growing area in the Nation—are to be met. This approach has been successful in the Upper Colorado River Basin. Extended controversy will benefit no one and will serve only to worsen, for all concerned, the water crisis in the Southwest.

Secondly, I believe that the plan must be one that will provide better water management and develop new water supplies and not one that would benefit one area to the detriment of another. An effective water conservation program must necessarily be a part of the plan. In order to help finance the cost of works that will be involved, I agree with the proposal for a basin development fund. All the States that are involved should take an active part in developing this regional plan.

My advice to you, in Arizona, and to water leaders in California and the other States as well, is that you not be too impatient but that you carefully evaluate this proposed areawide plan in a constructive and cooperative manner, and that you honestly attempt to develop in cooperation with the Department of the Interior a plan of development which all States can support. I sincerely believe that this approach on the part of a united Arizona has the best possible chance of success with respect to relieving the water crisis here in Arizona and the Southwest. If you bring to Congress such a plan and it conforms to present policies and criteria, I can assure you that it will be placed in position for the earliest possible consideration by the Congress consistent, of course, with the consideration of other water development projects on which we are already working.

Finally, I cannot emphasize enough the importance of unity within Arizona and agreement among the five States, and especially Arizona and California. My committee and the Congress have been following a policy of not deciding differences within a State and hesitate to consider a basin water development program when there is a serious controversy between or among the States involved. The problems of successfully moving a large reclamation program through the House of Representatives are so great under the best of conditions that the addition of a serious intrabasin controversy would present a very difficult task.

SENATE

WEDNESDAY, OCTOBER 9, 1963

(Legislative day of Thursday, October 3, 1963)

The Senate met at 12 o'clock meridian, 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, unto whom all hearts are open, all desires known, and from whom no secrets are hid: Give, we beseech Thee, to these servants of the commonwealth clear vision, clean hands, and pure hearts, as facing great tasks and grave responsibilities, they ascend this holy hill of the Nation's life.

Thou knowest that we long to see the spirit of the Master regnant in our common life—cleansing it from all that is unwholesome; sweetening every human relationship; composing the differences of class with class, race with race, and nation with nation; delivering from the lust for gain or power which narrows interest, crushes affection, and hardens the sympathies.

Work in us and in all men a miracle of grace and renewal. Steady our purpose to give the best that is in us, body, mind, and spirit, to the right that needs assistance, and against the wrong that needs resistance. Grant us to pass this day in glad service and in inner peace, without stumbling and without stain.

In the Redeemer's name we pray. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, October 8, 1963, was dispensed with.

MESSAGE FROM THE PRESIDENT

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

EXECUTIVE MESSAGE REFERRED

As in executive session,

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

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

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a brief morning hour, with statements limited to 3 minutes, during which memorials, resolutions, and the like may be submitted.

Mr. RUSSELL. Mr. President, as I understand, the morning hour is to be limited to the introduction of bills and the making of insertions in the RECORD, subject to a 3-minute limitation on statements. Is that correct?

The VICE PRESIDENT. Let the Chair inquire whether that is the intention of the Senator from Montana.

Mr. MANSFIELD. That is correct, Mr. President.

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

COMMITTEE MEETING DURING THE SESSION OF THE SENATE

On request of Mr. HUMPHREY, and by unanimous consent, the Permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate today.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, without amendment:

S.J. Res. 123. Joint resolution to authorize the printing and binding of an edition of Senate Procedure and providing the same shall be subject to copyright by the authors (Rept. No. 560);

S. Con. Res. 59. Concurrent resolution to print, for the use of the Committee on Government Operations, 25,000 additional copies of a revised committee print entitled "Federal Disaster Relief Manual" (Rept. No. 558); and

S. Con. Res. 61. Concurrent resolution 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 (Rept. No. 559).

BILLS INTRODUCED

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

By Mr. JAVITS:

S. 2226. A bill to authorize the Federal Housing Commissioner to make expenditures to correct substantial defects in one- to four-family dwellings covered by mortgages insured under the National Housing Act, or to compensate homeowners for such defects; to the Committee on Banking and Currency.

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

By Mr. HARTKE:

S. 2227. A bill to amend the Internal Revenue Code of 1954 to grant an additional income tax exemption for a taxpayer supporting a dependent who is blind; to the Committee on Finance.

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

REMEDY OF SUBSTANTIAL DEFECTS IN FHA INSURED HOMES

Mr. JAVITS. Mr. President, I send to the desk, for appropriate reference, and ask unanimous consent that it be received out of order and appropriately referred, a bill to authorize the Federal Housing Administration to remedy substantial defects in federally insured homes.

The proposed section 517 of the National Housing Act would enable the FHA to extend aid to distressed homeowners who, after relying upon FHA appraisals and inspections, find substantial defects in their properties. Such cases are isolated and relatively few in number, but there have been situations in which faulty inspections or mistakes in judgment have resulted in serious deficiencies in the properties. In many instances builders when notified correct the deficiencies and, especially during the first year following the completion of construction while the builder's warranty remains effective, this is obviously the most preferable solution.

However, from time to time the press has properly reported certain "horror cases" where the corporation which built the home is no longer in existence, has no assets, or refuses to cooperate. The proposed section 517 would enable the FHA to handle such cases as well as those in which the property is more than 1 year old and the deficiencies, such as the failure of septic tanks to function, make the

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property uninhabitable or unfit for occupancy.

In these hardship cases under present law the family owning the home generally defaults in mortgage payments, and the property, after being acquired by the FHA under the provisions of the mortgage insurance contract, is repaired and sold on the open market. Thus the FHA bears the expense of correcting the deficiencies, but only after the original homeowners have been displaced and have lost their equity. The bill would permit the FHA to correct the defect before the family is pressed to the point of abandoning its home.

The FHA has operated in a similar manner for a number of years by providing a limited guarantee or warranty against defects in properties which have been acquired and sold by the Commissioner. The cost of performing under such guarantees or warranties has been relatively small and claims from home purchasers have not been excessive. Under the proposed section 517 the FHA could give similar protection to families purchasing homes in reliance upon FHA appraisals and inspections. The cost of administration would be kept to a minimum by making decisions of the Federal Housing Commissioner final and conclusive without resort to the courts.

Another bill to deal with this problem, S. 1200, introduced by Senator GRUENING, takes a somewhat different approach. Hearings have been announced by the Housing Subcommittee for October 17 and 18, and I very much hope that the bill now being introduced can be considered at the same time.

I ask unanimous consent that the text of the bill may be printed in the RECORD at this point in my remarks.

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

The bill (S. 2226) to authorize the Federal Housing Commissioner to make expenditures to correct substantial defects in one- to four-family dwellings covered by mortgages insured under the National Housing Act, or to compensate homeowners for such defects, introduced by Mr. JAVITS, was received, read twice by its title, referred to the Committee on Banking and Currency, 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 title V of the National Housing Act is amended by adding at the end thereof the following new section:

"EXPENDITURES TO CORRECT OR COMPENSATE FOR SUBSTANTIAL DEFECTS IN CERTAIN MORTGAGED PROPERTIES

"SEC. 517. (a) The Commissioner is authorized, with respect to any property improved by a one- to four-family dwelling heretofore or hereafter covered by a mortgage insured under the provisions of this Act which he finds to have substantial defects, to make expenditures for (1) correcting such defects; (2) paying the claims of the owner of such property arising from such defects; or (3) acquiring title to such property.

"(b) The Commissioner shall by regulations prescribe the terms and conditions under which expenditures and payments may be made under the provisions of this section, and his decisions regarding such expenditures or payments, and the conditions under which the same are approved or disapproved, shall be final and conclusive and shall not be subject to judicial review."

ADDITIONAL EXEMPTION FOR BLIND DEPENDENT

Mr. HARTKE. Mr. President, I introduce, for appropriate reference, a bill to provide an additional tax exemption to a taxpayer who has a blind dependent.

Since January 1, 1948, the Internal Revenue Code has provided an extra exemption for the blind taxpayer, which presently would allow him $1,200 instead of $600 of income tax free. The purpose of this second exemption is to help compensate the sightless for the additional costs of his handicap. These include such items as special tools and devices, appliances which assist him in coping with his disability, and the frequent necessity of hiring the assistance of sighted persons to read for him or otherwise aid him. This special exemption, of course, is of use only to the blind who has income of his own, the person who as an adult has sufficiently overcome his handicap to earn a living. It is in the nature of an "equalizer" needed to help stretch his income, often meager enough at best, toward parity with those of us fortunate enough to have the use of our eyes.

But there are many blind who do not earn income of their own, and to whom this special exemption is useless. Even when they are dependents, children, or otherwise, the taxpayer who supports them receives only one exemption. Yet the dependent blind are as needy of the special and costly aids to help in their adjustment to life in the dark as are those who have already achieved the state of financial independence.

The parents of a sightless child incur extraordinary expenses on his behalf. As he progresses through school he needs, increasingly, supplements to the parents' own help through hiring others to read to him. He may need a braille typewriter and other special aids. He must be escorted to and from school, often with mounting taxi fares or other special costs. The extra costs are not just normal expenses incurred in acquiring an education, but extra costs incurred because of blindness. The extra exemption I propose recognizes that fact, and assists the taxpayer to meet those extra costs of the handicap.

The situation is not much different in the case of the dependent blind person who is older, who may be supported by a son or daughter, or the newly blind who is engaged in efforts at rehabilitation. When they step out of the familiar home environment, they must be accompanied by a sighted person. If the supporting relatives are working, again there are extra costs.

Mr. President, the relief my bill would afford to taxpayers with a blind dependent would cause comparatively little loss to the Treasury, but it would be a considerable boon to the devoted guardians of these handicapped. I trust the committee will favorably report and the Senate will adopt this bill.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2227) to amend the Internal Revenue Code of 1954 to grant an additional income tax exemption for a taxpayer supporting a dependent who is blind, introduced by Mr. HARTKE, was received, read twice by its title, and referred to the Committee on Finance.

VILISAV MARKOVIC—INDEFINITE POSTPONEMENT OF BILL

On motion of Mr. LAUSCHE, and by unanimous consent, the Committee on the Judiciary was discharged from the further consideration of the bill (S. 1981) for the relief of Vilisav Markovic, and the bill was indefinitely postponed.

HIGHER EDUCATION FACILITIES ACT OF 1963—AMENDMENTS AND CORRECTION OF PRINTING OF AMENDMENT (AMENDMENTS NOS. 215 AND 218)

Mr. ERVIN. Mr. President, on yesterday I stated I proposed to offer certain amendments to the Higher Education Facilities Act of 1963, H.R. 6143, when it is considered by the Senate. The amendments have two purposes. The first and primary purpose of the amendments is to eliminate from eligibility for grants or loans under the bill those institutions of higher learning which are in substance owned, controlled, or operated by religious denominations. The second purpose is to make it certain that any taxpaper suing in behalf of himself and all other taxpayers shall be able to obtain a decision as to the constitutionality of any grant or loan which the Commissioner of Education may propose to make.

Unfortunately, in the printing of one of the amendments which I presented on yesterday there was inadvertently omitted the word "not" on line 2, where the word "not" should have been inserted between the word "is" and the word "owned".

In order to obviate this mistake, I ask unanimous consent that I may be permitted to present again this particular amendment, designated as amendment No. 215 to H.R. 6143, and ask unanimous consent that it be reprinted in the RECORD at this point in its correct form and that it also be reprinted in its correct form and allowed to lie on the desk.

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

The amendment (No. 215) was ordered to be reprinted, reprinted in the RECORD, and to lie on the table, as follows:

On page 68, line 10, insert the following between the word "institution" and the semicolon: "which is not owned, controlled, or operated by a religious denomination, or which has no sectarian religious requirements applicable to its students, to its teachers, or to the members of its controlling board or trustees".

Mr. ERVIN. Mr. President, in addition, I ask unanimous consent that I may submit a third amendment and have such third proposed amendment printed at this point in the RECORD and

also printed for the purpose of lying on the desk until the bill is considered.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the desk; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 218) was ordered to be printed in the RECORD, as follows:

On page 69, line 12, insert the following additional sentence after the word "individual": "The term 'nonprofit institution', as used in subsection (a)(4) of sec. 301, does not include any educational institution which is owned, controlled, or operated by a religious denomination, or which has any sectarian religious requirements applicable to its students, to its teachers, or to the members of its controlling board or trustees."

HIGHER EDUCATION FACILITIES ACT OF 1963—AMENDMENTS (AMENDMENT NO. 219)

Mr. PROUTY submitted amendments, intended to be proposed by him, to 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, which were ordered to lie on the table and to be printed.

FLYING OF AMERICAN FLAG OVER U.S. SHIP "UTAH"—ADDITIONAL COSPONSOR OF BILL

Mr. MOSS. Mr. President, I ask unanimous consent that the name of the junior Senator from North Dakota [Mr. BURDICK] appear as a cosponsor of the bill (S. 703) to provide for the flying of the American flag over the remains of the U.S.S. *Utah* in honor of the heroic men who were entombed in her hull on December 7, 1941, the next time the bill is printed.

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

PREVENTION OF ACCIDENTS IN COAL MINES—ADDITIONAL COSPONSORS OF BILL

Mr. MOSS. Mr. President, I ask unanimous consent that the names of the Senator from Illinois [Mr. DOUGLAS], the Senator from West Virginia [Mr. BYRD], and the Senator from Indiana [Mr. BAYH] appear as cosponsors of the bill (S. 2203), to amend the Federal Coal Mine Safety Act so as to provide further for the prevention of accidents in coal mines, at any future printing of the bill.

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

ESTABLISHMENT OF SELECT COMMITTEE ON SALE OF SURPLUS AGRICULTURAL PRODUCE TO COMMUNIST COUNTRIES—ADDITIONAL COSPONSORS OF RESOLUTION

Mr. BEALL. Mr. President, I ask unanimous consent that my name be added to S. Res. 211, which relates to the wheat investigation.

I also ask unanimous consent that any other Senator who wishes to have his name added may do so at the next printing of the bill.

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

Mr. JORDAN of Idaho. Mr. President, I also ask unanimous consent that my name may be added as an additional cosponsor of Senate Resolution 211 at its next printing.

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

AMENDMENT OF TARIFF ACT OF 1930, RELATING TO PAYMENT OF OVERTIME TO CUSTOMS OFFICERS AND EMPLOYEES—ADDITIONAL COSPONSORS OF BILL

Under authority of the orders of the Senate of September 24, and October 1, 1963, the names of Mr. BARTLETT, Mr. BENNETT, Mr. BOGGS, Mr. CLARK, Mr. DODD, Mr. HRUSKA, Mr. HUMPHREY, Mr. LONG of Missouri, Mr. MCGEE, Mr. MCINTYRE, Mr. MILLER, Mr. MOSS, Mr. SCOTT, Mr. TALMADGE, Mr. YOUNG of North Dakota, and Mr. YOUNG of Ohio were added as additional cosponsors of the bill (S. 2173) to amend the Tariff Act of 1930 and the act of February 13, 1911, to eliminate those provisions which require payment to the United States for overtime services of customs officers and employees, introduced by Mr. DOMINICK on September 24, 1963.

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. RANDOLPH:

Address by Senator JENNINGS RANDOLPH delivered at dedication of Centennial Roadside Park in Tucker County, W. Va., on October 6, 1963.

THE SITUATION IN SOUTH VIETNAM

Mr. CHURCH. Mr. President, the St. Louis Post-Dispatch, one of America's finest newspapers, has an excellent Washington bureau, staffed by good correspondents. One of these correspondents is Richard Dudman, who recently wrote an article entitled "Move in Senate To End U.S. Aid Believed Useful to Kennedy as Lever Against Vietnam Regime." The article was published in the October 2 issue. I ask unanimous consent to have the article printed in the RECORD.

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

MOVE IN SENATE TO END U.S. AID BELIEVED USEFUL TO KENNEDY AS LEVER AGAINST VIETNAM REGIME—MCNAMARA MISSION CITED AS EVIDENCE OF CONTINUING POLICY OF "SINK OR SWIM WITH NGO DINH DIEM"

(By Richard Dudman)

WASHINGTON, October 2.—Senator FRANK CHURCH's proposed resolution calling for a cutoff of U.S. aid to South Vietnam is considered a mounting threat to the government of President Ngo Dinh Diem.

The Idaho Democrat visited Vietnam last December. He says he heard the same claims of military victory, but saw the same evidences of political defeat, that he had witnessed in China as a military intelligence officer when the mainland regime of Chiang Kai-shek was about to collapse.

After the Vietnamese special forces and secret police raided the Buddhist pagodas and arrested thousands of monks and students August 21, CHURCH introduced his resolution.

It says: "Resolved, that it is the sense of the Senate that unless the Government of South Vietnam abandons policies of repression against its own people and makes a determined and effective effort to regain their support, military and economic assistance to that Government should not be continued."

This was CHURCH's counter to the policy of sink or swim with Ngo Dinh Diem, which the Kennedy administration had adopted but was reappraising in the light of the government's dispute with the Buddhists.

"It is urged upon us that the Communist presence in South Vietnam requires us to support the Diem regime regardless of how repugnant it becomes and irrespective of its contemptuous refusal to respond to our entreaties," CHURCH said.

"To accept such an argument is to concede that the great American Republic is no longer the master of her own course in South Vietnam, but has become the servant of the Mandarin autocracy which governs there."

Since CHURCH introduced the resolution September 12, with 22 cosponsors, others have joined the group until it now stands at 33—almost one-third of the Senate.

The latest to sign as cosponsors are Senators HARRY F. BYRD, Democrat, of Virginia, ABRAHAM RIBICOFF, Democrat, of Connecticut, and JOHN SHERMAN COOPER, Republican, of Kentucky.

When he introduced the resolution, CHURCH asked that it be held only a week for additional sponsors. He asked for prompt Senate action after that.

President John F. Kennedy has said publicly he is against cutting off aid at this time. Privately, the administration is understood to have welcomed the move as a lever to use to persuade Diem to make changes. Ambassador Henry Cabot Lodge is understood to have cited the resolution to Diem as a clear indication that the United States is not prepared to support him no matter what.

Now, instead of seeking early floor action, CHURCH is prepared to have the resolution remain pending. He would seek a vote only if the President gave his personal approval, because few Democrats would vote for it if they thought Mr. Kennedy opposed it.

The belief is crystallizing that the President, after a period of doubt, has decided that this country's policy shall remain sink or swim with Ngo Dinh Diem.

Some read that interpretation into his decision to send Secretary of Defense Robert S. McNamara to Vietnam to appraise the situation. The Department of Defense has held to the view that the war is gradually being won and that it would be a mistake to forsake Diem, regardless of his shortcomings. These persons say that McNamara could not be expected to return from his week's tour of inspection with any other answer.

If Mr. Kennedy had leaned toward the view—apparently held by most American civilians in Vietnam—that Diem and his brother, Ngo Dinh Nhu, are so unpopular that the situation is headed toward disastrous political defeat, then he would have sent someone like Under Secretary of State W. Averell Harriman instead of McNamara, it is argued.

Whether this interpretation is correct, the resolution remains a solid reminder that U.S. patience is not inexhaustible.

The roll of signers may serve also as a barometer of Madam Ngo Dinh Nhu's success in her forthcoming 3-week speaking tour of the United States.

If she can put over the line that President Kennedy has been misinformed and that only a treasonous conspiracy is critical of her family's anti-Communist government, it is said, then the list of signers may shorten as Senators remove their names.

If, on the other hand, she continues her talk about "crazy American ideas of democracy," Buddhist priests barbecuing themselves, and young American officers as little soldiers of fortune, the list could grow rapidly.

Mr. CHURCH. Mr. President, the world was once again shocked by the events which transpired in South Vietnam last weekend. On Saturday, yet another Buddhist monk committed suicide, in protest against the Diem government. At that dreadful scene of self-immolation, three American newsmen, legitimately concerned with the event, were cruelly beaten by the Vietnamese police.

Mr. President, it is bad enough when the Diem government puts severe restrictions on our newsmen; it is inexcusable when our newsmen are beaten and abused in their legitimate attempts to do their jobs. We should demand apologies from the Diem regime, punishment for the police responsible, compensation for the newsmen, and ironclad assurances that such beatings will not occur again.

In the issue of October 6, the New York Times published an excellent editorial, entitled "Violence in Saigon." I ask unanimous consent to have this editorial printed in the RECORD.

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

VIOLENCE IN SAIGON

Almost immediately after Secretary McNamara left South Vietnam with an optimistic report on the war against the Communists, the continued conflict between President Diem's regime and the Buddhists and other opposition elements has exploded into new turmoil. Another Buddhist monk, the sixth since June, had burned himself to death to protest the regime's repressive policies and new student demonstrations have erupted to the same purpose.

The police of President Diem's brother Nhu who sacked the Buddhist pagodas, are now turning to violence against American press correspondents. Three who had witnessed the monk's suicide were beaten by plainclothesmen and one had to be hospitalized. Among the three was our own correspondent, David Halberstam, whose resourcefulness and courage in reporting the facts about both the war and the internal situation in Vietnam have made him the target of special criticism by the Nhus. Correspondents report events, they do not make them. In that job they are entitled to adequate facilities and above all to personal safety. And the American people are entitled to the facts about a war in which American blood and money is being spent.

Mr. CHURCH. Mr. President, one of the newsmen beaten was David Halberstam, the energetic Times correspondent for South Vietnam. Mr. Halberstam and John Sharkey, of the NBC, were attacked when trying to protect Grant Wolfkill, also of the NBC, who had just taken pictures of the burning monk.

Mr. Halberstam has done first-rate work in his reporting for the Times from South Vietnam, despite the onerous restrictions placed upon newsmen there. Recently, James Reston, Washington bureau chief of the New York Times, called Halberstam's reporting brilliant—truly unusual praise when printed in the columns of the Times. Halberstam had previously distinguished himself as a reporter for the Nashville Tennessean and as Times correspondent in the Congo. He has been Times correspondent in Saigon for more than a year, and has been one of the three full-time American correspondents stationed in that country.

I ask unanimous consent to have printed in the RECORD his latest commentary—an article entitled "Saigon: Failure To Solve Political Problems May Erode Will of People To Press War," which was published in the October 6 issue of the New York Times.

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

THE CRISIS OVER VIETNAM AS VIEWED IN SAIGON—FAILURE TO SOLVE POLITICAL PROBLEMS MAY ERODE WILL OF PEOPLE TO PRESS WAR

(By David Halberstam)

SAIGON, SOUTH VIETNAM, October 5.—There was, in the midst of the whirlwind McNamara-Taylor visit here, a moment of restlessness when the Secretary of Defense and the Chairman of the Joint Chiefs of Staff were late and reporters waited at a tiny boondock airstrip for their arrival. An American officer was there and he was talking with the reporters about how tough it was in his area, a real see-saw battle where the Vietcong seemed to be increasingly formidable.

Just the other day, he noted 80 Vietnamese youths deserted from a hamlet.

Why was that? asked the reporters.

Well, the officer said, the youths in this area weren't very happy.

Why? said the reporters.

Well, because on palace orders, much of the effort and many of the troops in the area were going into the building of four land development centers. But only Catholics are permitted in centers and most of the people in the area are Buddhist, he said.

NOT MENTIONED

The anecdote, as Arthur Sylvester noted later, did not come up at the main VIP briefing.

South Vietnam is like this, a complex country where there is usually on the surface no sign of political trouble at all. Even the war is nominally a war against the Communist insurgents. Yet it is also Vietnamese against Vietnamese, a highly political war in which the problem is certainly not lack of Government force or air might, certainly not lack of Government loudspeakers.

Robert S. McNamara and Gen. Maxwell D. Taylor are gone now, and the prediction for victory is 1965.

Despite the optimistic date for the American departure from this country, the V.I.P. visit is regarded here as having been somewhat of a victory for Ambassador Lodge. For it is believed here that Mr. Lodge impressed deeply on Secretary McNamara the extreme seriousness of the political situation, the fact that political and military aspects could not be separated, and that even the military outlook was not overly bright.

RISKS KNOWN

From now on, according to sources here, Washington knows full well what it is walking into and what risks it is taking. It knows just how tough the political-military situation is and that the political part is omnipresent.

There was one moment in the briefings by Mr. Sylvester, a moment of great importance in discussing this war. It came in the first 2 days when Mr. Sylvester was most optimistic and had just said that all indices were favorable.

If that were so, asked a reporter, perhaps there was an explanation for one baffling statistic—that each year the Government wiped out about half the hard-core Vietcong estimated to exist at the beginning of that year, only to find at the end of the year there were more Vietcong than ever before?

Mr. Sylvester said he did not know the answer, but at any rate it was a good question.

It is a good question, one that has eluded many American senior advisers here now, just as in considerably different days it eluded the French. It is one reason that this war grinds on and why even the finest helicopters and finest advisers and finest rifles have their limitations. For to some degree, probably a large degree, this remains a fight for men's minds as well, a subtle Asian game in which the enemy is practiced and cunning.

ONE VIEW

There is, of course, one way to look at Vietnam, and that is that the enemy is the Communists and therefore, the idea is to kill Communists; Ngo Dinh Diem and Ngo Dinh Nhu are anti-Communists and their troops are fighting the Communists. All this is true, but it is not the way the Vietnamese look at it. Nor do the Vietnamese, even anti-Communist ones, feel that the war is going well.

Rather, and this is coming from sophisticated anti-Communists who are actively engaged in this war, there is now a fear that this can turn into an ugly meat-grinder war, where one side's military superiority is matched against the other side's political superiority. South Vietnam's Vietcong do not call themselves Communist; they are only the critics of the Government's mistakes, albeit mistreatment of Buddhists or a greedy local official.

The sophisticated anti-Communist Vietnamese now fear that the Americans may be setting the stage for a frustrating, elusive type of war where more American prestige is involved than American control.

Just how much the political affects the war is difficult to tell. It is not a country where entire regiments throw down their weapons, as long as they are paid and are not harassed unnecessarily. Nor is it a country where the Vietnamese are likely to turn to Americans and note that they will not take risks because they are Buddhists and do not love the Government. Sometimes Vietnam seems to be more a country of impressions than of facts as Westerners know facts.

ICY REMINDERS

Yet in evaluating the political impact on the military, here are some icy reminders:

1. As a general rule, the longer a person stays in Vietnam the more he becomes convinced that the political aspect is very real and very important, that there is a direct relationship between the way the Ngo family government operates and some very basic problems in this war. This is not simply exposure to an admittedly unhealthy and neurotic political atmosphere in Saigon, but in fact a product of regular visits to the countryside and a tracing back of problems there to political origins.

2. The more a man stays here, the more he is apt to become concerned with what he considers the basic problem of the Government's reaction to its challenges, and come to feel that the flexibility and responsiveness needed for complex and cruel challenge are simply missing, as is perhaps an ability to

place the best possible personnel in the most difficult situations.

There is considerable pride at stake here, and, be it removal of the small outposts in the Mekong Delta, which actually serve the Vietcong as weapon supply points—or admission of responsibility for the incident in Hue last May that started the Buddhist crisis, there is, in the view of many observers, a desperate absence of some of the qualities needed to win. There is around the palace today a vast cocoon of intrigue, suspicion, distrust, separating the family from what it needs to be told and the people who are willing to tell it.

TWO ASPECTS

There are in a war like this two aspects of the political situation which are important. First is the popularity of the Government itself. In this situation, the Government is considered extremely isolated and has created a situation where its main and perhaps only remaining claim to power is through police-state methods. This is certainly true of governments throughout the world, particularly in underdeveloped areas, but most such governments are not faced with a situation where, because of the nature of the war, police techniques may be something of a handicap.

There has been relatively little tangible evidence of any effect of the Buddhist crisis. Yet knowledgeable Vietnamese say effect cannot be underestimated, that it has already affected the morale of officers and civil servants.

SERIOUS SITUATION

They are reporting, and so are some American intelligence and political officers, that the feeling in the countryside is extremely serious, that the people are more susceptible than ever to Vietcong propaganda. According to these sources, it is already affecting the civil servants and it is becoming harder to get civil servants to go out in the field. Similarly, Vietnamese are warning that there is a subtle change in feeling among young officers and less willingness to take risks.

These Vietnamese are warning that, if Americans are aware of the Government's shortcomings and police methods, then the Vietnamese themselves are even more aware of these shortcomings. The Vietnamese are warning not to underestimate the rural political consciousness, even though for Westeners there may be few evident signs of it.

VOICE OF AMERICA

There are people in the villages with radios—often given by the United States and agencies—and the peasants listen to the Voice of America and hear reports of the Buddhist and political crises. They also hear about the crises from the Buddhists, themselves, and from the Vietcong, who make propaganda from Saigon's troubles.

A second aspect of the political problems of this country is the way the Government itself reacts: The way it names commanders in vital sections for political reasons; the way it stamps its own tactical doctrines on these commanders, inhibiting enterprise, creating in them a fear of taking risks and of casualties in the field. The way it starts programs in one area only to change its mind midway and shift resources to another area.

HEAVY FIGHTING

It is a blunt fact of this war that most of the fighting is now in the Mekong Delta region, where the Vietcong are becoming increasingly aggressive and well armed. Similarly, it is a blunt fact that the Government's commander of the delta is a man generally looked down on by his Vietnamese military contemporaries as a political officer sensitive to the palace winds and militarily cautious. It is also a blunt fact that, in the past, American leverage in a situation of this sort has been minimal, either in changing commanders or changing tactics.

It is also a fact that, while some of the political problems of Saigon do not reach to countryside, a government such as this does not necessarily create 42 provincial chiefs all with an instinct for the needs of the people. There are provincial chiefs who have that instinct, and in these instances the military and political program often goes well. But too often these men are the exception, and too many of the provincial chiefs have their jobs chiefly because they are loyal and only secondly under a merit system.

MRS. NHU'S FATHER SAYS AID CUT COULD INFLUENCE SAIGON'S POLICY

Mr. CHURCH. Mr. President, Tran Van Chuong, the former Vietnamese Ambassador to the United States, has the respect of the citizens of this country for his courage in resigning his position, to protest the autocratic practices of the Diem government. This decision was made much more difficult by the fact that, in resigning, Mr. Chuong was severing family connections, since he is the father of Mrs. Ngo Dinh Nhu. Mrs. Chuong, Mrs. Nhu's mother, also resigned her position as South Vietnamese observer at the United Nations, at the same time.

Although it must be painful for Mr. Chuong to speak, the citizens of the United States owe him a debt of gratitude for presenting his analysis of events in South Vietnam. Mrs. Nhu will receive extensive opportunity to present the viewpoint of the Diem-Nhu government, during her visit to the United States. It is good that a man as knowledgeable about Vietnamese affairs as Mr. Chuong is willing to speak out in order to give perspective to Mrs. Nhu's comments. On October 8, at the Harvard Club of New York, Mr. Chuong called for a selective cut in American aid to South Vietnam, saying that this pressure might "make even the present Government better." I ask unanimous consent to have a news article reporting on Mr. Chuong's speech, from the October 9 issue of the New York Times, printed in the RECORD.

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

[From the New York Times, Oct. 9, 1963]

MRS. NHU'S FATHER SAYS AID CUT COULD INFLUENCE SAIGON'S POLICY

South Vietnam's former Ambassador to the United States, who is also the father of Mrs. Ngo Dinh Nhu, called yesterday for a "selective" cut in American foreign aid to his country.

Tran Van Chuong said that threats to end all such aid would not be taken seriously in South Vietnam "because of the effect such an action would have on the war effort" against the Communist Vietcong guerrillas.

But a selective cut, he said, might apply enough pressure to "make even the present Government better." He did not detail the cuts that should be made.

The former envoy spoke at a luncheon at the Harvard Club given by the American Friends of Vietnam. About 50 persons attended.

Tran Van Chuong resigned August 22 because of Saigon's harsh policy toward Buddhists and other dissenters against official policy. His wife resigned as the South Vietnamese observer at the United Nations.

He said neither of them would see their daughter during her stay in the United States. They may, however, visit their 17-year-old granddaughter, Le Thuy.

Tran Van Chuong compared the present Government in Saigon with a physician who says "the patient has a heart attack, a tumor on the brain and very dark spots on the lungs, but his feet and arms work well."

President Ngo Dinh Diem of South Vietnam is a "devoted Roman Catholic with the mind of a medieval inquisitor," he said, and added that there was "no possibility of ever winning the war under the present regime."

SALE OF WHEAT TO RUSSIA

Mr. GOLDWATER. Mr. President, according to the morning newspapers, it seems fairly apparent that the Russians have asked us for several millions of tons of American wheat. It also seems obvious that the Kennedy administration is about to accede to this request, regardless of what effect that might have on bailing our cold war enemy out of a jam on its homefront.

I should like to say that I believe it is entirely possible for the United States to benefit from the proposed sale of millions of tons of wheat to the Soviet Union—provided the price is right.

The price I speak of, Mr. President, goes beyond the dollars and cents consideration, even though it is very important to the hard-pressed American taxpayer. No, I am speaking of a price which could weigh on the side of freedom. I am speaking of a price which could go to the heart of the problem of world tensions, about which we have heard so much recent discussion. It goes to the need for positive, demonstrable action by the Soviet Union to prove its good faith in these current and rapidly moving arrangements between East and West.

I believe that Russia should initially be made to pay the full U.S. price for the wheat, so that our taxpayers who have subsidized the wheat at upwards of 50 cents a bushel do not have to pick up a part of the Khrushchev tab.

But far more important, Mr. President, I believe Mr. Khrushchev should be made to remove immediately—not next year, at a political time, but immediately—his Soviet troops and military equipment from the island of Cuba. I suggest this is the least price we should charge for helping out Mr. Khrushchev in his hour of need.

TRIP BY PRESIDENT KENNEDY TO BILLINGS AND GREAT FALLS, MONT.

Mr. MANSFIELD. Mr. President, several weeks ago, during the trip by the President of the United States to the Northwest, we in Montana were honored to have him stop at both Billings and Great Falls. The people of Montana as a whole, regardless of political affiliation, were highly pleased to see the President of the United States. During the course of his speech at the fairgrounds in Billings, Mont., the President paraphrased Thoreau, by saying, "I walk toward Montana." We appreciate very much his sentiments, his speeches, and his presence.

I ask unanimous consent to have printed in the RECORD various editorials

and articles which were published in Montana newspapers.

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

[From the Billings Gazette, Sept. 26, 1963]

A WARM WELCOME FOR THE PRESIDENT

It was a gala occasion at the fairgrounds yesterday when Billings welcomed a smiling and personable President Kennedy who 3 years ago called on us in a bid for our votes.

The trip this time was billed as nonpolitical, a not unusual label for Presidential tours, but regardless of purpose, it was gratifying to have him with us and hear what he said about developing the natural resources of the West.

Federal policy on resource development is vital to a State like Montana with 37 percent of its land controlled by the Federal Government. Timber, mineral, and recreation resources on the public domain provide jobs for thousands of Montanans in the mining, lumbering, oil, and tourist industries and account for much of our annual income.

Thus it was encouraging to hear and read President Kennedy's statement that the Nation's natural resources program needs some of the national effort and purpose put into the development of the atomic bomb.

It was pleasing, no doubt, to the President, to receive such a warm welcome upon his arrival in Billings. The occasion brought Democratic dignitaries here from throughout Montana as well as Wyoming, and should be an inspiration for party workers.

[From the Great Falls Tribune, Sept. 26, 1963]

LAND OF SHINING MOUNTAINS BIDS THE PRESIDENT WELCOME

We are happy to join in the enthusiastic welcome that all Montana is extending to the President of the United States. We are appreciative of his inclusion of Great Falls on his speaking schedule. We regret only that the pressure of his responsibilities does not permit him to stay longer. Many have found surcease from stresses among the mountains, streams, and forests of our Treasure State's recreation wonderland.

It is particularly fitting that President Kennedy should have started his conservation tour by stopping in Pennsylvania to dedicate the ancestral home of Gifford Pinchot to the further service of conservation. Pinchot, first Chief of the Forest Service, and adviser to President Theodore Roosevelt, was America's foremost conservationist.

Pinchot once said: "A nation deprived of liberty may win it, a nation divided may reunite, but a nation whose natural resources are destroyed must inevitably pay the penalty of poverty, degradation and decay."

It is also fitting that the President should have included Montana in his conservation tour. Montanans have, since our early pioneers cleared the frontier, always thought and acted to conserve our valued land and water riches. Hence, we can readily appreciate the development of the New Frontier in conservation, reclamation, and recreation which President Kennedy so vigorously espouses.

So the President's plea to preserve our national heritage will find sympathetic hearers. And seeing at firsthand how much our Land of the Shining Mountains has to offer should give him an increased awareness of Montana's important role in his program.

[From the Montana Standard-Post, Sept. 29, 1963]

PRESIDENT'S VISION—MONTANANS ENJOY SHARING IT

When President John F. Kennedy said in Great Falls that he would like to make the Northwest of which Montana is a part "a garden to attract people from all over the United States and the world," he was not thinking of a rose garden.

What he had in mind appears in other parts of his Great Falls speech—something more on the order of a vegetable garden, which combines beauty to delight the eye with productivity to satisfy more material appetites.

The President spoke of harnessing rivers, reclaiming and irrigating land; of a "partnership" in which farmers and Government "will improve this rich land through science."

He related Northwest development with the kind of world which would result from easing of tensions between the United States and the Soviet Union, a world of continuing competition "in the fields of productivity, education, economic growth, culture, and happiness."

We have had Presidents who did not seem to know exactly where Montana is, what it contains, what could be done with it and for it. This one—and we have to believe his information stems in large part from members of our congressional delegation who obviously have his ear—came to our State with realization of its size, its resources, and its potentialities.

From that knowledge the President projects a vision which Montanans enjoy sharing with him.

To materialize that vision remains primarily the task of Montanans themselves. In one area of that task, the President offers a "partnership," a proper offer from the Chief Executive of the Nation of which Montana is a part.

But those who have planned and created gardens know well enough that the indispensable ingredient in productivity is good, hard digging.

The gardener may or may not have a rich uncle who wishes him well and admires his work and would like to contribute something, but the hands of the rich uncle seldom fit the handle of the spade, the rake, and the hoe.

In the last analysis, the President leaves with us not the prospect of what he can do for us, but the vision which he shares with us of what we could do for ourselves, perhaps with some help given freely or at a fair price.

[From the Helena Independent Record, Sept. 25, 1963]

WELCOME TO PRESIDENT KENNEDY

Montana is honored by having as its distinguished guest today the President of the United States.

We think that citizens of all political beliefs are putting aside their differences to give President Kennedy a real western greeting.

The visit of a President is not a common occurrence and the Treasure State should go all out to show that we are glad that Mr. Kennedy is here and we hope that he comes again.

The fact that we are off the beaten path is what makes the visit so rare. In these days of air transport the small communities see less and less of the great and near great personalities of the day.

Time was when the President traveled by train and he couldn't get across this vast domain without having to make a number of stops. That was why the ordinary citizen out here in the sticks probably saw more of the Roosevelts, Wilson, Coolidge, Hoover, and the other Presidents of the last generation than they do of those who soar through the stratosphere.

In that day, too, our fishing streams could compete as an attraction, but today one must have a seashore and a saltwater yacht basin in order to attract Presidential vacationers.

But let us hope that our pleasant fall weather continues for another 24 hours and perhaps we will make such an impression on Mr. Kennedy that he will want to come back oftener and stay longer.

And so, just for today, we join the thousands of Montanans who are extending a nonpolitical welcome to their own President.

[From the Montana Standard, Sept. 29, 1963]

J.F.K. SAW MONTANA'S BEST FACE

(By Thomas E. Mooney)

GREAT FALLS.—The Big Sky country put its best autumn face forward Thursday when President Kennedy paid his second visit in as many days to the Treasure State.

And thousands upon thousands of Montanans sat in 80°-plus September sun for hours to see and hear the Chief Executive of the country in an appearance here. He spoke in Billings Wednesday.

GAY, COLORFUL, POLITE

Many in the stadium crowd—best estimate in my opinion was about 15,000 persons—sat under the warm sun for nearly 2 hours, awaiting the Chief Executive's arrival. It was a gay crowd, colorful, enthusiastic, and polite. Scores of police, highway patrolmen, deputy sheriffs, and special officers lined the route of the auto cavalcade from the airport to the stadium and were on duty inside the stadium itself.

Temporary fencing was strategically placed in the stadium, separating a 1,600-seat reserved section from the rest of the football field. The reserved area faced the speaker's stand, as did a special stand for photographers. Added to the members of the professional picture-taking corps were hundreds of amateurs who snapped shots from here and there as the program developed.

The crowd, huge for Montana, enjoyed the warm sunshine and presented a gala air. One was impressed with a feeling that many of them—and some had come 100 miles or more—just wanted to see the President. There were indications that it really didn't matter too much what the President said—the mere fact that he was in Montana on a glorious autumn day was sufficient.

There were cries of, "There he is, there he is" when the Presidential party drove into the stadium with its motorcycle escort. There was a craning of necks as the big crowd stood in a spirit of welcome—not a wildly enthusiastic western welcome, but an applause-filled, spontaneous welcome for the Nation's leader.

TEENAGERS HEARD

The latter was compounded by the scores and scores of shrill-voiced teenagers and subteenagers, who made up a big portion of the stadium crowd.

The reserved section held State dignitaries, other than those who were with the official party. It also included legislators, members of the Supreme Court, county Democratic officials, former lawmakers, many Republicans, and just Montanans in general.

Applause for those on the speakers' stand, who included congressional delegation members Mansfield, Metcalf, and Olsen, as well as the Secretary of the Interior, Stewart Udall, and Gov. Tim Babcock, was rather evenly divided—although the audience continually had to strain to hear what was said, due to use of a loudspeaker system that certainly left much to be desired.

Other than the President, the loudest applause seemed to be for Senator MIKE MANSFIELD, who always draws a popular reception in his home State.

YOUTH AND GRACE

I, like many of my friends who sat in the reserved section, was impressed by the President's extremely youthful appearance, his grace in meeting the youngsters in the audi-

ence, his tact in stopping the auto caravan as it was about to leave the stadium to chat with the former Democratic Chairman, Harry J. McGregor, who sat in a wheelchair.

I must confess that much of the President's speech was lost to me. By straining, I could hear parts here and there. But his delivery was sincere and he frequently was interrupted by applause.

TEXT IGNORED

Since he departed almost completely from his original text, he presented something of a problem to several of the newsmen in the Presidential party.

Only a few of the newsmen actually reported what was being said in Great Falls. One unbiased listener told me later he was amazed at the difference between early reports of the Friday afternoon appearance and the actual speech itself.

The whole crowd appeared to have enjoyed the day. The cloudless sky, the hot sun, the gentle breeze which occasionally stirred leaves on trees in nearby yards and parks, all added to the festive air.

And as the Kennedy cavalcade pulled out of the stadium, there arose from the crowd a single, youthful, female voice:

"Goodby, Jack."

PROMISING DEVELOPMENTS IN FOREIGN AID

Mr. FULBRIGHT. Mr. President, in recent years the American people and Congress have been quite properly concerned by the reluctance of many of the prosperous free nations to accept a fair share of the burden of assisting the developing countries of Asia, Africa, and Latin America. We have felt, quite rightly, that other advanced free nations have no less at stake than we in the economic development of the poorer countries under free institutions. Again and again, we have encouraged our free world partners to join us in a cooperative effort in the field of foreign aid.

Their response, though not yet adequate, is nonetheless encouraging. Year by year, many of the industrial countries of the free world have been providing a growing volume of development assistance on increasingly liberal terms. This assistance has been provided both through bilateral programs and through the international lending institutions.

I wish today to call the attention of the Senate to two recent documents which illustrate this encouraging trend: A white paper issued by the British Government showing the increasing efforts of the United Kingdom in the field of foreign aid and a speech delivered by George D. Woods, president of the World Bank, the International Finance Corporation, and the International Development Association, pointing out the significant contributions and still greater prospects of these institutions.

The British white paper issued in September 1963, points out that Great Britain's aid program doubled in size between 1957–58 and 1961–62. Disbursements totaled $414 million in 1962–63 and it is estimated that they will total between $504 million and $616 million in 1963–64. In addition, Britain intends to extend the maximum repayment period for loans from 25 to 30 years, with grace periods of up to 10 years, and also, in certain instances, to waive interest payments and defer capital repayments for a period of 7 years.

The amounts of British aid are, of course, small in proportion to those of the United States and the loan terms are less liberal. The direction of the British aid program, however, is encouraging—toward considerably greater amounts on increasingly generous terms.

In his speech before the boards of governors of the international lending institutions on September 30, President Woods welcomed the willingness of the capital-exporting countries to increase their contributions in support of the International Development Association, which will enable IDA to operate at a higher level. Calling for expanded efforts in the fields of industry, agriculture, and technical assistance to education in the less developed countries, Mr. Woods urged the board of governors to "take the fullest possible advantage of the strong financial position in which the Bank now finds itself. We should not hoard our strength," he said, "we should use it." Mr. Woods called specifically for more liberal lending terms, with longer grace periods and longer repayment periods.

These developments and prospects in the foreign aid efforts of our free world partners should encourage us to sustain our own efforts in this important area of our foreign policy. I commend particularly to my colleagues' attention the following excerpt from President Woods' speech:

> So far as the capital-exporting countries are concerned, each year a little more of their growing strength is put at the disposal of the developing world. The flow of development assistance now comes from more sources than ever before; it is better coordinated than in the past; and, over the last 5 years, the amount of assistance has risen by more than 50 percent.
>
> This aid needs to be continued, and on an increasing scale. Equally important, the terms on which it is provided, although now somewhat better than in the past, still need to be improved. The efforts of the Bank and IDA to alleviate the problems posed by the debt structure of our less developed members will be of little avail unless bilateral aid is more generally available on terms reflecting the recipients' legitimate needs.

Mr. President, I ask unanimous consent that there be inserted in the RECORD at this point a summary of the British White Paper, "Aid to Developing Countries," provided by British Information Services, and also the text of President George D. Woods' address of September 30 to the Boards of Governors of the World Bank, International Finance Corporation, and International Development Association.

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

[From the British Record, Sept. 20, 1963]

AID TO DEVELOPING COUNTRIES

A Government white paper "Aid to Developing Countries," was published on September 17, the first since 1960 to give a comprehensive account of Britain's aid program.[1] This supplement sets out the main points of the white paper.

The difference between the standards of living in the industrialized and the developing nations has increased rather than diminished, and the task of helping the developing nations must continue until such time as they can achieve a self-sustained economic growth. In this task the principal donors are the industrialized nations of the free world. This total flow of resources from these nations is currently running at nearly $8.4 billion a year, of which some $5.6 billion comes from public funds. The United States of America contributes well over half of this sum: the other principal donors being Britain, France, and Germany.

PRIVATE INVESTMENT

The British private investor has played a leading part in the economic development of the world; for example, the development of America, North and South, owed much to funds invested from Britain. British investment still plays a vigorous part in the growth of developing nations, the level of British investment being, in relation to the national income, among the highest in the world. Of some $840 million a year invested overseas, something like half is invested in less developed countries, mainly in the Commonwealth. This does not include private commercial credits extended to oversea importers.

BILATERAL GOVERNMENT AID

Britain's ability to maintain, and perhaps increase, the size of its aid program depends on the soundness of its domestic economy. The large, increasing calls for improved social services and amenities and the cost of defense constitute a formidable burden on domestic expenditure. In addition, Government expenditure overseas is running at $1.4 billion a year, one of the largest items being the substantial disbursement of economic aid to developing countries.

