings—infants and children—was involved.

LACK OF SPECIALIST IN THE FOOD AND DRUG ADMINISTRATION

Second. Why did not the Food and Drug Administration spot the "improbable nature" of the test results before it approved the new drug application on Entoquel, rather than only afterward, when Dr. Nestor was given the case?

Was it because a nonspecialist, a nonpediatrician, handled the original case? If so, why was not a specialist available to advise on the pediatric aspects of the drug? The use of specialists' counsel is a policy which I, for one, have urged for over a year, as regards all major medical specialties.

But perhaps even a nonspecialist could have detected that the physicians' results were "too perfect to be credible."

Whatever the facts are, they should be brought into the open.

One fact we do know is that we cannot expect the impossible from a chronically understaffed, underpaid, undersupported agency, the Food and Drug Administration.

Third. Dr. Nestor stated—as shown on page 815—that eight drug companies used this physician as a clinical investigator. Several of these companies are among the Nation's most outstanding drug enterprises. Perhaps they are all the helpless victims of this physician. But were all of them, however, completely unaware that the "inexperienced and untrained" physician had, according to the testimony of Dr. Nestor on page 815—

> In the short period of a few months, written several articles on a variety of highly specialized subjects.

Is it impossible for the companies to keep informed of the background of their clinical investigators?

Dr. Nestor found relatively rapidly that this physician had a very questionable personal background. Were the companies uninterested in such facts? Did such facts ever come to their attention—by design or by accident? If so, did they discontinue using "Dr. Z," as Miss Ottenberg called him? Or were the companies so desperate for testers that they ignored his background, if they did know of it?

I may say that the subcommittee has heard that at least one company did know before using "Dr. Z" that his background was suspicious.

ACCEPTANCE OF "DR. Z'S" ARTICLES BY JOURNALS

Fourth. What does this case tell us of the standards of medical journals in accepting papers? Dr. Nestor's memorandum, on page 815, states that several of "Dr. Z's" papers had been accepted for publication, two had been rejected in their present form, and "no action has been taken on others."

THE COMPLEX PROBLEM OF TESTING FEES

Fifth. It will be recalled that the Department of Justice had indicated that the indicted Maryland physician received a total of as much as $13,000 in 1 year for drug testing. It will be vital to learn the details of these payments.

Were the payments made on the basis of so much "per head"—that is, the more patients reported, the higher the payment? What kind of incentive is that for quality and thoroughness in testing?

Were the payments designed to cover actual expenses only? What were the actual expenses?

These questions are not submitted casually. For years, conscientious physicians have questioned the propriety of what are often regarded as excessive payments by some drug companies for some private tests. Some medical institutions refuse to allow investigators associated with them to accept any fees whatsoever for drug testing. There is, in some quarters, a feeling that direct payments may endanger objectivity, or, at least, the reputation for objectivity.

In an article published last year in the distinguished magazine Fortune—which certainly cannot be accused of being anti-industry—the situation as regards payments was referred to as an "uneasy muddle."

Fortune mentioned that payments are made "under the table." There is no valid reason why this should be so. A private physician who incurs expenses for supplies and equipment in performing drug tests for a company is certainly entitled to reimbursement.

In any event, almost everyone realizes that fees, expenses, and honoraria constitute an issue of the type which the medical and allied professions must solve for themselves. I wish I could say there are many signs that a solution is being discussed. That, unfortunately, is not the case. There is little sign that a solution is even being discussed, much less considered, within the profession.

Where in the literature can anyone cite detailed expositions of the medical propriety of accepting fees and honoraria for drug testing? Why should not this situation be faced frankly and openly, so that the shadows which now hover over some drug testing can be removed? This is one of the most difficult issues, but it is hardly insoluble.

SCARCITY OF DRUG TESTERS

Sixth. Is it not a fact that the Maryland physician probably never would have been used as a clinical investigator if there were not such a critical scarcity of drug testers?