Since the war, Britain has disbursed a total of $3.8 billion in oversea aid. Disbursements in 1961–62 totaled $448 million and in 1962–63, $414 million; the best estimate for 1963–64 is somewhere between $504 and $616 million. The British aid program doubled in size between 1957–58 and 1961–62. This is the fastest rate of growth of any sector of Government expenditure of comparable size. The amount of aid that can be provided depends primarily on the balance-of-payments position, but annual expenditure on aid is now large enough to have implications for the budget as well as for the balance of payments and, in deciding what it can afford to spend on aid, the Government has to take into account the trend in public expenditure as a whole and the general state of the economy. Aid tied to purchases of British goods and services, especially when there is surplus industrial capacity, imposes less of a charge on the balance of payments than untied aid which can be spent anywhere. The part of British capital aid that is formally tied consists of loans to independent countries of the Commonwealth and to foreign countries. This represents about one-quarter of the total expenditure on aid. The remainder of British capital aid consists of loans and grants to colonial territories and of grants to some newly independent Commonwealth countries and one or two foreign countries. It amounts to rather more than half of all aid expenditure at present. British multilateral aid is not tied. Although British aid is tied in part, the Government is prepared to join in any genuine international move toward the untying of aid.

Notwithstanding the argument in favor of untied aid, there are occasions when it is sensible for an industrialized nation to finance the supply of aid from surplus productive capacity. The British Government has recently taken steps to do this, as a temporary measure, and something like $42

[1] Cmnd. 2147, "Aid to Developing Countries," price 60 cents. The previous white paper was Cmnd. 974, "Assistance from the United Kingdom for Overseas Development," of Mar. 14, 1960. Price, 20 cents.

million of additional aid has recently been offered under such arrangements.

Rather more than half of Britain's aid expenditure takes the form of outright grants and about 80 percent of British loans have been made available for periods of 20 years or more, at a rate of interest at which the Government itself can borrow, plus a small service charge. Hitherto, the maximum period has been 25 years, with 7 years grace before repayment starts. For the future, Britain will, in suitable cases, make loans for up to 30 years, with grace periods before repayment of up to 10 years. Further, in selected cases, the Government is prepared to waive interest for the first 7 years as well as deferring capital repayments. Concessions of this sort would reduce from, say, 5½ to below 3 percent, the effective rate of interest on a 25-year loan. But these facilities can be offered only where they are absolutely necessary; if they were offered widely, it might impair Britain's ability to maintain its expenditure on aid.

CAPITAL AID

Aid to colonial territories

Assistance to the dependent territories must be the first charge on the British aid program. Bilateral aid to colonial territories rose from $161 million in 1959–60 to over $267 million in 1961–62. In 1962–63 it was $170 million. (Since the last white paper was published in 1960, 9 territories then dependent have become independent.) Assistance takes several forms: Budgetary assistance is given to a number of territories which, for lack of revenue, cannot maintain a reasonable level of administration and resources without outside assistance. Over 20 territories are currently receiving grants totaling some $36 million a year. Assistance under the Colonial Development and Welfare Acts is provided to supplement specific projects or general development programs drawn up, and partly financed, by the colonial governments. Aid may take the form of outright grants or of loans. Some $882 million have been allocated between 1946 and 1964 in respect of specific colonial development and welfare schemes. A further $70 million has been added for the period up to March 1966. The Commonwealth Development Corp., established as a public company in 1948 (then the Colonial Development Corp.), undertakes the financing on a commercial basis, on its own or in association with private enterprise, of a wide range of projects within the dependent territories and in those Commonwealth territories that have become independent since the passing of the act. Long-term advances outstanding at the end of 1962 totaled about $257.6 million.

Aid to independent Commonwealth countries

The pace at which colonial territories have moved toward independence has quickened in recent years and the timing of each move has been determined primarily by political factors. Some emerging territories have faced, and are facing, difficult economic problems. Dependent territories must have first call on the available resources, but Britain is determined to assist independent countries for which she was formerly responsible insofar as she is able. At the time of independence it is customary for the British Government to offer a financial settlement to include an amount which broadly reflects what the territory would have received under the current colonial development and welfare loan had it not become independent; independent countries may also receive loans for the purchase of goods and services under the Export Guarantees Act; the Commonwealth Development Corp. (see above) is now empowered to invest in all countries in which it could invest when they were dependent territories. To supplement these sources a new policy of commonwealth assistance loans was introduced in 1958. As a result of the new facilities now available and of the accelerated move toward independence, British capital loans to independent Commonwealth countries rose from $10.6 million in 1957–58 to $145.6 million in 1962–63.

The following are examples of assistance given during recent years to certain independent Commonwealth countries: British pledges in respect of loans to India since the beginning of her third 5-year plan (1961–65) amount to $350 million; between 1959 and 1962 the British Government made loans to Pakistan totaling $98 million; the British contribution to the Indus Basin Development Fund, organized under the auspices of the International Bank, is $58 million; since 1950, Britain has contributed over $840 million in capital aid, apart from some $25 million in technical assistance, under the Colombo plan, which began as a Commonwealth initiative and now embraces all the developing countries in south and southeast Asia; a tied loan of some $14 million was advanced toward the Volta hydroelectric scheme in Ghana; Britain has provided over $89.6 million in loans to Nigeria since the became independent in 1960; assistance to Sierra Leone has totaled $18.2 million; to Tanganyika $54 million, over half in outright grants; to Uganda over $35 million; the East-Africa Common Services Organization has been lent some $17 million and aid to Cyprus since 1960 has amounted to some $54 million. In May 1960 the Commonwealth Economic Consultative Council decided to set up a special Commonwealth African assistance plan to focus attention on aid and to help raise the standard of life in the less developed Commonwealth countries in Africa.

Aid to foreign countries

Bilateral aid to non-Commonwealth countries rose from $28.8 million in 1957–58 to $42 million in 1962–63. Much of this aid still goes to countries with whom Britain has historical links, such as Jordan. In the past 3 years, however, the geographical distribution has been broadened. Surplus capacity loans totaling $10.8 million have been offered in recent months to Chile, the Cameroon Republic, Algeria, Senegal, Syria, Afghanistan, Vietnam, and Korea. Laos has received a grant of $10.1 million, and the Sudan a loan of $14 million. Nepal is being granted $2.8 million, together with a loan of $2.2 million, mainly for electrification. A loan of $10.8 million is being made to Turkey under the aegis of the OECD consortium.

TECHNICAL ASSISTANCE

For most developing countries, capital aid in itself is not sufficient to insure economic and social progress; they also need technical skills, and assistance with training their people in these skills. In 1961 the Government set up the department of technical cooperation to coordinate and direct British activities in this field. Technical assistance is now being provided to over 100 countries. Expenditure, including contributions to international agencies but omitting the expenses of the DTC, is estimated at $84 million in 1963–64, a more than sixfold increase since 1957–58.

The oversea service aid scheme, by which Britain assists dependent territories to retain the services of experienced British officials after gaining independence, accounts for about half the present expenditure on technical assistance. Some 15,400 officials are covered by the scheme. In 1962 the Government decided that the future recruitment of administrators, technicians, doctors, etc., could be more effectively arranged by taking people for limited periods of service overseas rather than as members of a career oversea service. Recruitment is handled by the DTC in cooperation with other Government agencies. A total of 1,637 appointments were made in 1962. Substantial support is given to societies sending young people for voluntary service overseas. In 1963, 250 graduates and 300 school-leavers are going abroad. In 1964 the numbers will be 500 and 300 respectively. Developing countries attach the greatest importance to the development of educational systems at all levels. Britain helps by advice; by aid and equipment (in cooperation with British industry $1.8 million is being provided for equipment for the Delhi College of Engineering); by assisting with the teaching of English; by the supply of teachers in general (some 750 nonuniversity teachers left Britain in 1961–62 to work in developing countries, and the numbers have increased since then); and with facilities for study in Britain (there are more than 60,000 full-time oversea students in Britain, two-thirds of them from developing countries). The Government also gives significant support for research bearing on economic and social problems. In the current financial year the cost is over $5.6 million. Experts in the field of medicine are recruited for service overseas and oversea students trained in British medical schools. Assistance is given in agriculture, in the carrying out of topographical and geological surveys and in the preparation of development projects and programs. Close contact is maintained with such agencies as the Working Group on Technical Cooperation of the OECD's Development Assistance Committee.

MULTILATERAL AID

Britain is a firm supporter of the International Bank for Reconstruction and Development and of its two affiliates, the International Development Association and the International Finance Corporation. It has paid in $260 million (the 10 percent of subscriptions which has been called up) to the IBRD and the Bank has raised some $56 million through the issue of bonds in London. Britain's initial subscription to the IDA is $131.6 million, and to the IFC $14.3 million.

The decision of the United Nation's General Assembly to designate the *1960's* the development decade was warmly supported by Britain and the British Government has responded in a number of ways, e.g., by a substantial contribution to the world food program. Britain is a major contributor to the United Nations regular budget, which contains provision for technical assistance in various fields, and also to the specialized agencies, whose activities are directed largely to solving the problems of the underdeveloped countries. It participates in the aid programs of the OECD and cooperates fully with the Commission for Technical Cooperation in Africa.

Government aid disbursements in 1962–63 (provisional)

[In millions of dollars]

	Grants	Loans	Total
Bilateral aid:			
Colonial territories	113.1	56.6	169.7
Independent Commonwealth	57.7	116.8	174.5
Other countries	24.4	17.6	42.0
Total bilateral aid			386.2
Multilateral aid			27.7
Total aid			413.9

ADDRESS TO THE BOARDS OF GOVERNORS BY MR. GEORGE D. WOODS, PRESIDENT OF THE WORLD BANK, INTERNATIONAL FINANCE CORPORATION AND INTERNATIONAL DEVELOPMENT ASSOCIATION, SEPTEMBER 30, 1963

Mr. Chairman, this is in many respects a notable occasion. It is notable as the largest assemblage of financial leaders ever to gather together anywhere in the world. I am happy to bid you all welcome—and particularly to associate myself with the greetings extended by the chairman to the 20 new

nations, most of them from Africa, which have joined our membership since we last met.

This occasion is notable, too, for its absences. We miss Per Jacobsson, in whose death the world lost a devoted and uniquely competent public servant. My friend, Mr. Pierre-Paul Schweitzer, has stepped into large shoes, but I am confident that they will fit him comfortably. We have had several visits, and I look forward to the Fund and the Bank working together in close collaboration at all levels.

Absent, too, on this occasion is Eugene Black, who is engaged on one of the new assignments he has undertaken. It was to a large extent his imaginative leadership which made the Bank what it is today. The tributes paid to him last year need no gilding from me. I want only to record that the Bank and its member countries are deeply in his debt.

The Bank and the Fund, under Eugene Black and Per Jacobsson, became strong and powerful instruments in the world's struggle against poverty, instability, and ignorance. But that battle has just begun. Indeed, what really makes this occasion notable is the urgency of the problems that still press in on us and the readiness of our members, if I sense their mood correctly, to explore new ways by which our institutions can more effectively meet those problems.

In talking to you this morning, it is my intention to concentrate primarily on the future opportunities for the Bank, as I see them, rather than on the record already made. That record is set out in detail in the annual reports of the Bank and its affiliates and I want only to comment on a few highlights of the past year.

First of all, I want to welcome the willingness of the capital-exporting countries to continue and increase their annual contributions in support of the International Development Association. The proposal which the executive directors have submitted to the governors on this matter constitutes a heartening endorsement of the multilateral approach as the most effective means of providing development assistance on an objective, nonpolitical basis. Whereas the $750 million of convertible funds in IDA's initial resources were payable by part I countries over a period of 5 years, this proposal calls for an additional $750 million to be contributed in a period of only 3 years. This is a significant acceleration in contributions which I hope will permit IDA to maintain its operations at the higher level they are now reaching. We are aware that the demand for IDA funds will in all probability exceed the supply, and its policies should therefore be kept under constant review.

Let me also draw your attention to the variety of the operations of the International Finance Corporation. The Corporation obtained wider private participation in its investments than in any previous year. It continued to make loans to private industrial enterprises, but in addition it used in several ways the new powers of equity investment you gave it 2 years ago. It made investments in the share capital of industrial companies and entered into standby agreements in connection with the issue of shares and of debentures as well. It also successfully liquidated its first underwriting commitment, made in the previous year, in respect of a share issue.

Another significant development during the year has been the growing activity of the Bank group of institutions, under the leadership of IFC, in the establishment and support of local private industrial finance companies. In this field, IFC's ability to acquire equities has opened substantial new opportunities by making possible joint action by IFC and the Bank or IDA.

Finally, let me make an observation about the volume of Bank lending. At $442 million it was considerably lower for the fiscal year ended last June 30 than it was in the previous fiscal year. However, in the 3 months since June 30, we have approved additional loans amounting to $350 million, and our pipeline is full. From where I sit, the prospect is not for a downward trend in the Bank's operations.

Mr. Chairman, one advantage of a change of command such as we have now had in the Bank and its affiliated organizations is that it provides an opportunity to take stock of our position, to look afresh at our organization and at our problems and policies. And since our problems are to a large extent those of the developing countries, we must look first at their situation.

Despite the voices of pessimism, there is no doubt in my mind that a considerable advance has been made by the underdeveloped countries in the postwar period. Over the last 15 years their industrial production has risen 2½ times and agricultural production by almost 40 percent. By historical standards, this is a notable achievement. Not only do many underdeveloped countries have a substantial record of growth in production and investment, but equally important, an impressive fund of experience and skill has been created. The time is not too distant, I believe, when some countries which are now themselves struggling with the problems of development will be helping others less advanced. A few such instances are indeed already emerging. This is the best proof, if proof were needed, that achieving sustained economic growth in the developing nations is not a task without end or without hope.

But the development problems still facing us are huge. If anything, the need to quicken the tempo of economic growth is now more urgent than ever, simply because aspirations for progress are now so universal. In many underdeveloped nations the rate of progress remains discouragingly slow. And there are many new nations taking up the reins of their own affairs for the first time which are joining the development race far in the rear.

Mr. Chairman, this is not the occasion for trying to analyze all the many factors which serve, in varying degree in different countries, to put a brake on economic progress. There are three problems, however, which, because of their importance and the breadth of their impact, seem to me to warrant special attention. The first of these is that in too many cases the export structure is unbalanced and export earnings are not increasing at a satisfactory pace. I will call this the "commodity problem." The second is that a number of governments are burdened by heavy debt service obligations over the short and medium term. This I will call the "debt problem." Finally, there is the difficulty confronting almost all the developing countries of formulating and carrying out economic and financial policies which are effective in mobilizing and properly allocating the resources available to them for development. I will call this the "policy problem."

Let me deal first with the commodity problem. Despite considerable industrial advance since the war, most underdeveloped countries have remained dependent for their foreign exchange earnings on a limited range of primary products. Prices of these products suffer from severe fluctuations. In addition, international demand for many of them increases only moderately. In the postwar period—one of prosperity in the developed world—the export income of underdeveloped countries as a group has increased at only 3 percent per year. All evidence suggests that this is less than the growth in the needs of these countries for imports to achieve a satisfactory growth in income. Import substitution as a means of saving foreign exchange expenditure is a partial answer. If the national market is small, however, the room for efficient import substitution is limited and growth is difficult unless new exports can be developed quickly. The alternatives facing these countries are either to contain their imports and depress their income growth or to widen their exchange gap and face future balance-of-payments difficulties.

The past year has seen an upswing in commodity prices following a sharp downward movement from 1957 to 1962. But it is not clear that this recovery will be lasting and, in any case, it does not touch the problem of those countries whose exports face competition from more efficient synthetics or from agricultural production in the importing regions. It follows, therefore, that a far-reaching diversification of the production and exports of the developing countries is a basic requisite for their sound economic progress.

Turning now to the debt problem, it is common knowledge that the external obligations of the developing countries have risen considerably over the past several years. This fact by itself is not disturbing. As long as a country needs net capital inflow and can use it productively, there is nothing inconsistent between growing indebtedness and growing economic strength. Even the interest burden on the existing debt is not excessive. The disturbing factor in the current situation is the unfavorable structure of the debt for many countries. All too frequently, too much of the debt has been contracted at short or medium term, so that there is an excessive concentration of repayment obligations in the early years. In one geographic area, for example, half of the present debt has to be repaid during the next 5 years. This is a matter which needs to be given greater weight in the future in fixing the terms upon which development assistance is made available.

Finally, let me say a few words about the policy problem within the developing countries themselves. Efforts to mobilize national resources for economic development have been handicapped by political and social factors, by runaway inflation and capital flight, and by other impediments to economic growth. Ideological preconceptions in some underdeveloped countries have caused private foreign investment to hesitate or even turn away. Some of these obstacles—political expediency, inflation, ideologies—also prevent rational allocation of investible resources. Admittedly, no one can prescribe with assurance any one optimum pattern of investment. Nevertheless, the large and glamorous prestige project which is not productive or the small feeder road which is not maintained are easily recognized instances of waste. Nor is it difficult to find instances where balance-of-payments pressures can be traced to improper domestic policies. Insufficient savings efforts or inadequate fiscal and monetary policies can slow down export growth or be the main cause of external financial difficulties.

Mr. Chairman, as I have already indicated, the three problems which I have touched upon are only part of the background against which the Bank group of institutions must now formulate their future policies. To the economic difficulties they present must be added the fact that most of our new members lack the administrative structure, and are inexperienced in the techniques, necessary to carry forward the development process. To lend money to them wisely involves a much greater investment of human skills than in the case of countries with a longer experience of development administration. In some countries, too, a number of the more obvious and more easily manageable investment projects, mostly of an infrastructure nature—the large powerplants, the highway, railroad and port expansion schemes, the big irrigation projects—have already been or are being financed. These countries now have a

growing need for help in other sectors, in particular in agriculture, industry, and education, which often present much greater problems of appraisal, planning, and management.

All of these considerations suggest, I believe, that the time has come when the Bank will have to add new dimensions to both its lending and technical assistance activities. We will have to be prepared, on the one hand, to give more technical advice and assistance earlier in the development process and, on the other, to follow development into its more advanced stages and to use new techniques for that purpose. This will not involve any sharp or radical change in direction. The financing of basic services which has been the bulk of our business in the past will continue to be the bulk of our business in the future. But I do suggest that, if the Bank in the next decade is to make as large a net contribution toward meeting the needs of its less developed member countries as it has up to now—and certainly this should be a minimum target—we must be ready much more often than heretofore to leave this proven ground and venture onto less familiar terrain.

If we are going to intervene earlier in the development process, for example, we are going to have to do much more to help agriculture. In a great many of our less developed member countries, agriculture employs four-fifths of the population. It also provides materials and generates the market demand which together are the basis for healthy industrial growth.

The scale of our lending for agriculture has not, in my view, been commensurate with the importance of this sector. Thus far most of it has been for large-scale irrigation, flood control or land clearance projects. I believe that we must now intensify our support of agricultural development on a broader front—through such means as helping to finance storage facilities and farm-to-market roads, and through strengthening agricultural organizations that extend credit and technical help to the farmer. Such programs are unlikely to yield quick and dramatic returns, and they will be expensive to support in terms of both manpower and administrative costs. But the need is clear and urgent.

One way, I think, in which the Bank could be especially useful is by helping to build up local agricultural credit and investment institutions, which might progressively become important channels for our financing to the agricultural sector and catalysts for a wide range of measures to raise its productivity. Such institutions, by associating technical advice and supervision with the provision of investment funds, can greatly enhance the effectiveness of both. There is an obvious analogy with the role of the industrial finance companies in many countries, with which we have developed such satisfactory relationships. The problems of agricultural financing are different, and inherently more difficult, in many ways. But if, in addition to their direct impact upon agricultural production, our loans serve also to build up vigorous, efficient national agricultural development agencies, we shall have made a valuable contribution to long-range economic progress in the borrowing countries.

We must also make our assistance to industry a good deal more versatile than it has been so far. In this way, we would contribute directly to the diversification of our members' economies and thus to an easing of what I have referred to as the commodity problem. In some cases what would be involved would be the financing of new industries, of a kind that had not existed before in the developing country. Even though these industries might be slow to gain a foothold and slow in paying out, it would often be appropriate for us to give them assistance, I believe, both for their own sake and because they would form the nucleus around which other development would take place.

Another type of assistance to industry which we are investigating is the possibility of providing, in appropriate cases, long-term financing for the import of individual pieces of equipment, components, and spare parts. Loans of this kind would be particularly valuable in cases where full use cannot be made of existing industrial capacity because there is no foreign exchange with which to buy such equipment from abroad. Qualifications may have to be applied to this idea, but an investigation of the possibilities is, I think, an important and timely task.

Still another question we are exploring is the extent to which the Bank is impeded in its efforts to help industry by the requirement of a governmental guarantee for its loans to private borrowers. Private enterprises are often reluctant to seek a Government guarantee, and governments often find it constitutionally or politically difficult to give one. It was partly for this reason that the Bank first came to be interested in industrial development finance companies; while Bank loans to them must be guaranteed, they themselves can make nonguaranteed loans to private enterprises. The creation of IFC itself was in large part prompted by the deside to give the Bank an instrument for investing without guarantee. But, notwithstanding these initiatives, I think there is need for assistance which neither IFC nor local financing companies can today provide. I have in mind cases where loan capital is required in large amounts, generally by established shareholder-owned enterprises. I am actively exploring with the Bank's executive directors the extent of this unsatisfied need and what may be the most desirable and effective means of meeting it.

Agriculture and industry are not the only fields in which I think we should expand our efforts. In particular, I believe that we will have to do more to help create the facilities necessary to the spread of education. Education is of course a valued end in itself, but it is also of central importance in the whole development process. It imparts the skills that are needed at every level of activity, from the effective use of planning techniques in Government and business right down to proper employment of simple hand tools in workshops and on farms. Secondary and vocational schools, in particular, can have a fairly rapid impact on development by providing the middle-level manpower as well as the specialists in administration, agriculture and other subjects that are so important in economic growth. IDA, as you know, already has made one credit for school construction in Tunisia, and is considering similar credits elsewhere. I believe it would now be appropriate for the Bank, too, to lend for school facilities of high economic priority.

As Mr. Black told you last year, we have also been formulating our ideas on our proper role in providing technical assistance to education. On the basis of the advice I have received, I have concluded that our help here is likely to be most effective if it is linked closely with actual Bank or IDA lending for educational facilities. On the whole, this attack, in which our technical assistance and our financing will reinforce each other, seems likely to bite deeper into the problem than an independent program of grants.

If we broaden the scope of our interests in the ways I am suggesting, we shall inevitably be led into fields which are already the primary concern of other international bodies, such as FAO, UNESCO, and the United Nations Industrialization Center. I welcome this as offering new opportunities for collaborating with other members of the United Nations family and for strengthening the already close relationships we have established with them. We do not intend to trespass where other agencies are better qualified than we. Nor do we intend to risk the dilution of our own special skills by building an ever-larger bureaucracy. Cooperation, not competition, will be our purpose, and to this end we shall, whenever feasible, join our sister agencies in the exploration and support of promising new projects.

The whole range of development problems as they are now evolving is extremely complex and we are only beginning to find the answers to them. One thing I am sure of, however: as we move out to meet these problems, we should take the fullest possible advantage of the strong financial position in which the Bank now finds itself. We should not hoard our strength, we should use it.

To use but one example, I think the Bank now not only has ample reason, but ample strength and ample experience to modify the terms of its lending, in appropriate cases, so that they will be more suitable for the new kinds of clients and the new kinds of projects that must begin to concern us. In particular instances, the grace period may need to be lengthened, to allow the project financed to be brought into full earning power, or to give a longer breathing spell to a borrower whose repayment capacity may take some years to build up. And it would be equally reasonable, in given instances, to lengthen the maturity of Bank loans which up to now have generally had a maximum life of 25 years.

Because of our strong financial position, too, the executive directors have concluded that it is no longer necessary automatically to allocate our net income, as it accrues, to the Bank's supplemental reserve. They have decided that, instead, the allocation of net income, whether to supplemental reserve or otherwise, will be considered annually after the close of the fiscal year. I welcome the action of the Governors this morning in noting that decision with approval.

Mr. Chairman, I have emphasized the new directions in which I believe the Bank must move because that is the immediate business which concerns us here today. But we must frankly recognize that the Bank's efforts are only a small part of the picture. If the tempo of development is really to be quickened, if we are really to make progress in solving the problems which I sketched at the beginning of this talk, it will call for increased determination and more effective action by national governments, both of the industrialized and of the less developed nations.

So far as the capital-exporting countries are concerned, each year a little more of their growing strength is put at the disposal of the developing world. The flow of development assistance now comes from more sources than ever before; it is better coordinated than in the past; and, over the last 5 years, the amount of assistance has risen by more than 50 percent.

This aid needs to be continued, and on an increasing scale. Equally important, the terms on which it is provided, although now somewhat better than in the past, still need to be improved. The efforts of the Bank and IDA to alleviate the problems posed by the debt structure of our less developed members will be of little avail unless bilateral aid is more generally available on terms reflecting the recipients' legitimate needs.

In addition to finance on sounder terms the developing world requires from the industrialized nations not only increasing aid, but also easier access to their markets. The primary products of many underdeveloped countries today encounter trade obstacles, be they tariffs, quotas, or internal taxes. Trade restrictions are also a serious barrier to the efforts of the developing countries to industrialize and to diversify their export structures—tasks which would be inherently difficult enough even with free access to markets. The forthcoming United Nations

Conference on Trade and Development will provide a useful opportunity for the developed countries to reexamine their trade policies vis-a-vis those less developed. The outcome of that reexamination will be of the greatest significance.

Mr. Chairman, I mentioned earlier the importance of proper resource utilization in the developing countries, what I called the policy problem. I want to revert to that subject, particularly in connection with the difficulties of project preparation and execution. Although these are a common experience everywhere, I cannot refrain from expressing my concern at the length of time which is generally necessary for our borrowers to prepare a project and make it ready for financing. Even on projects already approved, the rate of disbursement is often slow, and it seems recently to have become even slower.

This is a serious matter and we intend to investigate it thoroughly. The less developed countries cannot afford project delays if they want to realize rapid growth. If part of the trouble lies in our own procedures, we shall seek to improve them. We intend to explore, too, ways in which we may be able to help our borrowers to remove bottlenecks. No assistance from outside can be effective, however, unless the Government is itself committed to speeding up project work by simplifying administrative and other practices and by giving to it appropriate priority in the allocation of scarce personnel resources.

In some cases project delays are due to a shortage of local funds needed to supplement the foreign-financed component of investment. This raises a much wider issue of resource mobilization which time does not permit me to explore today. But plainly there is little sense in borrowing external resources if at the same time national capital is escaping abroad. We can only guess at the size of this outflow and it varies greatly from country to country, but certainly considerable funds are involved. At the initiative of one of our Executive Directors, we are considering, in collaboration with the Fund, whether there is anything that external agencies can usefully do to encourage capital repatriation.

Mr. Chairman, financial and technical assistance from the Bank and other public sources is never going to be more than marginal to the requirements of the developing countries. While we can lubricate the machinery, the chief driving power must come from elsewhere—most of all from the developing countries themselves. But there is one source in particular of which much more use can be made; I am speaking of the energies, the talents and the capital that exist in the private sectors of both the developed and underdeveloped countries. We have an obligation to do all we can to create the condition which will unlock this resource.

One proposal which we have been actively exploring with this objective in mind is the plan to establish facilities, under the umbrella of the Bank, for the conciliation and arbitration of international investment disputes. The Executive Directors, together with the staff, have had this matter under study following the request made of them by this Board of Governors at last year's annual meeting. The proposal has now been given the form of a draft convention. Over the next 6 months or so, this draft will be discussed at a series of conferences of legal experts of our member countries, to be held, through the courtesy of the four regional Economic Commissions of the United Nations, in Addis Ababa, Bangkok, Geneva, and Santiago. I have high hopes that in 1964 the Executive Directors will be able to present to this Board concrete conclusions and recommendations on this matter.

My enthusiasm for the proposal to establish a conciliation and arbitration center is simply a reflection of my interest in exploring all possible ways in which the Bank can help to widen and deepen the flow of private capital to the developing countries. It is not the business of the Bank, nor of its President, to tell the developing nations within the Bank's membership that they must accept private capital from abroad as a partner in their development efforts or what kind of price it is reasonable for them to pay in order to achieve such a partnership. Those are issues which our members, as sovereign nations, must decide for themselves. Whatever decisions they make, the Bank, as a nonpolitical international organization, must and does accept without reservation.

For my part, however, I believe that, to a great extent, the attitudes of many of the less developed countries toward foreign private investment are based on the outdated past rather than on present facts. And I am convinced that those of our members who adopt as their national policy a welcome for international investment—and that means, to mince no words about it, giving foreign investors a fair opportunity to make attractive profits—will achieve their development objectives more rapidly than those who do not. For a country which is known to be hospitable to private investment will have access over the years to a much larger and more stable pool of capital than its neighbor which relies solely on government-to-government aid. It will have access, too, to a much larger pool of industrial personnel—managerial, administrative, and technical—and to a much larger mass of scientific and technological information than it could possibly acquire in any other way. Most important of all, its economy will be stimulated and invigorated by the many different contacts, at many different levels, which a hospitable investment climate will make possible between enterprises and individuals within its own borders and those within the borders of the industrialized countries. None of these advantages is likely to be fully available to any nation whose government, however well motivated and however well administered, decides to relegate the private sector to a subordinate role.

Mr. Chairman, I am proud of the quality of the World Bank group and of the spirit and competence of its personnel. It is my firm intention to guard the good name and reputation of our organizations, and at the same time to strive for an ever more expert staff, for these are indeed the foundation pieces upon which our future effectiveness will rest. This morning I have deliberately sketched for you horizons for the Bank's future activities in the broadest terms. The matters I have touched on are being thoroughly studied, and it is not my intention to move with undue haste in implementing them. However, I do assume your concurrence in the broad proposition that without departing from the high standards that have served so well in the past, the Bank and its affiliates should and will advance to new plateaus of usefulness to the people of their member countries.

FOLK MUSIC

Mr. FULBRIGHT. Mr. President, we in Arkansas have been slightly amused by the folk singing craze that seems to have affected certain of our metropolitan areas. The Arkansas Ozarks have produced folk music and folk musicians since long before Peter, Paul, and Mary and Bob Dylan became the rage among sophisticated urban crowds. Those of us who have long known and enjoyed genuine folk music are, of course, pleased that this truly American art form is now available to the rest of the country.

Through the years Arkansas has borne the brunt of coarse and heavy handed humor directed at some of our real or imagined shortcomings. However, one quality has always been ascribed to my State—it and its people are genuine and without affectation. Its music and its musicians are no less endowed with this characteristic. There are, I am sure, as many genuine fiddlers, banjo pickers, and guitar players in northern Arkansas as anywhere else in our great Union. Fortunately for the rest of the country we are beginning to export the music they produce and more and more people are coming to Arkansas in order to savor these melodies in their native setting.

Mr. President, the time may come again when the Senate is in recess and many of my colleagues may wish to escape Washington. I can think of no finer place to relax, meditate, and to put the problems of the world into proper perspective than in the hills of Arkansas where genuine folk music can be enjoyed.

A well-written account of the hospitality and music to be found in Mountain View, Ark., appeared recently in the Memphis Commercial Appeal. I can second without reservation the endorsement given to the musicians of Stone County, Ark., by the author of the article, Mr. Paul Flowers. I commend it to my colleagues and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

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

PAUL FLOWERS' GREENHOUSE

MOUNTAIN VIEW, ARK.—Like Topsy, this thing "jes' growed." Therein lies its charm, the spontaneity of people perpetuating a tradition of their ancestors.

Each Friday evening, in the Stone County, Ark., courthouse the Rackensack Folklore Society cuts loose with a hootenanny, and even standing room is taken before the show gets underway.

With Mrs. Greenhouse, James Bobo, of Hardy, and Miss Patti Moody, of Memphis, I crashed this outbreak last week. Wild is the word for it.

Lacking the artificiality of Tin Pan Alley and Hollywood, this is folk music by and for the people who created it and preserved it in the first place, without benefit of exaggeration, a stranger to all commercialism. The only way to spend money is for soft drinks from a vending machine downstairs, or in J. R. Cook's Rainbow Restaurant for country-style provisions.

The thing was born with preliminaries for the Stone County Folk Festival last spring, but it caught on so violently that folks just kept on coming, with instruments, every Friday night, to exhibit their musical wares. Most every week, a homeboy farmer, Jim Morris, presides as master of ceremonies and does a little turn with his old handmade guitar. Away from home he's Jimmy Driftwood, who parlayed "The Battle of New Orleans" into astonishing sales figures. In Stone County he's still Jim Morris.

From a hall back of the judge's bench, singles and groups of Rackensackers file to the bar of justice, where a microphone has been set up. Perhaps Jim Morris will introduce Dave Morrison who has come all the way from Clinton, Okla., but for the most part one set of players strolls in as another set winds up, and there is no intermission.

By and by things get hot, and the dancers, unable to contain themselves any longer, leap

out of seats and jig up storms in the aisle. Felix Wallace, who is none of your business how many years old, stomps up a routine that would exhaust most men half his age, and Jack Fletcher, who hardly came down in the last shower either, comes up with buck-and-wing, jigs, and whatever tunes Jimmy Ballard, of Timbo, Hershel Sutton, of Batesville, Kenneth Avery, of Timbo, or Buddy Lancaster, of Mountain View, happen to be playing.

In the aisle, while the floor shakes as if to collapse, Luther Dickson, Dale Rouse, Mrs. Carolyn Rainbolt, and Mrs. Jurd Treat jump into the act. *If I* can find out who built that Stone County courthouse, I will hire him to erect structures invulnerable even to the bomb.

The next morning, it starts all over again in the square, while Lloyd Westbrook, county agricultural agent, is staging and helping to judge a poultry exhibit, but Lloyd, pausing in Gerald Cain's drugstore, grabs a pickin' bow, pokes one end into his mouth which serves as a resonator and amplifier, and here we go again.

"I learned to play the pickin' bow in 20 minutes," said Lloyd, "but it took me 5 years to learn how to pat my foot."

"Humph," said Jack Fletcher, "I wore the necks off two banjers and the hosshair off of eight fiddle bows before I found out that it's all in your feet."

Later, I walked around court square with C. Edward Tudor, managing editor of the Stone County Leader, and we had to pause every few steps to let oldtimers try out the pickin' bow Jimmy Driftwood had autographed for me.

Sometimes I talk too much, and too loud. At J. R. Cook's, I ordered up sausage and hotcakes for breakfast, asking for either honey or sorghum. The waitress didn't have either * * * only homemade synthetic maple flavored stuff, but Leon Banscom, coffee breaking at an adjoining table, heard my plea.

"I've got a pickle jar of fresh sorghum out in the car," he said, "if you want it." I did, so he fetched the molasses, which like sausage, is always plural in Stone County.

A man could travel to Jakarta, Vietnam, Addis Ababa or Hyannisport and never find such accommodation. And would they do this for Ernie Dean, the old Arkansas Traveler? For Inez Robb, or Allan Trout, of Louisville, or Gene Sherman in Los Angeles, or Lowell Nussbaum in Indianapolis, or Ann Landers?

Of course they would. No stranger comes to Mountain View. You're home folks as soon as you enter the village of 902 patriots.

The Rackensackers will use these Friday night sessions to practice for the big Ozark Folk Festival at Eureka Springs October 24–25–26. They have a special interest, for their farmboy neighbor, Jim Morris, alias Jimmy Driftwood, will MC the show.

KEEP THEM OUT

Mr. MUNDT. Mr. President, editorials continue to reach my office supporting the suggestion which I have made for an investigation into Communist infiltration of the motion picture industry. Indicative of this support is an editorial appearing in the Los Angeles Herald Examiner for Tuesday, October 1, which I ask unanimous consent to be printed at this point in the body of the RECORD.

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

KEEP THEM OUT

Senator KARL MUNDT, Republican, of South Dakota, has urged that the Senate Internal Security Committee conduct a new investigation of Communist infiltration of the motion picture industry. His argument in support of his recommendation makes it apparent that such an investigation should be conducted at the earliest possible opportunity.

Senator MUNDT, who was a member of the House committee in 1948 which conducted the Hollywood 10 hearings, is well aware of what a damaging effect can be caused by the hiring of Communists in motion picture making.

The Senator now charges that many of those identified in 1948 as Communists have been rehired by Hollywood film makers. He also pointed to the resolution passed by the American Legion at its recent convention demanding an investigation of the recapture of the film media by agents of the Communist conspiracy.

The South Dakota legislator points out that:

"They are again in a position to pervert the morals, to prejudice the thinking and to weaken the patriotic motivations of young Americans as well as adult citizens who see motion pictures."

And on another horizon he pointed to an international danger in subversive twists in American films:

"Especially in this day and age, when so many of our American motion pictures are being exported abroad, it is imperative that none of them in any way be utilized by traitorous Communists in our midst to downgrade America or to betray our constitutional concepts of freedom and justice."

Southern Californians well remember the downgrading of Americanism and loyalty to country which was caused when Communists were having their way in Hollywood film making, and how they finally were rooted out of the industry.

It is the duty of the Senate Internal Security Committee to expose what assertedly is happening today with the return of ousted Communists who have filtered back into the film industry. It is the duty of the film makers to the American public to keep these dangerous persons out of the industry.

There can be no temporizing with, or appeasement of, Communists who persistently are working for the wrecking of our free U.S. Government.

COLUMBUS DAY

Mr. SALTONSTALL. Mr. President, on Saturday of this week we pay homage to Columbus as well as to Italy and its people. In doing so, we extend to those of Italian origin or descent the appreciation of a grateful Nation and the heartfelt wishes for the continued resurgence of the Italian Republic.

It was 471 years ago that Columbus and his three frail ships reached the Western Hemisphere. Throughout history, few men have had to fight so desperately for their ideas and few men have been forced to face unknowns of such proportion and consequence. The heritage of Columbus, the son of a wool merchant, is indeed the heritage of a true pioneer.

We are all familiar with the challenges encountered and the hardships endured in the preparation and conduct of his journey. The financial and physical problems, however, were not the most burdensome. The responsibility for the failure of the voyage would be entirely his. Columbus was gambling not only his future, but also his life and the lives of those accompanying him. Their fate depended upon the validity of a concept generally regarded as absurd—that one could reach the East by sailing west.

Today our country also faces a future that is both challenging and uncertain. As this pioneer, whose only chart was faith, dared to face the unknown in a superstition-ridden world, we too must summon all our courage and skill in order to extract the promises and avoid the perils of life in a nuclear world. In the tradition of Columbus, we must strive to bring to all mankind a higher civilization—one noble in purpose and humanitarian in practice. At the present time, the need for men of such dedication and faith is more urgent than ever. The question now is not whether a few will succeed or fail, but whether all will perish or prevail. On this day, it is appropriate that we not only pay honor to Columbus as a man and source of inspiration, but also that we recognize the debt owed to his native land. Many Italians have brought their energies and talents to Massachusetts and the entire Nation. Their economic, cultural, and political contributions have been of immense significance in the development and prosperity of my home State.

In the achievements of Columbus, there is a lesson for us all. This adventurous Italian was willing to sacrifice personal comfort and risk life itself in defense of a concept which he held to be true. Likewise, those who would enjoy the blessings of human liberty must be of equal courage and commitment.

Mr. SCOTT. Mr. President, 471 years ago this week Christopher Columbus, the son of a Genoese weaver, navigated his 3 little ships and 120 men into the waters of the Western Hemisphere.

The great Italian explorer had to conquer more than the Atlantic Ocean in 1492. He fought poverty, ridicule, physical anguish, disappointment, treachery, and ingratitude in an effort to prove some scientific truths which we now accept without question.

His was a victory for all civilization. But today I want to call special attention to the fact that he was an Italian, the first of many who came to the New World in the next several centuries and made important contributions to benefit our society.

This week, as we pay tribute to the memory of this great Italian, the atmosphere in Washington is being poisoned by the testimony of a man who is a criminal and who happens to be of Italian descent.

I regret to have to raise this issue so bluntly, but it is a matter of deep concern to me because I believe that Joseph Valachi, because of his name and the names of some of those he is testifying about, is doing the saddest of injustices to millions of decent, hard-working Americans who also happen to be of Italian origin.

Mr. President, this is in no sense a criticism of the hearings or those who are conducting them. Organized crime in America is an ugly subject which must be investigated and must be exposed if we are to know how to legislate most effectively against crime.

My comments, however, are directed at Americans in general and some news writers in particular who are using these hearings as an excuse to defame a whole people.

I ask them to remember that some 12 million Americans of Italian descent are following these hearings with horror and disgust while Valachi talks about the very lowest elements of society. I suggest that any heavily publicized, heavily televised hearings about the worst elements of any race, religion, or national origin would be equally sordid and unfair to those groups.

But, above all, I ask all Americans this week to remember that after Christopher Columbus, Italy gave us a great number of outstanding persons who helped make America better and helped shape the American way of life into what it is today.

To name just a few:

Enrico Tonti came from Italy in the 17th century to join LaSalle in exploration of the Western Hemisphere. Among his other achievements was the exploration of the Mississippi to its mouth.

Francesco Vigo came to America from Piedmont in 1775 and became a successful merchant. When the expedition of George Rogers Clark in the Revolutionary War seemed about to fail for lack of supplies, Vigo put his fortune at the disposal of the Revolutionary cause and made possible the success of Clark's campaign against the British in the West.

Philip Mazzei, from Poggio-a-Caiano, settled in Virginia in 1773 and became a friend of Thomas Jefferson. Jefferson translated some of Mazzei's patriotic American writings into English and was influenced by these writings in his own drafting of our Declaration of Independence.

Constantino Brumidi, the outstanding Roman painter, is known to all of us in the Congress. Beginning in 1855 he started work in the Capitol and introduced the art of fresco to this country. Every day we walk under his magnificent paintings in the corridors and in the rotunda, which was his great love. When he began his work on the rotunda frieze he was 70 years old, but he worked for 3 years from a belt that hung 100 feet from the floor. As the partial result of a fall, he died in January 1880, leaving behind some of the truly great works of art in America.

Charles Barsotti came here from the Pisa area in 1872, established the first Italian daily in the United States and was known as an outstanding civic leader and philanthropist.

Enrico Caruso, the grand opera tenor from Naples, spent the last 20 years of his life making the air of America beautiful with his singing—and also contributing great sums of money to the Allied cause in World War I.

Luigi Palma di Cesnola, of Rivarolo, came to the United States in 1860, founded a military school for officers and then enlisted and fought through the Civil War. As a naturalized American he became American consul to Cyprus, and later director of the Metropolitan Museum of Art in New York.

Louis Amateis of Turin came to America in 1883 and did outstanding work as university professor, architect and sculptor.

Nor can we omit such scientists as Enrico Fermi, who made possible the use of atomic power. Its ultimate use for peaceful purposes can and will open up a whole new world and a better life for all peoples.

Mr. President, I have named only a few of those Italians who have contributed substantially to our culture, and only those who are no longer alive.

But I urge my fellow Americans on Columbus Day to think of the 12 million Italians and persons of Italian origin who are living today in the United States, who make us proud by their incalculable enrichment of the wonderful land that is our America.

PULASKI DAY

Mr. SALTONSTALL. Mr. President, October 11 marks the 184th anniversary of the death of Count Casimir Pulaski—a renowned soldier in the forces of freedom and a symbol of the European support which helped make American independence possible. I am pleased to join with those citizens of Polish birth or ancestry in observing the anniversary of the death of one of freedom's foremost defenders. Pulaski distinguished himself by his valor, his military genius, and his tireless zeal in the pursuit of liberty for his people. Unable to achieve this end in his homeland, he crossed the Atlantic and made the supreme sacrifice in an effort to bring liberty to America.

Pulaski fought for freedom on the battlefields of both the Old World and the New. For, in 1768 he joined with his father in active rebellion to combat the domination of Poland. The young nobleman's military exploits were temporarily successful and he ultimately became the commander in chief of the Polish patriots. However, his forces were finally crushed and scattered, his estates confiscated, and he was forced into exile in 1772.

While in exile in France, Pulaski met Benjamin Franklin and offered his services to the cause of independence. In 1777 he joined Washington's army as a volunteer. After distinguished service at the battle of Brandywine he was promoted by Congress to the rank of brigadier general in the Continental Army. He shared the hardships and deprivations of Valley Forge and then received permission from Congress to organize an independent corps of cavalry. To that time, the cavalry had amounted to little or nothing in the revolutionary forces. Pulaski, who used the remnants of his personal fortune to help equip the men, is now considered to be the father of the U.S. cavalry. When he led the American and French cavalry at Savannah, Pulaski had already played heroic roles at the battles of Brandywine, Trenton, and Flemington. In the siege of Savannah, October 9, he gallantly charged the enemy lines at the head of his cavalry, was mortally wounded, and died 2 days later.

Thus, today we honor a man to whom freedom was a lifetime objective. Whether on the battlefields of Europe or America, Pulaski's cause was the same—the cause of freedom. Now, as we pay tribute to Pulaski's contributions to bringing liberty to this land, let us also express our fervent hope that the spirit which motivated him survives in his native country and may one day prevail.

WHERE DOES GOLDWATER STAND?

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Where Does GOLDWATER Stand?" published in the U.S. News & World Report of September 2, 1963.

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

WHERE DOES GOLDWATER STAND?

Question. Senator GOLDWATER, when do you expect to announce your intentions for 1964?

Answer. I can't give you an exact date, because, as I have said, I'm playing this thing by ear day by day. I would much prefer to run for the Senate, but I realize that I am being put in a position more and more in which I have to make a decision.

Things may change between now and the time of decision, which I would say would come sometime around the closing date for filing in the New Hampshire primary. That will be in January, I think. And, if the tide still runs the way it is running now, I'm going to have to say yes or no. I wouldn't want to say yes or no now, because I think it's much too early.

Question. If you miss the nomination for President, would you still have ample time to run for reelection to the Senate?

Answer. Yes. I have to file as a candidate for the Senate, I think, the week before the national convention. Our primaries in Arizona aren't until the second week in September. If I happen to decide to seek the nomination for President, and not get it, my name will be in for the Senate, which is my real love, and I would run. If I decided to seek the nomination for President, and got it, I would not run for the Senate.

Question. You would not?

Answer. Absolutely not.

Question. Is this your own decision, or are the laws of Arizona such that you couldn't run for both President and Senator?

Answer. It's my own decision. Our State attorney general gave a ruling which indicates to me that no State could deny a man running for two Federal offices—that is, he could run for the Presidency or the Vice Presidency and a Senate or House seat. His ruling is that the State law does not deal with this case. But I wouldn't run, I don't think it's right.

Question. Is it necessary, Senator, to have your permission to file your name in the New Hampshire primary?

Answer. As I understand it, no.

Question. If you do decide to run for the presidential nomination, would it be your plan to enter most of the primaries?

Answer. It would certainly have to be any candidate's plan to enter enough primaries to convince Republicans across the country that he could get votes, and to discourage his opposition from continuing in the race.

Question. How can a Senator find time, in addition to his Senate duties, to go out and run in primaries around the country?

Answer. He would have to do as President Kennedy did—just ignore his senatorial duties. I think he missed over 200 votes in the Senate that last year.

But I do have an advantage here that other so-called "hopefuls"—if that's the word—do not have.

For most of the years between 1954 and this year, with the exception of the 2 years

before my last election to the Senate, I've been traveling this country as chairman of the Republican senatorial campaign committee. I have a map stuck up on the wall, and you can see from the number of pins the thousands of speeches I've made. I have traveled over a million miles, and I don't think anyone in this party knows more Republicans than I do.

This accumulation of Republican friends wasn't done with the idea of using it for anything except getting Republicans elected to the Senate and the House. It came as a by-product of just doing my job as a Republican. And now, of course, if I decide to seek the nomination, this becomes my most valuable asset. It's an asset that almost any other candidate would have to develop. And you don't develop a million miles and a thousand speeches just overnight.

Question. In connection with your possible candidacy, do you think it would be good for the country if a second term were denied to Kennedy in 1964?

Answer. I think it's absolutely essential.

Question. Why?

Answer. I think we have to have a change in 1964—not because of the individual, but because of the steady and increasing reach for power over the daily lives of Americans by the President and the men around him.

Question. Senator, some people have identified you with the John Birch Society. Are you a member of that society?

Answer. No. I have never been a member of it. In fact, when it was organized, the head of the society, Mr. Robert J. Welch, was asked if he would support Nixon or GOLDWATER for the Presidency. This was back, I think, in 1958 or 1959. He said no, GOLDWATER was too far to the left and Nixon was a Socialist.

Question. Is Mr. Welch now a supporter of yours?

Answer. No; He's not. In fact, I have a letter here that was written to a friend of mine, and Mr. Welch says:

"No matter how high my regard for Senator GOLDWATER might be, I could neither support him nor oppose him in the forthcoming campaign, because whatever I did would be construed as an official position of the John Birch Society."

That same letter from Welch said this:

"The John Birch Society takes absolutely no position in political campaigns, and, therefore, neither can I. Since about half of our members are Republicans, half Democrats, and with a sprinkling of independents, you can readily see why this policy is necessary."

Question. Then, so far as you know, the John Birch Society, as a society, is not supporting you?

Answer. No, I've never heard of them supporting any candidate, frankly, and I know they're not supporting me for anything, including running for the Senate in Arizona.

Question. Many people have said that you should either accept the support of the John Birch people or repudiate that support. What is your comment on that?

Answer. Well, these people who have suggested that have never given me any good reason for doing it. If it's because the Birch Society takes an extreme position now and then, I can recall American Legion posts that have taken extreme positions. The Americans for Democratic Action, I believe, have some very extreme positions.

My answer is that the members of the Birch Society have a constitutional right to take the positions they choose, even though I might disagree with them. I don't agree, for example, that Earl Warren should be impeached. I might disagree with Earl Warren, but I don't go so far as to say impeach him. But anybody has a right to suggest impeachment of any public official in this country.

I don't agree with the idea of repealing the income tax, but they certainly have the right to suggest that. According to those who are trying to read something dangerous into this nebulous "far right" theory, all these people—not just the Birch Society, but all Americans who oppose, for example, the United Nations—and there are millions of them—should be denied this right to hold strong minority opinions.

So I can't bring myself to disavow a group that is exercising its constitutional rights, and I repeat my challenge to those who have asked me to do this: Point out what they're doing that is dangerous, name names and places that they occupy in the Republican Party, prove that these people in these places are tending to take over the Republican Party and destroy it. I know of no working members of the party above a few precinct-committee people in Arizona who are members of the Birch Society.

Question. Then you don't agree with those who say the John Birch Society is dangerous to the country?

Answer. A statement I saw in the paper puts the total membership of the Birch Society at around 12,000 to 15,000. Now, if 12,000 to 15,000 people—like the former Chief Justice of my Supreme Court in Arizona, a Democrat, or the president of our second-biggest bank, a Democrat—are dangerous to the United States, I shudder to think of the danger of the Americans for Democratic Action.

Question. Would you call yourself a disciple of the "radical right?"

Answer. I don't think I'm a radical in any position. I think there are some radicals in this country. We've always had them. Washington, Jefferson, and others have been plagued with these people. Lincoln was plagued with them.

But it's very difficult to put your finger on them. Just who are they? Some of these groups are very selfish in nature, very narrow in nature. Others are broad. But I still want somebody to spell out "far right."

Question. How would you define the "far right?"

Answer. I might try it. In my opinion, if you had a "radical right," it would be a fascist position—sort of like George Lincoln Rockwell and his Nazis—in no way associated with the Republican Party or the Democratic Party. On the "radical left" you'd have the Communist Party, in no way associated with the Democratic Party or the Republican Party.

So you get the spectrum down then to what, on the left, are called "liberals," but who are not "liberals" in the true or existing sense of the word; and on the Republican side, "conservatives."

Now, I imagine there can be extremes in those positions. The farthest to the left, not being a Communist, would be an "extreme liberal." The farthest to the right, not being a Nazi, would be an "extreme rightist."

I think the "conservative" movement, which is neither of these, contains more people than any other movement in the country.

Question. Do you think there are more "conservatives" in this country than "liberals"?

Answer. I think so.

Question. Over the years, Senator, have you consistently supported the Republican nominee for President?

Answer. That's right.

Question. Would you expect the so-called "liberal" wing of the Republican Party to support a "conservative" nominee of the Republican Party in 1964?

Answer. If they're worthy of the name Republican, I would expect them to support the candidate. I couldn't see them voting for Kennedy without becoming Democrats.

Question. Would you support the Republican nominee in 1964, even though he turned out to be a "liberal" Republican?

Answer. I would support the Republican nominee in 1964 because I don't care who the Republican nominee is, he's going to be better for the United States than any New Frontiersman.

Question. Have you actively supported "liberal" Republicans in State elections?

Answer. Yes. I have supported men like Senators JAVITS, CASE, KUCHEL, and COOPER. I've raised considerable sums of money for them. I went into New York City to help raise money for Governor Rockefeller.

So, as I say, I believe in the two-party system. I believe we ought to have our little arguments within the system, but, when the time comes, we ought to argue with the opposition.

WHERE REPUBLICANS DIFFER

Question. Are you and Governor Rockefeller at odds on all issues?

Answer. Well, the Governor and I have met together here in Washington at least four times in the last 12 months. We've seen each other in New York, I think, at least twice. And I would say that our areas of disagreement are relatively small. Rockefeller and I are much closer together than Hubert Humphrey and Harry Byrd—we're both Republicans and they're both Democrats.

I think the field of public welfare, the welfare state, is where you find the Republican Party at odds. When you get into fiscal responsibility, taxation, foreign policy, the rest of the domestic policy, I don't think there's a great deal of difference.

Question. In that case, why is Governor Rockefeller so critical of you?

Answer. I don't know, frankly. I'm at a loss on that. Up until the time I read his recent statement, if you had asked me that question, I'd have said, "We're friends. I trust him, I like him, and so on."

It doesn't mean that I don't still like him, but I had no advance warning of his change in attitude until he issued that statement. I had assumed the situation was one of Rockefeller and Goldwater working for unity in the Republican Party.

THE SOUTH HAS BEEN GOING MORE AND MORE REPUBLICAN

Question. Has there been any contact since that statement?

Answer. No. I haven't seen hide nor hair of him since, and I don't expect to.

Question. Senator, have you advocated that the Republicans simply cross off the big industrial States of the East in 1964?

Answer. No. I don't know where that ever started. I'm a very practical politician. I don't cross anybody off anyplace, anytime. I have said that I think the large cities in the East are going to be very tough for Republicans for the very simple reason that the Democrats control the city machinery.

Now, you give me a mayor and city council of New York as Republicans and I'm going to take New York City for a presidential candidate. It's as simple as that. He probably has 500,000 votes before the polls open in the morning—not crooked, they're just machine votes.

I think we have to be practical and recognize that the large eastern cities are not likely to go for Republicans at the presidential level. But we can sure as heck work in them, and we can work for better organization.

And I've never said forget the Negro vote or the Italian vote or any minority vote. Go after them. I say we should do our strong hunting where the ducks are flying.

Question. Do you think a Republican nominee in 1964 will have a good chance of carrying New York State?

Answer. My honest opinion is "no," because New York City is controlled by a Democratic machine.

Now, by the same token—and that's what makes this answer a little hard—the State is controlled by a Republican administration. If northern New York would vote with the same intensity as downstate New York, then my answer would be the other way. But, in looking at it in a very practical manner, and looking at history, I would expect that New York City would again do a better job of getting the vote out than would the more conservative elements up north.

SOUTH'S DRAMATIC TREND

Question. Can a Republican nominee win the South?

Answer. The South, since 1948, has been going more and more Republican. This has nothing to do with the race issue, because it was going on before the Supreme Court decision. Its tempo hasn't increased appreciably, percentagewise, since the Supreme Court decision, but we trebled our vote for congressional candidates from 1958 to 1962, and my guess is that we'll at least double it or even treble it again in 1964. You could have a pretty dramatic change in the South in Republican House Members.

I think 10 or 12 more Republican seats out of the South could be expected in 1964. But if we get the switch we've been having, it's going to be better than that. The Republican strength in the South in presidential elections has been in the big cities—42 out of the 53 went for Nixon.

You find the violent, die-hard segregationist living out in the rural areas, where you find the violent, die-hard Democratic Party. But, in the cities, it's becoming more and more Republican-oriented.

Question. Where else can you see a combination of States that could elect a Republican as President?

Answer. I think the Middle West—and when I say "Middle West," I go all the way from the Pennsylvania line on out to the Rocky Mountains—the Rocky Mountain States, the Southwest. I think the Republicans' chief problem will be in the larger boss-ruled cities—not because of the candidate, not because of the party, but because the Republicans don't control the machinery.

Question. Is the problem in the cities related also to the large labor vote and the large Negro vote?

Answer. The Negro vote, I think, will go about as it has gone in the past—some 80 percent in the large cities for the Democrat. We can't tell what the Negro vote is out in the West. We treat it as a vote, not as a separate entity.

The union man, I've always believed, votes as he feels he should. There are some exceptions. I would say where the UAW (United Auto Workers) is strong in Detroit, they pretty much vote the union line. But some studies show about 25 percent of even Walter Reuther's union to be Republican. In my State, in the most heavily organized county in the State, where the largest mines in the world are and 85 percent of the working force belongs to the union, I carried that county last time, which was a great switch from the time before.

The studies that I have seen show that about 42 percent of the union members consider themselves Republican. This was back in the 1950's. There are no up-to-date studies that I know of.

Eisenhower got the majority of the union vote in both of his elections. So I don't write that vote off. But I don't think we have made the approach to them. I think we should visit more freely with the union people, convince them that our interests are their interests, that under the Republican Party they are going to earn more and earn it longer and more of it than they've been able to do under the Democrats. After all, if there are more jobs created, there will be more people employed.

TROUBLES IN CALIFORNIA

Question. What about California? How do you assess that, Senator?

Answer. Right now, Republicanwise—I hate to use the word—it's a mess. The party is disorganized. There are no immediate signs of its coming back together, although there are a lot of darn good people working on it. I have a feeling that they will achieve unity out there well in advance of the time it is needed.

It will be a tough State for either the Democrats or Republicans to say, "It's in the bag."

Question. Could you win without both California and New York?

Answer. Theoretically, yes, you can—but it's assuming a lot of strength in a lot of areas. You'd have to have Texas, you'd have to have Illinois, you'd have to take Ohio, Indiana, seven of the Southern States, the Mountain States——

Question. And some of New England?

Answer. I always look on New England as a strong Republican place, and I think we'll see it stronger this time.

Question. How about Massachusetts?

Answer. Well, Massachusetts will naturally go to Kennedy—and Connecticut, Rhode Island. But I think in New Hampshire, Maine, Vermont, we will win.

Question. You spoke of the Democrats' having gained successes in the North by controlling the big-city machines. Has that also been true of the South?

Answer. No, because it wasn't necessary. The Democrats have never bothered much about the South. The South has been treated like a little stepchild.

Name me a man of the stature of RICHARD RUSSELL, Senator from Georgia, for example, who occupies a place high in Democratic Party councils. I don't think he even knows where the Democratic national headquarters are located. And the South is beginning to resent this. This philosophy may come back to haunt the Democrats, because, if they can't take the South and they can't take the Middle West and the Rocky Mountain West, then we may be approaching a day when we can say, "We might win without New York and California."

California is a little different horse. Her big cities are not boss-controlled cities, as the eastern cities are. City politics out there are just big-city politics without the gangster-boss element that we find in virtually every large eastern city. When I say "large," I mean a million and above.

Question. Senator, what do you think will be the dominant issues, to be decided in 1964?

Answer. Oh, it's kind of hard to say now. It will be a year from now before the campaign will be getting underway. I think foreign policy will certainly be one issue—Cuba, Laos, Vietnam as it now stands, although Vietnam could change—and the general growth of communism and our seemingly inability to stop it; certainly the outflow of gold; the slowness of our economy—although this could change—and fiscal irresponsibility.

I think this fiscal thing has a great potential, because more and more people are understanding what you mean by taxes and the deprivation of private property.

Question. Senator, speaking of national issues, what is your own record on integration of the races?

Answer. My record, of course, was made in my own State. I don't think you can make other than a legislative record in Washington, and I'll stand on my legislative record here.

In Arizona, my retail company has always hired Negroes. It's only been recently that any Negroes have been interested in saleswomen's jobs, although we have two Negro beauty operators, and have had them for some time. Out of about 500 employees, I think we have about 25 Negroes, and some of them in very responsible positions.

When I became adjutant general for the Air National Guard, I integrated that organization, and it ultimately resulted in the whole Guard movement being integrated.

The first official act that I was able to get accomplished as a member of the city council in Phoenix was the desegregation of the restaurant at the local airport. Earlier, when I got back from World War II, I found that we had acquired segregated high schools, which we didn't have when I went to high school there. I made, for that time and that town, a sizable contribution to the court fight to end segregation.

I'll stand on my record, what I've done in this field in my own State and elsewhere.

Question. What do you say in the South about civil rights?

Answer. When people in the South ask me my stand, I say I'm opposed completely to discrimination. I think that this is the problem—not segregation. But I hesitate as an Arizonian to go into some other State and try to tell them to do things. I discuss it with them, but using only moral persuasion.

Question. Do you mean that segregation laws or integration laws ought to be a State and local matter?

Answer. As far as everything goes, except the Supreme Court decision on schools.

The last civil rights bill—the one in 1957, which caused the long filibuster—was too broad. It would have allowed the Attorney General to use this pretense to go into any area of our lives in our States. I think today, if a tight and limited law were written aimed at correcting specific situations in school districts or schools, even the South might buy this. But nobody is going to stand by for a bill that is a blunderbuss and allows the Attorney General to ride off in all directions, abusing the daily lives of people.

Question. What about the civil rights bill now before Congress?

Answer. I would oppose completely the provision on public accommodations—hotels, motels, restaurants, etc.—and accept no compromise on it. It's entirely unconstitutional. I think if we enact that we can kiss goodbye to our concept of limited Government, our concept of constitutional guarantee of rights, and I'll have no part of it.

Question. Do you mean that it gives the Federal Government too much power over the daily lives of people?

Answer. It does. I feel very strongly that, when a man invests his property in a business, he has the legal right to conduct that business any way he wants to, just so it doesn't do damage to other businesses. I think he has a moral obligation, in his advertising, to say that he will not cater to this group or that group or any group he chooses. I think this is an inherent right of property, and, if we destroy this concept of control of property, then we're giving acquiescence to the idea that property can be taken from us without the due processes of the law.

DANGER OF POLICE STATE

Question. Could that provision be enforced without a vast Federal police force?

Answer. I don't see how it could, and this in another reason that I think this administration has to go. I think we're getting closer and closer and closer to situations that require a police state. And this is the reason I don't think some of these people really understand what they're asking for when they support the public-accommodations proposal.

Question. How do you feel about the proposed power to withhold Federal assistance in instances where discrimination is practiced?

Answer. The Republican Party was going to take a position that such withholding should be mandatory. However, we were

warned by Senator HRUSKA of Nebraska to take another look at it, because this is much broader than anybody has realized. It gets into small business loans, for example.

Let's say that a small store in California has a small business loan, and the charge is made that segregation exists. Then every Federal project in that State, conceivably—but certainly in that political subdivision—would have to be stopped.

So the Republicans are taking another look at this. We don't want it to be discretionary, because this gives the President too much power.

I FAVOR WITHDRAWING RECOGNITION FROM RUSSIA

Question. As you see it, Senator, where does this trend toward concentration of power lead?

Answer. The trend, for at least 30 years, has been to a completely centralized Government.

Today we're seeing small business in trouble because of the oppressive size of Government, which requires taxation to the point where small businessmen can't retain profits.

The big man can get along today, but how long is it going to be before even big business can't withstand the combined pressures of big labor and big Government? Then how long will it be before big labor can't withstand the total power of big Government? Then you have one thing left—you have Government, period—Government running business, the labor unions, the daily lives of the people. These are my fears.

Question. Could this come about without the consent of the people, as expressed in the congressional elections?

Answer. Yes, it has been coming about mainly because too many of the people in this country have not voted.

Question. In other words, people are not alert to the danger—

Answer. They don't understand it. I think they're beginning to understand it.

I think businessmen are beginning to see that the present trend can only lead to Government takeover. I think some of the labor leaders are beginning to be fearful of this, because of the way Kennedy has had to handle the railroad strike. He was suggesting compulsory arbitration, which means the end of striking, and that, in my opinion, is the only weapon the workingman has. It does away with collective bargaining, and this is just another natural step toward wholesale Government control of both business and labor.

Not that the Kennedys necessarily are going this route with a purpose, but I think they just inherited this 30-year philosophy that the Federal Government has to have more power, that it has to be able to control business, labor and the lives of individual people in order to govern the United States properly.

GETTING A CLEAR-CUT VOTE

Question. Do we need a clear test at the polls in a national election—to find out what the majority of the people think?

Answer. I'm beginning to think that it would not be a bad idea. That doesn't necessarily mean that I am the only conservative. As I say, Republicans are conservative. Some Republicans would give the people more of a choice than others. But, regardless of who the Republican might be, there would be a basic difference between that person and Kennedy, because they would represent fundamentally different principles of government.

Question. You support right to work laws, do you not?

Answer. As a State matter, yes; I would not propose a national right to work law, although I have an amendment in now to the Taft-Hartley Act that would give the States the right to determine whether they would have the union shop or not. In other words, in the absence of State legislation calling for the union shop there would be an open shop. But this is not the same as national "right to work"; nor would I support a national right to work amendment.

Question. Would you favor withdrawing recognition from Soviet Russia and other Communist States?

Answer. I have always favored withdrawing recognition from Russia. I never favored recognition from the start. I remember when it was first done. I think we lent dignity to a movement that doesn't deserve the respect that goes with formal recognition. I don't like to lend dignity and respect to an outfit that says they're out to bury us.

Question. Do you think we can coexist with a Castro-type Cuba?

Answer. This word "coexistence" is a misunderstood one. Can we coexist with the Cubans, the Russians, the East Germans? We have to, as people. But do we have to coexist with the philosophy of communism? No. I don't see how we can do it without the almost-certain knowledge that sooner or later one of us won't be around to coexist either with or together. The philosophy is the point that I disagree on.

Now, coexistence has been recognized by the leaders of the Communist movement as the greatest weapon they have. This goes clear back to Engels and Marx, Lenin, Stalin—and I have many quotes on that that I've dug up, pointing out the desire of the Communists to establish coexistence and then find that our leaders mistake what coexistence is.

I know Senator FULBRIGHT has a fit every time I speak against coexistence. He misunderstands it. He thinks that I want to have war—to annihilate people. You can't annihilate ideas. You replace bad ideas with better ideas, and that's what we ought to be getting along with.

WHAT TO DO ABOUT CUBA

Question. What course would you advocate on Cuba?

Answer. The course that I've advocated constantly, I've never changed on, would be a blockade—as Kennedy imposed—the training of Cuban exiles, the equipping of Cuban exiles. All of this should be done in conjunction with the Organization of American States.

I would advocate the establishment of a single Cuban government-in-exile. This would be the first "must."

Then we should support from the air, with supplies and equipment, any movement they might undertake to overthrow the Castro regime.

Question. Could we do that without getting the United States involved in a war?

Answer. I'm absolutely convinced we can, and I think most of the American states are convinced that we can, too.

Question. As time goes on, is it getting more and more difficult to overthrow the Castro regime?

Answer. Yes, yes. At the Bay of Pigs, that very limited number of men, if we had carried through with supplying them, would probably have succeeded and would have made the difference now in Cuba. But now Castro has the second-best army in this hemisphere.

Question. What is your view on foreign aid?

Answer. If we have to live with foreign aid—and I don't think we do have to live with foreign economic aid—I think it should be used as a "rifle," aimed at specific areas where we can gain an advantage over the Russians. And I don't think we're gaining it by giving foreign aid to the 90-odd countries that we give it to. We might find a project in some country that Russia would be willing to try to outbid us on. Let her do it. She can't afford an economic race with us at the present time, and I think it will be a good number of years away until she can.

I would rather see this foreign-economic-aid money channeled into technical assistance and the Peace Corps concept, because I think this is going to prove desirable. I've always had faith in it. I'd like to see us encourage more private investment around the world, although we have a whale of a lot of it at the present time.

Question. Would you channel more of this money into loans and less into grants?

Answer. I certainly would. And I would expect the country receiving a loan to demonstrate that it could provide collateral or some sensible basis for a loan. And then again, I'd look pretty carefully at whom I was lending it to.

Question. What kind of countries should be getting aid?

Answer. The countries that needed it right after the war no longer need it. I think that a country like Greece could certainly be interested in loans, because they need development. Turkey, if she needs it. Countries that are with us or can be brought with us. Pakistan, by all means. I would put a question mark around India, because you never know where she is.

In the Latin countries, I think our whole program there needs reorienting. The idea is good, but we're not getting the job done, because we're assuming that the Latins are going to make changes in their social patterns that they're not ready to make or willing to make.

Question. You have spoken of the danger of $100 billion budgets. How much do you think this Government ought to be spending?

Answer. Well, let's not start with the 100 billion. My objection is not to any one figure. It's just to excessive spending, where we're spending more than we're taking in. I don't think any country can do that, any more than a business can.

They can do it during wartime. But if you just recall what happened in 1929 to Austria, from precisely the same things we're doing in this country today, then you have a better understanding of my fear of deficit spending. Now, Austria was engaged in housing projects, rural and urban redevelopment, and the expenditure of funds over and above what they were taking in, and, in spite of all warnings, they continued to do it, and when the collapse came, it started a world depression.

There's nothing to prevent the United States from starting a world depression if our credit and our currency and our economy were to collapse.

Our gold-outflow situation, some will argue, is offset by the some $70 to $75 billion that's owed us by foreign countries. What assurance have we that they'll pay off when we get in trouble?

So, my objection to budgets is not $100 billions; it would be $90 or $80 or $70 or $200, if the amount is more than we take in.

I think we can effect reductions in the nature of $7 billions, maybe $10, but I won't go as far as some people who say $15. I think the agricultural program presents the best opportunity. And I think health, education, and welfare is another area. Where we had 7 million people on relief in 1936 and we have 7 million people on relief in 1963, and it's costing us many times as much to handle these people.

Question. Would you, over a period of years, phase out various welfare programs?

Answer. Oh, I don't think you can do that. Take social security, for example. I think it could be made flexible and voluntary—flexible by allowing a man to choose a higher salary on which to pay, say, up to $10,000, and voluntary in that, if a man didn't want to go under it, he wouldn't have to. He

might decide that he could provide a better retirement for himself.

I think that, around 1970, employees and employers are going to start looking at the 10-percent tax, as it will be then, and say, "I can get a much better policy through private sources than I'm getting out of the Government." Then I'd expect to hear some push for a change in social security.

Question. To make it voluntary?

Answer. Or to rewrite it completely and bring it up to date, make it conform with modern times, and make it more actuarially sound than it is today.

Question. What about the general field of welfare?

Answer. Such programs have become established in people's minds. I would merely stop the introduction of new programs, because I think we're in every conceivable field that we can get into. And then I would start trying to convince the Governors of the States that, if they took these things back, they could do them with less money.

Then the Federal Government would be able to reduce spending by similar amounts and not be required to tax so high.

HOW TO CUT TAXES

Question. As matters stand now, do you oppose the tax cut of 1963?

Answer. I haven't seen it in its entirety. I fundamentally oppose any tax cut without a cut in expenditures.

Question. And you don't see any prospect of a cut in expenditures?

Answer. No, and just a quick look at the proposed tax cuts: While they have made a gesture toward the area that's needed, where it's needed, I don't think it's enough.

Question. What area do you mean?

Answer. This is the area of encouraging capital investments. When you think that our rate of capital investment in the last quarter of last year, for the first time since 1957, equaled 1957, and that this year its only a little bit above the 1957 figure, you begin to see, in my opinion, what's wrong with the economy, why it's sluggish. We are not replacing antiquated factories, antiquated stores, warehouses, and so forth, and we're trying to get along with machinery that is far outpaced by European factories.

And the plain fact of the matter is today: Where can you find a good investment? I mean, you're actually as well off, in most cases, putting money in Federal or municipal bonds as you are going into corporate stocks.

I remember in my own business when a 10-percent profit was not impossible. I don't argue that that was a proper rate. But a 2½-percent profit today is very high. And the probability of withstanding any prolonged dip in sales in my business just doesn't exist today. In the 1929 depression, I went 5 years with the dropoff in sales and managed to live. I couldn't do it today.

I think it's well and good to talk about cutting the lower bracket income taxes, but when you give a man $12 to $20 more a month, I can't see him going crazy in spending. And you give the high income man $100 more a month—that isn't going to mean much to him. But if you give a corporation a real break, so that they can turn around and invest, say, 10 percent more next year than they invested this year, I can see the economy running into a manpower shortage in a relatively short time.

Question. Would you say that the proposed 48-percent rate for corporations is still too high?

Answer. I think it is.

Question. And would you say that a 70-percent rate—that's the proposed top rate—for individuals is too high?

Answer. That's confiscatory.

Question. You've been quoted as saying that a graduated tax is a confiscatory tax. Is that your view?

Answer. I don't think I'd put it that way. But I think it has been destructive of initiative—and when you destroy American initiative, you destroy the possibility of more earnings.

I found that in my own business, even before I got out of it some 10 or 12 years ago. You'd ask a young executive if he'd like to take a higher job; he would say, "Well, let me take a look at it." And he'd come back and say, "No, Mary and I have decided that I had better stay where I am because if I take that higher job, Im going to have to work harder and I'm not really going to make enough more to make it worth while—so no, thank you."

NEEDED: A NEW TAX CODE

Question. Then you don't believe in any graduation at all in the income tax?

Answer. I won't go that far, but I'm opposed to the theory. I'd like to see some other suggestions made in the whole field.

In fact, if I had anything to say about this tax picture, what I would do would be to assemble some knowledgeable legislators, some knowledgeable academic people, some knowledgeable business people, some knowledgeable labor people, and say, "Get off in the corner and write us a new tax code that's going to produce sufficient revenue in a fair way for our Government."

Then, when this has been accomplished, you proceed to sell it to the Congress, and when you're convinced you have it sold, throw the old tax code out of the window and enact a new one—start all over again.

This thing we're working on is a mess.

Question. Are you concerned about the complications in the present tax law and the new complications that are being written in by the new tax bill?

Answer. You cannot write new additions to this tax code without giving jobs to about 2,000 new tax attorneys a year. I have no objection to tax attorneys, but you can't write something to correct an evil here without producing an evil over here. And this to me, frankly, is one of the major sources of immorality in this country—the fact that the father will go home and say, "Well, I beat Uncle Sam out of 200 bucks today," and the kid says, "Gee, how did you do that, Dad?" "Well, real smart—here's how I did it." Perfectly legal, but is it moral? So the kid say, "Well, the old man stole 200 bucks from Uncle Sam. I'll steal a dollar from somebody."

I did a little piece on this once—it never got into print—on what the Volstead Act and the income tax amendment have done to the morals of our people.

Question. Do you agree that a tax cut is essential to the economy?

Answer. In 1954 we cut taxes by 7.4 billion, but the economy was running at a pretty vigorous rate and the money was reinvested.

I think it was only 2 years before we were collecting twice as much as we cut. Now, if the economy were moving at a faster clip today and there wasn't this antibusiness attitude, anti-stockmarket attitude, anti-investor attitude on the part of the administration, I think I'd be wholeheartedly for a tax cut.

Question. At the risk of another, larger deficit?

Answer. Even at the risk of a larger deficit, because I think the expenditures and increased sources of taxation would offset the deficit. But I don't think that will happen now. I hope I'm wrong, because a tax cut—even this one—would be good if it didn't mean offsetting this by more inflation—increased costs all along the line.

CONCERN OVER A TEST BAN

Question. Will you tell us, Senator, whether you are for or against the ratification of the nuclear test ban treaty?

Answer. I have some very, very serious reservations about it. I am not convinced yet that the political advantages outweigh the military disadvantages, and I would say that it's in this general area that the administration has been most lax in selling its bill.

They're very general. They don't spell out what they mean by political advantages, where the military have spelled out very precisely the military disadvantages. And I have to agree with Dr. Edward Teller, with Gen. Curtis LeMay, with General Power, General Schriever. I think the Russians are ahead of us—not just in weapon size, because I don't think that's too important—but in nuclear know-how, which I think is very important.

I'm worried about whether our missiles will get there, whether or not the Russians have an antiballistic missile system that will keep them from getting there.

The fact is that we don't know enough about nuclear environment or electromagnetic pulse or fireball blackout. We know there are problems, and I know that some of them can be solved underground and in laboratories, but we can never be sure unless we continue atmospheric testing.

I have to hear some pretty sound political arguments given to me in the next 2 or 3 weeks before I can decide that politics offsets the military disadvantage, and, if I were the administration, I would be coming up to the Senate with more and more argument on the political end.

All they talk about is a "next step." What is it? Nonaggression? I don't think they have a chance of getting a nonaggression pact through this Senate, or even approved by the military.

So where are the political advantages? Frankly, I can't see them today.

FBI INVESTIGATION OF BOMBINGS OF NEGRO HOMES AND CHURCHES IN ALABAMA

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter dated October 8, 1963, addressed to me, from Harvey H. Hewitt, colonel, U.S. Air Force, retired, of Falls Church, Va., regarding the FBI investigation of bombings of Negro homes and churches in Alabama.

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

OCTOBER 8, 1963.

Hon. A. WILLIS ROBERTSON,
U.S. Senate.

DEAR SENATOR ROBERTSON: On September 13, 1963, there was broadcast over Washington television station WTOP a portion of a press conference held by Gov. George Wallace regarding FBI investigation of bombings of Negro homes and churches in Alabama.

From Governor Wallace's statements I got the impression that he believed certain evidence concerning the bombings which the FBI had uncovered was being withheld from the public because of some embarrassment such evidence might bring to the Department of Justice.

I wrote to you on September 14, saying I felt Governor Wallace's charges were serious ones that bring into question the integrity of our system of justice on the Federal level. I asked that the charges be looked into to determine their truth or falsity. I expressed no opinion of my own either one way or the other.

You referred my letter to Mr. J. Edgar Hoover whose reply was published in the CONGRESSIONAL RECORD for September 25,

1963—pages 17971 and 17972. Unfortunately for me, your prefacing remarks to Mr. Hoover's letter as published in the RECORD implied that I, personally, had claimed that on the basis of the number of bombings in Alabama, the FBI had been either inefficient, negligent, or both. My letter had contained no such claim or suggestion.

I have the highest personal confidence in Mr. J. Edgar Hoover and in the important work being done by the FBI. I would never without just cause suggest inefficiency or negligence. I respectfully request that this letter be published in the CONGRESSIONAL RECORD so as to correct any erroneous impression that might have been created as to my position in this matter.

Sincerely yours,

HARVEY H. HEWITT.

ROYALTIES FROM MINERAL PRODUCTION ON FEDERAL LANDS IN WYOMING

Mr. McGEE. Mr. President, one of the potentials for economic growth in the State of Wyoming is our vast storehouse of mineral deposits. Even now these minerals are being utilized to provide a thriving industrial base in many parts of the State.

Since about 50 percent of Wyoming is in Federal ownership and an even greater share of the mineral rights belong to the Federal Government a sizable sum is contributed to the Treasury each year for the right to mine these minerals.

Mr. President, I am the sponsor of a bill to provide that 90 percent of these royalties are returned to the State of origin. To me this would provide for a more equitable distribution of this money and would be a positive step in providing State governments with additional revenue to meet their steadily rising expenses.

The benefits of this action are outlined in an editorial published recently by the Kemmerer Gazette. Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

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

THE BIG PAYDAY

For many years, Wyoming's Senators and Congressmen in Washington have beat the drums loudly in an effort to get for their State 90 percent of the royalties from mineral production on Federal lands within Wyoming.

You may have wondered what all the shouting is about.

The thing that generates all the excitement over 90 percent return is potentially the biggest payday in Wyoming's history. The situation is this:

More than half of the lands within Wyoming's borders are owned by the Federal Government. The Federal Government collects a royalty on all natural resources produced on these public lands.

The Federal Government retains 10 percent of all these royalties to administer the collection of the royalties. Federal statute earmarks an additional 52½ percent of all the royalties to the reclamation fund which helps finance new reclamation projects in the West.

The remaining 37½ percent is given to Wyoming State government to spend in any way that it sees fit. The way we choose to spend our 37½ percent of the royalty is to give half of it to the Wyoming Highway Department for construction of new highways and half of it to subsidize education in the State. The portion that goes to education is shared equally between the State school foundation fund and the University of Wyoming.

How much money does this 37½ percent amount to?

The amount varies each year as the mineral production on public lands varies. A conservative average of Wyoming's annual receipts from the mineral royalty is about $12 million.

The question has long been argued of why should Wyoming and other Western States get only 37½ percent. Why shouldn't they collect the full 90 percent?

The remaining 52½ percent that goes into the reclamation fund represents only a very miniscule part of the total amount of money that is spent on reclamation projects. If this money were taken away from reclamation, the loss would hardly be noticed. Moreover, some other States (Texas is one) receive reclamation projects without contributing a dime to the reclamation fund.

Another argument is that when Alaska was admitted to the Union, its State constitution specifically required that 90 percent of the public land mineral royalty be returned to the State. If Alaska gets a 90-percent return, why shouldn't Wyoming?

If Wyoming did get a 90-percent return, that average paycheck of about $12 million each year would all of a sudden skyrocket to about $30 million each year.

To give an idea of just how great an impact this $30 million would make in Wyoming, we point out that Wyoming's general fund is expected to collect and pay out in the neighborhood of $36 million in the current 2-year period.

The benefits derived by Wyoming citizens from this added revenue would be tremendous. The added school foundation payments would usher in a new era of highest quality education in the local school districts. The construction debt at the University of Wyoming would be paid off very quickly and the university, too, would enjoy a lucrative financial future.

And let us not forget that the mineral royalty is derived from depletable resources. Part of the royalty receipts, therefore, ought to be used to aid in the establishment of nondepletable industry (this was the theory of the reclamation fund).

Anyway you look at it, a 90-percent royalty return would be the "Original big payday" in Wyoming. And it would cause a virtual fiscal revolution in our State government.

THE STATE OF THE ECONOMY

Mr. McGEE. Mr. President, every day the postman delivers to my office a large quantity of mail of the variety very aptly termed "fright mail" by my good friend the assistant minority leader [Mr. KUCHEL]. This mail views with more than considerable alarm almost every aspect of our national life. According to these writers nothing is going right and national collapse is around the corner.

Not only would I dispute this argument but I would suggest that never before in history has any nation achieved a standard of living equal to ours or the capability to defend itself in as positive a manner as we have in the United States at this moment.

Mr. President, an editorial entitled "The Upward Trend," published in the October 5 issue of the Wyoming Eagle contains some excellent comments on the state of the economy and the chances for further improvement through the reduction of income taxes. I ask unanimous consent that the editorial be printed in the RECORD.

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

[From the Wyoming Eagle, Oct. 5, 1963]

THE UPWARD TREND

Thanks to the aggressive, forward-looking programs of President Kennedy and his administration, the U.S. economy right now is at the highest level in history—and still heading upward.

It will be recalled that when President Kennedy assumed his duties, 33 months ago, the Nation's economy was weak, to say the least.

Not only has the Nation avoided a new recession under the Kennedy administration, but its economy has maintained a steady upward trend to its present record high level.

Unemployment has been reduced by 1 million.

Personal income is up $21 billion in the last year and $50 billion in the last 33 months—and it's still climbing.

Businessmen plan to spend at an annual rate of $41.1 billion on new plants and equipment in the current quarter of 1963.

Industrial production and corporate profits, before taxes, are up sharply.

The gross national product has been soaring upward and is expected to be nearing the $595 billion mark by the end of this year as compared with the $500 billion level President Kennedy inherited. The GNP climbed by $8 billion during April, May, and June of this year, and experts have estimated it rose by approximately another $8 billion during July, August, and September.

And, despite this economic upward trend, prices have remained remarkably stable, all along the line.

As of now, the Nation's current climb is in its 32d month, and experts are predicting it will continue into 1964, making it the second longest peacetime upswing in more than a century.

The longest business upturn in the last century was the 50-month climb during the middle 1930's.

Perhaps the most amazing thing about the current economic uptrend is the fact that it has occurred in spite of the heavy tax drag on both individuals and businesses.

Most experts agree the economic advance can be maintained—even accelerated—by reducing that tax drag.

It has been explained that the President's proposed tax cut would leave individuals with more money to spend on goods and services, which, in itself, would spur the economy. It also would leave business with more money to spend on new plant and equipment, thus creating more jobs and increasing production.

More jobs, more production, more profits, and more spending for goods and services would, of course, increase the tax base and perhaps, eventually, offset any temporary drop in the National income that might result from the tax cut.

It seems logical to expect that, if the President's tax cut measure, already approved in the House, is passed by the Senate, the present economic uptrend might continue to set a new, alltime longevity record.

Indeed, it might help to put an end to the huge deficits that have been plaguing the Government for many years.

RURAL AREAS DEVELOPMENT AND LAND USE

Mr. McGOVERN. Mr. President, D. A. Williams, Administrator of the Soil Conservation Service spoke at the 23d annual meeting of the soil and water

conservation districts in Spearfish, S. Dak., on October 7, 1963.

Mr. Williams, a native son of South Dakota, heads the finest agency of its kind in the world, serving all our people and serving them splendidly. He complimented soil conservation district leaders on their accomplishments over the past quarter century. He challenged them to accept even greater responsibilities in the future. Districts today have an unparalleled opportunity to become the overall resource and rural development leaders of their communities. The Department of Agriculture's program of Rural Areas Development has a key role for district supervisors. Only the local people can make the program a reality.

District leaders and their cooperators can meet this challenge by widening their horizons, and by making full use of the human resources in every district.

Mr. President, I ask unanimous consent to have printed in the RECORD this excellent speech by D. A. Williams.

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

RURAL AREAS DEVELOPMENT AND LAND USE

It always fills me with a great sense of pride to come back to this part of the country—to my home State, and now the home State of the five Fischer infants who last month made news around the world. These babies, along with the thousands to be born this day, are the major reason we meet. For their futures—whether they find them in the city or in the country—may well depend on the decisions that our generation makes at meetings such as this.

I am especially pleased with your choice of the theme for your meeting: "Rural Areas Development and Land Use." It indicates that you are aware of the key role soil and water conservation has in the welfare of a community. It indicates that you have accepted as opportunities the challenge of new problems brought about by our ever-changing and complex society.

South Dakota has made remarkable progress in soil and water conservation. You have come a long way since your first soil conservation district was formed over 25 years ago. You have seen the district's role grow from one of controlling erosion to one of providing the stimulus and direction needed for the economic development of rural areas. You and your counterparts across the Nation have provided the leadership.

Twenty-five years ago conservation efforts were prompted by the fear of ultimate exhaustion of our natural resources. That fear has been largely removed by new knowledge. Instead of simple preservation, our goal today is to use and manage resources in ways to get the greatest benefit from them—for town and country—now and in the future. Wise use, rather than restraint of use, is the keynote. Idle resources make no contribution to economic growth. Today the practice of soil and water conservation consists mainly of applying new technology in ways to keep land resources productive and useful.

It is true that today we are producing more food and fiber than we can consume, sell abroad, or use in the food for peace program without disrupting the economics of the countries we seek to help. Even if the population continues to grow at the present rate, we expect that by 1980 we will need about 50 million fewer acres of cropland than we had in 1959. This is not because we have too much land. Indeed, we have no surplus of productive land. It is because we need to make some adjustments in the use of land.

We need to shift uses of land within the agricultural plant itself to create a balance between production and need. However, shifts of cropland from crops now in surplus to uses that meet the needs of all Americans must be made in ways that will reward the farmer and not cut his income.

According to the Bureau of the Census our population in the year 2000 will be about double what it is today. It follows that we will need nearly twice the agricultural production we have today. Our land must produce proportionately more meat, dairy, and poultry products, fruits and vegetables, and other food for the soaring population in addition to supplying much of the raw materials for industry. And it also must provide room for living—for housing, industry, recreation, and other requirements.

At the same time, we are told that by the year 2000 all demands for land, if taken separately and added together, would total 50 million acres more than the total area of the 48 contiguous States. Even today we are feeling the pressures of competition for use of our land. These must be met with intelligent decisions as to what land use should have priority—or what multiple uses are to the best advantage of all.

Land and water are unique among natural resources in the extent to which they serve multiple uses. An acre in forest can provide timber, wildlife, recreation, erosion control, water supply, and protection from runoff—all at the same time. Farmland can produce birds and small game and recreation along with crops and forage. Reservoirs and streams can be managed to produce wildlife and many kinds of recreation while at the same time providing flood prevention and water supplies for human, agricultural, and industrial use.

Attainment of maximum, long-term benefits from multiple-use depends on careful planning and proper management.

The increasing use of land for nonagricultural purposes involves more and more people—builders, engineers, recreationists, planning officials, sportsmen—in addition to the farmer and rancher. Each has his own interest and his own specialized knowledge. We need to blend these interests and this specialized knowledge. We must combine them with our own in order to work out a satisfactory land use pattern—one that combines all needs. The time has passed when we can deal independently with our resources. We can't go at the job piecemeal. We must not overlook any of the implications—social, economic, or political—in planning the overall use and development of our resources. All interests must work together.

But who will lead the way?

Soil and water conservation districts are in a position to supply the leadership that is required for this undertaking. Your organization has the knowledge of the capabilities of the soil. You know how soils can be used. Many of you may have had a part in the conservation needs inventory recently completed. You all have firsthand knowledge of the resources in your area. You know the resource problems in your area. You have the organization and the power to make decisions and to act. Indeed, districts have unique qualifications to give leadership to a program of developing and managing our natural resources—a leadership that will assure that all resources are making a maximum contribution to conservation and to the economy and needs of the community.

Proper land use is one of the objectives of the Department of Agriculture's program of rural areas development. Although soil and water conservation and rural development have been synonymous concepts for some 30 years, only lately have we begun to use rural areas development as a descriptive term. The program is a combination of old and new programs and authorities to be used by local leaders in creating new economic opportunities in rural America. The program seeks to fulfill several high-priority national goals. I'd like to give you these goals:

1. To increase the income of people living in rural America and to eliminate underemployment.

2. To improve the family farm system of American agriculture.

3. To expand job opportunities through loans, grants, technical services, and training programs that create new factories, stores, recreational enterprises, crafts, and services of all kinds.

4. To promote outdoor recreation opportunities on privately owned and public lands—recreation that provides a new source of income for the farmer and rural businessman and at the same time serves the need of our growing urban population.

5. To readjust land use, nationwide, to meet national needs and to bring the use of each acre in line with its capabilities.

6. To provide appropriate services and adequate financial support for the protection and development of our soil, water, forest, fish and wildlife, and open spaces.

7. To improve existing rural community facilities and institutions, and where needed to build new ones so that people in our rural areas are assured pure water supplies, first-rate schools and hospitals, and other services that are standard in a modern community.

8. To make continuous and systematic efforts to eliminate the many complex causes of rural poverty.

This is a vast undertaking. And it leaves no doubt in one's mind about the place resource conservation has in rural areas development.

Soil and water conservation districts will have to play a key role to make the program a success. Only the local people can make the program a reality. The Department of Agriculture can help technically and financially, but the initiative must come from the local people. They must furnish the drive and the leadership.

A good starting point is updating district work programs. I'm pleased to report that about 800 districts across the Nation have taken advantage of Secretary Freeman's offer of a modernized cooperative working agreement. They have broadened their district programs to meet the needs of these modern times. However, there are still many district programs that date back 20 to 25 years. Ideas, plans, programs, and concepts adequate then are not adequate today. Today we need programs that reflect all of the long-time resource needs of the community—not just agricultural land; not just watershed projects and flood prevention needs; not just woodland needs; not just farm needs and problems; but all community needs—parks, playgrounds and other recreational facilities, tourism, water storage, and local industry to improve the economic welfare of the community. Things that directly concern all citizens in all walks of life.

A revised district program recognizing the immediate and long-term needs of the community can form the basic foundation for the local rural areas development effort and thus make a valuable contribution to the future economy of the area.

I urge that each district make updating its work program a prime objective.

Congress, through the Food and Agriculture Act of 1962, authorized new activities tied directly to the district program. These, combined with the old, will help rural communities respond to their aspirations for development and growth—for program services that will stimulate their economies, both farm and industrial, both commercial and cultural, both human resources and natural resources.

The new programs include cropland conversion, resource conservation and development, amendments to the small watershed program, and assistance in establishing income-producing recreation enterprises on private rural land.

The major objective of the cropland conversion program is to help farmers shift land from producing crops in oversupply to grass, trees, wildlife, and recreational uses. The program is underway on a pilot basis in 237 counties. In addition to cost-sharing materials, services and other assistance needed for conservation measures, the Department can offer adjustment payments to help maintain an adequate income during the transition from cropping to other uses. Long-term agreements will be based on a basic conservation plan developed in cooperation with a soil conservation district and with the assistance of an SCS technician. You will undoubtedly recognize the new long-term agreements as an application of the principles that have proved so highly acceptable and workable in the Great Plains conservation program.

Resource conservation and development projects will enable farmers and ranchers, city people, rural communities, civic groups, and others to work together to improve land use patterns and develop the natural resources of rural areas. The Secretary has authorized the SCS to give planning assistance to the first of these projects—a project in a four-county area of southern Indiana. I am glad to see that a project here in South Dakota is among the first 15 proposals. It involves over 1 million acres in Bon Homme and Charles Mix Counties. Land conversion, flood and sediment control, accelerated rangeland improvement and land treatment, and the development of recreational facilities and municipal water supplies are the main objectives of the proposed project.

Amendments have broadened the small watershed program to make it more adaptable to local needs. Funds can now be advanced to local organizations to develop water supply for future municipal and industrial use and to preserve critical sites for future construction of water impoundments. Also, cost sharing is now authorized for public recreation developments in the projects. We have received over 40 proposals for adding recreation to watershed projects. Two of the proposals were from South Dakota—the Pattee Creek project in Lincoln County and Turkey Ridge Creek project in Turner County.

Farmers and ranchers may now receive technical help from SCS and loans from the Farmers Home Administration in developing income-producing recreational facilities. Recreation acres as part of the basic farm plan can mean more effective use of the land, additional income for rural landowners, and expanded recreation opportunities for both urban and rural people. Our public parks, camping grounds, lakes, and beaches are jammed with people searching for outdoor fun. The increased leisure time, higher income, and the ease of travel on our great highways draw people to out-of-doors as never before. The simple pleasures head the list—hiking, swimming, boating, picnicking, fishing, hunting, and camping.

Our public recreation facilities—even though they will continue to grow in number—will not be able to keep up with the booming demand for outdoor recreation. The demand can be met, however, on privately owned lands—the farms, ranches, and woodlands that make up nearly three-fourths of our land area.

During the past year, activity in this phase of the Rural Areas Development program has been extremely gratifying. Nearly 10,000 district cooperators—131 of them in South Dakota—established one or more income-producing recreation enterprises on their land. About a tenth of these cooperators are making recreation their primary source of income. The enterprises include vacation farms, fishing and swimming waters, picnic and camping grounds, hunting preserves, and the like. This is a relatively new use for private rural land, and a new business for farmers and ranchers.

These are some of the new tools provided by Congress last year. Each directly concerns and needs the support of soil conservation districts to make it fully effective.

Your State has been alert to its resource legislative needs. South Dakota legislators have provided tools designed to fit many conservation needs and objectives, and combinations of needs and objectives.

In addition to your soil conservation district's law you have provided for watershed districts, which can be organized under the wing of soil conservation district supervisors at the beginning, and thereafter operate independently.