Even with such scarcity, rigged research is probably relatively rare. What is infinitely more prevalent, according to numerous experts, is mediocre and substandard research. In 1962, an excellent report by the New York Academy of Medicine noted that clinical testing is often inferior or even unscientific, because so few scientists are trained in what some people term clinical pharmacology and in related disciplines. The Academy said:

> If testing by untrained, inexperienced or otherwise incompetent clinical investigators seems impossible, fantastic and incredible.—

One had only to look at the absence of professional standards to find the cause of this condition.

The time is overdue for the American healing arts—the greatest in the world—to launch voluntary, broad-scale reforms which can do far more than what any law can do—strengthen scientific excellence.

The U.S. Government is spending as much as $70 million a year for support of drug research and drug-related research. This expenditure has often yielded magnificent results. The Federal organization which is the most deeply involved in drug research, and which has achieved some of the finest results, is the National Institutes of Health.

Unfortunately, the NIH have not adequately fulfilled their broad responsibilities to increase the overall supply of skilled manpower for drug testing and evaluation.

Two of the Institutes—the National Institute for Mental Health and the National Cancer Institute—have made particularly outstanding records with respect to the pharmaceutical sciences.

TRIBUTE TO PSYCHOPHARMACOLOGY SERVICE CENTER

I know of no single program—public or private—which has done more to facilitate and expedite the evaluation of drugs and to keep such evaluation at the highest possible professional level than the Psychopharmacology Service Center, of the National Institute for Mental Health.

By contrast, most of the other categorical Institutes, such as the Arthritis Institute, seemed in previous years to have been half asleep as regards realization of the imperative need to elevate the overall standards of drug testing and evaluation.

I look, therefore, to all the Institutes and to the Division of Research Grants to cease taking what too often has been a passive attitude toward the haphazard standards of drug testing and evaluation. Wherever the American taxpayers' money is used, it must be used to promote excellence in drug testing and evaluation. We are not naive about the "numbers game" of hundreds of tests reported in the literature, with quantity too often substituted for quality.

The NIH cannot by themselves handle the many professional problems which I have mentioned; their role is limited. But they can do far more than they have done—without in any way exceeding the proper bounds of Federal jurisdiction.

It has been proposed, for example, that the Institutes provide unrestricted funds to leading teaching hospitals, so that clinical pharmacologists and other drug testers would not be dependent upon drug companies for financial support.

On an overall basis, let us note that there is no reason for alarm on the part

of the American people. They can, by and large, remain confident in the overall standards of the pharmaceutical sciences. They can be even more confident, however, if the professions voluntarily act to deal in a forthright and prompt manner, with problems of the type I have mentioned.

NEW LAW AND REGULATIONS SERVE TO MINIMIZE FRAUD

Fortunately, the Kefauver-Harris law, passed unanimously by Congress in October 1962, tightens up on the filing of information about researchers who test new drugs. In addition, strong new regulations by the Food and Drug Administration help to minimize the future possibility of fraudulent action of the type attributed to the Maryland physician.

Let this fact be noted, however: There are alarming signs that certain reactionary forces are now trying to sabotage the new law and regulations, even before there has been an opportunity for the reforms to be given a fair trial.

The new law and regulations are probably far from perfect. They can be changed if a need for change is proven. If there is undue interference with drug research, if excessive administrative burdens are imposed, if investigators are discouraged, instead of encouraged, from entering into drug research, then certainly the regulation and, if need be, the law can and should be amended.

EFFORTS AGAINST NEEDLESS OFFICIAL SECRECY

I, for one, urged a year ago that the medical and allied professions be more broadly consulted by the Food and Drug Administration before the final version of the new regulations was approved. I had urged, as had the subcommittee staff, at my direction, that the strong objections filed by the National Institutes of Health against the original Food and Drug Administration regulations, as announced in August 1962, be made public by the Department of Health, Education, and Welfare. Unfortunately, the Department chose not to do so. This is one more instance, I may say, of needless secrecy, against which we have fought, and will continue to fight, so as to protect the public interest and the public's right to know.

But sound amendment of the law and the regulations is one thing; sabotage of their spirit and intent is something else. I do not propose to see the will of the Congress—as unanimously expressed in October 1962—sabotaged.

There are disturbing signs of efforts to turn back the hands of the clock to prethalidomide days.