Your more recent conservancy act provides for conservancy subdistricts. These subdistricts, which can cover larger areas than other special-purpose districts, have some authorities not granted in other legislative acts—authorities that can contribute greatly to coordinated resource development programs generated by soil conservation districts, watershed districts, and irrigation and drainage districts.

If all these tools are to be used and coordinated effectively, it will be the soil and water conservation districts that make it so. While success will be measured by the desire of rural people to move ahead, it will depend on the leadership the rural people are offered.

That is your challenge. It is your new challenge.

Over a quarter of a century ago districts were challenged with the need to combat soil erosion on agricultural land. They accepted that challenge. Their success is strikingly revealed throughout the country.

You as district supervisors have every reason to be proud of your record. You have proved beyond a doubt that a democratic group of locally elected people can successfully undertake the vast job of protecting and developing our soil, water, and related resources.

The job 25 years ago was far simpler than the job today. And the job ahead is far broader in scope and more complex than we could have ever envisioned when the first district was formed. It extends into the backyards and the daily lives of everyone in every community in the Nation.

Today districts have an unparalleled opportunity to become the overall resource and rural development leaders of their community. They can assume this broader leadership by widening their horizons, by recognizing the valuable contributions other individuals and organizations can make to the overall program, and by making use of these important human resources. By doing these things districts can go into new heights. They can make their second quarter century more productive than the first 25 years.

Although the concept of resource development has broadened many times, the fundamentals have not changed. We have not changed the basics of our program. What we are doing is refining it and realining it to keep up with the fast-moving world in which we live. We can cope with change only by meeting it head-on and adapting it to our purpose. This is resource conservation and rural areas development.

Is the challenge worth it? I'm sure it is.

PORK BARREL?

Mr. McGOVERN. Mr. President, an analysis of the August article in Life magazine charging that there is a huge Federal "pork barrel" from which Members of Congress ladle foolish water development projects for their constituents back home has been made by the Democratic National Committee.

It is a nonpartisan analysis. It defends projects launched during Republican administrations—like Fryingpan-Arkansas—as well as the many for which the Democratic Party has been largely responsible.

On Monday of this week I took issue on the Senate floor with the Life editorial view toward public works projects. I now ask unanimous consent to place in the CONGRESSIONAL RECORD the valuable material which the Democratic National Committee has assembled.

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

Life: "The Flaming Gorge Dam * * * will generate power at a cost higher than its selling price."

Fact: The Flaming Gorge Dam, which is part of a dual-purpose power producing-irrigation project, will pay for itself as well as the entire project. By the end of the payout period, over $900 million of surplus power revenues will be available to the Upper Colorado River Basin States to assist in developing needed and worthwhile additional units.

WHAT LIFE SAID ABOUT THE SACRAMENTO (CALIF.) CANAL—WHAT THE FACTS REALLY ARE

Life: "Now the channel, which can silt up quickly because of its soft banks, will require constant dredging."

Fact: The old 10-foot channel from Sacramento to the sea required $300,000 annually for maintenance. The enlarged and improved channel is estimated to require $650,000 annually. This cost of maintenance is included in the estimated average annual cost of the project and is not considered to be excessive when compared with other projects throughout the Nation.

Life: The Sacramento Canal opens "a port nobody has to have * * * (a seaport) no one needs."

Fact: The Sacramento Canal will open up inland Sacramento to oceangoing ships up from San Francisco Bay and produce navigational benefits estimated to average over $4 million annually when compared to annual costs. The benefit-cost ratio is 1.4 to 1 or 2.2 to 1 depending on whether the calculations are based on 50- or 100-year life. Local interests are required to contribute over $4 million to the project and are required to provide terminal facilities estimated to cost $11.4 million. In addition, they have reconstructed Rio Vista Bridge at a cost of about $3.2 million, and have constructed other pertinent facilities for the project estimated to cost $7 million.

WHAT LIFE SAID ABOUT THE ST. ANTHONY'S FALLS (UPPER MISSISSIPPI) PROJECT—WHAT THE FACTS REALLY ARE

Life: "The fatal flaw in St. Anthony's is that now as the project nears completion after 26 years in the works, nobody seems to want it or know what to do with it."

Fact: River tonnage on the upper Mississippi between St. Louis and on up toward Minneapolis has already increased 13 times in the last 25 years. Over 200 new industrial plants have been built along this river in the last decade, and one of the major reasons for this expansion is that water transportation is cheaper for shipping bulky products than is rail or truck transportation. In addition, the project created employment at the construction site and additional employment at distant places wherever the materials and equipment used in the construction were manufactured. Although the project is not entirely completed (the upper locks are scheduled for dedication soon) the

Corps of Engineers has already issued permits for two new terminal facilities and a third is in process. The consensus of shippers in the area is that there is no question that private enterprise will develop adequate terminal facilities.

WHAT LIFE SAID ABOUT THE GLEN ELDER FLOOD CONTROL PROJECT IN KANSAS—WHAT THE FACTS REALLY ARE

Life: Glen Elder "will irrigate land that isn't needed for crops."

Fact: Not only is there no irrigation system in the Glen Elder unit but to the contrary, the unit will take 20,000 acres out of production. This 20,000 acres is now producing wheat and sorghums—both surplus crops.

In addition the Glen Elder flood control project will add to the $11.3 billion benefits that have already accrued to the Nation's taxpayers in the form of preventive flood damage as a result of similar reclamation projects.

WHAT LIFE SAID ABOUT THE POST OFFICE—WHAT THE FACTS REALLY ARE

Life: Labels subsidy programs as "notorious money wasters" and states: "Juicy as they are, public works projects are by no means the only sources of slicing pork out of the Federal Treasury. Perhaps the oldest and most cherished of all is the Post Office Department."

Fact: This attitude toward subsidy and the Post Office which Life professes to hold is hard to reconcile with the fact that the Luce publications will this year receive an estimated Federal subsidy of more than $1 million a month [1] in the form of lower-than-cost mailing rates. Further it is estimated that the loss to the Post Office Department and the taxpayers on each new Life subscription (which consists of 52 issues) is $2 per year. This represents the difference between what Life pays the Department for making delivery and what it costs the Department to deliver them.

Life: "It seems fair to call it (post office construction) pork. Success in scattering new post offices generously around a congressional district has kept more men in Congress longer than any other wrench in the political tool kit."

Fact: Despite the fictional whim that post offices are built to meet the caprices of campaign politics—4,000 post offices were reviewed between September 1961 and June 30, 1963, in instances where space and facilities were found to be inadequate. Of those cases only 1,100 survived the scrutiny. Thus only 25 percent of the eligible new post offices were authorized under tight budgetary limitations.

Life: "The Post Office binds itself to rent the buildings from 20 to 30 years with renewed options up to 50 years."

Fact: 90 percent of all leases are for 10 years or less.

WHAT LIFE SAID ABOUT THE U.S. EMPLOYMENT SERVICE—WHAT THE FACTS REALLY ARE

Life: Public funds spent for USES are "for political advantage first and the public welfare second."

Fact: 321 million placements in 30 years of its existence demonstrates the integrity of the public employment system.

Life: "This agency (USES) managed on a $1 million budget in 1933 when it was trying to find work for some of the 12.8 million jobless. It now spends $169 million a year."

Fact: This statement arbitrarily overlooks the population and labor force increases over the 30-year span and the increased costs of salaries, rents and equipment. In addition, in fiscal 1933 USES was not a nationwide system as it is now.

Life: USES "now spends $169 million a year, most of it on people who are employed—to find them better jobs."

Fact: 97 percent of USES placements according to a survey made May 19, 1963, are the unemployed.

Life: "The unemployed laborers (are no longer) the main concern of the service."

Fact: Almost 2 million jobs for unskilled workers were found by USES in 1963 alone in spite of the downtrend in total unskilled openings.

Life: "To attract professional people, some State agencies build elaborate offices devoted exclusively to placement of professional people with free parking lots in downtown districts."

Fact: Nationwide, there are only 10 separate local public employment offices devoted exclusively to placement of professional people. Not a single one of them has a free parking lot.

WHAT LIFE SAID ABOUT SURPLUS CROPS—WHAT THE FACTS REALLY ARE

Life: "The spectacle of using scarce tax dollars * * * to grow feed grains (on reclamation projects) at the same time the Federal Government is spending more dollars to pay farmers to take other feed grain producing land out of production is beyond comprehension."

Fact: Less than one-fourth of 1 percent of the wheat produced comes from reclamation projects. Feed grains grown on reclamation projects are less than one-half of 1 percent of the surplus. None of it goes to commercial markets therefore the argument that reclamation should be stopped because of crop surpluses is specious.

WHAT LIFE SAID ABOUT THE OMNIBUS BILL—WHAT THE FACTS REALLY ARE

Life: Charged "pork barrel" and claimed the "redoubtable pirate bands keep going after the loot" with an eye to "political advantage first and the public welfare second."

Fact: In 1958 Congress enacted an omnibus bill. It was the first one in 4 years. A total of 130 new construction projects were embodied in the legislation as it came to the House, affecting this many widely scattered areas throughout the United States and its territories. Seventy-one of these projects involved flood control and allied purposes. Forty-eight were to facilitate navigation. Eleven were concerned with hurricane protection and beach erosion.

The year 1958 was an election year. The Democratic Party was the majority party in Congress (231 Democrats to 199 Republicans.) Under these circumstances, if political advantage had been the motivation as is charged by Life, this omnibus bill would have been lopsided with authorizations on behalf of districts represented by the majority party in the House.

Yet a Democratic majority was presenting legislation which authorized projects in 67 districts served by Republicans and in only 55 districts served by Democrats. This same general principle applies in the omnibus authorization bill of 1960 and 1962. This fact puts the lie to Life's attempted indictment that political advantage to individual Members is the motivation behind such legislation.

DEMOCRATIC NATIONAL COMMITTEE,
September 1963.

FACT SHEET "PORK BARREL" OR "HOGWASH" BACKGROUND

On August 16, Life magazine published a distorted attack on Federal aid projects tastefully entitled "Now—See the Innards of the Fat Pig." It failed somehow to dissect the innards of the publications chain of which it is a member and which annually is subsidized to the tune of an estimated $22.9 million in postal pork.

The substance of its charge was that many Federal projects are simply worthless investments that waste the taxpayer's money. The charge is demonstrably false and Life has evaded a reexamination of its article based on the facts.

An immediate drumfire of bipartisan reaction against what was called Life's "journalistic monstrosity" rolled from the floor of Congress as well as from newspapers and organizations across the country. Language ranged from:

"They use the term 'pork barrel' * * * my reply is 'hogwash.'"

WAYNE ASPINALL,
Democrat, of Colorado.

To—

"The authors of the Life magazine article used questionable techniques in a broadside aimed at all Government programs in referring to them as pork barrel projects."

MELVIN R. LAIRD,
Republican, of Wisconsin.

WHAT LIFE SAID—WHAT THE FACTS REALLY ARE

Following is a sampling of charges made by the magazine article, together with their refutation by statements from the CONGRESSIONAL RECORD of August 14, 15 and 19, 1963.

WHAT LIFE SAID ABOUT RECLAMATION IN GENERAL—WHAT THE FACTS REALLY ARE

Life: "The pork barrel, by long and cheerful habit, works best in just a few fat-cat categories. By tradition as old as the country the happiest hunting grounds for the pork barreler have been public works with its roads, dams, parks, waterways."

Fact: Reclamation is one of the Federal programs that provide for the return to the U.S. Treasury of the dollars spent—92.2 percent of the cost of all authorized projects is repaid to the Government; 7.8 percent representing flood control, fish and wildlife and recreation benefits—has been declared by Congress to be in the public interest and nonreimbursable.

Tax revenues from farmers and businesses in reclamation areas amount to about $400 million a year. These revenues now total $5.1 billion—more than the total cost of all the reclamation projects that have ever been built.

For each worker on an irrigated farm, two additional jobs are generated in local towns.

Reclamation projects supply water for municipal and industrial needs of more than 10.1 million persons.

Taxes alone that have been generated in reclamation areas have returned more than the entire cost of all projects ever built under the program.

WHAT LIFE SAID ABOUT THE ARKANSAS NAVIGATION PROJECT—WHAT THE FACTS REALLY ARE

Life: "The most outrageous pork barrel project in U.S. history."

Fact: Based on July 1962 prices the annual benefits of this combined navigation and power-producing flood control project, are estimated to be $65.7 million and it has been conservatively estimated that the project will stimulate, as has the completed Ohio River project, $1 billion in personal income for the area.

Life: Deriding the channel section of the Ark-Nav Life says: "A 516-mile channel to the landlocked port at Catoosa, Okla." illustrates "in a grandiose overblown way * * * the intricate workings of the pork barrel."

Fact: Life chooses to ignore the fact that this city of Catoosa is actually the port for Tulsa and the central Oklahoma oil region, and that the waterway will serve many other cities en route, including Little Rock.

Life: Slamming the flood control aspect of the Ark-Nav, Life says: "The fingerlike dikes reaching out into the Arkansas River to snare passing silt are part of the most outrageous pork barrel project in U.S. history."

Fact: In 1927 major floods washed away between 2,500 and 3,000 acres of rich bottom

[1] The most recent figures indicate that Life will receive an estimated $14.5 million subsidy, Time $6 million, Fortune $202,000, Sports Illustrated $2.2 million in 1963 making a total subsidy for Luce publications this year of $22.9 million or $1.9 million a month.

land. In 1943 another great flood caused damages that ran into millions of dollars. To avoid further losses, these dikes were constructed. The dike systems are similar to those which have proved their effectiveness many years in stabilizing banks and confining flows to desired channels on the lower Missouri River, another stream which in its natural state was characterized by meandering flow, high sediment content and wide variations in stream discharge. The dikes are also part of a multipurpose plan that will make it possible for the river valley to become at least as important industrially as the Ruhr Valley in Germany.

Life: "Here is the fattest slice of all * * * $1.2 billion."

Fact: To date $341 million has been appropriated, not $1.2 billion.

WHAT LIFE SAID ABOUT THE FRYING PAN-ARKANSAS PROJECT—WHAT THE FACTS REALLY ARE

Life: "Project water is expected to increase greatly the alfalfa crop of Colorado which already has about a million acres of alfalfa in the soil bank that no one is allowed to cut."

Fact: Colorado does not have 1 million acres of alfalfa in the soil bank. The project will not bring any new land under irrigation. It will however generate over 500 million kilowatt-hours of electricity annually and boost water supply to municipalities.

Life: "Out of this pair of neighboring Colorado lakes in the Rockies, water that now flows west will flow east and $170 million will flow out of U.S. taxpayers' pocketbooks."

Fact: This multipurpose water diversion, power-producing irrigation project is comparable to the highly regarded Big-T in Colorado and like the Big-T will bring a return of millions of dollars to the taxpayers.

WHAT LIFE SAID ABOUT THE UPPER COLORADO PROJECT—WHAT THE FACTS REALLY ARE

Life: One of the "tasty items in the steaming pork casserole."

Fact: This labeling of "pork barrel" is hard to reconcile in view of Life's statement in their April 9, 1956, issue which said: "The project will open a rich new region to the United States which could produce everything from sugarbeets and peaches to uranium and molybdenum and provide a promising new center of population for the country."

CONSERVATION OF INDIANA DUNES

Mr. BAYH. Mr. President, I have just received correspondence from Mr. Sam Ropchan, president of the Fort Wayne, Ind., chapter of the Izaak Walton League. In it is incorporated a resolution of this group concerning the Indiana dunes.

Mr. President, as you and my colleagues know, this is a project of great interest to many people in the Midwestern United States.

I believe it would be fitting if permanent record of this resolution would be made.

Therefore, I ask unanimous consent to have Mr. Ropchan's letter printed in the CONGRESSIONAL RECORD.

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

FORT WAYNE CHAPTER,
IZAAK WALTON LEAGUE
OF AMERICA, INC.,
Huntertown, Ind., September 26, 1963.

Senator BIRCH BAYH,
Senate Office Building,
Indianapolis, Ind.

DEAR SENATOR BAYH: The Indiana division of the Izaak Walton League of America, in convention assembled, September 21-22, 1963, at Kokomo, Ind., reaffirmed its resolution of September 30, 1952, for the conservation of the Indiana dunes. The resolution reads as follows:

"Whereas the Indiana dunes on the shore of Lake Michigan constitute one of nature's greatest gifts to Indiana; and

"Whereas the dunes are one of the wonders of the world which attract interested visitors from all over the world; and

"Whereas the growth of adjacent urban areas has destroyed a substantial portion of the original dunes area; and

"Whereas the continued normal expansion of the urban areas, together with other construction proposals threaten further great destruction of the dunes area to the point of virtual extinction: Now, therefore, be it

"*Resolved by the Indiana division of the IWLA in convention assembled*, That further destruction of the dunes is contrary to both public interests and conservation principles; that the remaining dunes areas should be permanently preserved for educational and recreational use of all the people and for posterity.

"Adopted this 30th day of September 1952.

"Reaffirmed this 22d day of September, 1963."

Every chapter present at this convention voted affirmatively for this resolution.

Conservationally yours,

SAM ROPCHAN,
President.

NEED FOR SERVICE CORPS STRONG AND CLEAR

Mr. BARTLETT. Mr. President, nowhere have I seen a more clear and persuasive statement of the purpose of the National Service Corps bill than that set forth in a letter by the junior Senator from New Jersey [Mr. WILLIAMS] printed in the Wall Street Journal of October 1.

In his letter the Senator points out the conservative nature of the National Service Corps. The corps will provide a practical and useful channel for our Nation's idealism. The corpsmen will in no way restrict or impugn local initiative. On the contrary, corpsmen only will serve where and when they are invited by local authorities.

Under the extremely able and dedicated leadership of the Senator, the National Service Corps bill, S. 1321, passed the Senate August 14. It has now been referred to the House Education and Labor Committee where hearings have been held. I am extremely hopeful the other body will soon be able to work out a version of this proposal acceptable to it so that National Service corpsmen may soon be at work in the field.

I ask unanimous consent that the letter to which I have referred may be made a part of the RECORD at this point.

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

INSTRUMENT OF IDEALISM

EDITOR, THE WALL STREET JOURNAL:

As the chief sponsor of the National Service Corps bill, I was sorry to see that your newspaper, which prides itself on its conservatism, was opposed to this idea (editorial, "Dramatizing Our Problems," Sept. 17). For those who can escape the automatic reaction that any idea originated in Washington is automatically bad should see this measure as conservative in essence. For the Service Corps will be a practical instrument of our Nation's idealism.

The National Service Corps will make available to public and private agencies across the country trained, full-time volunteers. But these volunteers, a small and carefully chosen group, will only undertake a project at the specific request of a local community agency, and then only with the approval of the Governor of the State in which they will serve.

At the basis of the National Service Corps idea is the concept of local initiative. The Service Corps will draw on the talents of the entire Nation to supply local communities with skilled manpower. But the project on which these volunteers will work will be developed and administered by the local communities themselves. The Service Corpsmen will not and cannot go where they are not wanted. But I am convinced that they can play an important role in helping many communities in their own efforts for a better America.

I agree that we should do all that we could to strengthen the work of existing agencies. This is exactly what the National Service Corps is intended to do. Obviously, the 5,000 volunteers envisioned by the corps cannot do all of the job that needs to be done. But I very much doubt that any social worker or welfare official would say that in the welfare field we are doing as good a job as might be accomplished at the present time. In the course of extensive hearings on this bill, social workers, religious leaders, and public officials almost unanimously endorsed this proposal. And they supported it precisely because it would be a genuine contribution to their work in terms of people rather than money.

Will the Service Corps propagandize as your editorial warns? I think not. For it is not propaganda to tell someone the facts. And the fact is that in midst of our boasted land of plenty, poverty, hardship, and despair still exist. How many Americans know of the life of the migrant trapped in an economic treadmill; of the misery on our Indian reservations; or the forgotten daily tragedies in our mental hospitals? If, by the example of their hard work and sacrifice, the volunteers can make others aware of these problems, show them that something can be done and encourage them to do it, their work will be more than justified.

HARRISON A. WILLIAMS, Jr.

EAST-WEST RELATIONS

Mr. SCOTT. Mr. President, on October 9 Roscoe Drummond's column appeared in the Washington Post. I would like this enlightening article regarding East-West relations to be placed in the RECORD. Mr. Drummond aptly points out the aims of the Soviet bloc in the current thaw in American-Soviet relations.

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

SOME PERTINENT QUESTIONS

(By Roscoe Drummond)

LONDON.—The European experts on Soviet affairs are asking all the right questions about the smiles and soft words which now cloak Kremlin policy.

There is no doubt that we are experiencing a pause that is refreshing East-West relations. If we are to act wisely in this mellow climate and find out whether it is shadow or substance, we must come as closely as possible to answering these questions:

What is the primary cause of the Soviet thaw?

What does Moscow hope to get from the West in the "new steps" the Soviets are constantly saying both sides ought to take?

How long is the thaw going to last—before it freezes over?

The European Kremlinologists are no more unanimous than their American counterparts. There are too many uncertainties to permit unanimity. But there is a consensus in the answers to these questions. If you rule out the wishful thinkers who are afraid to face reality, the answers come out about like this:

Primary cause: The only new factor to emerge between the time the Soviets rejected the test ban in 1959 to the time they embraced it this summer is the Sino-Soviet feud. This was the overwhelming incentive for the Soviets to sign the test ban and thus demonstrate, as relations with Red China were badly deteriorating, that the Kremlin could reach a significant agreement with the West. Obviously there are additional reasons—Moscow's desire to reduce the danger of nuclear war and ease the strains on the Soviet military budget.

What next? At every forum available to them, Soviet spokesmen are now busily engaged in exhorting world opinion to demand that the West join with Russia in taking further steps in the pursuit of peaceful coexistence. They are not talking about such modest things as guarantees against surprise attack and wider exchange of people and ideas. No, they are talking about NATO's signing of a nonaggression pact with the Soviet Union and its Eastern European satellites, creating a nuclear free zone in central Europe and recognition of the satellite state of East Germany.

In the sunshine of Soviet smiles at the U.N., let's not fool ourselves as to what these steps would really mean.

A nonaggression pact with Eastern Europe would mean that we would be putting the seal of Western approval on the very aggressions by which the Soviet Union snuffed out the freedom of these once independent nations and rob these people of all hope of future release.

A nuclear free zone in central Europe would dangerously upset the balance of military power in all of Europe—to the disadvantage of the West.

Any recognition of East Germany's puppet regime means acceptance of the enduring division of Germany, which is the greatest abnormality of all the postwar arrangements.

When the Soviet spokesmen talk of steps like these, they are seeking to obtain by thaw the very one-sided aims they have been seeking to get by threats. This is why we have to be so alert to see that the present thaw is not our undoing.

How long? Is the new thaw going to last longer than previous thaws? The consensus among the experts on this side of the Atlantic is that the relaxed East-West climate will last until one of two things happen: Either until Red China and the Soviet Union make up their differences—which seems unlikely soon—or until Moscow concludes that there is nothing much it can get by smiles alone.

There could be one other factor which would keep the thaw in being for at least a year; that is, Mr. Khrushchev's decision that he should not rock the Kennedy boat until after the 1964 election, on the ground (whether sound or not) that a reelected Kennedy administration would be less unwelcome to Moscow than any probable alternative.

PROCUREMENT OF EXPERT ASSISTANCE BY INDIAN TRIBES IN CASES BEFORE THE INDIAN CLAIMS COMMISSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of the unfinished business, House bill 3306, and that it be made the pending business.

The VICE PRESIDENT. It comes automatically before the Senate, in view of the taking of the recess.

The Senate resumed the consideration of the bill (H.R. 3306) to establish a revolving fund from which the Secretary of the Interior may make loans to finance the procurement of expert assistance by Indian tribes in cases before the Indian Claims Commission.

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

The LEGISLATIVE CLERK. On page 2, following line 22, it is proposed to insert:

SEC. 7. After the date of the approval of this Act, the Secretary of the Interior shall approve no contract which makes the compensation payable to a witness before the Indian Claims Commission contingent upon the recovery of a judgment against the United States.

Mr. DOMINICK. Mr. President, I should like to make inquiry of the Chair as to whether the committee amendment involves only a new section 7.

The VICE PRESIDENT. That is correct.

Mr. DOMINICK. Mr. President, I have no objection to that; but subsequently I wish to offer an amendment.

The VICE PRESIDENT. 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. DOMINICK. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, it is proposed to strike out section 2, and to insert in lieu thereof the following:

SEC. 2. No loan shall be made under this Act to a tribe, band, or group if it has funds available on deposit in the Federal Treasury or elsewhere in an amount adequate to obtain the expert assistance it needs or if, in the opinion of the Secretary, the fees to be paid the experts are unreasonable in light of the services to be performed by them.

Mr. DOMINICK. Mr. President, I take this opportunity to offer my amendment and to use the time while I am so doing to discuss for a little bit, the rather strange nature of the bill.

I point out to Senators and to the President that some time ago, in an effort to try to do something about Indian claims which were being handled individually, Congress established the Indian Claims Commission, under which we gave to the Indians the right to bring suit against the United States for monetary sums which were very substantial in nature. Those suits have been filed. After a certain due date under that bill all further claims of this nature were cut off. But I point out to the Senate that already there have been judgments issued by the Indian Claims Commission in the total amount of more than $89 million, and that this amount has been paid. That was the judgment amount out of a total of $338,311,000, which was claimed in those cases. In addition to the cases that have been tried and determined up to date, a great number of cases are still on file. Those cases are astronomical in amount and size. I have been told by the very distinguished Chief Commissioner, former Senator Watkins, that a part of the problem in trying to process those claims is the fact that the Indians who are making the claims do not have sufficient funds to present the necessary evidence to the Commission, both with respect to title and also the accounting as to the amount of possible culpability so far as the U.S. Treasury is concerned.

These cases have been pending for quite a long time. After considerable study former Senator Watkins came forth with a proposal which has been passed through the House and which is in the bill before the Senate. That proposal would provide that the United States, through the Federal Treasury, would supply to the Indians who were making claims against the Treasury the necessary money in terms of a revolving fund so that they could pay the witnesses in order to prove their cases. I have been a lawyer for a considerable number of years. This is the first time that I have ever heard of a defendant providing the money to the plaintiff so that the plaintiff could prove the case against the defendant. That is exactly what the bill before the Senate would do. We would provide $900,000 so that the Indians could hire, on a fixed-fee basis, the necessary witnesses to present their claims before the Indian Bureau. I have real difficulty in my own mind in justifying a situation in which a defendant in any case should provide the funds to the plaintiff to prove the case against the defendant who was supplying the money. It does not make any sense. It also seems to me that that is particularly troublesome in a case in which we are dealing with the taxpayers' money.

On the other side of the argument I must say—and I am sure that the Senator from Idaho [Mr. CHURCH] would agree with my statement—that considerable expense is involved in maintaining the Indian Claims Commission. I have before me an estimate of cost which would indicate that it costs about $1,651,000 per year to provide the lawyers for the Justice Department, the General Accounting Office clerks and accountants who are checking the records, and to pay the Indian Claims Commission, not counting personnel in the Interior Department. The theory of the bill is that if we provide these funds, the necessary time during which that amount of money or more will have to be spent on opposition to the Indians' claims can be cut down. Even if we provide the money, there are approximately 380 dockets still pending. I can see no cutoff date in the future by which we will be saving that amount of money. What I have done, however, in order to try not to be too obstreperous on the question, is to work with former Senator Watkins, who is a very conscientious person and who has done a very fine job as Chief Commissioner, to try to see if we cannot devise some method to insure that funds which we would provide under the bill would be used only if the Indians did not in fact have other funds available to them. It does not make any sense to me under any circumstances to provide taxpayer funds for the Indians to prove their cases if, in fact, the Indians already

have money of their own available for that purpose.

That is the point of the amendment I have offered. I have considerable doubt as to the precedent which might be established by the bill and the advisability or desirability of it. I cannot see why, as fiduciaries of the taxpayers' money, we should be providing taxpayers' funds in order to permit the Indians to sue the taxpayers and prove their cases. That is exactly what we are doing in this situation. However, as I said, the proposal is an experiment in an effort to try to move the cases along. I have told Commissioner Watkins that I would go along with the proposal if my amendment should be adopted. All we can do, I presume, is to let the proposal go through and try to see whether it will work.

I have before me a record of the dockets. I have some concern about the delay that is evidenced in the status report on some of the dockets.

For example, under docket 18(P), which deals with the Red Leg Band of Indians who are suing the Government, the status report is that they are awaiting briefs after hearings, the arguments having been heard on October 11, 1962. I do not know of any other case in which a full year has been required to file briefs after an argument has been concluded.

There are other cases which are similar in nature and which seem to me to be unduly delayed. Perhaps the bill before the Senate will stimulate the prosecution of those claims, and perhaps we can get rid of them sooner than would otherwise be possible. I took up with the Chief Commissioner and with other members of the Commission other possible amendments, and have abandoned them as not being practical at this particular moment. But for the RECORD I think I should state what they were.

First, I tried to devise a system under which, if the claims which are already on file were not prosecuted with diligence—within a certain length of time—they would be dismissed with prejudice. But the problem is to determine a definition of what "prosecution with diligence" is. It is very difficult.

The next thing that I desired to be sure of was that there would be a flat prohibition in the bill against the employment of expert witnesses on a contingent-fee basis, namely, that they would receive a share of whatever the eventual judgment might be.

Obviously that practice would do nothing except to provide an incentive to have the evidence presented by the experts colored to say the least. That is a practice which should not be encouraged by Congress. I was happy that the Senator from Idaho [Mr. CHURCH] and his subcommittee were able to incorporate a flat prohibition of that kind of procedure in the present bill as an amendment.

The other point which I think should be taken up again—and I say this for RECORD—is the fact that there has been on file for a considerable period of time a resolution which would require periodic reports from the Bureau concerning possible emancipation of Indian tribes, and the degree to which such emancipation can be accelerated. It seems to me that rather than keeping the Indians as wards of the U.S. Government, as rapidly as possible we should turn them loose so that they can become fruitful citizens, in the full meaning of that term, in comparison with other groups.

This obviously does not belong in this particular bill, but I wished to bring it up so that the chairman of the subcommittee, the distinguished Senator from Idaho [Mr. CHURCH] would know that I wish to get together with him and with the staff members to see if some action can be taken.

Again I urge that the amendment I have offered to the bill be adopted, in order to insure that we shall not be simply wasting the taxpayers' funds, even though we are embarking on a highly unusual and unprecedented course by passage of the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. DOMINICK].

Mr. CHURCH. Mr. President, as the distinguished junior Senator from Colorado indicated, the objective of the bill is to expedite the handling of the backlog of cases now pending before the Indian Claims Commission. The committee has been mindful of the fact that it costs the Government some $1,650,000 a year to operate the Commission, and there are still some 380 cases yet to be litigated. The committee feels that passage of the bill would help to expedite the litigation by enabling impecunious tribes to obtain the expert witnesses who are required in order to proceed with the adjudication of the claims now pending.

For these reasons, I have no objection to the amendment offered by the distinguished Senator from Colorado. I hope the Senate will adopt the amendment and proceed promptly to pass the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. DOMINICK].

The amendment was agreed to.

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

Mr. KEATING. Mr. President, I should like to ask the Senator from Idaho a question about the bill.

Would the bill in any way affect the problem which is presented for the Indians in southern New York, whose lands were flooded and who have claims against the Government arising from that fact?

Mr. CHURCH. No. The bill would not affect that situation at all. It relates only to claims now pending before the Indian Claims Commission, all of which had to be filed some years ago. Therefore, it would have no effect or application whatever to the situation to which the Senator refers.

Mr. KEATING. I thank the Senator.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 3306) was read the third time and passed.

NEW YORKERS OFFER AID TO AID

Mr. KEATING. Mr. President——

The PRESIDING OFFICER (Mr. PROUTY in the chair). The Senator from New York is recognized.

Mr. KEATING. Mr. President, hundreds of letters pour into the Senate Office Building every day addressed to Senators. We receive letters addressed in peculiar ways, which finally reach their destination, thanks to the efficiency of the postal employees. Many people write expressing their views on various Government programs, but only a few are prepared to offer any help.

Recently, I received two letters from Long Island constituents expressing opposition to the cut in the foreign aid bill proposed by the House of Representatives. They were most disturbed over this cut not only because of the harmful effect it might have on the economic growth of underdeveloped countries but also because of the tremendous damage it might do to the United States in our struggle against communism.

Because these two fine ladies wanted to do more than just write to me, they each sent in a check in the amount of a dollar to be forwarded to the Agency for International Development.

I have learned that the Agency for International Development has authority to accept such checks from citizens who wish to help it. Although I suspect it took a good deal of consultation to obtain permission to accept the $2, I believe it will be effective.

It is not always possible for all of us to give practical support to pending legislation. But when it is, it is refreshing and encouraging to have constituents who, instead of merely expressing their views, take it upon themselves to go the extra mile and offer a little hard cash support for the programs they believe in.

These ladies have set a fine example. I hope that, considering the state of the Federal Treasury, their example will be followed by many others. I am sure the Treasury would have no objection if they wished to earmark the money for whatever particular Government project they wished to help.

So my congratulations go to these two fine ladies, Mrs. William R. Fleischer, of 120 Elm Drive, and Mrs. Elinor Perkell, of 125 Elm Drive in Roslyn, N.Y., both of whom are members of the League of Women Voters, for this very effective way of demonstrating their support for the foreign aid program. I am following their directions and transmitting their checks directly to David Bell, Administrator of the Agency for International Development.

CIVIL RIGHTS LEGISLATION

Mr. KEATING. Mr. President, the Committee on Commerce has ordered reported favorably a bill to deal with one phase of the civil rights problem, the

public accommodations provision. I understand the bill will be ready for consideration in a period of perhaps 10 days.

I hope that this bill will be the vehicle for moving ahead on the whole civil rights package. Such a procedure is most likely to achieve results at this session in this important field. The opponents of civil rights legislation can be expected to oppose any meaningful bill by extended debate and the sooner we begin our consideration of this subject the more likely it is that we can complete action before the end of this session. If a bill comes to the Senate from the House of Representatives, in the interim we will be in a much better position to act promptly than if we wait until the last moment before beginning our deliberations.

There is no reason for further delay in acting on a problem which already has been neglected for too long. The Senate should move ahead now with the vehicle which the Committee on Commerce has proposed for dealing with this important problem. I hope that the leadership schedules the bill for early action.

REDUCTION OF EXCESS MARKETINGS OF MILK

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 425, S. 1915, and that it be laid before the Senate and made the pending business.

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

The LEGISLATIVE CLERK. A bill (S. 1915) to amend the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, and to encourage the reduction of excess marketings of milk, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment.

THE NORTHEAST AIRLINES CASE

Mr. COTTON. Mr. President, when an independent body is created in the Government by the Congress, to act, in a sense, as an arm of the Congress, and assigned the responsibility of making decisions, in my opinion Members of Congress should be cautious and restrained in interfering with, seeking to influence, or publicly criticizing the exercise of the quasi-judicial powers by such a commission.

For that reason, many of us who are intensely interested and vitally concerned in the air transportation problem of New England and the Northeast, especially the northern New England States, have refrained from appearing to criticize the decision of the Civil Aeronautics Board in the Northeast Airlines case, in which Northeast Airlines was refused a permanent certificate for the so-called New York-Florida route, after it had been operating under an unusual temporary certificate for several years.

However, the time has come when I feel the attention of the Senate and of the country should be directed to at least two aspects of this situation, in view of the decision made only yesterday by the CAB. It is in the interest not only of the people I represent, but of all the people, that these matters be emphasized and brought to the public's attention.

First, there has been a marked and rather amazing precipitancy and haste in the handling of this case since the first decision. It has seemed almost that the CAB had a sense of compulsion to kill off Northeast Airlines service to Florida as quickly, as quietly, and as completely as possible.

The original decision was a 3-to-2 decision. An appeal was taken. The decision on the appeal was issued yesterday with rather astounding promptness, in view of some of the cases that we have watched linger for some time. And even before the decision was made, only a short time after the appeal was taken the CAB with perhaps commendable but still with rather surprising promptness hastened to grant a subsidy to Northeast Airlines to operate its routes locally, north of New York and Boston in New England.

There is something rather interesting in that speed.

In addition to that is this rather striking fact: The Department of Justice sought to intervene, I believe as a friend of the court, and file a petition for reconsideration of the decision. I am astounded to find that the CAB arbitrarily denied the Department of Justice the right even to intervene and be heard. I will not say that that is unprecedented, because I am not familiar enough with the precedents to make such a sweeping statement, but I say without fear of contradiction that it is extremely unusual, if not unprecedented.

The two minority members of the CAB themselves said in their dissenting opinion yesterday that it is almost unprecedented for one of the quasi-judicial commissions to refuse to even listen to the Attorney General of the United States or his representatives who seek to intervene in the public interest.

But that was done, and the decision came down yesterday afternoon denying the appeal. Of course, all that Northeast now has left is an appeal to the courts, which I understand is in progress.

I briefly review these events merely to suggest to you, Mr. President, and to the Senate, that this strange haste, this unusual promptness, when the Commission is divided only 3 to 2, when there has been no unanimity in its decisions, and this unusual refusal when most of these bodies welcome the opinion of the Department of Justice and the Attorney General, merit our attention.

It certainly means something.

The second fact that I feel should be made a part of the public record is the grounds on which Northeast Airlines was denied its certificate, after serving the Florida route for 6 years, and was cut off from that privilege and denied its permanent certificate.

The Subcommittee on Aviation of the Committee on Commerce, of which I am a member, held hearings on the subject of the impact on the New England States transportation problems of the decision. Those hearings, as was so very ably stated by our chairman, the distinguished Senator from Oklahoma [Mr. MONRONEY], were not held for the purpose of going behind the decision of CAB, but they were held primarily to try to find where New England and the States of Maine, New Hampshire, and Vermont would stand, what their position would be, and what their prospects of air service would be if the decision became final and Northeast were denied the Florida route, because there was some question as to whether Northeast, even with a subsidy, could survive the unusual blow which had been dealt to it, because it has never been customary—and the Chairman of the CAB testified it was poor policy—to issue a temporary certificate.

In the course of his testimony before our subcommittee, I interrogated the distinguished Chairman of CAB as to the grounds and reasons for the denial of the Northeast Airlines certificate. I had assumed—and I asked him questions which were prompted by the assumption—that the main reason was the feeling on the part of three members of CAB that Northeast Airlines did not have enough financial resources and stability adequately to continue to serve the New England-Florida market. I was somewhat surprised, therefore—as is shown on page 182 of the transcript of hearings—when the Chairman, Mr. Boyd, said, even though just before the decision was made Northeast secured substantial new backing and resources, that the Board did not act on the basis of that knowledge, and that the decision in the case did not rest—and I now quote his words—"on the fitness or unfitness of Northeast Airlines."

That statement is found at page 183 of the transcript of the hearings.

I continue to quote from the hearings:

Senator COTTON. Did not rest on the financial resources or ability?

Mr. BOYD. No, sir.

Senator COTTON. It rested, rather, on the fact that there was too much competition in the Florida run?

Mr. BOYD. No; it did not rest on too much competition, although it reaches the same result, but that there was no need at this time for a third carrier.

Senator COTTON. Well, that was the basis of it—two carriers were enough?

Mr. BOYD. That is correct.

I read from page 192 of the transcript of hearings:

Senator COTTON. I thought I understood you a moment ago to say that the basis of this decision was that there should be two instead of three lines into Florida.

Mr. BOYD. That is quite correct. But I trust you would not for a minute limit us to one string to our bow.

Parenthetically, I observe that that is a rather remarkable and interesting phrase on the lips of a quasijudicial officer in discussing a 3-to-2 decision, which would virtually put one of the great and pioneer airlines of the country out of business, and certainly endanger the air service of the section of the country which I in part represent, but which, I

have no doubt, was done with true judicial impartiality and calmness. Nevertheless, I think it is a rather interesting play on words. I repeat it:

I trust you would not for a minute limit us to one string to our bow.

That sounds to me more like a phrase used by someone who was speaking with a sense of partisanship, who was siding on one side of a question. It does not sound like the cold, impartial, measured utterance of a judge.

However, the fact remains that the testimony shows that the main reason for the decision was that two carriers in the New York-Florida market were enough.

The two dissenting members of the Civil Aeronautics Board in their dissenting opinion, started their dissent by saying:

The New York-Miami market is the second largest passenger mile market in this country. It is one of the heaviest traveled markets in the world. The east coast Florida run is among the richest routes in the world, generating nearly 2 million passengers and 2 billion passenger-miles a year.

In 1956 a veteran Board examiner, plus a unanimous Board, found an immediate and urgent need for adding competition on this route because of the failure of Eastern and National adequately to serve the needs of the traveling public.

The Department of Justice, in its brief—the brief which CAB would not even consider—referred to the statistics of the air transportation markets in this country for the calendar year 1962, which includes the Los Angeles-New York market, the Miami-New York market, the New York-San Francisco market, the Chicago-New York market, the Chicago-Los Angeles market, the Chicago-San Francisco market, the Chicago-Miami market, and so on—15 of the important air transportation markets in the Nation. Those statistics show that in 1962, in the matter of passenger miles, the New York-Miami market stood second in the number of passengers carried. It was practically tied for second place. That is only the New York-Miami market; it is not the New York-Florida market, or the New England-Florida market.

With respect to all passengers to Florida points—both the west coast and east coast—from Boston, New York, Philadelphia, Baltimore, and Washington, 1,762,679 passengers were carried in 1962.

Everyone of those 15 major markets is served by three carriers, and three of them are served by four carriers. The Chicago-New York market is served by four carriers. The Chicago-Los Angeles market, with fewer passengers and fewer passenger-miles than the New York-Miami run, has four carriers.

The Los Angeles-San Francisco market, with fewer passenger-miles and fewer passengers, is served by four carriers. All the rest are served by three.

In its brief, which was not even considered by the Civil Aeronautics Board, the Department of Justice, after citing these statistics in a table, drew this rather striking conclusion:

Clearly, judging by the above table, on economic grounds alone, if the New York-Miami pair does not require at least three carriers, there is not a market in the country that does.

Yesterday, when the decision was handed down reaffirming the original decision refusing the appeal, the CAB again stated as the principal ground of its refusal:

In the final analysis, Northeast's proposals are but another effort to provide the service in markets in which we have found additional service is not needed.

Only under extreme circumstances would I wish to review or seek to criticize the decision of a quasi-judicial tribunal downtown. But I recite these hard facts—and I do so reluctantly—because, so far as I am concerned individually—and this is my own feeling and suspicion—I do not believe that the CAB will adhere to its stated conclusion by its majority that two carriers to Florida are enough. If the three members voting in the majority believe that now, I have little expectation that they will believe it 3 months from now or a year from now. The two dissenters certainly do not believe it now. They feel that at least three carriers are necessary.

If the CAB persists in putting the Northeast Airlines to death and kills it off, and a few months from now sees fit to certificate some other airline as a third carrier from New York or Boston to the Florida market, the CAB will have put itself in a position, in the administration of justice, where it really will have something to account for. If that event should occur, it will be too late to save Northeast Airlines. It may be too late to pick up the pieces as regards service to and from the States of Maine, New Hampshire, and Vermont and other parts of New England, and to save us from the situation which confronts us today, when we are told that adequate substitute service will be provided.

I have requested that the chairman of the subcommittee, the distinguished Senator from Oklahoma [Mr. MONRONEY]—and he has most graciously granted my request—call the Civil Aeronautics Board before the subcommittee in executive session to sit with us, the two Senators from Maine [Mrs. SMITH and Mr. MUSKIE], my colleague from New Hampshire [Mr. MCINTYRE], and and the two Senators from Vermont [Mr. AIKEN and Mr. PROUTY], so that we may inquire of the Board—not to argue about their decision, but to obtain some definite information from them, for our own satisfaction, as to the kind of service they are prepared to guarantee to the States of Maine, New Hampshire, and Vermont.

Mr. MUSKIE. Mr. President, will the Senator from New Hampshire yield?

Mr. COTTON. I gladly yield to the Senator from Maine.

Mr. MUSKIE. I have been listening with interest to the Senator's speech concerning the situation of Northeast Airlines and the decision of the CAB relating to it. I compliment him upon his action in requesting that the chairman of the subcommittee hold the meeting which he has suggested.

In the course of his remarks, the Senator referred to the need for a third carrier in the Florida market. I think it would be a useful addition to his remarks to include in the RECORD some comments which are contained in a full-page advertisement paid for by several business firms in northeastern Maine and published in the Bangor Daily News of September 21–22, 1963. It includes a statement entitled "The Northeast Story," written by a Northeast Airlines pilot, Capt. Bob Mudge. It is an excellent presentation of the case of Northeast Airlines.

At a point in my remarks where it would be convenient for the Senator from New Hampshire, I ask unanimous consent that the entire article be printed in the RECORD.

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

THE NORTHEAST STORY

(From Capt. Bob Mudge, Northeast Airlines pilot)

YOUR HELP IS NEEDED

Want to get in a fight? Boy, we have a beauty going right now and we sure can use your help. Our story is rather long and complicated—but we feel it is one vital to the principles of our country and therefore is important to every American citizen.

Seven years ago, Northeast, a small New England airline, was given a chance to compete against the bigtime airlines to large cities south of New York. For the first time in 23 years we were free of Federal subsidy and on our own. These were tough years. We tripled our size which ran up fantastic training costs. We had to buy new fleets of aircraft. A DC-6B fleet for Florida, a Viscount fleet for the high density commuter market. Then the big boys started playing with pure jets. With more help from free enterprise, we, too, got a fleet of beautiful new Convair 880's. The country cousins had the right tools to work with, and not 1 cent had been provided by the Government.

PRIVATE ENTERPRISE HAS FAITH IN US

We had financial problems, plenty of them. Because of the temporary nature of our route certificate we had to finance our planes over an unrealistically short time. Add to this the high cost of training, the abnormally high cost of advertising necessary to create an identity in new markets, and high cost of supporting originally low-load factors. We lost money all right—a lot of it. Every cent of it, though, was from private enterprise. Private enterprise had faith that we would eventually develop into a successful airline. Private enterprise still has this faith.

OUR POSITION VERSUS THE CAB

On July 26, the Civil Aeronautics Board lowered the boom. After hearings they decided Northeast should no longer be allowed to fly south of New York. They cited three reasons:

1. The public benefits anticipated when the certificate was granted have not been realized.

To us, the term "public benefit" when applied to a transportation system means simply the carrying of people from one place to another, as they desire, in a safe, comfortable, and convenient way. In a freely competitive route structure the degree to which a particular carrier has succeeded in meeting this public benefit can readily be determined by the share of the market he attracts.

If one carrier flies 60 percent of the traffic, another 30 percent and a third 10 percent, it is obvious that the first carrier has more

fully met the public benefit than either of the other two. How did Northeast do on this score? We took on American, Eastern and National over routes on which they held permanent certificates and for the most part were firmly entrenched. We had to battle every step of the way.

Since the CAB said, in granting these route awards, that it was concerned greatly with improved service for New England to points south, let's study the traffic going south of Boston.

In 1962 we carried 61 percent of all the passengers between Boston and Miami. Northeast ended up dominating the market while competing against two permanent certificate holders. In the smaller markets to Jacksonville and Tampa we did our share by carrying 25 and 33 percent, respectively.

Look at the commuter routes. Boston-Philadelphia we carried 67 percent of the traffic. Boston-Washington we hauled 73 percent. On both of these routes we were competing against American, Eastern, and National on an unrestricted basis. The CAB says the public benefits anticipated have not been realized. Just what did the CAB expect us to do—run everyone else out of business? After all, we only held a temporary certificate and we had a hundred and one other big problems facing us. If we carried many more people in these markets, we might well be facing charges of monopoly.

2. The future prospects for operation of Northeast's system on a profitable basis are extremely remote.

Most of us have been brought up to believe that in America's free enterprise system that a businessman has the right to risk his own capital as he sees fit. That, if a man set his eye on a star, he has the right to pursue this star. If it costs him much money to finally arrive there—this is his business and his alone. That, even should he spend every cent he has in the pursuit of this star, and he then falls—this, too, is his right.

In this case we find a Government official taking on the responsibility of evaluating a business risk for a private enterprise. The Hughes Tool Co. entered the picture several years ago when Northeast was in serious financial trouble. This company believed in the future of Northeast and invested millions of dollars in this belief. The CAB allowed Hughes Tool Co. to pursue its star with its course laid clear before them. Just prior to the decision, plans were made that would finally put Northeast on a sound financial footing. The Hughes Tool Co. offered to dissolve some $26 million of debt and was rapidly working out arrangements for the settlement of much of our remaining obligations. Our financial picture looked bright.

Not only was our past debt picture looking bright, but we had now attained good market identity—we carried the highest load factor in the industry in early 1963. Costs had leveled out. All we needed was a permanent certificate so that our long-range equipment programs could be put on a more realistic basis.

The action of a Government agency evaluating a business risk and enforcing irrevocably on the business its decision is one aspect of this case that is important to all people in this country. Just how much control over an individual business can a Government official have? Certainly the Government must have some say in cases where it has money invested—but in this case Northeast was not asking for Federal subsidy (even on its short-haul routes)—yet the CAB is forcing us to fly these short-haul routes only, in a hopeless competitive position on a subsidy of some $3,700,000 a year. This is your money.

There is some justification for the CAB entering into control of airline business when the public convenience and necessity are involved. When this is the case, they must act in the public interest and for the public convenience and necessity. When the public selects one carrier on a route 73 percent of the time from a free choice of several carriers—they should be allowed the right to fly this airline. The CAB does have public responsibilities.

This apparent eagerness on the part of the CAB to force a subsidy status on Northeast is all the more surprising, when, in the same paper announcing the final decision, appeared an article announcing that the CAB was taking steps to cut subsidies to airlines. The confusing CAB.

3. The remaining two carriers are capable of meeting the requirements of this market.

This is probably the crux of the whole decision. The Board stated that they wished to reduce competition and that two carriers are enough on this market.

How quickly we seem to forget the protection and service provided the public last summer while Eastern was grounded by a strike. Northeast was the prime carrier on many routes involved that kept things moving.

Or perhaps we forget that in a technology such as ours, airplanes can get "bugs" in them. Remember the groundings of various types of aircraft? Remember equipment which was not grounded, but which did have severe restrictions placed on it and the public in masses chose to fly other types of equipment until the restricted aircraft finally proved safe. In this particular instance our two competitors happened to fly some types of airplanes which had been restricted, but Northeast was able to come to the rescue with other types of equipment. In the future we shall see new aircraft types taking to the sky—who is to say that these, too, will not have "bugs" which could result in groundings or loss of public confidence?

Before Northeast was granted the right to fly south of New York, the passenger desiring to fly to Florida was often faced with many inconveniences: no nonstop service out of Boston, scurrying around for a reservation or simply no seats in New York and being forced into waiting until a most inconvenient time.

COMPETITION IMPROVES SERVICE

What has happened since Northeast entered the south of New York markets? What about development of the routes? Has Northeast simply stolen traffic from the other carriers and thus made them lose money? Or has this extra competitive effort brought about development of the routes? Let's see.

It is true that on the New York-Miami route the traffic has not grown as anticipated. But, there are many other important markets involved here. Boston-Miami has grown 27.5 percent and, remember, this is one of the routes that was of prime concern. Some others:

	Percent
Boston-Philadelphia	77.0
Boston-Washington	163.7
Boston-Jacksonville	63.9
Philadelphia-Jacksonville	147.6
Philadelphia-Tampa	156.9
Baltimore-Miami	134.4
Baltimore-Tampa	1181.5

In view of these figures it would seem that perhaps we had done more to stimulate new traffic than we did the capturing of old. Effective competition can do more than this—it can improve service for public convenience.

What kind of service did the two prime carriers give on the Boston-Washington run before Northeast began to fly?

In 1956: American, one nonstop; Eastern, one nonstop.

In 1963: National, no nonstops; American, one nonstop; Eastern, five nonstops; Northeast, nine nonstops.

What kind of service did the two prime carriers give on the Boston-Philadelphia run before Northeast began to fly?

In 1956: American, two nonstops; Eastern, one nonstop.

In 1963: National, no nonstops; American, one nonstop; Eastern, five nonstops; Northeast, five nonstops.

LOOK A BIT CLOSER

American is not complaining—they are making money. Note that in the case of effective competition, American has given way on service so that it is scheduling realistically to the traffic it is carrying. Eastern, on the other hand, is keeping up schedules but not flying the traffic to justify it. This is particularly apparent when you consider Northeast is flying largely 44 passenger Viscounts while Eastern is using larger and greater capacity aircraft. It is rather obvious that since Northeast carries 73 and 67 percent of the traffic over these routes that Eastern is overscheduling seats in relation to their share of the market. Is it any wonder that it now claims it is losing money?

FREE COMPETITION HAS ITS RISKS

This is simply competition at work—nothing more sinister than that. Take the Washington-New York market. Here Eastern really licked us. We had originally come to dominate this market, then Eastern got the air shuttle idea. This was fine, new service. The public liked it, and our traffic fell off rapidly. If we had been preparing a case for the CAB rather than operating an airline efficiently, we perhaps would have chosen to keep flying our flights, keep flying empty seats around the route, then pleaded with the CAB that there was overcompetition and that Eastern should be forced off the route. We could then provide the public with the service they have already indicated they did not want. This may sound ridiculous—and it is—yet it is exactly what is happening to us now. In the case of Northeast in the Washington-New York market when we lost our competitive position, we did what any realistic businessman would do—we got out of the unprofitable market and concentrated our efforts where we felt we could be successful. This is not new—American has done the same thing and so has National. National essentially does not serve the Boston-Washington market at all nor the Philadelphia-Boston run even though they hold a permanent certificate over these routes for commuter service. Instead they are concentrating on their profitable southern transcontinental route.

If normal competitive forces are permitted to work, we will find results like those just mentioned. The carrier desired by the public will prevail. The other carriers will go elsewhere to seek their markets—areas they can successfully serve. No Government mandate is needed.

HOW PERMANENT IS PERMANENT?

If the Government must tamper with the free enterprise system—how can it justify elimination of the prime carrier? While we have no ill feeling toward National, logic would point to the elimination of this carrier from many of these routes. First, it has failed obviously to compete in these markets. Secondly, it has a highly profitable southern transcontinental route on which it is concentrating. In no case would it involve a Federal subsidy payment. Would it not be more logical to eliminate this carrier if only two carriers are desired on these routes?

The fact that National holds a permanent certificate while we held only a temporary does not seem to be all important. In the first place, we understand the Board at this time is under proceedings to remove permanent certificates and claims full right to do so. Secondly, if this is a firm policy of the Board to eliminate third carriers on runs as important as this—then many permanent

certificates will have to be lifted in the near future. This particular route in question is the second heaviest in the country.

The question may well be asked as to whether or not a permanent certificate can, or should, be revoked. We don't know the answer, but for years we have felt that our marriage certificate represented a pretty permanent status—yet we all know that there are methods of dissolving or modifying these agreements which hold so much permanency in both courts and church. Take, also, our country's Constitution. Even this can be amended and modified when circumstances indicate such action is necessary. It is, therefore, rather difficult to conceive of a permanent certificate issued by the CAB that is so powerful that it cannot, under some circumstances, be changed. If, however, it truly cannot be revoked, then it would seem rather silly for the CAB to formulate a new policy which can be applied in only the Northeast case.

WANTED: THE RIGHT TO COMPETE

We don't really want National eliminated—we just want the right to compete freely. Normal competitive forces will effectively eliminate those carriers unable to compete. We don't mind losing a fair race. We just hate to win the race and lose the decision.

At the time Northeast was granted its new routes on a temporary basis, National and Eastern (among others) were granted permanent certificates into what was previously largely Northeast territory. They got turnaround rights at such places as Boston-New York-Washington (EAL) and Boston-Philadelphia and Boston-Washington for National. Now, with the revocation of all rights granted to Northeast and none of these granted National and Eastern, Northeast finds itself in a hopelessly competitive position even on its old Boston-New York run.

HOW YOU CAN HELP

If you believe that Northeast has earned the right to fly these routes; if you believe that the third carrier has stimulated business and substantially aided in the development of these routes; if you believe that free enterprise should be allowed to evaluate its own risks without Government interference; if you think that Government should refrain from unnecessary subsidy payments—then vote for Northeast now. We are on the verge of immediate bankruptcy and it is not certain that we have the necessary funds to adequately fight this case. We will not give up, but we do need your help desperately. You can save an airline by—

1. Writing to President Kennedy, your congressional representative, Senator MIKE MONRONEY (chairman, Aviation Subcommittee), Chairman Alan Boyd, of the CAB. Tell them your feelings on this case. As a matter of fact, even if you do not agree with us, write and tell these men. This is a very important case, not only for Northeast but for the entire country. It is dealing with some very fundamental principles.

2. If you have occasion to fly between east coast cities—fly with us. In this way you will cast your vote to indicate to Government that you feel our services are valuable and at the same time you will help us finance our battle for life as an airline.

3. Finally, if you can, let us know that you have helped and are joining us in this fight. We would like to thank you for writing and welcome you aboard our flights.

BOB MUDGE,
Captain, Northeast Airlines.

P.S.—I apologize for the length of this story—I find I am more pilot than writer. Should you desire further information, please write to me at Lynnfield, Mass.

We heartily endorse Captain Mudge's suggestions and urge you to take immediate action. This message is sponsored by business firms who are vitally interested in the continued progress of northeastern Maine.

Bangor & Aroostook Corp.; Bangor House Motor Hotel; Dead River Co.; Eastern Fine Paper & Pulp Division, Standard Packing Corp.; Eastern Trust & Banking Co.; Freese's Department Store; Great Northern Paper Co.; Kagan-Lown & Co.; Maine State Federated Labor Council; Queen Charterhouse Motel; the Merrill Trust Co.; Viner Bros., Inc.; Webber Oil Co.

Mr. MUSKIE. Mr. President, I call the Senate's attention particularly to this portion of Captain Mudge's story:

What has happened since Northeast entered the south of New York markets? What about development of the routes? Has Northeast simply stolen traffic from the other carriers and thus made them lose money? Or has this extra competitive effort brought about development of the routes? Let's see.

It is true that on the New York-Miami route the traffic has not grown as anticipated. But, there are many other important markets involved here. Boston-Miami has grown 27.5 percent and, remember, this is one of the routes that was of prime concern. Some others:

	Percent
Boston-Philadelphia	77.0
Boston-Washington	163.7
Boston-Jacksonville	63.9
Philadelphia-Jacksonville	147.6
Philadelphia-Tampa	156.9
Baltimore-Miami	134.4
Baltimore-Tampa	1181.5

I am sure the Senator would agree that these figures indicate that those are growing markets, which could well support the kind of third-carrier service which Northeast Airlines provides.

Mr. COTTON. Mr. President, regarding the statistics offered by the distinguished Senator from Maine [Mr. MUSKIE], the table from which I have quoted in my remarks makes a comparison between the number of passengers and the number of passenger miles for selected city pairs, and is found in the brief of the Department of Justice and in the decision of the CAB.

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

Comparison of passengers and passenger-miles for selected city pairs—On-line O. & D traffic, calendar year 1962

City pair	Number of passengers	Passenger-miles	Number of carriers serving pair
Los Angeles-New York	467,430	1,143,333,780	3
Miami (Fort Lauderdale)-New York	384,610	967,763,340	3
New York-San Francisco	293,950	754,275,700	3
Chicago-New York	1,021,370	726,194,070	4
Chicago-Los Angeles	375,280	653,737,760	4
Chicago-San Francisco	234,730	435,189,420	3
Chicago-Miami	290,420	345,599,800	3
Los Angeles-San Francisco	885,750	307,355,250	4
Detroit-New York	451,670	216,801,600	3
Chicago-Denver	174,490	160,007,330	3
Atlanta-New York	206,880	154,746,240	3
New Orleans-New York	104,020	121,703,400	3
Chicago-Tampa	89,970	89,970,000	3
Chicago-Atlanta	130,980	77,016,240	3
New York-Birmingham	37,880	32,690,440	3

Mr. SALTONSTALL. Mr. President, will the Senator from New Hampshire yield?

Mr. COTTON. I yield.

Mr. SALTONSTALL. Mr. President, the Senator from New Hampshire has mentioned the States of New Hampshire, Maine, and Vermont. We in Massachusetts are also vitally interested in the Northeast Airlines; but the course for Congress to take at the present time is a great question.

However, I hope the Senator from New Hampshire, who is on the committee that has authority over the CAB, will point out, in the course of his remarks, that this whole situation involves the prestige of New England and the question whether it is entitled to have an airline that is based there and will extend its service to other parts of the country. In short, the question is whether New England will have any air transportation of a satisfactory character.

It seems to me that if the CAB decision stands, certainly the northern New England States and Boston must be provided with greater service than they would have without Northeast Airlines. It seems to me that proper air transportation is fundamental to the prestige of New England, its trade, and its future trade and progress as one of the industrial centers of the United States.

I appreciate very much what the Senator from New Hampshire is attempting to do, and thank him for his remarks.

Mr. COTTON. I thank the Senator from Massachusetts, as I do the Senator from Maine [Mr. MUSKIE].

I shall yield the floor in a minute, but first let me say to the Senator from Massachusetts that I did not intend in any way to minimize the interest of the great State of Massachusetts and its citizens in Northeast Airlines.

Mr. SALTONSTALL. I know that.

Mr. COTTON. I emphasized Maine, New Hampshire, and Vermont only because Massachusetts is fortunate enough to have national service by other airlines, whereas we in northern New England are in a more desperate situation. Therefore we are emphasizing our plight, because it is so much worse. However, I certainly appreciate the remarks of the distinguished Senator from Massachusetts. Both he and his colleague, the distinguished junior Senator from Massachusetts [Mr. KENNEDY], have been

unremitting and unceasing in their efforts in connection with this matter. For that, everyone in New England is grateful to them.

Mr. President, at the time when I yielded to the Senator from Maine, I was commenting on what I cannot help but feel is a real possibility; namely, the execution will occur, the guillotine will fall. In that event, Northeast Airlines would be relegated to a desperate struggle to recoup; it would have to change its equipment and its setup, in order to cope with its reverses, even with the help of a subsidy, and it would have to become a feeder airline; or—we hope that will not happen, but certainly it is possible—it would even be driven into bankruptcy, or into the hands of a receiver, or into some other disaster.

I have even been reluctant to discuss the decision of this quasijudicial body, for I do not wish my remarks to be considered a covert threat; but I believe these things should be said now. In view of the fact that only three members of the Board out of five are behind this decision, and the other two have written some of the finest opinions I have ever read against it, and in view of this repetition of the statement that this great Florida market only requires only two airlines, if the CAB should, within a few months or a year in the future, suddenly decide to certificate another carrier in that market after it has put Northeast out of business it would be an act that would demand an investigation by the Congress.

I do not believe that this decision is based on the fact that that great, rich route, which is the richest in the country, does not require a third carrier. If it does require a third carrier, the carrier which has struggled for 6 long years should be given that chance. If anyone else is given that chance, more will be said about it. I hope this is not taken as a threat, but it is a fact and I believe it should be said right now, and should be considered before it is too late.

Mr. SALTONSTALL. Mr. President, will the Senator from New Hampshire yield for one comment?

Mr. COTTON. I yield.

Mr. SALTONSTALL. The Senator from New Hampshire is mentioning Florida and the rich Florida route. I believe the Senator wishes to remember that New England is vitally concerned also with Philadelphia, Washington, and Baltimore, and places south of New York. If this line is taken away from us, we will have no direct or satisfactory transportation to those areas, as well as to the South.

Mr. COTTON. I understand that. But the reason I was emphasizing the Florida route was that that the route to Florida is the backbone of profitable business that would enable Northeast Airlines to serve New England.

Northeast Airlines cannot make enough profit on trips from Boston to New York, or Philadelphia, or even Washington, to make the difference and give them the resources to do the job for us in New England, and that is the reason.

It was not that I was minimizing the importance of that service. I enjoy it myself, as I am sure the Senator from Massachusetts does, and I hope we can continue to enjoy it. It is highly necessary and convenient and helpful to have Northeast Airlines service from Washington to Boston, and from Washington to New York, but the point is that Northeast Airlines lives or dies on its most profitable route that was given them 6 years ago and then taken away from them by a 3 to 2 decision which was reaffirmed yesterday after what I again say was a remarkably hasty action, in which the Attorney General of the United States was not even allowed to intervene.

Mr. President, I yield the floor.

It should be pointed out that the disenfranchisement of a trunk carrier is without precedent in the history of the CAB. Since it is, we should take a particularly careful and close look, not only at the merits of the case, but at the implicit policy which it implements. The decision can have an impact not only upon the fortunes of Northeast Airlines and service of the Florida market, but also on other situations throughout the country which may be decided upon the basis of the policy that has been laid down.

DEATH OF EX-SENATOR FREDERICK HALE, OF MAINE

Mr. MUSKIE. Mr. President, from the critical years of World War I to the beginning of World War II, Frederick Hale, of Portland, represented Maine in the U.S. Senate. Senator Hale, who served in the Senate from 1917 through 1941, died on September 28, in Portland at the age of 88.

Fred Hale was a responsible statesman. He was born and brought up in the world of politics. His father and grandfather, Eugene Hale and Zachariah Chandler, served as U.S. Senators, Hale from Maine and Chandler from Michigan.

Hale's integrity, independence, and loyalty were well recognized and highly respected by his colleagues. He never hesitated to vote against the dictates of popular opinion when he felt such a course of action justified. Although noted for loyalty to his political party, Senator Hale's conscientious review of all critical issues occasionally led him to desert party ranks.

For a good part of his Senate career, Hale chaired the Naval Affairs Committee. He consistently supported the need for a large Navy and looked with a dim view on the Washington Naval Disarmament Treaty of 1921. Senator Hale was a vigorous advocate of preparedness on the grounds that it cost less than war.

His objections to economy cuts in the Navy's budget finally resulted in the development of a cruiser building program. Recognizing the weakness of the American Pacific Fleet, he worked long and hard for the strengthening of the Navy's base at Pearl Harbor. As World War II loomed on the horizon in 1939, he warned that aid to Britain was essential to the safety of our country.

Senator Hale is remembered for the interest he displayed in helping to solve the personal problems of Maine men and women, no matter how humble the person, no matter how insignificant the problem. His interest in people was a reflection of his kindly but retiring personality.

In these and many other ways, Fred Hale represented the best qualities associated with our State of Maine—independence, courage, and concern for others. It is an honor to be one of his successors.

FAILURES OF COMMUNISM TO PRODUCE ITS CIVILIAN NEEDS

Mr. LAUSCHE. Mr. President, frequently there are heard from heads of friendly governments and their diplomats expressions of perplexity concerning our sometimes irreconcilable attitude toward governments whose political philosophies and designs are entirely incompatible to ours. In a powerful voice, we hold our democracy with its freedoms of self-government and free enterprise as an example for others to follow; and on the other hand, by deed, we seem to subscribe to socialistic and communistic philosophies by lending a hand to perpetuate them or help cover up their failures. Can we blame those puzzled, friendly peoples if they ask us: "Why do you not practice what you preach?"

Red Russia, from Stalin to Khrushchev has continued a relentless campaign through deceit, harassment, and subterfuge to gain world supremacy, both militarily and economically. Communism has failed miserably to achieve either, and today Khrushchev's failing economy is being held up for the whole world to see what it really is. Significantly, it is now proposed that we, through the sale of surplus wheat, bail out Khrushchev's floundering Communist economy, and help to cover up its flagrant errors and incapabilities. Are we to be so naive to now acquiesce and to relieve Mr. Khrushchev of his suffering from the bitter fruits of slave labor?

Mr. President, Dr. Robert Strausz-Hupe, Director of the Foreign Policy Research Institute of the University of Pennsylvania, has very ably made an analysis of the failures of communism to produce its civilian needs in a recent letter to the editor of the New York Times. In order that this thoughtful letter might be given wider reading, I ask unanimous consent that it be printed in the body of the RECORD as a part of my remarks.

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

OCTOBER 2, 1963.

THE EDITOR, THE NEW YORK TIMES,
Times Building,
New York, N.Y.

SIR: 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 New York Times of October 2, 1963, 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 upon earth. Her cultivatable 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. 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 the Soviets have to do is to shift the 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. Incidentally, an accurate reading of the Soviet Union's balance sheet reveals that the distinction now being made by Western governments between strategic and nonstrategic materials is meaningless: if wheat imported into the Soviet Union abets the Communists' preference for the military-technological sector of the Soviet economy, rather than the consumer sector, then these wheat imports are strategic.

The advocates of the wheat deal point to 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 mind 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.

Sincerely yours,

ROBERT STRAUSZ-HUPÉ.

TITO'S VISIT TO THE UNITED STATES OPPOSED

Mr. LAUSCHE. Mr. President, with respect to the visit of Tito to the United States and the contemplated purpose of honoring him as a guest at the White House, there have come to my desk sheafs of letters from fugitive Germans, Hungarians, Rumanians, Croats, Slovenes, and Serbians describing the terrors to which they were subjected at the hands of Tito. Each of these groups relates countless instances of executions and brutal treatment of prisoners—all for the purpose of exterminating any voice that might rise to protest against Tito's taking of power in Yugoslavia.

In my opinion, a serious mistake is being made in honoring that man.

I have repeatedly expressed my disappointment concerning the proposed visit of Tito to the United States. I have said that he should not come to our shores and that he should not be an official guest of our Government. In strong words from the Serbian National Defense Council of America, the President of the United States is requested to cancel this proposed visit. I ask unanimous consent that the text of a recent telegram received from the Serbian National Defense Council of America be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. INOUYE in the chair). Is there objection?

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

OCTOBER 8, 1963.

Senator FRANK J. LAUSCHE,
Senate Office Building,
Washington, D.C.:

From a meeting of 20 American Serbian organizations called to protest the invitation of the Communist tyrant Tito to the White House, we appeal to you, to plead with President Kennedy to cancel this infamous visit. If diplomatic protocol demands that this Communist executioner is to be seen please advise the President to meet him at the United Nations building and not in the White House, the glorious and sacred home of all Americans. Furthermore ask President Kennedy to demand from the Yugoslav dictator an immediate release of Bishop Varnava Nastikch, of Gary, Ind., and make it possible for this Christian martyr to return to his native land, the United States of America.

DR. UROSH L. SEFNER,
President of the Meeting Serbian National Defense Council of America.
CHICAGO, ILL.

SALE OF WHEAT TO RUSSIA

Mr. JAVITS. Mr. President, I wish to make a brief statement with respect to the sale of wheat which the President of the United States may very well approve today. My statement picks up from the speech which I made on East-West trade, including the wheat sale, on October 3 last. I wish to summarize it now because of the imminence of the decision.

First. I believe the decision on the one-shot wheat transaction should be left to the President. If he feels it is desirable in the national interest—and from present indications he does—he should approve it. But if he approves it, he should give assurances to the Congress, first, that the wheat deal represents only a one-time commitment; second, that any revision of our trade relationship with the Soviet bloc will be done in cooperation with the Congress.

The wheat transaction should not represent the opening of a new trade relationship between the United States and the Soviet bloc. There are many outstanding economic issues between us and the Soviet bloc, including past Soviet bloc debts. There are also such questions as the protection of U.S. patents and copyrights; the settlement of commercial disputes; dumping and market disruption; the free access of U.S. businessmen to markets and buyers in the Soviet bloc, and so on. I have dealt with each of these points at some length in a speech on the Senate floor on October 3.

Second. The wheat deal may create an opportunity to open negotiations with the Soviet Union regarding outstanding economic issues. I am for taking advantage of that opportunity. But I am not for backing into an expanded trade relationship with the Soviet bloc on the basis of a one-shot wheat deal. An increase in nonstrategic trade should be conditioned on the success of such negotiations.

Third. The matter of harmonizing and unifying Western policy regarding trade with the Soviet bloc remains a crying need. West Germany, France, Great Britain, Italy, and other countries in Europe do a great amount of business with the Soviet bloc. We do not. Nonetheless, the whole free world relationship with the Soviet bloc has broken down by virtue of this inconsistency of policy. I urge the administration to undertake immediately an effort within the Organization for Economic Cooperation and Development to concert East-West trade policy. The economic and political value of a unified Western policy on this question would be immense.

Fourth. Congress should begin a reexamination of the entire issue of U.S. policy regarding trade with the Soviet bloc, with a view to grant the President authority to use our foreign trade as a flexible instrument of policy to be turned on and off as required by the state of United States-Soviet relations in our national interest. Today the President's hands are tied by existing legislation with respect to credits and tariff policy. I wish to free the President's hands in order that he may, in the best interests of the United States, use trade with the Soviet bloc as a tool in the effort to deal with cold war issues.

Fifth. Finally, Mr. President, the question of the extension of long-term credits will inevitably arise because the Russians cannot buy very much unless they get extensive credit. Provided Congress gives the President authority to negotiate on credits, it should be made conditional; on the real lessening of tensions in the cold war and should not

come about without major political concessions on the part of the Soviet Union.

I believe the issue of credit worthiness of the Soviet Union, for either long-term private or public U.S. credit, is the real area in which it is possible to negotiate in respect to political problems as for example, Cuba and Berlin.

It may very well be that we shall see great opportunities opening up before us. I have summarized today the techniques by which those opportunities may be availed of with benefit for rather than danger to our national interests.

HEALTH CARE FOR THE AGED

Mr. JAVITS. Mr. President, recently there was published a very fine statement by Dr. Arthur Flemming, the former Secretary of Health, Education, and Welfare, on health care for the aging. I again call to the Senate's attention the fact that he is heading a task force, which I had a good deal to do with putting together. This is the National Committee on Health Care of the Aged, and it is expected to make a report which many of us now feel will provide the definitive solution to this problem and the basis for a bill capable of gaining widespread support in the Congress, again bringing the issue to the fore—as it should be—as a major possibility on the legislative calendar. I expect the committee's report to be available this month. I believe it will represent a significant development so far as the Congress is concerned, for the task force is widely regarded—not only by people in the administration and by myself but also by those in trade unions—as the group which will find the answer.

Considerable progress is being made to enlist bipartisan support for health care legislation, and out of the discussions and studies that have been underway since the beginning of the year, I deeply believe the issue will emerge and be more vital than ever and we will have a stronger bill capable of enlisting more support than the ones now pending before the Congress, and capable of enactment into law. The kind of bill that I look forward to will provide basic protection against the high costs of hospital care under social security. But it will also make it possible for the private sector of our economy—group health services, cooperatives, trade union health plans, and insurance plans—to participate effectively and at lower cost than anything presently available and providing a far wider range of benefits than any bill now before the Congress. The partnership of Government and the private economy can deal with health care for the aged most effectively and at a reasonable cost.

This subject was cogently explored by Dr. Arthur Flemming, at a meeting in Denver, Colo., on August 19. Dr. Flemming, president of the University of Oregon, is also chairman of the National Committee on Health Care of the Aged.

I ask unanimous consent to have printed in the RECORD the remarks of Dr. Flemming which appeared in Senior Citizens News, October 1963.

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

There is a general agreement that a problem does exist which our Nation must solve. Studies conducted by the Department of Health, Education, and Welfare show that persons 65 and over are confronted with health and medical bills each year that average twice as much as those for the rest of the population. And all of us know that the cost of medical care keeps increasing. In fact medical-care prices have risen more than other prices.

Bureau of Census data show that in 1960 the aged had to try to pay their medical bills out of annual incomes that averaged about half that received by persons under 65—from $1,000 for aged persons living alone to $2,900 for families headed by aged persons. It is clear that those whose income was equal to the national average and those who were below the average didn't have much left for the medical bills after taking care of the bare necessities of life.

Too many of the aged are unable to afford health insurance or are considered too poor a risk. In fact the number carrying some form of health insurance is just over half of the aged population. In most cases they carry hospital insurance. In many instances it falls far short of meeting the costs of illnesses.

These and other similar facts explain why a larger proportion of the aged than any other group in our population are forced either to turn to public or private welfare agencies for payment of their medical bills or to rely on free care from hospitals and physicians. And the sad thing is that many do not choose either alternative. They just neglect their health.

Surely a Nation that is founded on the concept of the dignity and worth of each human being can and must find a solution to this problem—a solution that will meet the needs of this generation and will keep the next generation from confronting the problem that now confronts us.

It was my privilege on January 12, 1961, to deliver the closing address at the first White House Conference on the Aging. At that time in referring to the problem of health and medical care for the aged, I said:

"I am convinced on the basis of my own experiences that this problem cannot be resolved by relying solely on private voluntary efforts. * * * I am convinced that the Federal Government must become an increasingly effective partner if the problem is to be handled properly."

An adequate health and medical insurance program for the aged should provide them with substantial help in meeting the costs of the following items: Hospital care, skilled nursing home care, organized home care services, dental services, prescribed drugs, and physical restoration services.

If the aged are to enjoy the benefits of a well-rounded program of this kind a law must be enacted that will do the following two things:

First, inaugurate through social security a nationwide hospital and skilled nursing home insurance program for the aged.

Second, authorize and encourage those who are engaged in private insurance to join forces so that they can offer the aged a health insurance program at reasonable prices that will help cover the costs of organized home care services, surgical services, laboratory and X-ray services, dental services, prescribed drugs, and physical restoration services.

Such a law would provide the foundation for a partnership between the Federal Government and private insurance that would mark the dawn of a new day for the aged in dealing with the economic hazards of illness.

And both the Federal Government and the field of private insurance have had experience in forging such a partnership. For 28 years we have been operating under a social security program which has provided certain basic benefits for retired persons. Today we find that private insurance has worked out over 30,000 private pension plans that supplement the benefits that social security has provided. From 1940 to 1961, life insurance in force grew from $115 to $685 billion. There is no doubt that the Federal Government's old-age, survivors, and disability insurance program has stimulated the growth of private insurance in this country.

What has happened in the pension and life insurance fields can and must happen in the field of health insurance.

Here are some of the considerations that I believe should be kept in mind in developing through social security a nationwide hospital and skilled nursing home insurance program for the aged:

1. The program should be financed by a payroll tax shared equally by both employers and employees or paid by the self-employed.

2. Receipts from the tax should be placed in a special fund and benefits paid under the program should be related to the resources in the fund.

3. The payroll tax should be fixed at a level that will make it possible for benefits to be paid to the aged that will give them a fair chance to maintain their independence in dealing with the costs of hospital and nursing home care.

4. Persons who have contributed to the fund should be eligible at age 65 for the benefits provided by the program.

5. All employed and self-employed should be included in the program. It is impossible to predict, for example, what persons entering the labor market for the first time this year will have financial resources at age 65 that would enable them to get along without the protection that such an insurance program would provide.

6. The cost of providing health protection to the present aged who have not had the opportunity of participating in the social security program should be met from general revenues.

Such a program, to quote from President Kennedy's February 1963 message to the Congress, "is based on the fundamental premise that contributions during the working years, matched by employer's contributions, should enable people to prepay and build earned rights and benefits to safeguard them in their old age."

But such a program isn't enough if it is left standing by itself. It is true that hospital and skilled nursing home costs loom large in many illnesses. That is why the Federal Government should single them out in developing an insurance program for the aged through social security.

However, the services of physicians, surgeons, dentists, and physical therapists can also be costly. And Congress can help the aged deal with these costs without involving the Federal Government in any new program.

It should do it in the same law in which it establishes a hospital and skilled nursing home program for the aged.

It should declare that it is sound national policy for private insurance companies and nonprofit health plans to join forces, including a pooling of risks, and offer the aged in any State a health insurance program at reasonable prices that will cover the costs of services rendered by physicians, surgeons, physical therapists or any other costs connected with an illness.

It should then remove any legal obstacles, such as antitrust laws, that stand in the way of putting such a policy into effect.

In brief in one law the Congress should establish a limited health insurance program through social security and, at the

same time, clear away the obstacles that stand in the way of private insurance developing an effective program for supplementing the Government's program.

When I was called upon in August of 1958 to come to grips with the problem of health and medical care for the aged I developed a strong conviction that the Federal Government should not do anything that would block the growth of private health insurance. At the same time I quickly realized that, because of the unusual risks involved, private insurance was not going to be able to offer an adequate program at a price that would be within the reach of a sufficiently large percentage of the aged. I examined and worked on various plans under which the Federal Government would have underpinned the efforts of private insurance. None of them made or has made any headway.

I now believe that private health insurance will grow along sound lines if the Federal Government, through social security, develops an insurance program for the aged that is restricted to dealing with the costs of institutional care. This will leave the rest of the field to private insurance and relieve it of heavy risks. It should at the same time be given the right by the Congress to pool its resources. This should lead to the offering of health insurance policies at premiums that will be within the reach of the aged and also within the reach of younger persons who want to take out policies now that will guarantee them benefits at 65 and beyond. Also, it should be kept in mind that some of the $475 to $525 million in purchasing power which is now allocated annually for hospital coverage of the aged will become available for payments of premiums on private policies.

In summary, I believe that a partnership should be established between the Federal Government and private insurance in the health insurance field. If it is brought into existence we will have at long last moved from the talk stage into the action stage in dealing with the problem of meeting the health and medical bills of the aged.

I recognize, of course, that even if this partnership is formed there will be a percentage of the aged whose needs will have to be met through public welfare programs. I favor the Federal Government providing generous support to the States in connection with their programs for providing medical care for persons receiving old-age assistance. I favor the Kerr-Mills law which makes it possible for the States to receive generous support from the Federal Government if they decide to help persons 65 years of age and over who are not receiving old-age assistance but whose income and other resources are not sufficient to meet their medical expenses.

But these are public assistance programs. They are not substitutes for an adequate public and private insurance program to care for the health and medical costs of the aged. Our fellow citizens do not want to sit around and wait for sickness to develop and then have their bills met through public assistance programs. They want to participate in insurance programs that will assure their ability to maintain their independence in dealing with the costs of health and medical care. The time has come to give them the opportunity of participating in such programs. We insult them when we tell them that they needn't worry but that we will take care of them under old-age assistance or the Kerr-Mills program.

Let's not take pride in our ability to add aged persons to public assistance rolls because they are medically indigent. Rather let us insist on the Congress taking action that will provide our people with both public and private insurance programs under which they will have earned benefits that will safeguard them in their old age and keep them off public assistance rolls. This is the only kind of a program that is consistent with our Nation's dedication to the concept of the dignity and worth of each human being.

AMERICAN ORGANIZATIONS DEMAND HOSPITAL INSURANCE NOW

Many American organizations—including senior citizen clubs, labor unions, religious, and social groups—will focus their attention on the hearings on the Hospital Insurance Act of 1963 which are expected to open in the House Ways and Means Committee at the end of October or early in November.

Though the legislation directly concerns more than 18 million Americans who are now 65 or over—because the program will operate as a logical extension of America's time-tested social security and railroad retirement systems—it will indirectly affect many millions more. It will help the elderly get the health care they need, lighten the burden on their sons, and daughters, and protect savings for the education of their grandchildren.

Some of the many statements supporting the program which have been made by national organizations are reproduced on these pages. The forthcoming hearings will offer indisputable evidence of the urgent need for enactment of the King-Anderson bills.

Council for Christian Social Action United Church of Christ:

"*Be it resolved,* That the Council for Christian Social Action of the United Church of Christ favors legislation designed to provide insurance against the costs of hospital, nursing home, medical, and surgical services for all retired and disabled persons, and urges favorable consideration of such legislation by State legislatures and the Congress of the United States.

"We would encourage the purchase of voluntary private health insurance by those who have the means to do so. But we must not lose sight of the inadequacy of these programs to serve many of the neediest cases, and we should recognize the responsibility of all citizens in our industrialized society to share in meeting the health needs of those whose limited resources cannot be expected to pay for adequate insurance. We believe the costs of medical service to those persons should be met in the most equitable manner possible, either through the social security system or through a program of general taxation, so that no aging person shall ever lack proper care because of economic inability or be subjected to indignity in order to qualify for it.

"We urge church members to give careful consideration to this subject and to express their convictions to their respective legislators."

Council of Jewish Federations and Welfare Funds:

"The board of directors of the Council of Jewish Federations and Welfare Funds approves in principle the use of the mechanism of the old-age and survivors insurance program for financing an expanded program of health services for persons 65 years and over.

"Provision of health services to the aged by Jewish institutions has become a matter of growing concern. Increased costs of medical care and the increased demand for these services by the aged place great strains upon the physical resources of Jewish institutions and increase institutional deficits substantially."

National Council of Jewish Women:

"Only a small percentage of Americans are able to save enough, during their working lives, to sustain the cost of protracted or catastrophic illness in old age. As the retirement age is lowered, and as people live longer, a new class of Americans is being created—the medically indigent. These are people who, for the first time in their lives, must turn to family, friends or public agencies for help.

"Many elderly people live in fear of what will happen to them if they get sick, and anxiety itself is one important cause of illness. With medical insurance, there is the likelihood that the extent of illness would decrease among the aged.

"Today Americans are able to insure themselves against destitution in old age, through their contributions to the social security system. The Federal Government must also make it possible for people to insure themselves against the cost of catastrophic illness.

"The National Council of Jewish Women believes that an insurance program of medical benefits under social security would make an important contribution to the serenity, dignity, and security of the later years."

National Council of Churches of Christ:

"As previously noted, the general board has stated, 'If voluntary prepayment plans cannot accomplish the desired ends, Government should protect the health of people by making possible the prepayment of health services.' This is precisely what the social security system would be able to provide efficiently through the mechanisms of old-age, survivors, and disability insurance. Therefore, the National Council of Churches supports in principle legislation which will extend the benefits of old-age, survivors, and disability insurance to include adequate health care for retired aged persons."[1]

Synagogue Council of America:

"The constituent organizations of the Synagogue Council of America endorse the proposal * * * that the Federal social security system be broadened to include hospital and nursing home care for persons over 65. Such costs account for a very large part of the total expenses of medical care for older people. Extension of Federal assistance would lift a heavy burden of expense and of fear from the minds of those who have surely earned at least this freedom from fear.

"Jewish religious tradition makes mandatory the maximum care of those in the final years of life. We urge that this minimum step of adequate medical assistance be undertaken for the elderly in our society without delay."

Unitarian-Universalist Fellowship for Social Justice:

"Whereas meeting the health needs of our older population constitutes one of the most pressing social problems in this country; and

"Whereas medical and hospital costs continue to mount so that serious illness for retired persons often wipes out his life's savings or places great burdens on his children; and

"Whereas the program of health care for the aged under the Kerr-Mills law is inadequate because it is limited to the indigent; and

"Whereas the need is for a program that will treat the older person with dignity rather than requiring him to become penniless to qualify: Therefore be it

"*Resolved,* That the Fellowship for Social Justice (Unitarian-Universalist) voices its conviction that medical care for the aged should be established and financed through the social security system."

American Nurses' Association:

"The American Nurses' Association supports the extension and the improvement of the contributory social insurance

[1] In its pronouncement on the churches' concern for public assistances adopted June 4, 1958, the general board stated: "The National Council of Churches affirms that the use of social insurance, as exemplified by old-age, survivors, and disability insurance is to be preferred to economic dependence upon the public assistance programs."

to include health insurance for beneficiaries of old-age, survivors, and disability insurance. * * *

"The benefits of modern medical science should be available to all citizens of this country. Health services which are essential to social well-being are expensive and likely to become more so in the years ahead. Without insurance protection against the costs of illness, the disabled, retired, and aged must often depend on public relief in times of sickness. * * *

"Certainly, insurance coverage against the costs of illness which may occur after retirement, which insurance can be paid for during the working years, would be less costly to the public than tax-supported public relief for health care—a dependency which is distasteful and degrading to citizens of this country."

Nationwide Insurance Companies:

"The cost of voluntary insurance policies cannot be borne by older persons alone. Realistically, the most that can be hoped for is that somewhat more than half the aged can pay premiums of about $100 per year. A $100 annual premium cannot cover more than a fraction of the aged medical care needs. * * * Private insurance companies can design health insurance packages to meet the important supplemental areas of medical need not met by the existing legislative proposals. * * *

"With a balance of effort on the part of both industry and Government, a program can be built which will provide for every citizen's health needs in his old age. The social security system can provide the foundation for a comprehensive private-public health insurance system; it is the function and the opportunity of private, voluntary insurance to build on this for completely adequate health care at reasonable costs."

American Federation of Labor and Congress of Industrial Organizations:

"This is a bill about the personal well-being of men and women, those who are retired, those who are about to retire, those who are barely beginning their working lives, and everyone in between.

"We, as an organization, believe in the social security system. So does this Ways and Means Committee; neither of us has to prove this point. It is written in the history of our times. * * *

"To be meaningful, a system of old-age insurance must guard against all frequent and predictable threats, and by far the greatest of these is long-term, costly illness.

"This bill proposes to insure against this eventuality in exactly the same way as our social security system insures against total loss of income. Every worker, and his employer, would put aside a modest sum each week to create a fund that would pay a substantial part of his medical expenses after he retires.

"Now what in the world is wrong with that?"

National Association of Social Workers:

"The total system of social insurance, in order to fulfill its social purpose in American life, should protect all workers and their dependents against the major economic hazards of modern life and should provide benefits adequate to maintain a reasonable standard of living commensurate with the Nation's productive capacity and sense of social justice. * * *

"We have studied the arguments against extension of OASDI to health care. We cannot agree with them. The patient's free choice of hospital or physician is not curtailed. It is not a free service. It does not have to reduce the quality of care. It will not discourage medical education, research, or advancement. It is not socialized medicine. It is not a system of regimenting doctors or bringing them under bureaucratic control."

John P. Roche, national chairman, Americans for Democratic Action:

"ADA supports medical care for the aged under the social security system because only thus can older people who live in double jeopardy—facing both illness and poverty—get the hospitalization they need without the crushing burden of hospital costs from already inadequate incomes. Hopefully Congress will not permit itself to be immobilized by slogans which were outdated when social security became a fact over a quarter of a century ago." July 24, 1963.

James Patton: "As president of both National Farmers Union, a general farm organization dedicated to support the best economic interests of farmers, and Farmers Union Insurances, which are straight-line insurance companies which serve our farmer-members, I have been aware of the problems concerning senior citizens in rural areas.

"One of the most pressing of these problems is that of providing adequate health care for rural senior citizens. The reason for this stems from the fact that while less than 10 percent of the Nation's population live on farms, nearly one-third of our elderly reside on farms or in rural towns. As young people leave the rural areas, the elderly stay or return and the ability of the farm community to support the elderly becomes a greater and greater problem.

"There is another fact that makes it very difficult for older people in rural areas to receive proper health care. It is unfortunate, but true, that the incomes of people in rural areas are not as high as they are in urban sections of the country. In fact, average cash incomes in rural areas are less than half of those in urban areas. With farming being a high-risk, low-income profession it is obvious that our older people in rural areas are in need of more adequate health insurance protection than that which they are now receiving.

"I mentioned that I was also president of our own insurance companies because in this capacity I have had the opportunity to become well acquainted with the private insurance sector. While our insurance companies have done their best to provide the necessary medical coverage for our older members, the economic facts of running an insurance company dictate that premium costs be high—in many cases too high for lower income farmers and retired residents of small towns to afford.

"These observations have led me to the conclusion that enactment of a Federal program of hospital insurance for America's older people is a necessity long overdue. The delegates to our recent convention of National Farmers Union stated in the adoption of their policy program that 'A comprehensive national prepaid health care and medical facilities insurance program should be set up under the auspices of the Federal Government that will enable everyone to receive fully adequate medical, dental, hospital, and health services.'

"On behalf of National Farmers Union I pledge our cooperation in the drive to enact the President's health care program."

Hospital Progress, magazine of Catholic Hospital Association:

"Even political opponents of the OASI approach to health insurance for the aged admit that a measure based on that approach not only is inevitable, but actually will be enacted in a matter of years, if not months. The American Hospital Association itself has observed that, in terms of services, coverage and low-cost financing, the use of the OASI mechanism for health care of the aged 'probably cannot be matched nationwide by any other system, public or private.' Government officials and congressional committees have testified that the OASI system is actually sound, that the proposed health insurance program for the aged under this system could not break down, as individual State programs for all practical purposes could and might.

"The question at this point, then, would appear to be how this health insurance program under OASI might best be expressed in public law. Two proposals introduced in the first session of the 87th Congress—the King-Anderson and McNamara bills—come close to providing a workable plan. Neither is perfect. Both would have a serious impact on hospital planning, orientation and organization. But, if there are objections, if there are alternatives, suggestions and recommendations, then hospitals should voice them now before enactment forces mere dumb consent."

W. A. Boyle, president, United Mine Workers of America:

"United Mine Workers of America most heartily endorses H.R. 3920 and S. 880, known as the King-Anderson bills, and the Hospital Insurance Act of 1963. These bills provide payment for hospital care for all Americans who have reached the age of 65 through the contributory social security and railroad retirement programs.

"The members of the United Mine Workers of America prefer to contribute during their productive years to a program of medical care which will provide retirement benefits that they have rightfully earned. We oppose the voluntary health programs and the type of public assistance proposed by the Kerr-Mills program.

"The officers and members of our organization will do everything possible to urge the Members of the 88th Congress to vote for the administration's Hospital Insurance Act."

Social policy committee, national board, YWCA:

"The YWCA, with a deep concern for the health and welfare of people, has always sought to help meet these needs in such a way as to preserve the freedom, dignity, and self-respect of individuals. We have also continuously supported the principle of old age, survivors, and disability insurance (OASDI) as a means of meeting certain social needs. In line with these principles and after much study and discussion, the national board voted at its April meeting to support the principle of extending the system of old-age, survivors, and disability insurance (OASDI) to include payments for health benefits for the aged."

Group Health Association of America:

"No voluntary insurance plan of any sort can create the necessary resources to provide adequate coverage for this older age group. It is just a question of trying to get blood out of a stone. * * * It is * * * gratifying to see the Federal social security system used as a solution to the problem of more adequate health care for the aged.

"This bill would not control medical practice. It would make medical practice as the doctor wants to practice it more available."

Health Insurance Plan of Greater New York:

"Our experience shows that most of our subscribers who are 65 and retired are unable to continue their insurance. (The President's) program will provide the necessary hospital coverage and thereby enable large numbers of older people to continue their voluntary medical care insurance."

REDUCTION OF EXCESS MARKETINGS OF MILK

The Senate resumed the consideration of the bill (S. 1915) to amend the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and to encourage the reduction of excess marketings of milk, and for other purposes.

Mr. JAVITS. Finally, Mr. President, I should like to make a brief statement concerning the pending bill, so far as our position in New York is concerned. New York is the second leading dairy producer in the United States, so it is important that certain thoughts be expressed with regard to the pending bill.

The problem of establishing a real consensus of view among dairy farmers and consumers—because New York is a State with a great number of consumers—on a bill with relation to the marketing of milk is a very real one. In order to determine whether there was a real consensus among New York dairy farmers, the bipartisan steering committee of the New York congressional delegation wrote to a number of the leading New York farm organizations and dairy cooperatives requesting their opinion on Federal legislation. I am quite gratified to be able to report that the leaders in the dairy industry in our State have been cooperative and responsive in providing the steering committee with their views.

The results of this inquiry show that a strong consensus of opinion in support of a single bill is not capable of ascertainment in our State. There is still a strong feeling in New York that dairy farmers ought to be left to solve their problems themselves and that Federal legislation regulating agricultural production through quotas and high fixed price supports should be avoided.