EFFORTS TO TRANQUILIZE THE CONGRESS

The American people should not forget that efforts were made to tranquilize the Congress into a false sense of security before the new drug law was enacted. Two months before Congress passed the law, the House Commerce Committee was told that drug companies use "extraordinary care in selecting highly trained clinical investigators."

Most drug companies may try to exercise such care most of the time. But a fact which has been generally ignored is that the companies themselves know that often they are confronted with a shortage of skilled drug testers.

The physician who tried to reassure the Congress in the above manner spoke, I am sure, in perfect good faith; his credentials are of the finest.

But a more accurate account of the regrettable situation in drug testing was given by the New York Academy of Medicine, in the report by his Committee on Public Health. It tended to call a spade a spade. Let us continue to do so. Let us seek the judgment of the healing arts; but let that judgment be broadly representative—not one-sided or artificially generated by thousands of letters poured out by some company in its own self-interest. And let not the judgment be based, for example, on the work of some "stacked" lopsided scientific committee representing the opponents of the drug law and regulations.

What did the law's opponents do—in terms of actions, not mere words—to follow up the worthy efforts of the American Medical Association Council on Pharmacy and Chemistry—as far back as 1946—to improve drug testing?

Let us, therefore, judge men by the actual record of their action to protect the public interest, the interest of science, the interest of medicine, the interest of safe, efficacious drugs of the type on which American industry has so fine a record in many respects.

This subcommittee will continue to do its part in the public interest. Most of its work, as heretofore, will be done with a minimum of public comment. It should be noted that the subcommittee had held information about the Maryland case for more than a year. The subcommittee had contacted the Montgomery County Maryland Medical Society, as well as other sources. Public comment was, however, avoided by the subcommittee, in order not to interfere in any way with the Federal grand jury. The only reference which we made was through Dr. Nestor's generalized comments at our March hearing.

Mr. President, I ask unanimous consent to have the following two documents printed in the RECORD: The Attorney General's release of October 3, 1963, on the indictment; and a helpful write-up of that statement by the distinguished science writer, Robert Toth, as published in the New York Times of October 4, 1963.

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

RELEASE BY THE DEPARTMENT OF JUSTICE

Dr. Bennett A. Robin, a Silver Spring, Md., physician, was charged today with submitting false clinical test reports on five new drugs even though he conducted no such tests.

Attorney General Robert F. Kennedy said the indictment, returned by a Federal grand jury in the District of Columbia, followed an 11-month investigation by the Food and Drug Administration.

The indictment charged Dr. Robin, 34, with willfully causing the manufacturers of the five drugs to file false case studies with the FDA in support of their applications for FDA approval of the drugs.

As one stage in the development of new drugs, manufacturers ask various physicians to test the drugs on patients and to report back the results.

The grand jury said Dr. Robin made reports on fictitious tests of these drugs:

Tigan Hydrochloride, used to prevent nausea, manufactured by Hoffman-La Roche, Inc., Nutley, N.J.;

Entoquel with Neomycin Syrup, used against diarrhea, manufactured by White Laboratories, Inc., Kenilworth, N.J.;

Rynadyne, a cold medicine, made by Irwin, Neissler and Co., Decatur, Ill.;

Naquival, also known as CMR-807, a diuretic, made by the Schering Corp., Bloomfield, N.J.; and

Linodil, also known as WIN-9154, used in treatment of circulatory diseases, made by Winthrop Laboratories, New York City.

Mr. Kennedy said Rynadyne and Linodil were not approved by the FDA; Tigan Hydrochloride was approved for prescription use only; Naquival was approved on the basis of other reports; Entoquel with Neomycin Syrup was approved but the drug was later withdrawn from the market.

Maximum penalty would be 5 years in prison and $10,000 in fines on each of the five counts.

[From the New York Times, Oct. 4, 1963]

FALSE DRUG TESTS LAID TO PHYSICIAN—CAPITAL INDICTMENT ACCUSES A MARYLAND PRACTITIONER OVER FIVE PREPARATIONS—COMPANIES ARE CLEARED—U.S. AGENCY GOT THE DATA IN LICENSING APPLICATIONS FOR USE BY THE PUBLIC

(By Robert C. Toth)

WASHINGTON, October 3.—A Maryland physician was indicted today by a Federal grand jury for falsifying results of tests on five new drugs.