There is a strong sentiment in New York State in opposition to the use of production allotments or quotas, as provided in the pending bill, and a belief that the free market system is the more effective instrument for reducing farm surpluses.

I have long believed in the objectives of a farm program which would insure adequate income to fluid milk and manufacturing milk producers, would reduce the staggering cost of the dairy program to the Federal Government, would reduce existing inventories of agricultural surpluses, and would encourage progress toward more efficient production and marketing.

The pending bill would establish a program keyed to a class I or base excess plan. Under Secretary of Agriculture Charles Murphy, in testifying before the Senate Committee on Agriculture and Forestry on April 3, explained the operation of the base excess plan by stating that it proposed to remove an incentive for increased production which the existing marketing orders, using a blend price, created. Thus, for his allotment the producer would receive his share of the amount required to be paid for milk needed for fluid use plus an adequate reserve, and for his excess milk would receive the lowest class price.

There are at present 37 current marketing orders which contain "base excess" provisions and which provide for the calculation of new bases each year. However, in view of existing figures on production and net income, it would appear difficult for us in New York to justify the position that such a plan would be an answer to a major lessening of the excess production.

Before the Committee on Agriculture and Forestry, there was conflicting testimony as to whether such a plan could effectively accomplish its primary objective; namely, to significantly reduce milk production. Testimony was received that the establishment of a base excess plan would not substantially reduce production in fluid milk order markets.

The apparent small impact which a base excess plan would have on the reduction of surpluses was clearly pointed out in a table prepared by the Department of Agriculture contained in the committee report. It indicates that the estimated milk production under the bill would be 124.9 billion pounds, whereas in the 1963–64 marketing year production amounted to 125.5 billion pounds. The reduction would be only 600 million pounds. In any event, dairymen will continue to produce milk as long as the lowest class price is sufficiently high to help pay for fixed costs of production.

Moreover, the question of increased farm income is also left unsettled. With respect to the base excess plan contained in certain other bills upon which the Senate Committee on Agriculture and Forestry held hearings earlier this year, Under Secretary Charles Murphy testified before the committee on April 3 that under a base excess plan without payment the net income of farmers would be reduced $47 million from the 1963–64 marketing year level. While the Department of Agriculture indicated that establishment of the plan incorporated in the bill before the Senate would result in an increase in net producer income of $7 million from the 1963–64 marketing figures, it seems unlikely that producers in New York would approve such a plan under their referendum unless it was proved beyond much doubt that the plan was economically preferable to the terms of the existing market order.

The uncertainty of the bill's effect upon the reduction of surpluses and the uncertainty as to whether it would improve the income of dairy farmers has been highlighted by Secretary of Agriculture Freeman's statement in the Department's report on the measure, in which he recognized the limitations of the measure. He said:

> We believe a class I base plan such as incorporated in proposal S. 1915 might achieve some improvement in the income position of some fluid milk producers, and we perceive no objection to it as far as it goes. At the same time, should legislation provide only class I base plans in Federal orders, the results would be so limited that neither the necessary reduction in total national milk production nor the much needed improvement in total dairy income would be achieved.

The establishment of production controls and quotas should be viewed in the light of the precedent which last May's national wheat referendum created. This referendum established that the farmers of this country—certainly the wheat farmers—are strongly opposed to Federal production controls and to Federal supply management programs.

I believe we ought to consider this lesson, drawn from the feed grain area, as equally applicable to the dairy industry in New York. Moreover, we must be conscious of the fact that increased prices for class I fluid milk which will undoubtedly result from the establishment of a program as contemplated by this legislation may well result in higher costs to the consumers and therefore ultimately reduce consumption of fluid milk.

In New York I have done my utmost to listen carefully to what the dairymen themselves desire, and hence have been in close touch with the effort of the steering committee of the New York congressional delegation of which I am a member to obtain a consensus of opinion on the bill. We could not obtain this. I look forward to some program on which there can be a clear consensus of opinion.

I have received strong communications, however, to the effect that at this time the dairy industry in New York prefers to operate under the present Federal milk marketing orders, subject only to necessary adjustments in such orders.

The sentiment of the New York dairymen as reflected in letters to the New York steering committee and in heavy mail to my office indicates a firm faith, in free market enterprise and a belief that competition rather than restrictive Federal regulation of production meets their farm problems.

As I have said, I have tried to pay the strictest attention to what the dairy farmers in my State desire. I also have very deeply at heart the consumer problem.

I appreciate very much that the principal sponsor of the bill, the Senator from Wisconsin [Mr. PROXMIRE], has tried to find a program that he thought would be appealing now. I say to him that there are some farm groups in my State that are for the program, but a consensus in favor of the bill does not exist. I would welcome any such consensus upon a dairy program and look forward to its realization. On the basis of careful study, I feel it my duty to vote against the bill.

Mr. PROXMIRE. Mr. President, will the Senator yield briefly?

Mr. JAVITS. Yes.

Mr. PROXMIRE. I appreciate the friendly remarks of the distinguished Senator from New York, but I invite his attention to a couple of aspects of the bill. The Senator from New York has said that he felt this question should be left to the farmers to decide. That is exactly what the bill does. Under the present law the farmers do not have a choice as to how the receipts from the marketing orders are distributed. The present law, as interpreted and administered by the Department, requires a blend pricing system. The bill would permit farmers, if they voted better than 2 to 1 in any particular marketing area, to have a class 1 price system instead of a blend price system. It would be up to them. So the choice and opportunity of farmers would not be limited. This bill would broaden them.

The second point I should like to make is that there is not one line, not one comma, of production control in the bill; there is nothing that would effect any

kind of Federal restriction. That aspect of the law would not be changed. The testimony is very strong on that particular issue.

I urge on the distinguished Senator from New York, who is an excellent Senator, and a wise and able man, consideration of the fact that people from New York State, including the Grange and, as I understand, the Milk Producers Federation, people who particularly represent the dairy farmers, came before the committee and enthusiastically supported the legislation and said the dairy farmers would benefit from it.

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

Mr. JAVITS. First I wish to answer the Senator from Wisconsin. Then I shall be glad to yield to the Senator from Vermont.

Mr. AIKEN. I was about to suggest that although the Milk Producers Federation favored the original Proxmire bill, some of the members of the Milk Producers Federation, including some of the very largest ones, particularly in the East, later dissociated themselves from the decision of the Federation of Milk Producers and, as the Senator from New York has said, the consensus, to my knowledge, of the milk organizations is that no legislation at this time is vastly preferable to the adoption of either the Proxmire or the McCarthy bills.

But the Senator from Wisconsin is correct. At first the federation approved the bill, but I do not know that the producers affiliated with it are all in favor of it. Some of the largest organizations, like the Lehigh Valley, the Dairymen's League, the United Farmers in New England, which is the largest of the cooperatives, and which has about $28 million worth of business a year, have since dissociated themselves from the decision of the federation.

Mr. PROXMIRE. Yes. The official position taken by the Milk Producers Federation, both the New York and the national, is on record before the committee as being in favor of the legislation, and the Grange was consistently for it. In fact, the Grange's witness in the hearings was from New York. Mr. Harry L. Graham, dairy consultant for the New York State Grange, gave testimony favorable to the legislation. He told me that the Mutual Federation of Independent Cooperatives, the Metropolitan Bargaining Agency, the Eastern Milk Producers Federation, and the New York State Grange, whose membership totals 54,000 farm and rural families, all favor the bill. The New York Farm Bureau, with 13,000 farm and associate members, however, is against it.

Mutual and Eastern polls indicate almost 90 percent approval among its members. The Metropolitan Bargaining Agency required a two-thirds vote to support both the Proxmire and McCarthy bill approaches. The Grange survey shows 89 percent in support. The Oneonta State Times showed 80 percent approval in a poll conducted by them. Mr. Graham says that even Farm Bureau members support the Proxmire bill by 5-to-4 ratios, according to the Oneonta State Times survey.

Mr. JAVITS. I feel strongly that the consensus—and the bipartisan steering committee of the New York congressional delegation tried to take an honest consensus—has been considered with extreme care. It was at the request of Representatives STRATTON and ST. GEORGE that the steering committee, which represents Republicans and Democrats both in the House and in the Senate, made this survey. Analyzing the results of the survey, I assure the Senator that I have quoted it correctly.

As to the Senator's point about a referendum, I am no marketing expert on milk. The Senator from Wisconsin is extremely competent in that field. But I have tried to educate myself as a duty to my constituents. I have millions of city constituents, and I claim good credentials for knowledge of their problems, but I have studied and tried to learn about the dairy industry problems.

It is true that there would be a referendum, but when we legislate we are legislating compulsion, if the legislation should pass, on a minority. Therefore, we cannot say we should pass this legislation because the farmers will take care of themselves and will vote. If they vote for it, there will be compulsion on a minority which may be in opposition. So when we legislate a program, I think we have a duty to see that that program meets the qualifications and standards which are wished to be imposed.

Mr. PROXMIRE. Mr. President, if the Senator will yield, the present situation is that there is compulsion on the farmers in the marketing area to take a blend price. They do not have an alternative. The bill gives them a choice. A two-thirds vote would be required to change the present situation.

In the Chicago area, and probably in the New York area, an overwhelming majority of the farmers want to change the system. But there is compulsion, anyway. There is compulsion now because they have to take the blend price, which is grossly unfair, forcing them to produce more than they want and forcing that burden upon other citizens, because the farmers impose surpluses on them which would not be imposed if they could succeed in having a different pricing system.

Mr. JAVITS. I cannot agree that those are the views of the farmers. I am convinced that the consensus of the views of dairy farmers is against the program. The point is that compulsion would impose a new system on them. The status quo is involved. They are satisfied.

I now yield to the Senator from Vermont.

Mr. AIKEN. First, Mr. President, I wish to join the Senator from New York in giving credit to the Senator from Wisconsin for attempting to improve the position of the dairy producers. I know he is doing so with the best of intentions. Although he says there is no compulsion connected with the bill which he proposes, and it has to be adopted by a vote of two-thirds of the producers in any order area, nevertheless the only way in which the bill which he proposes would work in the long run would be by Government controls and allocations on all milk.

I come from a State which, with all due respect to Wisconsin, is the most intensive dairy State in the Union. It has more cooperative members and more cows per acre than any other State; and we depend on the industry for about three-fourths of our agricultural revenues.

On the west of us is New York, which, next to Wisconsin, is the largest producer, alternating back and forth with Minnesota for that honor or privilege from year to year.

New York and north Jersey have a marketing area. I believe it is the largest in the United States. It is followed by the Chicago area. New England has too many areas. At the present time we have five. They ought to be united into one, but they are not. Let us assume that the New York area votes to allocate class 1 production among producers——

Mr. JAVITS. Mr. President, I do not wish to interrupt the Senator's remarks, but I will yield the floor, so that he can be recognized in his own right. I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska [Mr. GRUENING] is recognized.

Mr. AIKEN. Mr. President——

Mr. JAVITS. I wished to yield the floor so that the Senator from Vermont could finish the colloquy. I wish to leave the floor. However, I will yield to the Senator from Vermont.

Mr. GRUENING. I gladly yield to the Senator, with the understanding that I do not lose the floor.

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

Mr. AIKEN. As I was saying, New York is one of the largest producing States in the Union, and most of the milk produced there is shipped to the New York market. At the present time, however, about 500 to 700 million pounds a year is being shipped into the Boston market. That is produced on the border between the two milksheds. Those counties of eastern New York shift from one order area to the other, as the price advises or suggests.

Therefore, assuming that New York voted to allocate the marketing of class I milk among those farmers, there is nothing in the Proxmire bill which would require them to reduce their production. The tendency would be for the northern New York milkshed to join with the milksheds in New England, that is, with the order areas in New England, or else unload their surplus for whatever price they could get, either of which programs would virtually destroy the New England market, and New England might inevitably have to do what New York had done, namely, vote to allocate.

There would be confusion all around. Piecemeal regulation will not work. It would not be feasible to have producers in one area say, "We will operate our milk production one way," and have producers in an adjoining area say, "We will operate it another way." Complete Federal control would be required to make it work. That is what our people are afraid of. That is why they are opposed to legislation at this time. We

understand the sincerity with which the Senator from Wisconsin and others are working to enact legislation. However, it does not fit into our economy.

Mr. PROXMIRE. I invite the Senator's attention to page 4 of the bill, where the following language appears:

(iv) In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision may be made for reducing the allocation of, or payments to be received by, any such producer to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers.

If there is a leakage, to which the Senator properly calls attention, it can be prevented by the provisions of the bill. We recognize that there is a problem. I believe we have met it by this language.

Mr. AIKEN. It will not work to have one county operate under one program and an adjoining county under another program, as is the situation in eastern New York, which has from time to time, over the years, shifted back and forth between two order areas. They could shift to another order area or they could unload their surplus milk for what they could get.

Mr. PROXMIRE. If that were done, their allotment would be reduced, as provided in the bill. This program has been tried. It is no longer a theory. It is a practical, accomplished fact. It has been done in British Columbia, where the situation may be a little different. A similar program has been tried in Georgia, where it is liked very much. Six cooperatives have had the strength in various marketing order areas to put this plan into effect. It has worked. It worked very well.

Mr. AIKEN. What the Senator is saying is true; if they shifted to another order area their allotment would be reduced, but that would be in the area from which they shifted, not in the one into which they shifted. Under the example I have given there would be no provision for the allotment of class I milk.

Mr. PROXMIRE. That is a possibility and a problem. I believe I can answer it in the course of my presentation.

Mr. MOSS. Mr. President, will the Senator yield briefly to me?

Mr. GRUENING. I yield with pleasure, with the understanding I do not lose my right to the floor.

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

PROPOSED FCC RULEMAKING

Mr. MOSS. Mr. President, I am concerned about the proposal of the Federal Communications Commission to incorporate into its rules the TV and radio advertising time regulations contained in the codes of the National Association of Broadcasters. As the Senate knows, the FCC has issued a notice of such rulemaking—docket No. 15083—and written comments on the proposal were filed on September 30.

I oppose the FCC proposal because I believe self-regulation should be fully utilized first. I am convinced that the broadcasting industry has matured sufficiently to be able to establish criteria which would accomplish the objectives everybody desires.

In my opinion, action by the FCC in establishing in detail the amount of time which a broadcaster may use for advertising would be an indefensible intrusion of government into the everyday activity of broadcasters. It is true that in the past the broadcasting industry, like every other industry in the United States, has not achieved perfection. In the fast-growing television world, developments have galloped along at such a pace that the industry has not always been able to take the swift steps necessary to fully safeguard the public interest. Like most Americans, I have grumbled about excessive commercials infringing on programs, but I am impressed with the steady improvement now throughout the country in commercial practices of our radio and television stations. Particularly have I noted the improvement in service by the public-spirited broadcasters in Utah. I have also been rather reassured by the recent statement of former Gov. LeRoy Collins, president of the National Association of Broadcasters, on the extent to which the industry is making progress in this field.

I feel, therefore, that the industry should not be denied the opportunity to remedy present deficiencies on its own. Furthermore, I am fearful that if the FCC makes rules on commercial time limitation for broadcasters, this will be the first step on the road to complete economic regulation of an industry that should be allowed to grow in a free enterprise climate.

I realize that there are substantial legal arguments against the right of the FCC to make rules on advertising broadcast time. An examination of congressional deliberations in both the House and in the Senate on the Radio Act of 1927, and again on the Communications Act of 1934, convinces me that the FCC was never given the authority to make rules relating to commercial time limitations. I think, therefore, that this issue could very well be fought out on the legal front—and won.

But the question before us is not just a legal issue. The question is simply this: Are we going to permit the broadcasting industry to continue to grow under the competitive system as envisioned in the 1927 and the 1934 acts, or are we going to use the back door to force on the broadcasters a public utility concept which eventually would mean the regulation of the entire broadcasting economy—including the regulation of their charges and costs?

Mr. President, I have every confidence that the broadcasters can put their own house in order without further Government action. If they fail—and I believe they will not fail—then Government action may be justified.

I hold, however, that if the FCC decides that the Government should move, the Commission should come to the Congress with their proposal, and let it be fully debated here.

I hope the Federal Communications Commission will not stifle the very significant efforts the broadcasting industry is making to improve its commercial practices. Once the Commission has carefully examined the comments which have been filed in docket No. 15083, I trust that the Commission will see the wisdom of withdrawing its proposal.

COUNTERFEITING OF U.S. CURRENCY

Mr. MOSS. Mr. President, some time ago my attention was attracted to an article in a Sunday newspaper supplement magazine, Parade, where the following statement appeared. I ask unanimous consent that it be printed at this point in the RECORD.

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

EASY DOLLARS

Of all the world's currencies, easiest to counterfeit is the U.S. dollar. That's the opinion of Marcel Sicot, Secretary-General of Interpol, the international police organization. This is why most counterfeiters throughout the world concentrate on turning out fake dollars. Most difficult currency to copy is the French banknote.

Mr. MOSS. Mr. President, I was deeply concerned that there was some feeling on the part of such a well-known criminologist that the currency of the United States was the easiest in the world to counterfeit and I, therefore, inquired of the Secretary of the Treasury for further information. I ask unanimous consent to place in the RECORD a letter from Mr. Arnold Sagalyn, Director of Law Enforcement Coordination, Treasury Department, to show that the statement attributed to him was never made by him and is completely false and without foundation.

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

TREASURY DEPARTMENT,
LAW ENFORCEMENT COORDINATION,
Washington, D.C., June 21, 1963.

Hon. FRANK E. MOSS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MOSS: Your letter to Secretary Dillon relative to an item on counterfeiting of U.S. currency in the May 26 issue of Parade magazine has been referred to me for reply. For your information Mr. Marcel Sicot, Secretary General of the International Criminal Police Organization (Interpol) sent the Treasury Department the following statement:

"I have been informed that an American syndicated magazine, Parade, has quoted me as stating that U.S. currency is the easiest to counterfeit of all the world's currencies.

"Neither I, nor any member of the Interpol Secretariat staff, has ever expressed such a statement on the subject of counterfeiting American currency to Parade, or any other publication or journalist. Any such opinion or statement attributed to me on this matter is completely false and without foundation. I wish to state that as far as currency counterfeiting is concerned, it is a recognized fact that U.S. currency is so well protected with security features incorporated in its paper, printing, and engraving that it is without question among the world's most difficult currencies to counterfeit."

In an effort to make amends, Parade magazine is now preparing an article for early release which will refute its May 26 story

and will report that U.S. currency is without question the best protected and most difficult to counterfeit in the world.

There is no doubt that many foreign counterfeiters try to counterfeit American dollars because they are so highly valued and widely accepted. However, U.S. currency is so well protected by the extremely high quality of the paper, engraving, printing and other security features incorporated in it, and by the U.S. Secret Service with its record of success in apprehending counterfeiters, that no counterfeiter in modern times has ever succeeded in making a perfect counterfeit of a U.S. bill. On the contrary, almost all of the counterfeit dollars that have appeared in various countries abroad have been of a very poor quality and readily detected by anyone familiar with and competent to judge U.S. currency.

At the 4th International Conference on Currency Counterfeiting held in Copenhagen, Denmark, in September 1961, this very subject was discussed by the delegates. In this connection the following pertinent report was presented to the conference by Thomas De La Rue & Co., Ltd., the largest commercial banknote printer in the world:

"Some banknotes are of so low a value that counterfeiting is highly unlikely. On the other hand some currencies are so readily accepted throughout the world that counterfeits of any value are likely to find a ready market. An illustration of this point is the fact that counterfeiters have spent considerable time attempting to copy the American dollar bill—not because it is easier to copy, but because it is most readily accepted by people who are not thoroughly familiar with it * * *. However, these notes have been so well protected with security features that successful counterfeiting is fortunately rare."

In the last fiscal year counterfeiters turned out some $4 million in counterfeit currency. However, the U.S. Secret Service was able to seize $3,500,000 of these counterfeits—or $7 out of every $8—before they could be put into circulation. In proportion to the $31 billion in U.S. paper currency in circulation today, this infinitesimal fraction of counterfeit money is a tribute to the protection built into and around American currency.

The Treasury Department is confident that the best guarantee against the counterfeiting of U.S. currency is provided by the security features of our currency, coupled with effective enforcement by the U.S. Secret Service.

Sincerely yours,

ARNOLD SAGALYN,
Director.

Mr. MOSS. Mr. President, in fact, Mr. Sagalyn goes on to point out that U.S. currency is so well protected with secret features incorporated in its paper, printing, and engraving that it is without question among the world's most difficult currency to counterfeit.

Mr. Sagalyn goes on to point out that in the last fiscal year there were $31 billion of paper currency in circulation. Out of an effort to counterfeit our currency, which amounted to a total of $4 million, Secret Service agents seized $3.5 million before it could be put into circulation. This proof of the vigilance of the Secret Service in protecting our currency shows that they operate with such efficiency that 7 out of every 8 counterfeit dollars never leaves the criminal's shop.

THE COLD WAR GI—THE NEGLECTED VETERANS

Mr. YARBOROUGH. Mr. President, will the Senator from Alaska yield?

Mr. GRUENING. I yield to the Senator from Texas, provided I do not lose the floor.

Mr. YARBOROUGH. The subject to which I desire to refer is one in which the Senator from Alaska has displayed deep interest, and to which his great intellect and compassionate heart have been devoted; that is, to provide 5 million Americans an opportunity in life. I refer to the 5 million veterans of the cold war who have been called away from their normal pursuits.

Mr. President, many articles have been written in support of the cold war GI bill. One of the most eloquent of these articles was published in the Nation on March 2, 1963. Written by Nora Levin, the article is entitled: "Needed: A New GI Bill, the Neglected Veterans." This is a well written article and well worth the time that it takes to read it. I assure Senators that it will give them food for thought.

Mr. President, I ask unanimous consent that Nora Levin's article: "Needed: A New GI Bill, the Neglected Veterans," be printed at this point in the RECORD.

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

NEEDED: A NEW GI BILL—THE NEGLECTED VETS

(By Nora Levin)

The current concern with high school dropouts may lead some officials in Washington to consider afresh the disquieting profile of the cold war GI's drawn by the Bradley Commission in 1954–55. These are the GI's postdated January 31, 1955—the day President Eisenhower declared the Korean emergency to be over and all GI education and training benefits came to an end. Not much is known about the several million men who have been discharged from the Armed Forces since that date; they seem to have slipped into the twilight gray of the cold war world and remain one of the few problems unstudied by proliferating foundation grants. However, the Bradley Commission report projected a disturbing future for them which, in turn, partly explains our present unemployment dilemma.

Half the total group of peacetime servicemen came from semiskilled or unskilled occupations and more than one-third had no job experience prior to their induction. About 40 percent had less than a high school education and, according to the report's analysis, lacked the educational background and aptitude for regular college work:

"Except for such training and experience as they may acquire while in service, they will be poorly equipped to enter the labor market. Many of them will need trade and vocational training of below college level in order to make up for the civilian work experience and seniority lost by virtue of military service.

"The regular education system is not equipped to meet their needs; otherwise, they would have stayed in school longer."

In every aspect—in terms of educational background, civilian job experience prior to induction, and aptitude for college—World War II veterans were much better prepared for absorption into the civilian economy after discharge.

An unemployment survey made recently in Pennsylvania, which suffers 10 percent of the Nation's unemployment, shows, in a nutshell, the manpower crisis. Over one-fourth of the half-million jobless studied were veterans. Of the 228 occupations in which manpower was needed, 197 required people with less than college training but with very definite skills. Skills are precisely what the cold war GI doesn't have—skills that could give a handle to drifting lives. While it is obvious that a training program for several million post-Korean veterans will not solve the national unemployment problem, it is also true that the group grows larger year after year and constitutes a built-in irritant that tends to aggravate recurring unemployment crises.

Every Congress, the Senate conducts extensive hearings on legislation to give these GI's educational and training benefits—a perennial labor of love for Senator RALPH YARBOROUGH, Democrat of Texas, particularly. The Senate passed such a bill in 1959, and although hearings were held on it in the House during 1960, it was not reported out by the House Veterans' Affairs Committee. The Senate Labor Committee again reported the bill in 1961, but it was not scheduled for floor action in the Senate during the balance of the 87th Congress. Although many feel that a majority of both Senate and House would vote for the legislation, strong opposition by both the Eisenhower and Kennedy administrations has thus far prevented action. (While President Kennedy voted for the cold war GI bill as a Senator, and was elected on a 1960 Democratic Party platform endorsing such a measure, his administration has argued no less forcefully against the bill than the previous one.)

It is a curious thing—perhaps symptomatic of our bewildered life in this flinty age of the cold war—that post-Korean veterans and their problems have engaged practically no public interest or concern. The tides of studies on the American educational crisis eddy round them. The American Legion, the largest and most powerful of all the veterans' organizations, considers them ineligible for membership and unworthy of receiving training benefits. The military professionals think of them primarily as a pool from which to entice back the cream as military career personnel. The Eisenhower administration felt that training benefits for them would be too costly and would unbalance the budget; the administration then added the strained argument that a basic educational program of truly national scope would be blocked by giving special consideration to post-Korean veterans. The present administration echoes the arguments. And the men themselves lack any organizational platform from which to speak. It has been left to individual educators, vocational counselors, liberal Senators and the smaller veterans' organizations to sustain the struggle, albeit in the close confines of congressional hearing rooms.

Over a period of 6 years, these men have patiently repeated to closed audiences the incalculable values, represented by increased skilled manpower and the orderly readjustment of servicemen to civilian life, that could be imparted to millions of additional younger men. In reading through the reams of testimony, one recalls how unruly, even violent, our veterans frequently proved to be in past years. It was this fact which led to the passage, in 1944, of the GI bill for World War II veterans. In terms of cold, hard cash alone, the bill has been a self-paying proposition: by 1970, the $15 billion invested in it will have been more than paid back in terms of an additional $1 billion per year paid in Federal income taxes as a result of increased income levels attained.

No single national program has given so many people so many skills in so many pursuits as has this GI bill. One-third of the 8 million veterans who used the program enrolled in craft, trade and industrial courses; 700,000 went into business and management courses; 440,000 engineers, 240,000 teachers, 168,000 doctors and dentists, 112,000 scientists, 105,000 lawyers and 93,000 social scientists and economists owe their training to the bill. Despite the fears of some that colleges would be converted into "educational

hobo jungles" under the program, university educators and administrators by the hundreds have testified that GI's brought stability and maturity into the classroom. The program was a major contribution to the national welfare and the country would be weaker educationally, economically and from the point of view of national defense if we had not embarked upon it.

The Korean readjustment training program will show even more impressive results. About 3 million young men have trained under this program at an average yearly cost of a little more than $500 million.

Proposed veterans' legislation anticipates that about 4 million veterans will be discharged during the period February 1, 1955, to June 31, 1963 (when the present draft law ends). Over a projected 5-year period, almost 1.5 million veterans would participate in GI benefits, according to Government estimates. Costs for the first year would be about $93 million. Costs would gradually rise to a peak expenditure of $500 million for the fifth year, and would then gradually decline. Stacked against the $1.5 billion cost of stabilizing wheat prices, or against a total Federal budget of $98 billion, these amounts seem very modest indeed.

January 31, 1955, seems a peculiarly arbitrary date for cutting off benefits. Aside from the fact that, on a purely personal basis, servicemen inducted on February 1, 1955, felt the same sense of hardship and sacrifice that inductees the day before experienced, all of our days since 1955 have been cold-war days. If we are not at war, we surely are not at peace, as everything in our lives today bears testimony. Men alerted in Guantanamo Bay, South Vietnam and Berlin, or men holding the 38th parallel in bleak Korea are looking, or have looked, into the eyes of the enemy. As if in belated recognition of this fact, the Defense Department last June announced that tens of thousands of servicemen would be eligible for a new campaign medal to be awarded for hazardous duty in the cold war. Designated the Armed Forces Expeditionary Medal, it will be given for service during certain periods in Berlin, Lebanon, Quemoy and Matsu, the Formosa Straits, the Congo, Laos, and South Vietnam.

Many cold war GI's are bitter because their years in service represent a real sacrifice of roles in civilian life: school, school-and-work combinations, jobs, and normal family life. In many cases, college work has to be taken on a piecemeal basis, indefinitely postponed or given up if the draft intervenes. The Bradley Commission Report warned that the main handicap incurred by post-Korean veterans, aside from a service-connected disability, would be the disruptive effect of military service on education. The preservice educational and job experience of these men indicate that their training needs are great. However, military service does little or nothing to satisfy these needs. The inservice opportunities given draftees for vocational studies and work experience do not offset the interruption of schooling or jobs.

This is not the place to go into the confusion created by the pulls of two conflicting systems—conscription and military professionalism—each with its own rationale, justifications and objectives. But a few comments may be injected. The Army is the only service that uses the draft, and it bluntly admits using it chiefly as a spur to keep enlistments up. The draft calls take only a fraction of the total number of eligible young men, and under present rules the mathematical chances of being drafted are getting smaller and smaller. The fact is that the old and honored claim of universal obligation slides into the dustbin of history, along with the muzzle-loading rifle and cavalry saber. War has now become a business for razor-sharp specialists, and more and more manpower experts are attacking the draft because it is outmoded as an effective system to meet the security needs of the country.

Among those who are drafted, there is much bitterness and antagonism and more than the usual amount of soldier griping. Cold war uncertainties hang over the draftee's future; he is furious because luckier friends have escaped his lot, and he is being denied not only the fringe benefits which former GI's enjoyed, but also the key instrument with which to regain a substantial parity with his luckier contemporaries—education and training benefits. Moreover, because deferments are generally available to financially able young men, the burden of military service, always a financial hardship, passes to those who are least able to afford it. As Senator YARBOROUGH has put it, "This is class legislation, unfair and inequitable unless we act to equalize the disadvantage suffered by those who serve * * *. We must at least give the young man who fulfills his military obligation some means by which he can catch up with the world that has passed him by."

The military professionals generally have argued against continuing training benefits on the ground that they lure men out of military service and handicap the services in their efforts to retain career personnel. The low reenlistment rate is attributed to the enticement of education benefits. This generalization has apparently been based on an Air Force survey of first-term airmen's reasons for not reenlisting. When the material is examined carefully, however, some curious discrepancies show up. First, only 5 percent of the airmen involved and 10 percent of the officers were queried; secondly, the questions posed in the survey do not ask specifically why a man wants to leave military service, but simply asks him to check one of eight plans he intends to carry out during his first civilian year; thirdly, only those men were queried who had indicated previously that they intended to leave the force at the end of their current enlistment; fourthly, questions on education do not appear in every questionnaire. So we have a percentage of a percentage of a percentage of airmen saying that they expect to go to school, or work-and-go-to-school after their separation from service. This is not extraordinary news.

The obvious distaste for a circumscribed lifetime of military service felt by many men had apparently not occurred to the questionnaire makers. In the 1959–60 hearings, Senator YARBOROUGH eloquently reminded an Air Force witness that many men simply cannot stomach a military career, and that freedom from military service restrictions is a positive need for some human beings.

Admittedly, the professionalization of a segment, perhaps all, of the Armed Forces is a necessity, but so long as military conscription commits draftees to fixed, limited periods, it is indefensible to apply to them the criteria, the pressures and the psychology of an elite military career group.

In fact, the retention rate for first-term airmen with 4 to 6 years of service was built up from 10.9 to 31.2 percent, almost threefold, from 1954 to 1958, despite the eligibility of these men for educational benefits under the Korean GI bill during this period. Senator KUCHEL, of California, has testified that the rate has moved up strikingly to 45.7 percent during the first 6 months of 1959, exceeding the rate recommended by the Cordiner report.[1] All of the personnel represented in this rise were likewise eligible for Korean training benefits. Thus, the competition between a service career in the Air Force and GI bill benefits has been largely overcome, or at least nullified, by now. The factors working for a military career are positive ones: more stabilized operations, leadership-training programs and important career incentives such as medicare, survivors' benefits, social security. Then the military pay bill of 1958 offers improved opportunities for advancement and compensation for special skills, retirement benefits, increased military housing, and improved procedures in training, transferring, and assigning military personnel.

The percentages of reenlistments in the critical occupation groups—technology, etc.—is naturally lower because of the unsaturated demands for civilian technical labor. Competition for technical personnel between civil industry and the military will go on apace until increasing numbers of technically trained persons are available in civilian life. New legislation for post-Korean veterans would go a long way toward stopping this competition, toward salvaging irreplaceable human potentialities, and toward taking us off that chilling platform where men in responsible places make a whipping boy out of education.

Mr. YARBOROUGH. Mr. President, I thank the Senator from Alaska for yielding. I know that he has gone to the White House on this subject and has done much work on it. I have observed him in committees and on the floor of the Senate, working on this question. There is no more eloquent voice in the Senate for the cause of providing opportunities for neglected veterans, who have been robbed of their opportunities, than that of the Senator from Alaska.

Mr. GRUENING. I thank the Senator from Texas. As its sponsor, no one has fought harder for this needed legislation than he. It seems unfortunate that we cannot get the support for it that it so manifestly deserves. I am particularly pleased that the Senator has placed in the RECORD an article from the Nation magazine, with which I was twice in the past associated, once as managing editor, and once as editor. I am glad that today it is still advocating the kind of good causes it advocated when it started life almost a century ago, shortly after the Civil War, has advocated ever since, and that it is still going strong. It has ever been a torch bearer for freedom and democracy, so I am not surprised that it is supporting your cold war GI bill.

Mr. YARBOROUGH. Mr. President, I commend the Senator from Alaska for his editorship of the Nation. Like him, I am glad to see that it is still supporting good measures like the cold war GI bill. The article which I have placed in the RECORD is in keeping with the high quality of articles that were published in the Nation during the editorship of the Senator from Alaska.

Mr. GRUENING. Mr. President, it is difficult for me to understand why a bill that is so manifestly an educational bill, a bill which has been favorably received in this body, cannot be received favorably in the other body, also. Unlike some educational bills which are merely abstract contributions to this highly important subject, this bill would return economic dividends, it would provide opportunities for the young men who have served their country and have been taken out of civilian life and have had their careers interrupted to receive training which would make them more fit to earn a living and earn a better livelihood, that livelihood in turn revert-

[1] Subsequently, the rate increased markedly.

ing in the form of higher taxability to the Nation's economy, which unfortunately is now lagging in many areas.

Mr. YARBOROUGH. I have the same difficulty in understanding why a bill that the experience of this country shows will pay dividends to the Government, to our economy, and to the intellectual development of our people is shunted aside. The bill has been on the Senate calendar for some time, having been reported favorably by the committee. It has languished on the calendar since July 2, 1963. It is coauthored by 39 Senators. The bill has been shunted aside too long. I think it is time for the leadership not only to call it up, but help to press it and pass it.

Mr. GRUENING. I see no validity whatever in the objection that has been raised that these men have not actually been engaged in combat. In the first place, some of them have. Some of them, who would have been eligible for benefits under the bill, lost their lives in Vietnam. These men are serving under hardships in many places throughout the world. It would be interesting to learn of the number of men who would have become eligible in the last 3 months.

But I would not consider that a pertinent argument in any event, because they have been taken out of civilian life and their careers have been dislocated.

Many of them have been unable to get work because of their liability to impending draft. Hardship and injustice have been worked on hundreds of thousands of Americans, which could be requited by providing them with the kind of educational opportunity that has proved so successful in post-World-War-II years. I find it difficult to understand why the bill cannot be passed.

I, too, urge the leadership to call up the bill. I join with the distinguished Senator from Texas in asking the leadership to take the matter seriously and to bring up the bill and support it.

It is quite likely that all educational bills proposed by the administration will not pass at this session of Congress. It is desirable that one or two be enacted, so that we can go back to the people after this session and report that we passed one or two good educational bills, of which this is one, that will benefit the economy of the Nation.

Mr. YARBOROUGH. Mr. President, in respect to the inquiry of the distinguished Senator from Alaska concerning the number of men who have served in actual combat, as between cold war veterans and the so-called hot war veterans, I have made some inquiries. I have attempted to ascertain the number of the 16 million veterans of World War II who actually were under fire. I have been unable to obtain those statistics. Apparently they are not available. But I have received information from persons who have studied this subject and are informed. It is their opinion that of the 16 million World War II veterans, less than half were ever in combat. Millions never reached the combat zone. Of the 4¾ million veterans who served in the Korean war, millions never went overseas; and a majority of those who did were never in combat.

So the criterion for readjustment benefits has not been whether a man was under fire or in combat, but whether he was taken away from his civilian occupation and environment, and kept out of them for periods of time.

This is a readjustment bill; it is not a bonus bill. It is a readjustment bill that will let men readjust to civilian life when they return, because civilian life does not stand still.

The average veteran of the cold war serves 27 months—2 years and 3 months—which is longer than the average period of service during the Korean conflict. When a man goes away for 2 years and 3 months and then comes back, he does not find the same county, the same city, the same State, the same Nation, or the same economy. They have moved ahead. So unless he has this readjustment training to enable him to move with them, he is permanently at a disadvantage in his battle with life.

This bill is an act of simple justice. Not only will it give these veterans an opportunity to be more productive, but the country owes it to them. The experience with the veterans of the Second World War and the Korean conflict shows that.

Mr. GRUENING. Let me ask the distinguished Senator from Texas, who is sponsoring this legislation, whether he is not pleased with the increasing public acclaim and the approval which newspapers are giving to it.

Mr. YARBOROUGH. Yes. It is most encouraging that the greatest support for the GI bill has come, not from party leadership or government leadership, but from the people. It is coming, as the Senator from Alaska has said, in words such as those spoken yesterday by the distinguished Senator from Oregon [Mr. MORSE]. It is also coming in words such as those spoken today by the distinguished Senator from Alaska. Furthermore, in the letters I have read in the newspapers and in the letters that have come across my desk, there is a growing demand from the people of this country that the promise contained in the Democratic platform of 1960—the pledge that we would give this additional benefit to these veterans—be complied with. I regard it as a pledge of honor by the Democratic Party, and it is written into our platform.

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

The PRESIDING OFFICER (Mr. McGOVERN in the chair). Does the Senator from Alaska yield to the Senator from Oregon?

Mr. GRUENING. I yield.

Mr. MORSE. I believe everyone in the country knows that the Senator from Texas [Mr. YARBOROUGH] has been the spearhead in our fight to try to get this administration—and the previous administration, for that matter—to recognize the obligation we have to the so-called peacetime veterans.

I have received a very interesting letter from a veteran overseas; he pleads for our passage of the bill of the Senator from Texas. I shall use his letter as a basis for a speech, next week. Meantime, I commend the Senator from Texas for his leadership in this field.

As the Senator from Alaska and the Senator from Texas know, I am a strong supporter of the President's program on education. As the chairman of the Subcommittee on Education, I have the responsibility of trying to take that program through the Senate; and yesterday we made a start, with the very important vocational education bill. But I am keenly disappointed that the President's program does not include the education bill for the GI's, because I believe it is the most democratic of any education bill we can pass. It carries out the obligation we have to these veterans.

Mr. President, I close by saying this bill will not cost the taxpayers one cent. It will provide these veterans with an opportunity to get an education, which thousands upon thousands of them will never get otherwise. The increased earnings they will be able to make by means of that education will result in increased taxes which will return to the Treasury many times the cost of their education.

In short, this bill is commonsense and good business; and from it we will reap two great dividends: a financial dividend, and a security dividend.

The security of this Republic can never be any stronger than the developed brainpower of its people. But today we are wasting the brainpower of tens upon tens upon tens of thousands of our young people who are being denied a college education, because we do not have the vision and the foresight to pass legislation such as the bill the Senator from Texas is urging.

Mr. YARBOROUGH. Mr. President, I thank the distinguished Senator from Oregon. I share his sentiments entirely.

The facts he has mentioned have been proved in the hearings before our committee. It was actually proved that veterans of World War II and those of the Korean conflict are, by means of their increased earnings, paying into the Treasury more than enough money to pay for the cost of the GI training, even if we do not consider their contributions to the economy of the country and their brainpower development.

We should also point out that today the Soviet Union is graduating from her colleges, each year, three times as many engineers and scientists as the number who graduate from our colleges, and 2½ times as many medical personnel.

We cannot always rely solely on the leadership or the largess of the past. It is time to educate this generation.

I thank the Senator from Alaska [Mr. GRUENING] and the Senator from Oregon [Mr. MORSE].

THE ALLIANCE AT THE CROSSROADS

Mr. GRUENING. Mr. President, Friday, October 11, will mark the third anniversary of the signing of the Act of Bogotá. The act begins as follows:

The Special Committee To Study the Formulation of New Measures for Economic Cooperation, recognizing 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 the legitimate aspirations of the peoples of the Americas for a better life and to provide them the fullest opportunity to improve their status—

The Act of Bogotá concludes as follows:

In approving the Act of Bogotá the delegations to the Special Committee, convinced that the people of the Americas can achieve a better life only within the democratic system, renew their faith in the essential values which lie at the base of Western civilization, and reaffirm their determination to assure the fullest measure of well-being to the people of the Americas under conditions of freedom and respect for the supreme dignity of the individual.

In offering his 10-point program to Latin America, which he termed "the Alliance for Progress," on March 11, 1961, at a White House reception to Latin American diplomats and Members of Congress, President Kennedy stated:

Our unfulfilled task is to demonstrate to the entire world that man's unsatisfied aspiration for economic progress and social justice can best be achieved by freemen working within a framework of democratic institutions.

Please note that President Kennedy said, in what was deemed an epoch-making address, that the Alianza could best be achieved "within the framework of democratic institutions."

He continued:

If we can do this in our own hemisphere, and for our own people, we may yet realize the prophecy of the great Mexican patriot, Benito Juarez, that "democracy is the destiny of future humanity."

Later in the same address he said:

To achieve this goal, political freedom must accompany material progress. Our Alliance for Progress is an alliance of free governments, and it must work to eliminate tyranny from a hemisphere in which it has no rightful place. Therefore let us express our special friendship to the people of Cuba and the Dominican Republic—and the hope they will soon rejoin the society of freemen, uniting with us in our common effort.

I submit, Mr. President, as we all know, that unfortunately the people of Cuba have not yet rejoined the society of freemen. They still groan under Castro and his Russian-supported Communist tyranny.

In Santo Domingo, however, it seemed, until 2 weeks ago, that the people of the Dominican Republic had rejoined the society of freemen. The military tyrant and Dictator Trujillo had been killed over a year earlier; and, after an interim period of transition, an exemplary election was held—a free election by freemen; Juan Bosch was elected President, a legislature was elected, and a constitution was adopted.

But now he and his democratically elected government have been overthrown by a military junta, by the same means by which the tyrant Trujillo came into power 32 years ago.

Three days after President Kennedy's speech in which he stressed the importance of the framework of democratic institutions for the Alliance for Progress, he reemphasized the same idea in a message in which he asked Congress to appropriate $600 million to carry out this purpose in Latin America.

On that occasion, on March 14, 1961, he said:

The Act of Bogotá marks a historic turning point in the evolution of the Western Hemisphere. For the first time the American Nations have agreed to join in a massive cooperative effort to strengthen democratic institutions through a program of economic development and social progress.

Then he reverted to the importance of political democracy, as follows:

The people of Latin America are the inheritors of a deep belief in political democracy and the freedom of man—a sincere faith that the best road to progress is freedom's road.

Mr. President, the Alliance for Progress is today at the crossroads. If the administration again weakens and does anything other than use all the means at its disposal—and I stress the words "all the means"—to secure the restoration of the democratic processes in the Dominican Republic and in Honduras, it might as well forget the Alliance for Progress.

The Kennedy administration has it in its power to restore the Dominican people to the society of freemen.

President Kennedy made a correct start in that direction by withdrawing recognition of the junta, recalling our Ambassador, and announcing the suspension of economic aid.

There is gratifying evidence that he will hold firm in the announcement received yesterday from the State Department which states:

We view the recent military coups in the Dominican Republic and Honduras with the utmost gravity. The establishment and maintenance of representative and constitutional government is an essential element in the Alliance for Progress. Stable and effective government, responsive to the popular will, is a critical factor in the attainment of social and economic progress.

Under existing conditions in the Dominican Republic and Honduras there is no opportunity for effective collaboration by the United States under the Alliance for Progress or for normalization of diplomatic relations. Accordingly, we have stopped all economic and military aid to these countries and have commenced orderly reassignment of the personnel involved.

For if the administration reverses the splendid pronouncements about the framework of democracy when President Kennedy launched the inspired idea of the Alliance for Progress 2½ years ago, it will itself have scuttled the program.

As 22 Senators pointed out in a telegram to the President on Wednesday, October 2, mere withdrawal of recognition and announcement of cessation of foreign aid was not enough. The continued presence of the U.S. personnel—diplomatic, military, Peace Corps—in these countries would serve to indicate that these announced policies were only temporary. There are still other measures that the administration could adopt if it means what President Kennedy said when he launched the Alliance for Progress and asked Congress to appropriate $600 million to get it started.

Events of the past year and especially those of the past weeks indicate clearly that the Alliance for Progress is in grave danger of being scuttled by military coups against democratically constituted governments.

However, there appears to be an ominous split within the administration. For on Sunday last Mr. Edwin M. Martin, Assistant Secretary of State for Inter-American Affairs, sent up the first trial balloon espousing the startling doctrine that we must not grow unduly concerned when an illegal military junta forcibly takes over and throws out a constitutionally elected civil government. He enunciated the theory that there are good and bad juntas and that we must wait and see whether the military juntas which took over in the Dominican Republic and in Honduras are good or bad.

In addition, there have been the semi-official leaks from official sources indicating a feeling on the part of some highly placed officials in the Department of State that the time has come to make a distinction between good and bad military juntas.

This is not only sheer nonsense. It is a gross betrayal.

Let it be pointed out at this point that in the long troubled history of Latin America there have never been two more clear-cut instances of honest elections and of democratic regimes overthrown by military juntas.

The election in the Dominican Republic was just that.

In Honduras, President Villeda Morales was elected 6 years ago in a free and honest election and was to complete his term with an election of his successor scheduled for October 12. It was to prevent this election of a President who the military feared might cut down their privileges, that they overthrew him. No formula can be devised to rectify this situation other than the restoration as nearly as possible of the status that existed at the time of the overthrow.

A patchwork of promises by the usurpers to do something different will not meet the situation. In the case of the Dominican Republic the honest election has been held. The junta deposed not only the President and Vice President and sent them into exile but abolished the constitution and the legislature. It would be unthinkable for our administration to have any truck with these usurping outfits, either in the Dominican Republic or in Honduras. The administration should use its full powers to insist that the ousted officials be brought back and restored to office and that the constitutional process be restored in the case of the Dominican Republic to serve out their terms under the constitution; and in the case of Honduras to permit the election scheduled for October 12 to take place. This should be made unmistakably clear to the usurpers.

It is not pertinent for those who seek to palliate the military overthrows to point to weaknesses, real or fancied, in the administration that was overthrown. No administration is perfect. But the irreducible fact is that the administrations in the Dominican Republic and in Honduras were honestly elected. If they should have proved or should prove so unsatisfactory that the people who

elected them want a change, there are constitutional ways of effecting that change.

Likewise, almost invariably the usurpers allege that the administration overthrown is either Communist or infiltrated by Communists or soft on communism. It happens not to be true in either case. Nor does it alter the fact that they were elected and that there is no basis for these allegations in the case of the Bosch and Villeda Morales administrations.

The current issue of the Commonweal, for October 11, contains an editorial entitled "Caribbean Failure." It states that on the contrary Bosch was "firmly opposed to communism." I should point out that the Commonweal, an excellent journal of opinion, represents the voice of Catholic laymen. For this reason its judgment on Bosch and the situation in the Dominican Republic is all the more significant and authoritative.

I shall now read it:

Once again the U.S. hopes for a "showcase for democracy" have gone aglimmering in Latin America, for familiar reasons but with less cause and more ominous implications than the usual military takeover. Juan Bosch's regime, the first to be freely elected in the Dominican Republic in 32 years, was to be the elusive shining example to Latin America and a countervailing power to Castro's Cuba in the Caribbean. Its fall strengthens Castro's hand and deals another blow to the Alliance for Progress—already reeling from the House of Representatives decision to cut nearly a billion dollars from its 1964 budget.

Bosch was in some respects a mercurial leader and not the State Department's first choice to lead the Dominican Republic out of the Trujillo era. But there were good grounds for hope. Bosch was well-educated in the humanist tradition, almost awesomely honest, and democratic to the core. By the exigencies of a delicate situation, and by temperament as well, he did not gravitate easily to extremes. Though he let it be known early that he preferred his policies to be made in Santo Domingo rather than in Washington, he worked closely with the Alliance for Progress. His decision to "bury the past" and avoid an all-out purge of all who worked under Trujillo was wise and practical. Indeed, Bosch often seemed to be quite in the tradition of the pragmatic Yankee politician with his eyes fixed more firmly on the job to be done than on the hurts of the past, whether those hurts entered the political arena under anti-Trujillo, anti-Communist or anti-American banners. Though firmly opposed to communism, he refused to move against the nation's four Communist Parties on the grounds that in a democratic society they have as much right to function as any other party as long as they obey the law. His anticommunism, though he might not have called it by that name, did not issue in cheap rhetoric or the jailing of domestic Communists, but in the vision of social reform as the cement of a stable non-Communist republic.

In short, Bosch possessed a rare combination of assets, which makes his overthrow all the more crushing. Once again the right, led by an army that has come to believe it has a permanent political role as a protector against communism, has prevented a fledgling democratic regime from moving far enough to the left to undercut the appeal of communism and bring stability to the nation. And once again the umbrella of anticommunism has been thrown over a successful attempt to frustrate a sound democratic anticommunism based on social reforms.

The Dominican coup increases the pressure on Romulo Betancourt, who is striving to become Venezuela's first freely elected President to step down after a complete term in office. That term runs until December, and the attempts to bring about his fall, aided by Castro, can be expected to mount in coming weeks. Should Betancourt survive the attempts at assassination and insurrection, the prestige and added stability of the fragile democratic experiment in Venezuela may be considerable. In this connection, it is very interesting to note the attitude of much of the conservative press in this country. In the name of anticommunism, it has let it be known that it thinks Betancourt must go.

Also, a most illuminating article on the background to the takeover by the military junta in the Dominican Republic appears in the current issue of the New Republic. I ask unanimous consent that the article by Victor Alba entitled "Why Bosch Fell" may be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Alaska? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. GRUENING. Tuesday's Washington Post and Times Herald contains the second trial balloon espousing the thesis of the good military junta. It is carried in a front page article by Murray Marder. I ask unanimous consent that that article, as well as the critical editorial in the same issue of the Washington Post, be reprinted at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Alaska? The Chair hears none, and it is so ordered.

(See exhibit 2.)

Mr. GRUENING. The Post editorial rightly points out, as I did on Monday, that Assistant Secretary Martin's "animadversions" are likely to encourage more military coups and suggests that Mr. Martin had better read some of the speeches President Kennedy made during his campaign on Latin American affairs, and as I have pointed out, after he became President, when he launched the Alliance for Progress.

Likewise, I ask unanimous consent that an article from the October 9 issue of the Washington Post by Dan Kurzman, headed "U.S. Arms, Inaction Helped—Naive Honduran Rule Abetted Military Plots," as well as a brilliant satire by Art Buchwald printed Tuesday in the Washington Post entitled "Somewhere in Latin America" be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Alaska? The Chair hears none, and it is so ordered.

(See exhibit 3.)

Mr. GRUENING. The keystone of the Alliance for Progress is the establishment of a civilian form of government giving strength and protection of the rights of the individual in each country. Under this thesis, under no circumstances can a military junta forcibly overthrowing a duly constituted civilian government be characterized as "good."

The two trial balloons appearing in the press within 3 days have ominous overtones. If adopted as the official administration policy this doctrine of the "good" illegal military takeover will surely spell the end of the Alliance for Progress.

The time has come for the administration to denounce—clearly and without ambiguity—this unhealthy doctrine and to serve notice on each and every country joined with us in the Alliance for Progress that the United States will not countenance the illegal overthrow of any duly constituted government in any Latin American country by a military coup. The time to speak out is now—tomorrow may be too late.

The Alliance for Progress was the inspired idea of President Kennedy. It was and is a great concept. It is, as I said earlier, at the cross roads. It is now in mortal peril, in part due to past vacillations of President Kennedy's own administration. Now he alone can save it.

EXHIBIT 1

WHY BOSCH FELL

(By Victor Alba)

The September 25 overthrow of the Dominican Republic's first constitutional government in a generation was, to many people, unexpected—but it shouldn't have been. In each of my three visits to the island during President Juan Bosch's 8 months in office, a coup d' état was in the making.

The air force, Trujillo's pet military group, would, it was assumed, lead the takeover. On one occasion Bosch, without giving in to the insurgents' demands, persuaded them to drop their plan—and then dismissed the lieutenant and Castroite priest behind it. The other two times, the air force officials abandoned their plot on learning that U.S. warships were steaming toward Santo Domingo. (They had probably not forgotten that, on the fall of Trujillo, when the air force was about to stage a coup, it was the presence of U.S. ships that encouraged the people to take to the streets and head it off. At that time the Dominicans, with neither political parties nor experience in the politics of an open society, were unprepared to do what they might have done then—but never again: disarm the army, which had been willing to submit to Trujillo's tyranny for 30 years but could not put up with 8 months of a constitutional president's administration.)

It was not one branch of the armed services but all three, together with the police force, that finally carried out the coup. Its leader, at least for purposes of public consumption, was the Secretary of Defense, Gen. Víctor Viñas Román, of whom Bosch once told me, "I believe he's loyal, wants stability in the country, and is an effective counterweight to the ambitions of his fellow officers."

The most highly regarded of the Dominicans exiled under Trujillo, Bosch was the only one to build up a political party and to hold on to his progressive, democratic beliefs. He and the members of his Dominican Revolutionary Party (PRD) were the first to return on the dictator's death, but rather than take part in the intrigues that developed around the Council of State, they set out to shape public opinion, to strengthen their party organization, and to teach the politically unaware Dominicans what a political party is. Throughout the campaign, Bosch was accused of being a reactionary, of having pocketed the exiles' funds (in all the years I have known him, he has lived modestly), and of being a Communist. Yet he won hands down, and PRD gained control of both houses in the legislature. In view of the fact that the elections were organized by the council of state, which Bosch charged with fiscal irresponsibility, there can be no doubt as to the honesty of Bosch's victory.

FIRST-CLASS CITIZEN

Yet, from the day he took office, the president was under attack. Not a series of attacks, but a single, coordinated, systematic attack. A leader of the opposition, who claimed to be of the left, told me a few hours after the inauguration, "Tomorrow I'll go after him." My "why?" was answered with, "You surely don't think we can have the masses governing us."

He was right. PRD was the party of the worker, of the farmer, of the man in the street, not of the politician or of the intellectual. For the first time in the Dominican Republic the common people had a say in the government, while the ruling caste found itself out of power. Such a situation was intolerable.

Bosch's administration was not a spectacular success. When he took office the treasury was in the red, because, in order to win the people's support in the forthcoming elections, the Council of State that followed Trujillo had embarked on a lavish spending program that had to be paid for by its successor. Then there were the armed forces—armed but without the slightest regard for constitutional government. Then there was the church, among other things resentful because a priest who had accused Bosch of being a Communist during the campaign had been made to look foolish in a television debate with the candidate. And there were 12 political parties besides PRD, only one of which, the National Civic Union, had a certain amount of strength but no experience, and all of which were determined to topple the government by a short cut; they were too impatient to build up a loyal opposition, to convince the voters of their views, and to wait for the next elections. Add to this the scurrilous attacks against the president, PRD's loss of dynamism since assuming power, and the lack of administrative training among many office holders, and it is not hard to see why the government was not a model of efficiency. Yet it was planning broad national reforms—and thus assuring the military coup against it.

During the campaign Bosch had called for reforms in the Dominican society, which has been rigidly stratified. At the top are the "first-class citizens," as they call themselves, who have always been in control; descendants of Spaniards, and of "hidalgos of pure blood," they are the landholders and businessmen who speak disparagingly of "the niggers." The middle layer of Dominican society is made up of "second-class citizens," also descendants of Spaniards but not of the pureblooded hidalgos; after taking part in the uprisings of a century of constant struggle, they are now gaining strength in the world of business and the liberal professions. At the bottom is the rest of the population—farmers, small shopkeepers, day laborers, and white-collar workers—the "third- to tenth-class citizens." There is neither communication nor mobility among the castes. (Trujillo was himself "second-class" and never able to become "first-class," but he was supported by the top caste because he served its ends.)

Among the other measures that Bosch advocated was one that touched on the vital issue of the disposition of the ex-dictator's property. He thought the state should, through autonomous agencies, administer the Trujillo family's property that the state had attached on the caudillo's death—holdings that make up at least 30 percent of the nation's economy. And, of course, he talked about agrarian reform.

Alongside the small properties in certain parts of the country, there have existed two kinds of large estates: those belonging to the Trujillos—modern and mechanized—and those belonging to a handful of large landowners who carved their estates and plantations out of public or abandoned property. (As recently as a few months ago, a lawyer and ex-presidential candidate under Trujillo was adding to his holdings by traveling around the country in a truck loaded with barbed wire and fencing in and labeling as "private property" all the unclaimed land he came across.)

The state owns 500,000 hectares of land, taken over from the Trujillos, who, in turn, had taken them from the state or from private owners, and large landowners have another 62,500 hectares. The first-class citizens naturally did not welcome the prospect of an agrarian reform, even though the lands to be distributed under Bosch's program were to be those that are unoccupied, belonging either to the state or not under cultivation; they were even less enthusiastic at being deprived of power for the first time in the country's history. Besides, they wanted to buy up Trujillo's property cheaply for themselves.

That the first-class citizens would favor the overthrow of Bosch at any cost was thus a foregone conclusion, and that they would win some military support, probable. The question was whether the government would be able, in time, to give new impetus to the PRD, to get the reforms underway to the point where they could not be rolled back, and to retain the support of the United States. Bosch's government had strong backing from Washington up to the end, but it failed in the other two objectives. It failed out of fear that if the masses were marshaled behind the PRD and Bosch, or if the reforms got a real start, the military would take over. It was a vicious circle.

THE STIFLED OPPOSITION

The first-class citizens found a way of breaking the circle in their favor by spreading word that Bosch was a Communist. Nobody believed the story, because the president's record was clear. But he did refuse to outlaw three Communist groups, as he had been asked by the military and by the opposition (they had never made such a demand of Trujillo, when in 1946 and 1961 the dictator allowed the Communists freedom of action; one of Bosch's first acts, on assuming the presidency had been to dismiss a number of Castroites whom the council of state put in key positions).

Not a few U.S. newspapermen, used to getting information from first-class Dominicans who, under Trujillo, were the only ones who could talk to them, believed their old informers and asserted that Bosch was indeed surrounded by Communists.

Why did Bosch refuse to go after the Communists and Castroites? First, he told me, because they were within the law; if they were outlawed, they would wage guerrilla warfare from the hills, and, in order to defeat them, the military would insist on a suspension of constitutional guarantees and, along with them, of the reforms. Second, because sharp divisions were arising among international communism, Castroism, and the Dominican Communists, and prosecuting the three local organizations (none of them very strong) would help unite the Communist movement.

Bosch never attempted to stop the vitriolic attacks against his policies, nor did he hold out favors to his opponents who were always ready to accept them. He declared no state of siege and jailed no one for political reasons. Yet every day the newspapers and radio stations, not a single one of them on Bosch's side, repeated the cry that "the government has stifled the voice of the opposition."

Bosch had faith—apparently too much—in the commonsense of his countrymen and in the belief that even his enemies would see that he was acting in good faith. But it was precisely because they saw it, and realized that if the President remained in office a year or two the Dominican Republic would no longer be their private property, that the "first-class" citizens swayed a handful of priests and military officers to their side and turned them against the constitutional government.

What will be the consequences of Bosch's overthrow? For the country, disastrous. Democrats will lose faith in elected government as a means of carrying out reforms. The masses will be more impatient and more susceptible to demagogy. And when, some day, a constitutional regime is restored, things will be even worse than when Bosch took over. For the military has played into the hands of the very people it claims to be defeating (the same people who received favored treatment from the Council of State, when it was in power), giving them a chance to proclaim that social reform cannot be carried out gradually and democratically in Latin America but must be accomplished quickly and by force. The United States will also come in for criticism, even though this time it had nothing to do with the coup, and U.S. policies in the hemisphere will suffer another setback.

Much of the ground that Castro and Khrushchev lost in Latin America during the Cuban crisis of October 1962, can now be regained, thanks to the intransigence of a few thousand Dominicans who are unwilling to stop living off 3 million of their countrymen.

EXHIBIT 2

[From the Washington Post, Oct. 8, 1963]

LATIN POLICY DEFENSE BRINGS ADDED DISCORD

(By Murrey Marder)

The Kennedy administration's efforts to justify its Latin American policy in the face of a series of military coups took on added dimension yesterday—and discord.

A high-ranking official said that the large number of fledgling democracies that have developed in Latin America in the last few years have meant there are more vulnerable governments in office.

With these young democracies attempting social and economic reforms, he said, tensions have been intensified, and the old order is fighting to retain its prerogatives.

The official said in a background discussion of foreign policy that, in a comparative sense, the kind of military coups that have taken place in the last 2 years represent "progress."

The progress, he said, is reflected by the fact that in recent military takeovers, the Latin military regimes have been more civilized than their predecessors. Instead of old-style dictatorial methods, the official said, the new regimes recognize a responsibility to the people and a necessity to return to constitutional government.

This does not mean that the United States favors or condones military coups, the official emphasized. But he said the changing pattern, nevertheless, represents a gain during a transition stage of pain, difficulty and turmoil in altering historic patterns.

Under the rules of the background conference the official could not be identified. But the views were an amplification of the policy expressed in public on Sunday by Edwin M. Martin, Assistant Secretary of State for Inter-American Affairs. In discussing military coups, Martin said that some have produced beneficial results in Argentina, Peru, and elsewhere; he said democracy cannot be imposed by fiat.

ALLIANCE UNDERCUT

Senator WAYNE MORSE, Democrat, of Oregon, yesterday criticized Martin's argument and rationale, charging that it "undercuts and destroys the entire premise of the Alliance for Progress."

Martin has done just what he denied doing, "delivered an apology for military coups and 'strong-man' rule in Latin America," charged MORSE, who is chairman of the Senate Foreign Relations Subcommittee on Latin America.

The Martin policy, said MORSE, would be a throwback to 1957 policy: "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."

RESULTS FAR FROM IN

MORSE said that "even in the best of cases" cited by Martin, Peru and Argentina, "the results are far from in." MORSE said that in Guatemala, which Martin mentioned, "there does not even appear to be any election in sight," nor, similarly, "does there appear to be any return to constitutional processes in sight in Ecuador."

Even so, "these are the exceptions," said MORSE, "and Mr. Martin does not mention the general rule" that the more common result is that the longer military regimes stay in power, the "more rigid" and "more cynical" they become.

"We should have it clearly understood from the officials in charge of Latin American affairs," said MORSE, "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."

SEES SMOKE SCREEN

All U.S. aid to the Dominican Republic and Honduras has been suspended, and the aid missions recalled. But MORSE said yesterday, "One can only assume that Mr. Martin has laid down the typical diplomatic smoke screen of shoulder-shrugging preliminary to recognition and aid to the new dictatorships of the Dominican Republic and Honduras."

But informed sources last night said that officials of the Agency for International Development are urging the administration to make a very tough stand on withholding aid to the two countries, as a warning to others.

There have been claims in both the Dominican Republic and Honduras that a dominant reason for the military coups there was what has been called a dangerous softness of the constitutional regimes on communism. But American official sources said that in neither case was that the true major reason for the coups, which also involved mixtures of military, political, and economic opposition and desire to maintain threatened positions of privilege.

[From the Washington Post, Oct. 8, 1963]

RECOMMENDED READING

Assistant Secretary Martin's animadversions about the difficulties of democratic governments in Latin America, on the nobility of some of the military regimes that have had to liquidate them, and on the inability of the United States to do anything about it—in any case—are not likely to prevent more military coups. They are more likely to encourage them.

Those who speak for this country ought to be saying that we will not deal with unconstitutional regimes, that we prefer even inefficient elected governments to the most competent military government. It is one of the weaknesses of elective systems that they occasionally turn up an administration that is riddled with nepotism, reeking with privilege, saddled with graft, and crippled by sheer incompetence. When that happens, the citizens ought to turn to the constitutional means of providing a legal alternative at the first opportunity. They ought not turn to a military regime for an instant remedy.

There is a great deal of truth about Latin America's past in Secretary Martin's remarks. But this administration was going to change the bad old past of military dictatorships. It was not to be an administration that looked with complacency and resignation on military coups.

Before the election, Mr. Kennedy said that this country should "strengthen the cause of freedom throughout all Latin America"; that we should not allow Latin America to be "unsure of our stand on native dictators as well as Communist dictators"; that we ought to "make the American Revolution the chief import of Latin America"; that our policy in Latin America should "precede events and not follow them"; that the Eisenhower administration "lacked the leadership and the vigor to act"; that "we ought to eliminate all despotism in Latin America"; that we have let Latin Americans think we are "more interested in stable regimes than free governments; more interested in fighting against communism than in fighting for freedom."

The President made some good speeches about Latin American affairs, during the campaign. Assistant Secretary Martin ought to read them.

EXHIBIT 3

[From the Washington Post, Oct. 9, 1963]

U.S. ARMS, INACTION HELPED—NAIVE HONDURAN ROLE ABETTED MILITARY PLOTS

(By Dan Kurzman)

TEGUCIGALPA, HONDURAS, October 8.—The military coup that overthrew the democratic government of Honduras last Thursday was rooted, like most Latin American coups, in military ambition, rightist greed, government naivete and U.S. indecision.

These factors, in potent combination, made a coup inevitable. Under the deposed regime of President Ramon Villeda Morales, the military enjoyed a constitutional position perhaps unique in the world. It was not directly responsible to the executive branch of the Government, but only to itself and, in limited degree, to the legislature.

Military leaders were jealous of their autonomy and feared that they would lose it after elections that were scheduled for later this month. The presidential candidate of Villeda Morales Liberal Party, Modesto Rojas Alvarado, was strongly favored to win, and the military was convinced that he would seek to reduce its power.

That Rojas would do just that, appeared, in military eyes, to be reflected in the refusal of the Villeda Morales government to let the army supervise the elections in accordance with the constitution.

Ironically, the United States, which tried to discourage the coup, is to a considerable degree responsible for having paved the way for it. In 1954, the Honduran Army was weak, disunified, and severely lacking in political influence. But with the pro-Communist Guatemalan regime of Gen. Jacobo Arbenz consolidating its power, the United States poured arms into neighboring Honduras for use by Guatemalan Gen. Castillo Armas, who eventually invaded his Red-controlled country and ousted Arbenz.

But in order to disguise this interference in Guatemala's internal affairs, the United States signed a military assistance treaty with Honduras which called for the importation of the arms, as a byproduct. The treaty also provided for the establishment of a strong Honduran army. Col. Oswaldo Lopez Arellano, became chief of the armed forces, a job from which he finally catapulted into his present position as head of the military government.

Until the very day of the coup, the United States was a helping friend, as attested by the Alliance for Progress handclasp emblems painted on military trucks that have carried political prisoners to jail since the coup.

REDS, CORRUPTION BLAMED

In an interview, Lopez said that corruption and Communist infiltration in the government were factors in the coup, but he made it clear that the threat to the army's position was the principal element.

Like most modern Latin American military leaders today, he does not appear to oppose democracy as such. He is only opposed to it in the measure that it endangers military influence and privileges.

Nor was the military immune to efforts by rightist politicans, mainly of the Nationalist Party, to exaggerate these dangers for their own purposes.

The rightists were horrified by Liberal Party attempts to push through "communistic" social and economic reforms. Most Honduran businessmen favored a coup and their sentiment was shared by U.S. businessmen here.

"Maybe now things will be more efficient," a representative of one American firm said.

Significantly, the buildup of the armed forces with American aid was started under and nurtured by a Nationalist Party regime—a fact that the Nationalists have not let military leaders forget.

If the military lacks comprehension of democracy, democratic leaders appear to have been equally ignorant of the realities of military power. Rodas, like President Juan Bosch of the Dominican Republic, who was ousted in a similar coup 2 weeks ago, virtually dared the military to take action.

CIVIL GUARD WAS ISSUE

With incredible naivete, Rodas, in his campaign speeches, constantly emphasized that, as president, he would build up the strength of the Civil Guard, presumably a Liberal Party police arm, at the army's expense. This force was created by Villeda Morales in 1959 as a counterpoint to the army when it was suspected that the latter, particularly because of its autonomous nature, could not be trusted.

Unlike Venezuelan President Romulo Betancourt, the Honduran leaders would not compromise with the military.

In view of these factors, anything the United States might have done short of using force, may have been futile. Nevertheless, many observers here think the tough statement issued by Secretary of State Dean Rusk announcing severance of diplomatic and economic relations apparently for a prolonged period, was much too long in coming.

U.S. officials here tried to persuade the military not to launch a coup, but, handicapped by the examples of America's "soft" action after other coups, particularly in the Dominican Republic, it was hard to convince the army leaders that the United States meant business.

[From the Washington Post, Oct. 8, 1963]

SOMEWHERE IN LATIN AMERICA

(By Art Buchwald)

"Colonel Henriques, it's time for a coup."

"Already, general? We only had elections last week."

"Exactly. We've given them a fair chance and obviously they failed."

"That's true, general. They had their opportunity and they didn't know what to do with it. It was the same last year. We gave them free elections and the next thing we knew the politicians were running the country."

"Let this be a lesson to you, colonel. Every time the civilians get in they let the opposition leaders out of jail, lift newspaper censorship, and start screaming for land reform."

"Not to mention that they want the rich people to pay taxes."

"Well, colonel, we must start planning. Call the air force and navy and tell them what we're up to just in case the president reaches them before we arrest him."

PUT ON ROTATING BASIS

"I think we'll have to give the air force a role in the junta, general. The last time they were very angry that they didn't get a job.

General Fernandez told me if he wasn't included in the next coup he would refuse to fly the president into exile."

"Then we'll send him by ship."

"The navy also told me they wanted a role."

"Dammit, colonel, you can't have a coup if you let everyone into the junta. What did they teach you at the military academy, anyway?"

"I'm sorry. What should I tell General Fernandez?"

"Tell him the air force can organize the next coup after this one."

"And the navy?"

"Tell them they have the next coup after the air force. We'll do it on a rotating basis."

IT'S THE REDS—AGAIN

"Yes, sir. Now I think we better draw up some kind of excuse for the coup. The United States is supporting this Government."

"Ah, it's good you remembered that. We'll say the coup was necessary because the Communists, paid by Castro, planned to take over the Government."

"We said that the last time," the colonel says.

"So we'll say it again. We will say that as soon as we clear the Communists out of office we'll hold free elections."

"Do you think they'll buy it?"

"They have every other time. At first they'll be upset, but they'll get over it. Tell the CIA what we're up to so they can notify their people in Washington in advance of the coup. In that way the CIA will be very grateful to us because they had the information first."

"General, you're a genius."

HOUSE ARRESTS ALL SET

"Colonel, when you have been in and out of juntas as long as I have, these things come naturally. Also we must arrange with Quada Sierra to move their troops to our border so we can claim we're being threatened from without and can ask for new military equipment. I hate to surround the Presidential Palace in those rusty old tanks."

"Would Quada Sierra do it for us?"

"Why not? We did it for them."

"Yes, sir. How many house arrests do you want to make?"

"Let's see. The Cabinet, the leaders of the political parties, the university students, and the palace guard. I think we should arrest about 500, and then we can have an amnesty for Christmas."

"The families will be so grateful."

"I guess that will be all, colonel. I have to start working on my proclamation speech.

"Fourscore and 7 weeks ago."

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

Mr. GRUENING. I yield with pleasure.

Mr. MORSE. I wish to express my complete approval of every comment the Senator from Alaska has made in his brilliant address.

I assured my friend the Senator from Wisconsin [Mr. PROXMIRE] that I would not interrupt at any length at this time, and I shall wait until the Senator from Wisconsin has had time to present his position on the pending bill before I discuss this subject at length. I told him that now I would take only a minute or two to reinforce what the Senator from Alaska has said.

This morning in the Committee on Foreign Relations I notified the Secretary of State that I would be answering the apologists at the State Department for military juntas in a speech I intend to deliver later this afternoon. It is well that the Senator from Alaska has served further notice on the State Department that its line on Latin America is not going to be bought by a good many Senators. Not only is the Alliance for Progress at the crossroads; but also, in my judgment, American foreign policy is at the crossroads.

As I indicated to the Secretary of State this morning, I do not wish to read any more statements in the press given by so-called high spokesmen in the Department of State. Talk about managed news. So-called top secret meetings are held over there with newspapermen. Why the newspapermen go to them I do not know. I do not know why representatives of a free press would walk into a conference and then have to report that they were spoken to only by high spokesmen.

I made clear to the Secretary of State this morning that, if they have any answer, I would like to know whether what I read in the press is the answer of the Secretary of State, or of Martin, Ball, Bell, or someone else.

I shall have more to say on that subject later this afternoon. I completely agree with the Senator from Alaska that the free world has its eyes on us, to determine whether we are to engage in some more hypocrisy in American policy, and whether we shall find an apologetic way of supporting military junta overthrows of constitutional government.

As I said to the Secretary of State this morning, "I am interested in seeing what you will bring out of the Dominican Republic. It is not enough to bring out an ambassador."

I also pointed out to him that the great briefing we received by Martin and Martin in the Foreign Relations Committee the other day, in my judgment, was the most unsatisfactory briefing on foreign policy to which I have listened from the State Department in my many years of service on the Foreign Relations Committee. If that is an example of what we will get out of briefings as to American foreign policy in Latin America, the sooner that policy goes down the drain the better, and the sooner we get new leadership in regard to foreign policy in the State Department the better.

I hasten to add, when I say that, that I do not refer to the Secretary of State. I have great confidence in the Secretary of State. I am satisfied that the Secretary of State too often catches up on things after the fact because he is not notified before the fact as to what is going on. This dedicated public servant, Dean Rusk, has been working hard on another front seeking to protect the best interests of this country in his conferences and negotiations with Russia and in his conferences with other diplomats. I fear that what has happened in Latin America is that it has gotten away from the Secretary of State. I plead with him to see to it that he finds out what is going on in the State Department in regard to Latin America.

I say this for now—and I shall have more to say later this afternoon. I have the answer for Martin and Martin. The free world wants to know whether as an American policy we are withdrawing from the Dominican Republic and from Honduras, or only play acting. We must bring out not only the Ambassador and the military mission and the economic mission, but, as I said to the Secretary of State this morning, we must bring out the Peace Corps. The Peace Corps is probably closer to the situation in the Dominican Republic than any other group of American ambassadors in the Dominican Republic. If we bring out the Peace Corps, for the first time the people of the Dominican Republic will know that we mean business in opposition to military dictators.

I shall have more to say about this apology of Martin the other day—in respect to a statement that came out of the State Department which I understand can be attributed to him—to the effect that we may work out some constitutional return, that it may not be Bosch but it may be some other constitutional officer within the membership of the old administration, and that we may support the effort to place them back in power.

That is a play on words. That is a subterfuge. If we do that with the military junta still in power, the so-called constitutional officer will be a stooge and a front.

Later this afternoon I shall discuss an article published in this afternoon's Star, as to the reactions to the Martin line in Caracas today. Free nations in Latin America, free governments in Latin America, are trembling in their boots today because they do not know whether the Martin line or the Alliance for Progress commitments are the present program of the U.S. State Department. We went into the Alliance for Progress on the pledge that we are going to support constitutional governments in Latin America. When constitutional governments are destroyed by military juntas—and the sad fact is, as was pointed out in this morning's Post, by men trained by the American military—there is destroyed the opportunity to develop constitutional democracies in Latin America.

So I say to my administration, as chairman of the Subcommittee on Latin American Affairs, "You must cut the cord completely and make clear to the Dominican Republic and to Honduras that there will be no aid of any kind or description."

I shall answer later this afternoon the apology and alibi and rationalization of Martin and Company in the State Department, that that policy might play into the hands of the Communists, for it is the State Department today that is playing into the hands of Communists in Latin America by giving the impression that they may in the near future support military juntas on the ground. According to Martin, there are good and bad military juntas. Imagine such a statement coming from the State Department—that there can be a good military junta, overthrowing a constitutional form of government, in defiance of the United States, set up through the lips of the United States when the Alliance for

Progress was established. It does not make any sense.

I will not support such a policy. I warn the administration that there are millions of Americans who are not going to support it, because the American taxpayers are "fed up" with pouring out hundreds of millions of dollars into so-called foreign aid when it results, in the last analysis, in aiding the threat of communism, and not stopping the threat of communism, because when military regimes are built up, and democratic governments are sacrificed, the way is paved for a Communist revolution.

Mr. GRUENING. I thank the Senator from Oregon. I wonder whether he noted, in one of the trial balloons, attempts to suggest that a different policy was indicated, that there may be some justification for the junta, because the people of the Dominican Republic did not rise and protest. In the first place, they have risen and protested. In the second place, President Juan Bosch said he did not want them to and urged them not to, because he did not want them to be mowed down with the military weapons the United States furnished the military. He did not want any bloodshed. Nevertheless, the people have demonstrated. Many have been jailed.

We know how the Dominican people feel. They lived under the rule of a dictator for 30 years. They know what it is to have dictators over them as they now again have. It is shocking that anyone should dream, as Assistant Secretary Martin has done, of trying to justify the disgraceful overturn of a constitutional government, a government which we supported and wanted to see successful, of the type which the President predicted there would and should be when he launched the Alliance for Progress. Now we see an attempt to suggest a contrary idea—that perhaps a junta might be "good," and perhaps we ought to recognize it. If that is done—if that becomes the practice—the Alliance for Progress will be dead, and does not deserve to live.

I yield the floor.

REDUCTION OF EXCESS MARKETINGS OF MILK

The Senate resumed the consideration of the bill (S. 1915) to amend the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and to encourage the reduction of excess marketings of milk, and for other purposes.

Mr. JACKSON. Mr. President, I rise in support of Senate bill 1915, which I have cosponsored with my colleagues, Senator PROXMIRE, Senator MAGNUSON, and Senator HART. I especially commend the distinguished senior Senator from Wisconsin [Mr. PROXMIRE] for the able way in which he has handled this important legislation.

The class I base system makes it possible for dairy farmers in Federal orders, who show by a two-thirds majority that they want it, to have a procedure where each individual farmer can make his own decisions and not be affected by the operations of another farmer in his own area.

Leaders of the dairy industry in my State have informed me that if our Federal order was amended to allow a producer to retain his share of the class I sale without consistently increasing his production, this would go a long way toward improving our producers' position and bringing into closer balance our market needs and supplies.

It would go a long way toward bringing the national supply more nearly in balance with the market needs.

Mail is not always a true barometer of the feelings of a constituency, but the indications of support of this dairy legislation from the dairy people of my State have been most significant.

The Puget Sound area, as elsewhere, is hamstrung with milk production greater than its market needs. Under present provisions, this is becoming more acute inasmuch as producers establish a new production base each year. In order for a producer to prevent receiving a further deleted base price, he must increase his production in an amount equal to the market increase.

This has resulted in an "annual base race" that is deleterious to our dairy economy.

S. 1915, on acceptance by those in the marketing area, would permit a dairy farmer to sell his fluid milk at a price more closely related to the class I price. He would not be put in a position of accepting an average price because of another farmer's increased production.

This bill presents the Senate with an opportunity to help stabilize an industry so vital to our Nation's physical as well as economic health. I hope that the Senate will see fit to approve this bill without amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a few representative communications and excerpts from communications I have received from my constituents in behalf of this legislation.

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

LYNDEN, WASH.,
July 26, 1963.

I want to thank you for your help in introducing Senate bill 1915, the class I base plan for dairymen. We need this tool to help in our problem in the Puget Sound.

The Whatcom County Dairymen's Association at its annual meeting voted on this plan. We have never had such producer support for any legislation. Our membership is just over 1,000 producers and there were no votes against the plan. We need this tool to improve our marketing of milk.

HAROLD KNIGHT,
President, Whatcom County Dairymen's Association.

PORT TOWNSEND, WASH.,
August 10, 1963.

This is the only sane solution to our problem. It is already too late to save a lot of family-size dairy farms who have been the backbone of the industry.

JOHN G. BOULTON,
Farmer.

SEATTLE, WASH.,
August 7, 1963.

We are very pleased to learn that you and Senator MAGNUSON have cosponsored Senate bill 1915 and we feel this bill properly embodies the National Milk Producers Federation dairymen's class I base plan.

We are writing today to Senator ELLENDER, as well as other members of the Senate Agriculture Committee, urging their favorable action.

Again, on behalf of our producing dairymen members, we wish to express our sincere appreciation for your cosponsorship of Senate bill 1915 as we feel this will be of material assistance in reducing the dairy surplus production.

E. E. PEDERSEN,
President, United Dairymen's Association.

SEQUIM, WASH.,
July 18, 1963.

I sincerely hope you will do all in your power to assure passage of a voluntary class I base plan for milk in Federal milk orders. Our market is in bad condition. A realistic base plan will help immeasurably.

DOUGLAS LEWIS,
Farmer.

SEATTLE, WASH.,
January 31, 1963.

I can assure you that the producers in the Puget Sound milkshed are strongly in favor of the class I base plan approach to a solution of the surplus problem which exists in this market and on a national level.

W. F. PENNEY,
Manager, Northwest Dairymen's Association.

Mr. PROXMIRE. Mr. President, will the Senate yield?

Mr. JACKSON. I yield.

Mr. PROXMIRE. I am proud and happy to have the cosponsorship of the distinguished Senator from Washington in this bill. His support always means a great deal in this kind of legislation. He comes from a great dairy State. It is also true that the dairy farmers in his area are familiar with the experiment in British Columbia, where this kind of program is in operation. It has worked exceedingly well. It has made possible a reduction in production, and an increase in farm income. If we can do that, we shall accomplish the prime objectives of farm legislation: namely, to increase farm income and reduce the cost to the taxpayers. The experience of an area which borders on Washington State are helpful in that regard.

Mr. JACKSON. The Senator from Wisconsin has summed up the situation very well. As the Senator knows, this problem has been with us for a long time. The proposed legislation represents an effort on the part of the dairy farmers to do something about it. I commend the able leadership that has been given to the Senate by the distinguished senior Senator from Wisconsin in so ably presenting this legislation.

Mr. PROXMIRE. I thank the Senator.

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

Mr. PROXMIRE. Mr. President, I yield to the Senator from Minnesota [Mr. HUMPHREY].

DEFENSE INFORMATION ON SCIENCE AND TECHNOLOGY: KEY TO PROGRESS IN NATIONAL RESEARCH

Mr. HUMPHREY. Mr. President, I had intended yesterday, at the time of

the approval of the conference report on the defense appropriation bill, to bring to the attention of the Senate a particular phase of that appropriation, namely, the part that deals with research and development. This is a fundamental part of our total defense effort. The entire area of research and development in the Federal Government's activities is one that has been very closely watched by the Senate Committee on Government Operations and the Subcommittee on Reorganization and Interagency Coordination.

In my judgment, these appropriations will achieve their highest yield only if progress is quickened in improving the handling of scientific and technical information.

I refer to all phases of information—to storage, retrieval, abstracting, indexing, evaluation, and dissemination of information.

In the same way, the U.S. Government, as a whole, will reap maximum benefit from its $14.7 billion expenditures for research and development only—if progress is accelerated in the field of scientific and technical information all along the line—in all the major scientific agencies.

THREE OBJECTIVES

In these next few moments, I should like to mention several phases of the problems of Defense and of Government-wide research.

I shall do so from one viewpoint of getting the greatest results in science and technology; in the shortest period of time; through the most efficient and economical use of taxpayers' resources.

A WELCOME ACTION: STUDY BY HOUSE SELECT COMMITTEE

This is substantially the same challenge to which our colleagues in the House of Representatives have recently and very helpfully addressed themselves.

It will be recalled that the House has just set up a 9-man select committee to study the Federal research and development program.

I welcome this step. Out of the House study can, I believe, come great good.

A huge program which involves some $15 billion out of an almost $100 billion Federal budget—certainly does bear the most earnest study by both Houses.

But it is not just the expenditure of money which merits our attention, as important as these funds are. For at stake also are other greater values:

First. The successful defense of America and of the free world, including the deterrence of war.

Second. The growth and prosperity of the civilian economy.

Third. A higher standard of living for our own and other peoples.

Fourth. Success in the conquest of disease and disability.

INTEREST FROM STANDPOINT OF SEVERAL COMMITTEES

It has been my personal privilege to work on Federal scientific problems as a former member of the Senate Committee on Agriculture and now, as a member of the Committee on Appropriations. But I have been particularly honored to consider this issue, also, as chairman of two subcommittees: in the Government Operations and Senate Small Business Committees.

TWO BROAD GOALS FOR U.S. TAXPAYERS

From these two vantage points, I have done whatever I could for two broad goals: they have been to make sure that—

First. The American taxpayer gets every possible cent of value out of every dollar spent for research, development, testing, and evaluation.

That means that Federal scientific missions in defense, space, and medicine must be accomplished with greatest possible efficiency.

Second. The American taxpayer gets every possible dividend and byproduct from Federal science spending.

That means that our entire Nation must benefit—the defense and the nondefense communities; the space and the nonspace communities; business, large and, particularly, small; all regions, not just those already well-endowed with great university-defense complexes; nonprofit sources like universities, foundations, institutes, and cooperatives; dynamic industries and so-called lagging industries.

"HAVE" AND "HAVE NOT" COMMUNITIES

Just recently, our Senate Small Business Committee, for example, held hearings on the crucial impact of defense-space expenditures on the Nation's economy. These hearings spotlighted some progress; but they showed urgent and still largely unfulfilled needs of labor-surplus areas.

The fact is that the Congress insists that this Nation not see a worsening of the gap between (a) scientific "have" and (b) scientific "have not" communities.

Judicious distribution of defense-space expenditures can help narrow that gap. It can help tap the pool of skills and talent available in labor-surplus areas.

To achieve all these goals requires many things. One of the things is information—timely, reliable, easily accessible, reasonably complete information.

INFORMATION NEEDED BY BROAD SOURCES

To whom? To five broad sources:

First. To the decisionmakers in the executive branch, including the President, the heads of agencies and other policymakers and implementers.

Second. To the Congress—its committees, subcommitees, and individual Members.

Third. To the scientific community within Federal agencies—that is, in so-called intramural laboratories.

Fourth. To the scientific community outside Federal Agencies—in extramural, contractor, and grantee institutions.

Fifth. To the broad scientific community which is not within either a contractor or grantee status.

The flow of information is not a luxury; it is a "life and death" necessity, "life and death" for industries, for communities, for the Nation's economic health, for survival, for deterrence of war, for progress, for prosperity.

That is not an exaggeration. It is a hard fact.

And no single Federal agency has a greater responsibility in all of these respects than the Agency whose research appropriation we are now considering—the U.S. Department of Defense.

And so I should like to comment specifically on this Department's needs for scientific and technical information.

COMMENDATION OF RECENT PROGRESS BY DEPARTMENT OF DEFENSE

The year 1963 has witnessed impressive improvements in the handling of scientific and technical information by the Department of Defense. These improvements come, I may say, as a result of a well-respected promise which was made by the able Deputy Secretary of Defense Roswell Gilpatric, to the Senate Reorganization Subcommittee.

In our hearing of September 1962 Mr. Gilpatric frankly conceded the need for reforms.

He stated:

> I am frank to admit that there are major deficiencies both in our technical information system in the Defense Department, and in the way we have organized to do it.

He added:

> We have no complaints and any criticisms which you and your staff have directed toward the Defense Department I must say have been merited in this area. I will go forth and do better.

The Deputy Secretary has been true to his word, as we knew he would be. He has faithfully discharged that responsibility. I should like to compliment him, Vice Adm. Charles B. Martel, who, during his recent tour of duty, carried out Mr. Gilpatric's mandate, and Mr. Walter Carlson who serves as Director of Technical Information for the Office of Director, Defense Research and Engineering.

At the same time, as these excellent leaders have been aware, the Pentagon must now try to make up for what have literally been lost years. The Pentagon has a long way to go toward converting what is now largely a chaotic, unplanned patchwork of information systems into a rationally integrated system of systems on a departmentwide basis.

A PANORAMA OF DEFENSE DEPARTMENT INFORMATION NEEDS

The Defense Department, in effect, still confronts a mammoth backlog with respect to first, management information needs—all the way down the line of civilian and military administrators; second, in-house scientific and engineering information needs; third, contractor information needs; fourth, civilian economy, that is, noncontractor needs; fifth, needs for two-way international flow of information; sixth, cooperation with professional and trade societies.

I shall mention only a few highlights of these needs.

I shall not mention other information problems, such as what are termed command-and-control challenges—which are somewhat distinct from issues of scientific and technical information, per se.

SOME MANAGEMENT TOOLS ARE USED EFFECTIVELY

For the Department as a whole, reliance has been placed on what has been

known as the DD 613 information forms. This system is described in a 1961 report issued by our subcommittee which I will mention shortly. The DD 613 system has been a limited tool for management use; it has not served the scientific and technical performers, nor was it designed to so serve. The Office of Director of Defense Research and Engineering does use the 613's as well as Technical Development Plans—TDP's. So do program managers in the individual services—for similar purposes of review, consolidation, and adjustment of programs. Some supplemental reporting procedures are also used, depending upon urgency, size of program, number of services affected, and so forth.

LITTLE INTERSERVICE INFORMATION "POOLING"

Meanwhile, none of the three armed services yet has a modern, internal system of technical information systems of its own. None, as yet, has fully effective access to output from the others' information systems. None provides effective input to the others' systems.

Fortunately, the respective services are moving ahead to place their individual information "houses" in better order.

First, Army: In January 1963 the Department of the Army submitted a plan for an internal scientific and technical information program. This program was the result of an Army-wide conference held in the fall of 1962, which it was my pleasure to greet in the form of a specially recorded message.

The Army requested and received $800,000 of emergency funds to initiate the program during the 1963 fiscal year.

Second, Air Force: This Department is holding a similar Department-wide conference in Dayton, Ohio, during the week of September 30, 1963. Results, similar to those of the Army meeting, are anticipated.

Third, Navy: The Navy which pioneered in the great PERT research planning systems is now, I understand, in the process of reviewing its scientific and technical information activities. On an overall basis, science information-wise, it is not as far advanced as the Army and the Air Force, I understand.

ENORMOUS STATISTICS INVOLVED

The full dimensions of the services' information problems can only be understood in terms of the enormous number of papers and reports which are involved in an over $7 billion research, development, testing, and evaluation program.

For example, it is estimated that around 1½ million documents will be requested from the Defense Documentation Center in the current fiscal year. And this is still "only a drop in the bucket," in terms of contractor information needs.

As one reads statistics such as this, he gains a better understanding of why this committee and subcommittee have insisted on central indexing and abstracting of all projects and reports and on thorough decentralized use of such abstracting and indexing.

The incontrovertible fact is that without such systems, it is virtually impossible for an Army, Navy, or Air Force source to know whether or not he is unintentionally duplicating, first, his own service; second, another service, in present and/or canceled or completed work.

A few additional statistics will serve to underline both progress and problems:

Research management:	
Approximate total DOD research projects	*Around* 45,000
Estimate total on mechanized file in the Defense Documentation Center	33,000
Current rate of addition in the Defense Documentation Center file (week)	400

Rates of operation, Defense Documentation Center

	Fiscal year—		
	1962	1963	1964 [1]
Documents cataloged	25,000	34,000	80,000
Documents requested	828,000	1,025,000	1,500,000
Bibliographic searches	4,100	6,000	9,000

[1] Estimated.

Current rate of acquisition is estimated to be only about 50 percent of the useful technical report literature in DOD. The effect of removing previous limitations on input—such as on restricted data—as set forth by the March 1963 instruction is beginning, fortunately, to show up:

Serving the public:	
Science information exchange:	
Approximate total DOD projects, tasks, subtasks	45,000
Estimated number classified (and therefore not reportable to the exchange)	10,550
Estimated candidates for inclusion in science information exchange	34,450
Approximate total DOD items now in science information exchange	10,000
Public sale of DOD technical reports, fiscal year 1963: Number transmitted from Defense Documentation Center to Office of Technical Services, U.S. Department of Commerce	11,168

A joint study last spring checked into whether some reports, then being placed on limited distribution, and thus not available to the public, should have been unlimited and should have been sent to OTS. The study showed that a number had been limited due to human errors at printing establishments. Corrective measures are being taken. Meanwhile, DOD and Commerce are examining other steps needed to expedite DOD document flow to the public.

In my judgment, the Defense Department and the Office of Technical Services have hardly "tapped the surface" of transmitting information to the nondefense community.

In this connection, I should like to recall this colloquy at our 1962 hearing:

ISSUE OF AUTHORITY TO DISSEMINATE INFORMATION FOR CIVILIAN PURPOSES

Senator HUMPHREY. There has been some suggestion made in some of the other committees of Congress and bandied around in some of the professional journals—the idea of statutory mandate to the Department of Defense to distribute unclassified information for the benefit of the Nation's civilian economy, possibly through the Office of Technical Services or some other technical office. I believe that NASA has something in its basic law that provides for this, and so does the Atomic Energy Commission.

Nothing in the law relates to DOD in this respect. What would be your view of that?

Mr. GILPATRIC. Well, first of all, I believe we have the authority now under our basic legislation, not the mandate, but inherent authority under the armed services legislation to do this.

I think we should do it. * * *

Therefore, I don't believe that such a statutory mandate is necessary.

I commend Mr. Gilpatric for this wholesome attitude. The Department of Defense must now proceed with the job.

NO "AUTOMATIC FALLOUT" INTO CIVILIAN ECONOMY

A sustained, well-coordinated, well-planned effort must be made by both DOD and NASA to convert military and space scientific and technical findings into civilian technology.

We know that the rosy preliminary speculations about automatic fallout from military-space fields into the civilian economy were largely over-optimistic.

There is a vast amount of information in Department of Defense specialized information centers, in particular, which will have to be painstakingly converted into civilian use. This will require comprehensive effort by the Agency, by the Nation's universities, particularly its colleges of engineering, in cooperation with the business, labor and agricultural communities at the grassroots of America.

IDENTIFYING USER NEEDS

Meanwhile, DOD's top priority must continue to be the needs of its own in-house and extramural community. Unfortunately, no programs, in DOD or elsewhere, have successfully and fully identified the specific technical information needs of various categories of scientists and engineers performing different functions. In recognition of this, DOD is, I understand, about to sign a contract for a study that will involve interviewing 1,200 to 1,800 inhouse technical people engaged in R.D.T. & E. work to find out what information is used, how they use it, and where they get it. The study will run more than 1 year and will cost in excess of $250,000. Its results, however, can help determine the whole future planning for better information systems.

I do want to stress that neither this nor any other user study should be allowed to drag and/or proliferate, so that we end up "studying studies," instead of serving customers.

I believe in research and, as necessary, in research on research. However, there is a point beyond which sciences' habit of studying science becomes almost an end in itself, instead of a means to an end.

Mr. Carlson who previously performed outstandingly in the Engineers' Joint Council—on behalf of the Nation's engineers—is, I am glad to say, customer-oriented. That is how DOD information sciences must remain—geared to serve the man on the bench, in the arsenal, or the testing ground.