One drug, licensed largely on his data, later caused two infants to be hospitalized in critical condition. The product was removed from the market.

Dr. Bennett A. Robin, 34 years old, of nearby Silver Spring, was charged with inventing results without conducting any tests and submitting them to the makers of the drugs. Usually he was paid for his work.

The companies used his data to seek licenses from the Food and Drug Administration for the producer.

The Government action was believed to be the first against "rigged research" by a physician. Officials have become increasingly worried about suspected "graphite data," their name for results that flow from a sharp pencil rather than from experiments.

RESULTS WERE SUSPECT

Dr. Robin became suspect, officials said, because his results were too regular.

"Our doctors didn't believe a real test could produce such uniform results," one said.

An investigation revealed that Dr. Robin had been in Miami when his reports indicated he was conducting tests, a Government source said.

Dr. Robin was charged with falsifying the records on five drugs, but it was understood that he has submitted data on about a dozen products. One year he made $13,000 from his reports, according to a Government source.

The drug companies often pay physicians to conduct clinical trials on new drugs on their patients. Usually the money is provided to underwrite the cost to the doctor, according to an industry spokesman.

The companies involved did not know of Dr. Robin's practices, the spokesman said, and cooperated in the investigation and later action by the Department of Justice before the grand jury here.

The Government case was presented by Jerry H. Opack.

COULD GET 25-YEAR TERM

Dr. Robin was indicted on five counts, one for each drug. He can receive, if convicted, up to 5 years and a $10,000 fine on each count

and undoubtedly would lose his license to practice medicine.

Dr. Robin could not be reached for comment. The Montgomery County Medical Society also did not respond to a query on what action it might take and when.

Of the five drugs mentioned in the indictment, two never reached the market because the manufacturers' applications were rejected as incomplete. They were Rynadyne, a cold remedy prepared by Irwin, Neissler, and Co.; and Linodil, also known as WIN-9154, for peripheral circulatory diseases, from Winthrop Laboratories.

RECESS

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 12 o'clock noon, tomorrow.

The motion was agreed to; and (at 7 o'clock and 11 minutes p.m.) the Senate took a recess, under the order previously entered, until tomorrow, Tuesday, October 8, 1963, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate October 7 (legislative day of October 3), 1963:

FOREIGN CLAIMS SETTLEMENT COMMISSION

LaVern R. Dilweg, of Wisconsin, to be a member of the Foreign Claims Settlement Commission of the United States for a term of 1 year from October 22, 1963. (Reappointment)

Theodore Jaffe, of Rhode Island, to be a member of the Foreign Claims Settlement Commission of the United States for a term of 2 years from October 22, 1963. (Reappointment)

IN THE MARINE CORPS

Lt. Gen. Wallace M. Greene, Jr., U.S. Marine Corps, to be Commandant of the Marine Corps with the rank of general for a period of 4 years from the first day of January 1964, in accordance with the provisions of title 10, United States Code, section 5201.

HOUSE OF REPRESENTATIVES

MONDAY, OCTOBER 7, 1963

The House met at 12 o'clock noon.

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

II Corinthians 5: 9: *Wherefore we labour that we may be accepted of God.*

Almighty God, whose divine sovereignty we cannot deny or disobey, inspire us during this week with a clear and commanding vision of the helpful service we may render together for the welfare of our country and all mankind.

Grant that Thy servants, who have been entrusted with positions of leadership in the affairs of state, may be wise in directing our Nation in the ways of righteousness and peace.

In these times of crisis and confusion may we understand that it is our sacred privilege and highest wisdom to commend and commit ourselves to the light and leading of Thy spirit.

May we be assured that when we avail ourselves of Thy counsel and companionship, which Thou hast placed at our disposal, then no task will be too difficult and no responsibility too heavy.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, October 3, 1963, was read and approved.

MESSAGE FROM THE SENATE

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

H.R. 772. An act to provide for the transfer for urban renewal purposes of land purchased for a low-rent housing project in the city of Detroit, Mich.;

H.R. 1696. An act defining the interest of local public agencies in water reservoirs constructed by the Government which have been financed partially by such agencies;

H.R. 4842. An act to amend the Federal Credit Union Act to extend the time of annual meetings, and for other purposes; and

H.R. 6246. An act relating to the deductibility of accrued vacation pay.

MRS. ELIZABETH G. MASON

Mr. CELLER. Mr. Speaker, I move to suspend the rules and adopt House Resolution 541.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution the bill (H.R. 3369) for the relief of Mrs. Elizabeth G. Mason, with the Senate amendment thereto, be, and the same is hereby, taken from the Speaker's table, to the end that the Senate amendment be, and the same is hereby, agreed to.

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second, if no one else does, to assure some debate on this subject.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 164]

Arends	Collier	Gray
Ashley	Corbett	Green, Pa.
Baker	Curtis	Griffiths
Baring	Davis, Tenn.	Hall
Barry	Derwinski	Hardy
Battin	Diggs	Harvey, Mich.
Bennett, Mich.	Downing	Hoffman
Berry	Dulski	Jennings
Boggs	Dwyer	Johnson, Calif.
Bromwell	Ellsworth	Jones, Mo.
Broomfield	Farbstein	Kilburn
Buckley	Fascell	Kluczynski
Burton	Feighan	Kornegay
Cameron	Fino	Lankford
Casey	Fisher	Lloyd
Chenoweth	Foreman	Long, La.
Clausen, Don H.	Frelinghuysen	Long, Md.
Cohelan	Gallagher	McDowell
	Grabowski	McFall
Macdonald	Pepper	Staebler
Mailliard	Pilcher	Staggers
Martin, Calif.	Powell	Stubblefield
Martin, Mass.	Reid, N.Y.	Sullivan
Mathias	Reifel	Thompson, La.
Matsunaga	Reuss	Thomson, Wis.
May	Roudebush	Thornberry
Mills	Roybal	Tupper
Morrison	Ryan, Mich.	Ullman
Morton	Ryan, N.Y.	Van Pelt
Mosher	St Germain	Vinson
Moss	St. Onge	Whalley
Murphy, Ill.	Schenck	White
Murphy, N.Y.	Shelley	Whitener
Nedzi	Sheppard	Wickersham
Norblad	Sibal	Willis
O'Brien, Ill.	Sickles	Zablocki
Osmers	Siler	

The SPEAKER. On this rollcall 323 Members have answered to their names, a quorum.

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

MRS. ELIZABETH G. MASON

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, there came over from the other body a private bill passed by the other body to which was attached an amendment which in effect extends the life of the Civil Rights Commission for 1 year to September 30, 1964. Then under existing law it would have 60 days to terminate its affairs.

Let us admit that we find it not too comfortable to deny the existence of a difficult problem. We live in the illusion if we ignore its existence it will go away. Thus it has been, for decade upon decade, with the deprivation of civil rights to a large segment of our society. We, the people of the United States, have made our declaration in the Declaration of Independence, in the Bill of Rights, in the 13th, 14th, and 15th amendments to the Constitution, and appear to deem that sufficient. But the problem would not go away; instead, problem begat problem and our resistance to meeting the problem head-on—resistance, both passive and active, fed upon our own ignorance, indifference, misconstruction, and intolerance.

Now before us we have the 1963 report of the U.S. Commission on Civil Rights. Like the other reports we have had from the Commission, since it was established in 1957, this report is like unto the ringing of a bell to shake the torpor of the American conscience. That Commission says:

> The present conflict has created the danger that white and Negro Americans may be driven even further apart and left again with a legacy of fear and distrust. * * * Many communities are bewildered by the magnitude of their civil rights problems.

Every society, to grow and to mature, must ask itself what are the wrongs and, having found these wrongs, must seek the remedies. Unless we know what they are, how can we seek to remove them? We want the facts based upon examination. We want to know the conditions that exist. Where and how is discrimination practiced? If we, the representatives of our people, are to legislate effectively, we must have these facts before us. If the people of our constituencies ask us to legislate to redress grievances, they must have the