INTERNATIONAL NEEDS

As I indicated earlier, there are generators, as well as recipients overseas, as regards scientific and technical information.

I am personally not at all satisfied with the international exchange of scientific information. For one thing, the needless duplication and the delay in translation, abstracting and indexing is often appalling.

For another thing, the flow of information tends to be only one way—from the United States—to overseas.

Industrialized foreign nations soak up all the information they can get from us—from our Government, our industry, and our agriculture.

They are less diligent in efforts for reciprocity.

Insofar as allied nations are concerned, there has been some effort, from time to time through the North Atlantic Treaty Organization Advisory Group on Aeronautic Research and Development, to foster increased reciprocity. Unfortunately, however, the United States is still largely at the giving end of scientific and technical information.

And such little as we do obtain from abroad often does not enter into the mainstream of the Federal pool of information—available to all three military services, as well as to civilian agencies and the national community.

Information flow to and from the developing nations is another matter. Here, I believe, the United States has a still golden opportunity to enable these hard-pressed countries to improve their standards of living, through increased access to our information resource. With but a modest expenditure, we can make a maximum contribution through better information flow to the developing lands.

INFORMATION A NATIONAL RESOURCE

I want to emphasize that information is indeed a national resource.

It requires national goals for maximum use—and national plans, programs, and budgeting.

It *requires* genuine—not token cooperation—between report media and professional journals, between so-called primary and secondary publications, as well as among "secondary"—for example, abstracting and indexing publications.

And it requires bold, imaginative vigor to meet tomorrow's increasing information needs.

Modern science and technology offer interservice, interagency, interdisciplinary, international challenges. We have no alternative but to respond accordingly.

SIX YEARS OF WORK BY THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS AND THE INFORMATION ISSUE

It is, I believe, appropriate to recall the 6 years of constructive effort by the Senate Committee on Government Operations on issues confronting U.S. science and on science information, in particular.

This committee's principal scientific effort began in 1957—months before a new scientific age dawned with the launching of Soviet Sputnik I.

By direction of the chairman of the full committee, the distinguished Senator from Arkansas [Mr. McCLELLAN], a broad study of problems of Federal science, particularly scientific organization, was inaugurated in August of that year.

The spectacular Soviet achievement of October 4, 1957, in launching the first earth satellite, served merely to accelerate our own committee's efforts.

Fortunately, by that time, our review was already well underway.

Much of the committee's effort was necessarily delegated to the Subcommittee on Reorganization and International Oranizations, since the parent committee was committed to so many other legislative duties.

Down through the years, the full committee and the subcommittee have worked in closest harmony on science problems.

THIS COMMITTEE'S FIRSTS

Six years have elapsed. During this eventful period, many newspaper and magazine articles have commended the committee's and the subcommittee's science efforts. According to those write-ups, the Government Operations Committee and its Reorganization Subcommittee achieved many distinctions. Let me mention but six—the committee and subcommittees were:

First. The first group in the Congress to devote attention to the overall challenges of scientific and technical information.

Second. The single congressional group which has devoted the longest and most sustained attention to all aspects of this issue—to information hardware and software—machines and procedures, abstracting and translating, published and unpublished information, data on current research, on canceled research and on completed research, to libraries and specialized information centers, to current announcement services and retrospective bibliographic services—indeed to the whole gamut of information science.

Third. The first congressional group to explore the potential of scientific contributions in developing areas through use of U.S. owned—or managed—foreign funds. Indeed, before the end of 1958, legislation to this effect, sponsored by myself and supported by our committee and by the Foreign Relations Committee, became the law of the land. This is the famous section 104K of Public Law 480, authorizing use of counterpart funds for support of scientific information, including translation, and scientific research overseas.

Fourth. The first congressional group to urge reorganization of the structure of Federal scientific activities—in view of the fact that existing agency organization has been made obsolete by the overlapping of scientific studies.

Fifth. The first to consider problems of long-range budgeting for Federal research and development. We recognized, for example, that weapons systems may take 5 to 7 years or longer to complete—from discovery through development. Space programs are on a 10-year research basis; yet, elsewhere, long-range research planning has been notable by its absence.

Sixth. The first subcommittee to view Government-wide problems confronting the sciences of man—the so-called behavioral sciences—which receive, unfortunately, only around 2 percent of the total of Federal research outlay.

And, there have, I believe, been other pioneering steps—taken by this committee and subcommittee. I mention these matters for the factual record and for historical perspective. I believe the public should be aware that the U.S. Senate has been alert to its responsibilities. And, in so doing, I should like to pay tribute to the members of the full committee and the subcommittee—who have supported these studies with unbroken unanimity down through the years.

SOUNDING THE ALARM ON THE INFORMATION CRISIS

Year after year, this committee and subcommittee have held hearings, issued reports, committee prints, documents, releases, urging the executive branch and the scientific community to wake up to the crisis of scientific and technical information.

When we started, we felt like "voices crying in the wilderness." Few agency heads paid more than lipservice to information problems. Few professional and trade societies acknowledged the issue to be a high priority.

The Office of Science Information Service of the National Science Foundation was paid little heed by its agency peers. Its pleadings tended to fall on half-deaf ears.

Within the Federal Government, the Department of Defense was, unfortunately, one of the most backward, from an information standpoint.

Gradually, however, year after year, the agencies began to recognize the problem. Belatedly, they began to take constructive action.

So did the professional and trade societies. Soon the "bandwagon" picked up momentum, and now, most Federal and professional sources are on it.

We welcome them aboard. They have arrived none too early. Indeed, many are taking information actions in 1963 which they should have taken and could have taken much earlier; for example, back in late 1958, when we submitted our original recommendations.

Be that as it may, it is the future that counts. I mention the past only for purposes of providing background. The agencies must learn from their mistakes, particularly from their errors of information omission and delay.

In the field of information, the agencies have made relatively few mistakes of commission. The plain fact is that, with few exceptions, they are still only in the opening stages of ushering in a long-overdue information revolution.

The revolution is not a matter of computers, it is a matter of mind—of outlook—of grasp of the essential truth of today's information challenge.

THE AGE OF AUTOMATION

Like it or not, we are in an age of automation. Information automation is not designed to replace the human mind; it

is designed to liberate the mind from information drudgery. It is designed to free the mind for its more creative tasks—for evaluation, for the truly innovative idea—concept—theory—experiment—induction—deduction.

Let me mention a half-dozen of our specific publications and a few of their many results.

THE 1958 HEARINGS

First. In 1958, this committee proposed what was then known as the Science and Technology Act of 1958. One of the purposes of that act was to establish a series of specialized National "Institutes" in the physical sciences—a specialized institute of meteorology, for example, another on oceanography and so forth.

In the succeeding years, this idea has been substantially adopted. The institutes are not called by that name, but actually they represent precisely what we had in mind; namely, specialized centers devoted to one major area of science.

The National Center for Atmospheric Research in Boulder, Colo., is, of course, a leading example.

With respect to information, as such, this committee, in these 1958 hearings, laid the basis for later years' advances in the views which we presented. At that time, we inquired about a truly national information system.

Only in 1962 and in 1963 have the agencies and the professional societies finally caught up with some of the unified concepts which the subcommittee first advanced at that time. Thus, the National Federation of Abstracting and Indexing Services commissioned a report—which was released earlier this year—on a national information plan. And the National Science Foundation has generated other reports, looking toward the linking of what are now largely isolated information efforts.

THE 1960 REPORT

Second. In 1960, the committee, as a whole, published Senate Document No. 113, 86th Congress, 2d session, entitled, "Documentation, Indexing, and Retrieval of Scientific Information."

This has come to be regarded as somewhat of a classic of information science. There has probably been no single document ever published by the Congress, which contains a clearer exposition of advanced systems of information, storage and retrieval than this document, as prepared by the staff of the parent committee.

THE 1960 HEARINGS

Third. The same year, the subcommittee held hearings on "Coordination of Activities of Federal Agencies in Biomedical Research." In these hearings, for the first time, all of the major Federal agencies conducting biomedical research were asked to report on their cooperation with respect to current research. It was at these hearings that the Federal health agencies were, for the first time, directed by the Congress to start thinking of themselves not in isolation, but as members of a Federal medical community.

PROGRESS AT NIH

If anyone would like to see an example of the constructive effect of this subcommittee's work, he might like to compare first, the relative disinterest of the agencies in indexing systems on current research, as reflected at the start of those 1960 hearings; and, second, the active interest of these same agencies in current research systems, as reflected by their actions in 1963.

The National Institutes of Health offer a case in point. NIH was among the least interested agencies in indexing its current research. The Institutes asserted that such information was of interest solely to administrators—not to working scientists. NIH was wrong.

Three years later, NIH has, fortunately, changed its tune. At our urging, it has issued a massive index of over 15,000 extramural research grants. And at our urging, it is, for the first time, combining in its next index both the intramural and the extramural research in one comprehensive index.

What is more, NIH and the Public Health Service now express pride—and rightly so—in the services that these publications provide to the scientific community.

We welcome NIH's change of heart. We commend it for its progress, belated as it may be.

We say, there is still more progress to be made.

NIH still does not perform for its extramural and intramural scientific community the tiniest fraction of information services, that is; in sponsoring evaluation—review journals—such as are provided by the Atomic Energy Commission and the National Aeronautical and Space Administration. It is not just a matter of the difference between an agency concerned with technical reports—that is; NASA—and one which works through open journals—NIH—nor is it just a matter of inadequate legal authority and funds; it is a matter of the low priority which NIH has, unfortunately, accorded this and other information problems traditionally.

The fact is that NIH has asked little of the Congress, insofar as information advances are concerned. Congress has had to force information advances on NIH.

APRIL 1961 REPORT

Fourth. In 1961, we published a report, "Coordination of Federal Activities in Biomedical Research and in Other Scientific Areas," Senate Report 142, 87th Congress, 1st session.

This report resulted in major changes in the system of overall budget analysis on Federal medical research activities. The effect of the report was to precipitate a change by both the U.S. Bureau of the Budget and the National Institutes of Health in accounting for Government-wide health research.

ANOTHER 1961 REPORT

Fifth. Also, in April 1961, we published Senate Report 263, 87th Congress, 1st session, entitled, "Coordination of Information on Current Scientific Research and Development Supported by the United States Government." This report offered the first substantial analysis of the problem which is even more acute today than it was then—how to monitor some 160,000 separate research and development projects which we estimated were then under Federal support.

The report pointed out that there was at that time no means by which any one source—even the President of the United States—could determine exactly what research the Federal Government was supporting. Actually, the same unfortunate situation continues to prevail today, despite some improvement.

The report described and pointed out weaknesses in the Department of Defense, in particular, including in the DD-613 system on which management heavily relied then, as it relies today.

SEPTEMBER 1961 REPORT

Sixth. In September 1961, we followed up on the aforementioned report with a specialized analysis on current research. It was entitled, "Coordination of Information on Current Federal Research and Development Projects in the Field of Electronics." This report estimated that because of weaknesses in information and communications, as much as $200 million of funds might be spent in wasteful, needless duplication—solely in the one crucial area of electronic research.

THE 1962 HEARINGS

Seventh. In 1962, the subcommittee held hearings on long-range budgeting for research and development. We quickly revealed that there was no genuine exchange of long-range research plans between the National Aeronautics and Space Administration, the Department of Defense, and the Atomic Energy Commission.

In addition, several of the "old line" agencies on which these top spending agencies crucially relied and continue to rely, such as the Weather Bureau and the National Bureau of Standards, did not have adequate information as to other agencies' long-range research plans, so as to coordinate their respective operations.

As a result of our hearings, the National Aeronautics and Space Administration and the U.S. Department of Defense at least have made formal arrangements for the first time for exchange of long-range research plans. Infinitely more remains to be done, however, in interagency, long-range programing.

The Congress must, of course, continue to exercise its rightful annual control of the purse strings, as required under the Constitution. But, this Nation cannot sustain 5-year and 10-year research efforts on the basis of merely 12 months of planning. The result is inefficiency and waste—stops and starts—loose allocation and reallocation of manpower.

We do not want rigid long-range plans, of course, but neither do we want wobbly, ad hoc, temporary plans.

THE 1962 COMMENTS ON DOD

Eighth. In March 1962, I presented to the House Committee on Appropriations, a 25-page publication—identified by code number S 3-11-62—on information weaknesses in the Department of Defense.

I quoted authoritative estimates that from $1 to $2 billion in the $7 billion Federal research and development total, might be needlessly wasted because of communications weaknesses. The handicaps of what was then known as the Armed Services Technical Information Agency—which has since been renamed the Defense Document Center—were highlighted.

As a result of this presentation, the House Committee on Appropriations, for the second year in a row, reiterated a plea—made by our committee—for improvement in Defense information—House Report 1607, 87th Congress, 2d session, page 48.

In addition, in 1962, the Senate Appropriations Committee soundly wrote into its own report, at our subcommittee's suggestion, insistence on DOD-NASA-AEC interagency information cooperation—Senate Report 1578, 87th Congress, 2d session, page 10.

I was happy to commend the Senate Appropriations Committee's excellent action in a statement in the Senate last year—on June 15, 1962, just as I commended the House's action earlier.

PRESENTATIONS ON USDA, HEW, AND AID

Ninth, tenth, and eleventh. That same year and the following year, 1963, I issued separate presentations on problems of scientific and other information in three other major departments: (a) The Department of Agriculture, April 1962—S 4-3-62; (b) the Department of Health, Education, and Welfare, May 1962—S 5-4-62; (c) the Agency for International Development—S 5-3-63.

As a result of the first, increased support is beginning to be provided to the National Agricultural Library.

As a result of the second, a whole series of actions has occurred. For example, the report called for a Conference on Medical Communications. Such a Conference was convened in November 1962 and out of it grew a series of welcome recommendations which are now in the process of at least partial implementation.

As a result of the third, a presentation on coordination of techncial assistance, some partial steps have been taken by AID to improve internal, interagency, intergovernmental, and public-private coordination.

DRUG INFORMATION

Twelfth. In late July 1962, the subcommittee turned to still another front—drug information. Out of our hearings and a series of statements have come the first steps toward what I hope will be a long overdue National Clearinghouse on Drug Information.

There will be, in addition, I trust, national clearinghouse on overall chemical information—on pesticide information; cosmetics information, and food information.

This subject is mentioned in the third in the subcommittee's series of hearing-exhibit volumes on "Inter-Agency Coordination in Drug Research and Regulation," released September 26, 1963.

These, then, are 12 sets of actions and presentations; several more could be mentioned.

CONCRETE RESULTS

I have mentioned a few of the concrete results of the committee's and subcommittee's efforts.

The principal result has been to help strengthen cross-fertilization of scientific knowledge and, conversely, to help cut down on needless, unintentional, unplanned duplication of effort.

Let me mention how this has been done.

First. Improvements have been made in the scientific information systems of every major Federal scientific agency. The result has been to strengthen management's ability to manage, science's ability to discover, and engineering's ability to engineer.

PROGRESS BY SCIENCE INFORMATION EXCHANGE

Second. The Biosciences Information Exchange, which was devoted exclusively to recording information on medical science research projects, was converted, at our prodding, into an overall Science Information Exchange. This Exchange will ultimately cover all of the physical, mathematical and engineering sciences.

A statistical picture of SIE, as it is known, shows this increased coverage:

First. Total receipts of all proposals and projects—life sciences and physical sciences—rose to about 75,000 for the year ending June 30, 1963. This does not include about 15,000 update changes to records already in SIE collection.

Second. Total active projects—life sciences and physical sciences—"on the shelf" were about 60,000, as of June 1963.

Third. Projects registered as physical science by SIE totaled 17,668 on September 1, 1963.

In addition, about 2,500 physical sciences projects were recently received and are now being processed.

But what does SIE's progress really mean? Let me quote from what the Director of SIE, Monroe Freeman, Ph. D., told a June 1963 conference, sponsored by the HEW Department:

> We have information that the information services are effective, for in about 500 returns of a questionnaire, 97 percent of the research scientists queried said they learned through the Exchange about new projects in their specialties they did not know about; 70 percent said the material was of good quality with little irrelevant matter; 85 percent indicated comprehensive coverage; and 65 percent took the time to add comments and suggestions. A letter from a major industrial laboratory said, "Thank you for the current research résumés. Two of them describe research projects we had intended to start next month." Another letter said simply, "I have worked on this project for 2 years only to find myself scooped last week." Most of the respondents said they used the information to: (a) keep up with what is going on; (b) avoid duplication in preparing proposals; and (c) contact other scientists they did not know.

In fiscal year 1965, the National Science Foundation will undertake managerial and funding responsibility for SIE.

REPORT BY PRESIDENT'S SCIENCE ADVISORY COMMITTEE

Third. A special panel of the President's Science Advisory Committee was set up to consider the issue of information. This expert panel, headed by Alvin Weinberg, Ph. D., director of Oak Ridge National Laboratory, made an excellent study on the subject and issued an historic report, which has resulted in many information improvements.

Several of these improvements were first recommended by our committee. One such included making certain that in every single major scientific agency of the U.S. Government, there be a single individual, responsible for scientific information.

Earlier, what was known as the Crawford task force submitted to the President's science adviser a still bolder blueprint for information clearinghouses throughout the U.S. executive branch.

Fourth. A standing committee on scientific information in the Federal Council for Science and Technology is now hard at work on interagency information problems.

Fifth. The President's Office of Science and Technology has taken a commendable and continuing interest in overseeing Government-wide information advances. I should like to pay tribute to Dr. Jerome Wiesner for his impressive contribution to information advances. The results of his enlightened interest may be seen in the June 18, 1963, "Status Report on Scientific and Technical Information in the Federal Government," as issued by the Federal Council for Science and Technology.

Sixth. The National Science Foundation has been strengthened in its diligent efforts to spur improvements throughout the scientific and technical community.

NO ONE SOURCE CAN CLAIM CREDIT

Let this point be clear. In recent years, there has been somewhat of a "snowball" effect as regards information advances. No one source—our own committee or subcommittee—claims more credit than is rightly any one source's due. The fact is that many sources have aided in the process; many sources share credit.

What counts is that progress be continued without letup; for there is no reason for complacency; the road ahead is long and hard.

A functioning national and international information network is still to be established.

A FEW TASKS AHEAD

A functioning Government-wide index of all research and development reports is still but a hopeful gleam in our eyes.

There is still only one joint NASA-DOD Information Center, at Huntsville, Ala.

Information service at the grassroots of America is still only in its embryonic stage, through 12 regional technical report centers and a hodgepodge of separate agency centers

Compatibility or convertibility between agency information systems is still only a goal, not a reality.

The Office of Technical Services of the U.S. Department of Commerce is still by and large only a sales agency; it is not a comprehensive service agency; and it functions by relatively primitive

means in an age of high-speed computers and printers.

Literally dozens of other needs, as recognized by our committee and subcommittee, could be cited, to illustrate the Nation's "unfinished information business."

It will always be "unfinished." But it had best be greatly improved, and soon.

CONCLUSION—A POSSIBLE SCIENCE COMMISSION

I should like to refer to one final phase in this connection.

It has been the repeated judgment of the Senate Committee on Government Operations, as a whole, that this Nation could greatly benefit from the establishment of a Hoover-type Commission on Science and Technology.

Such a commission would, ideally, in our judgment, consist of a "balanced mix" of representatives of the executive and legislative branches, as well as the national science and engineering community.

Senate-approved legislation for such a commission is now, once more, pending before the House Committee on Science and Astronautics.

We recognize, realistically, that, no doubt, many Members of the House feel that the establishment of the distinguished select committee represents all that is necessary at this time.

To some extent the formation of this House committee does indeed diminish the necessity for an independent appraisal, such as a commission could provide.

I believe, however, that the House should not "close the door" on the concept of an independent commission.

As many observers have pointed out, a group which would have representation from the executive agencies and from the private scientific community, working side by side with legislators, might be in a somewhat stronger position than a group of busy legislators who are necessarily already heavily committed to other duties.

Perhaps, an arrangement could be worked out in which a commission, if approved, could be designated to study such specific topics as the House select committee might choose not to review—partly because of the limited time the select committee has available.

In any event, irrespective of whether any further action is taken on the commission bill, I know that each of the committees and subcommittees of the Senate and House which have jurisdiction over scientific activities will continue their individual efforts to strengthen the Nation's scientific and engineering program.

SALE OF WHEAT TO RUSSIA AND HER SATELLITES

Mr. HUMPHREY. Mr. President, I notice with considerable interest that the Secretary of Agriculture, speaking today at North Platte, Nebr., has come out four square and frankly in favor of selling wheat to the Soviet Union and to any of her eastern satellites that make firm offers to pay for the wheat in dollars.

In the past the Secretary has been somewhat hesitant with respect to this subject. The news ticker account of his speech, which I have before me, is timed very carefully, I believe, in connection with the press conference which the President of the United States will hold later today.

The Secretary pointed out:

We would sell wheat for cash on the same basis as in any cash export sale, just as we have done for years.

He went on to say:

I am not one of those who are fearful of open competition in products or in ideas.

I commend the Secretary on his statement. It was needed for a clarification of policy. I am hopeful it will carry considerable weight in the councils of the administration.

I have attempted to do the best I could in outlining the importance of this matter—the hazards and the assets—and I feel that, on balance, it is in our national interest to consummate the sale, and also in the interest of improving our export position.

Mr. President, I ask unanimous consent that the news ticker account of Secretary Freeman's statement be printed in the RECORD at this point in my remarks.

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

NORTH PLATTE, NEBR.—Agriculture Secretary Freeman said today he feels the United States should sell wheat to the Soviet Union and any of her East European satellites that make "firm offers to buy for dollars."

Freeman said he believes American public sentiment favors the sales by about a 4–1 margin.

Freeman's statement was made in a speech prepared for delivery to a Wheat Belt farmer meeting here. President Kennedy was expected to announce approval of wheat sales to the Soviets at a news conference late today.

Freeman's public advocacy of the wheat sales was added today to his prepared text for the speech.

"It is my judgment that we should sell wheat to the Russians and to the other Eastern European nations where firm offers to buy for dollars are made through the private trade," he said.

"We should do this not only because of the dollars-and-cents advantages, but also because of the increased people-to-people contacts which will result."

Today's farm meeting was one of a series which Freeman has been holding to find out how farmers feel about present and future Government farm policies. Freeman said that in six similar meetings and at others, including one of the American Bankers Association, he sounded out opinions about the proposed wheat deal with the Russians.

"There is no doubt in my mind that the people, based on the reaction of these audiences which are a cross section of the public, would support a cash sale by a margin of 4 to 1," Freeman said.

Freeman said American private traders had indicated the Soviet Union was prepared to buy 4 million tons of wheat (about 140 million bushels) for about $260 million.

Freeman said such a sale would have "many practical and immediate advantages." It would greatly improve the U.S. balance of payments, lower the cost of storage and handling of Government surplus farm crops, and boost farm income, he said.

"We estimate that the sale of wheat in the amount discussed recently between the Russians and U.S. grain traders would save the U.S. taxpayer more than $200 million over the period of time we could normally expect the grain to remain in storage."

Freeman pointed out that surplus wheat acquired by the Government is normally held for 5 years with storage interest and handling charges of 26 cents per bushel per year.

Freeman challenged an argument by some critics of the proposed Soviet deal who object to selling wheat to Communist countries at prices lower than those paid by Americans. At present, all U.S. wheat exports move at world market prices which are some 55 cents per bushel below U.S. prices. The gap is covered by a Government export subsidy.

Freeman said any export subsidy paid on wheat sold to the Soviet Union "would not go to the Soviets, but to American wheat farmers." He added:

"We would sell wheat for cash on the same basis as in any cash export sale, just as we have done for years. Any cash export sale is made with an export subsidy and this sale would be no different."

Freeman said any wheat sale to the Soviet Union would be in addition to other products exported to Russia, such as tallow, seeds and hides.

"I am not one of those who is fearful of open competition in products or in ideas. Democracy * * * can only be the victor over the communism of a secret society, and I am eager to accept that kind of a contest," Freeman said.

Freeman also told the wheatgrowers that the administration would take "every possible opportunity" to expand wheat exports and bolster wheat prices next year.

AID TO HURRICANE FLORA VICTIMS

Mr. HUMPHREY. Mr. President, reports continue to pour in on the appalling losses of life and property in the Caribbean caused by Hurricane Flora. From the latest dispatches, it is clear that the hurricane has been the worst storm in recorded history to hit the Caribbean islands. I am glad to hear that the American Red Cross has offered supplies and workers to the Cuban Red Cross and that the Red Cross and CARE have joined to organize relief to stricken Haiti. It was fortunate indeed, and timely, that the U.S. Navy should have once again been in a position to render prompt assistance from the carrier *Champlain* along the coast of Haiti.

All of these steps have been generous and openhearted reflections of the concern of the American people for the men, women, and children who are suffering so grievously from the great Caribbean storm. As the Washington Post said in an editorial this morning, I am "confident that the people of this country will back up this generous offer despite the suspension of regular economic aid to the oppressive Duvalier regime in Haiti and the general embargo on trade with Castroist Cuba."

Mr. President, I strongly believe that the policy of the United States should be clear and unmistakable: That we as a people and a government will offer aid to those who suffer.

We must never permit ideological differences to bar American assistance to men, women, and children who suffer from hunger, disease, and natural catastrophes.

If people are starving and we have food, it is morally wrong to turn aside—even if a totalitarian regime rules the nation of hungry people.

If people are suffering from epidemic disease, and we have drugs and doctors, it is morally wrong to look the other way—even if the government of that people's country displays sour and arrogant contempt for the offer of such aid.

If people are overwhelmed by great natural catastrophes, and we have rescue vehicles, aid teams, food, medicine, and shelter, it is morally wrong to turn our backs on their suffering.

The American people will never go wrong by relying on their own basic instincts—which are humane and compassionate. We have a magnificent tradition of responding to the needs of the suffering. We must never permit political considerations to deter us from what we know is right.

And we know that it is right to bring aid to the sick, food to the hungry, and comfort to those whose loved ones and whose homes and property have been swept away by the tides of disaster.

We are not now talking about governments or extending aid to governments; we are talking about people, and extending compassion and assistance through great voluntary, philanthropic, charitable organizations which have the facilities for making this aid available.

I ask unanimous consent that two articles and an editorial from the October 9 Washington Post be inserted in the RECORD at this point.

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

FLORA BATTERS CUBA; HEADS FOR BAHAMAS—TOTAL OF DEATHS FOR 8 DAYS MAY TOP 5,000

MIAMI, October 8.—Hurricane Flora broke out of Cuba into the Atlantic tonight and bore down on the Bahamas with 100-mile-an-hour winds, leaving entire cities in shambles and perhaps more than 5,000 persons dead in the Caribbean in 8 days.

In Haiti, Health Secretary Gerard Philippeaux reported that 2,500 persons are dead or missing and "the number may double." Flora hit Haiti Thursday night with winds the weather bureau said may have reached 200 miles an hour.

Another 160 were reported dead elsewhere, including 9 in Jamaica and at least 112 in Cuba.

"Since the time Columbus discovered the New World," the Miami Weather Bureau said, "no hurricane has dealt so devastating a blow to the countries of Haiti and Cuba."

The weather bureau said total damage would amount to "several hundred millions" of dollars in Cuba. In Haiti, the figure "may be under $100 million due to low value of many buildings destroyed."

Flora was some 450 miles southeast of Miami last night, moving 9 miles an hour toward the southern Bahamas. The weather bureau said the hurricane "offers no further threat to western Cuba, Central America, Florida, and the east coast of the United States."

Rains were slackening off in Cuba, where precipitation from Flora was measured in feet, but the Weather Bureau said "flooding will continue for some time." The U.S. naval base at Guantanamo Bay today caught a glimpse of the sun for the first time in 6 days.

Guantanamo personnel were ordered back into storm shelters for a time this morning when Flora took a threatening turn, but despite flooding and 60-mile-an-hour winds on the fringe of the hurricane, damage there has been relatively minor. Guantanamo normally gets 17 inches of rain a year; it has gotten that much in the past 6 days.

In Cuba, there were radio reports of 80 deaths at Mayari, Premier Fidel Castro's birthplace on the island's northeast coast. Havana radio reported 10 deaths in Caimanera as water in the streets reached a depth of more than 3 feet. The broadcast reported 400 buildings demolished in Camaguey Province, with casualties "not known at the moment." It said mines in eastern Cuba were flooded.

While the eastern half of Cuba was stricken, the situation was reported normal in Havana, Matanzas and Pinar el Rio Province in the west.

The report of 80 dead at Mayari came from an amateur radio operator in a broadcast monitored in Miami last night.

Before another radio operator, apparently in Havana, interrupted the report to shut off a further listing of casualties, the Mayari man told of bodies stacked on rooftops and others floating in floodwaters that covered more than three-fourths of the city.

"The situation is desperate," the Mayari operator said. "Please do something. There is danger of an epidemic."

Then he was cut off with the radioed command: "Comrade remember your orders; remember your orders."

Another broadcast that was heard in Miami today reported that the town of Santa Cruz del Sur, on Cuba's southeast coast, was being flooded from the sea. The town was wiped out by a tidal flood on November 9, 1932, which claimed 3,000 lives.

Nearly 60,000 Cubans were reported today to have fled their homes. There was fear for the fate of thousands of others isolated by the storm waters and without means of getting help since high winds made the use of helicopters impossible.

Castro set up hurricane relief headquarters in Holguin, Oriente Province, today after getting ducked while trying to cross the Rioja River with 16 aides in an amphibious jeep.

Press dispatches said the overloaded jeep started to founder and the government group swam to the other side. Peasants pulled the swamped jeep out of the river while Castro and his aides took a bus some 20 miles to Holguin.

Cuban Communist leader Carlos Rafael Rodriguez, head of the National Agrarian Reform Institute, ordered immediate readjustments in rationed food supplies. Meat quotas in Havana were slashed 50 percent. It was announced there would be no more coffee until further notice. The vegetable quota was cut 60 percent.

At least half the island's crops have been wiped out.

The American Red Cross yesterday offered supplies and workers to the Cuban Red Cross, but no reply has been reported.

A committee representing Cuban refugees in Miami asked President Kennedy to aid political prisoners in Cuba and other Cubans hit by the storm. No request for aid from the Cuban Government is known to have been made to the U.S. Government.

Rodriquez announced that the Soviet Union has agreed to transfer to Cuba 5,000 tons of coffee the Russians had bought from Brazil.

He said that losses in rice and cotton will have to be replaced through extraordinary imports.

In Haiti, heavy rains continued in the disaster area, causing more floods.

Two helicopters from the U.S. Navy aircraft carrier *Lake Champlain* were engaged in an aerial survey of the stricken areas, and more helicopters were to be pressed into service.

Members of the American Red Cross were at work, and in New York CARE, the international relief agency, said $110,000 in food and other relief supplies were authorized for distribution in Haiti. It issued an urgent appeal to Americans for funds.

Haitian officials said 90 percent of the farms, factories, and homes were destroyed in the storm area. Many coffee, rice, and banana plantations were wiped out. Health Minister Philippeaux estimated that two-fifths of the country was devastated. At least 100,000 Haitians were homeless.

The north coast of Haiti's southern peninsula, an area populated by nearly 130,000 persons, was hardest hit. Philippeaux said entire towns were destroyed.

FLORA'S RUIN MAY HAVE SET BACK CUBAN ECONOMY BY YEAR OR MORE

(By Al Burt)

MIAMI, October 8.—Hurricane Flora probably set Cuba's economy back a year, and may curb some of Premier Castro's ambitions to foment other revolutions in Latin America.

Flora has swept across Cuba's richest lands, in Camaguey and Oriente Provinces, and the multi-million-dollar damages insure at least three things of political importance:

1. The weakest phase of Castro's regime, the economy, suffered a heavy blow.

2. Cuba will need more outside aid for recovery.

3. New, serious troubles at home probably will force Castro to divert his attentions from hemispheric subversion and concentrate on Cuban matters.

WEAKENED CAPABILITIES

Originally, Castro promised the mass of Cubans a better life, more of everything. He was not able to deliver before, and Hurricane Flora seriously weakens what capabilities he had.

Cubans, who already had tightened their belts, now will have to tighten them more. Dollar estimates of the damage right now are pure guesses, but they run as high as $500 million. In time, the estimates say, the economy was set back from 1 to 3 years.

Those who contend that this makes Castro ripe for immediate overthrow may be overenthusiatic.

There is no doubt, though, that it eventually could lead to new dissatisfaction and produce more fertile areas for the developing of anti-Castro sentiment.

The Soviet Union, already pouring $1.5 million a day into Cuba, probably will be asked for more. With problems of its own, the U.S.S.R. may not be able to deliver.

SUGAR IS MONEY CROP

The most likely development is that Castro, desperate for hard cash, will be forced to solidify his position at home and at least partially curb his subversive program in the hemisphere.

Cuba's money crop is sugar.

It is used to get dollars for badly needed foreign exchange. Last year, Camaguey and Oriente Provinces produced about 50 percent of Cuba's 4.8 million tons.

They were expected to carry about the same load this year in producing only 3.5 million tons. Cuban officials say Hurricane Flora wiped out 60 percent of the sugarcane in these areas, and the damage estimates are still incomplete.

WOOD AND METAL SHORT

Officials say 90 percent of the coffee crop is destroyed, and report heavy damage to rice, bananas, and other food crops. The Cauto River Valley, richest on the island, was directly in the path of the hurricane. The river itself is now said to be some 7 or 8 miles wide.

In addition, houses in both Provinces have been destroyed. Because of a shortage of wood and metal, housing construction in Cuba during the last 2 years has been virtually at a standstill.

The major sugar mills, cattle producers, and copper, nickel, and cobalt mines are in the two provinces. Radio reports say mill

roofs have been ripped off and the electrical machinery inside flooded and ruined. Because this may be impossible to replace right away, some mills probably will be cannibalized for working parts to get the others back into operation.

Castro put rescue operations in the hands of Cuba's only political party, the United Party of the Socialist Revolution, "to avoid anarchy."

However, it was apparent that Castro himself was getting a little uneasy. A monitored radio report found one operator complaining of not being able to establish communications with Santiago, but that Castro kept harassing him to set them up anyway.

"We have told Comrade Fidel that conditions are very bad, but he keeps calling insistently; you know the way he does," the announcer said.

HUMANITARIAN RESPONSE

It is an accident of nature that Hurricane Flora spilled her worst disasters upon Haiti and Cuba. The American Red Cross acted in accord with its finest tradition when it hastened to offer both countries relief for their stricken people. We are confident that the people of this country will back up this generous offer despite the suspension of regular economic aid to the oppressive Duvalier regime in Haiti and the general embargo on trade with Castroist Cuba.

Reports from Haiti that from 2,000 to 4,000 persons have perished and that 100,000 have been left homeless suggest that the storm is one of the worst in the history of the Caribbean. Apparently there was much less loss of life in Cuba, but the toll in terms of crop damage and destruction of homes has been enormous. The Island of Tobago and other areas have also suffered heavy losses. The circumstances call for an immediate and generous response on the part of the United States and its relief agencies. In the presence of disaster ideological differences should not stand in the way of the humanitarian impulse.

Mr. PROXMIRE. Mr. President, on the point the Senator from Minnesota has made on assistance to the people, I stress people of Cuba, I could not agree with him more completely. We should be willing to give all the assistance we can as a people, not to the Castro government, but to the people of Cuba. Great institutions like the Red Cross are ideally suited for this purpose. We should do it in the way which dramatizes our role of compassion and concern and sympathy for the distressed people of Cuba. The majority whip has made a wonderful statement.

Mr. HUMPHREY. I thank the Senator. He clearly states the position that I have taken. I knew that this would be his reaction, because he is a man of generous nature and compassionate outlook.

REDUCTION OF EXCESS MARKETINGS OF MILK

The Senate resumed the consideration of the bill (S. 1915) to amend the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and to encourage the reduction of excess marketings of milk, and for other purposes.

Mr. HART. Mr. President, I rise to support the bill which is now pending before the Senate, S. 1915. Michigan is an area with regard to which people immediately think, first, of automobiles, and, next, perhaps, of recreation. In truth and in fact, the fluid milk business and the dairy industry in Michigan is vital and important and substantial. For years it was my privilege to sit with the Senator from Wisconsin on the Committee on Agriculture and Forestry. I recognize his concern, which is certainly mine, that some effective effort be made to resolve the increasingly acute problem in this area.

The class I base plan for milk marketing orders has had my support for many months. Early in this session I introduced S. 953 setting forth such a proposal. Later I was pleased to join with the senior Senator from Wisconsin [Mr. PROXMIRE] in proposing S. 1915 which is now before the Senate for action.

There has been widespread support for a class I base plan among the dairy producers in the State of Michigan. Much of the milk in our State is produced under milk marketing orders, and dairy production represents a very sizable portion of the farm income in Michigan.

For some time there has been a recognition that the present Federal milk order program has built into its operations a price incentive to the producer to gradually increase his production. This incentive has been one of several factors that has aggravated the surplus of manufacturing milk and increased the cost of the price support program.

The program which Senator PROXMIRE and I have sponsored and the Agriculture Committee has now reported to the Senate is a step in the right direction. Some Federal order markets have twice as much surplus as can be justified for meeting their fluid milk requirements. These surpluses not only depress prices in their immediate markets, but add to the surpluses acquired by the Commodity Credit Corporation.

But I do not believe bases in Federal orders alone will be adequate to reach all of the problems we should meet in the dairy field. Producers in Federal orders will probaly not reduce the marketing enough under this type of base plan to cut CCC purchases of butter by a sizable amount. We might expect this plan to curtail expansion on the part of producers. There remains the matter of total milk production and the concern that producer income not be jeopardized. For that reason I will also support the amendment which will be proposed by Senator MCCARTHY.

It was my privilege to serve on the Committee on Agriculture and Forestry for 4 years. This service was helpful to me in an understanding of agricultural problems, some of which I am convinced no sound solution yet has been developed. I commend the members of the committee and especially the senior Senator from Wisconsin, Mr. PROXMIRE, and the Junior Senator from Minnesota, Mr. MCCARTHY, for their leadership, as well as the chairman, Mr. ELLENDER, for bringing this bill to the Senate.

It is important that Congress act on this proposal now. We cannot afford to jeopardize the continued existence of the dairy price support programs. For some time now it has seemed to me that a sound dairy policy should seek six main objectives. These would include the following:

First. the program should contribute to a reduction of excessive supplies of dairy products which threaten the entire dairy industry—including fluid markets, and create huge price support costs.

Second. The program should protect the income of dairy farmers.

Third. The program should not increase consumers milk prices.

Fourth. The program should not involve direct Government controls over individual producers' cow numbers or output of dairy products.

Fifth. The program should reduce Federal expenditures for dairy price-support programs.

Sixth. The program should allow flexibility, expansion of production by efficient producers, and not constitute barriers to trade or prohibit entry of new producers.

The steps we will take today in the passage of the Proxmire-Hart bill, S. 1915, and hopefully in the adoption of the McCarthy amendments, will move us closer to meeting these objectives.

Mr. PROXMIRE. I thank the Senator. I am grateful to him. He is a cosponsor of the bill. He comes from a great dairy State. I appreciate his statement very much.

Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, without my losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the name of the distinguished junior Senator from South Dakota [Mr. MCGOVERN], the present Presiding Officer of the Senate, be added as a cosponsor of S. 1915. I am grateful to the Senator for his action. He is an outstanding expert on agriculture, and was for many years before he came to the Senate.

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

Mr. PROXMIRE. Mr. President, a typographical error appears on page 13 of the committee report on the bill. The eighth line of the first full paragraph on page 13 begins with the words: "It does not appear to contemplate."

The words should be: "It does appear to contemplate."

The word "not" was inserted by error in printing the report. Since it completely changes the meaning of the sentence in which it has been inserted, I make this statement to clarify the RECORD. It is the heart of the bill. I shall read the sentence as it should be corrected:

It does appear to contemplate that supply and demand are to be influenced or adjusted by means of changes in the levels of prices

payable to producers; and that would be the objective of paying a producer a higher amount for needed milk and a lower price for excess milk.

That provision is the heart of the bill; therefore, I am happy to have the chance to make the correction and call the Senate's attention to it.

DAIRY BILL

Mr. President, the principal objectives of S. 1915, before the Senate today, are these:

First. To reduce the national dairy surplus and the cost to taxpayers of the dairy price support program.

Second. To provide dairy farmers an opportunity to increase net income.

Third. To permit individual producers to produce in line with market requirements for fluid milk products without having their prices reduced by present surplus or increased production of other producers.

Fourth. To eliminate a basic defect of blend pricing which provides milk producers a price higher than the lowest class price for manufacturing milk in excess of the market's normal supply requirements for fluid milk products.

And, Mr. President, I want to stress the fact that this proposal does not in the slightest degree represent production control. It does not limit any producer to any maximum quantity of milk he is allowed to produce or sell. It does not place any physicial limitations on the number of cows he may keep. It does not limit in any way any factor of production or sale of milk.

Mr. President, S. 1915 represents a sincere effort to correct one of the principal problems plaguing farmers who market milk in Federal market order areas.

EXTENSIVE COMMITTEE HEARINGS

The Committee on Agriculture and Forestry held hearings on March 18, 19, 20, and 21, and April 3, of this year, on S. 398, introduced by the chairman of the committee, S. 900, introduced by me and cosponsored by the Senators from Washington [Mr. MAGNUSON and Mr. JACKSON] and the senior Senator from Indiana [Mr. HARTKE], and S. 953 introduced by the junior Senator from Michigan [Mr. HART]. As a result of these hearings a compromise bill was developed incorporating a number of suggestions made by the Department of Agriculture. Further hearings were held on May 14 and 15 on the compromise bill and S. 1317, which was introduced by the junior Senator from Minnesota [Mr. MCCARTHY]. Following the hearings there was a continuing effort to meet the objections which had been raised in the latter hearings. S. 1915, which was introduced on July 18 by me, and cosponsored by the Senators from Washington [Mr. MAGNUSON and Mr. JACKSON] and the junior Senator from Michigan [Mr. HART], is the result of this effort. This bill met the major objections of the representatives of producers who market milk covered by Federal market orders.

The intent of the proposed legislation is to make it clear that the Secretary of Agriculture may provide for allotments under milk marketing orders, so that instead of receiving a uniform blend price, producers will receive a higher return on milk covered by allotments and a lower return for milk in excess of allotments. The bill does not affect the minimum prices paid by handlers, but deals only with apportionment of the proceeds among producers.

BILL IS LIMITED

Specifically, I would like to point out that:

First, the bill covers only milk marketed in areas covered by Federal market orders, although I think I can show that it will greatly benefit, over the years, the manufacturing producers, who do not come under these orders.

Second, I assure Senators and the industry that the bill contains absolutely no mandatory features whatsoever. It is a completely voluntary program which can be accepted or rejected by farmers in a referendum.

Third, if rejected by farmers, the remainer of the order will continue in effect.

Fourth, the bill in no way limits either production or marketings.

Fifth, the bill contains absolutely no penalties.

And sixth, the bill will in no way affect the price of milk to consumers.

PRESENT INJUSTICE TO DAIRY FARMER

At the present time, farmers under a milk market order receive a blend price for all milk delivered. The blend price is based upon a combination of the high price received for milk used for fluid consumption and the low price received for milk used for manufacturing purposes.

Because different prices apply to milk disposed of in the several classes, a method of pooling, or distributing the total returns from sales of milk among producers at a uniform price, is used in conjunction with classified pricing.

Under "pool" procedures the total money value of all milk delivered by all producers—that is, the total pounds of milk in each class, multiplied by the minimum class price—is combined in one pool, and the pool is divided by the total amount of producer milk which is priced under the order. Then, all producers are paid the same "uniform" or blend price per hundredweight for their milk shipments.

And since the blend price, at least originally, is substantially higher than the manufacturing price, some producers tend to increase production in order to increase income.

Mr. DOUGLAS. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I am glad to yield.

Mr. DOUGLAS. The Senator is making an able speech, but he is touching on a point that is disturbing so far as the residents of the great metropolitan centers of the country are concerned. Do I correctly understand from what the Senator is saying that there can be two cans of milk, one can going as fluid milk to the cities, where the price is, let us say, $4 a hundredweight, or 8 cents a quart; and another can of milk going to a creamery to be made into butter or cheese, with a price, let us say, of $2 a hundredweight, or 4 cents a quart? The milk is identical in its origin and quality but the city folks would pay twice as much in order to drink it in fluid form, as would be paid if it went to a dairy or a creamery.

Mr. PROXMIRE. I am delighted to answer the Senator.

First, the consumption in the city is likely to be no more in proportion of fluid milk, than of cheese, or ice cream which is what happens to manufactured milk. So the consumer in the city and country would be affected equally. But the point I wish to make is that fluid milk must meet certain requirements, such as the bacteria count. Also, production of fluid milk requires a particular kind of equipment, which imposes a real burden on the dairy farmer. So there is a solid reason for paying the dairy farmer more to produce fluid milk. That is the justification.

Manufacturing milk is used to make ice cream, which city people consume, cheese, and dried milk. It does not require the same kind of manufacturing equipment. The farmer does not have to buy the same kind of equipment as does the producer of fluid milk. Therefore, it sells at a lower price.

Mr. DOUGLAS. Is it not true that some dairy cooperatives in effect have a closed membership; and that one dairy farmer, who is a member of the cooperative, has access to the city fluid milk market, and thus receives a higher price; while another dairy farmer, who has equally good sanitary standards, but is ineligible for membership in the dairy cooperative, is excluded from selling in the city, and is forced, thereby, to dump his milk at creameries at a lower price to have it made into butter and cheese?

Mr. PROXMIRE. It is true that cooperatives have been the source of much strength to farmers. Without cooperatives, farmers would be in a worse condition today than they are. But it is not at all necessary for a farmer to belong to a cooperative to sell his milk under a marketing order. It is necessary for him to find a buyer. That is not always easy. If the farmer produces milk that qualifies in terms of its bacteria count and other requirements—and it is very difficult to do this—and if he invests the large sum of money that is required to produce such milk, then he must also find a buyer.

Mr. DOUGLAS. But is it not true that the big dairy distributors, such as Borden, National Dairy Products, and the rest, largely control the distribution of milk inside the cities, and that, in general, they have buying contracts with the cooperatives and buy only from members of the cooperatives? Is that not true?

Mr. PROXMIRE. I believe not.

I feel very strongly about this matter, because Wisconsin produces more milk than any other State, and exports more milk than the next five biggest milk exporting States combined do, and produces 70 percent of the milk for the Chicago market. I do not find any strong objection to the relationship between cooperatives and the processors.

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

The PRESIDING OFFICER (Mr. MCCARTHY in the chair). Does the Senator

from Wisconsin yield to the Senator from Vermont?

Mr. PROXMIRE. I am happy to yield.

Mr. AIKEN. Perhaps I might make a contribution in connection with the question posed by the Senator from Illinois [Mr. DOUGLAS]. An individual farmer has every right in the world to sell his milk to any city distributor to whom he can sell it. But unless he belongs to a cooperative, he has no market, for few are large enough to distribute their own milk in city markets. So, as a practical matter, they do better by belonging to a cooperative.

Mr. DOUGLAS. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. DOUGLAS. Is not the second point true—that the city distributor will purchase fluid milk only from the members of the cooperative?

Mr. AIKEN. The city distributors—I will say this for them—have been showing steadily increasing incomes for about 10 years, in almost every quarter. I do not believe National Dairy has failed to increase its earnings in every quarter.

Mr. DOUGLAS. I do not believe the statement of the Senator from Vermont is quite responsive to my question. Is it not true that the practice of a great many distributors in the big cities is to buy only from members of cooperatives?

Mr. AIKEN. They wish to buy in quantity. They will buy from any area or any seller who can distribute full tanks and can guarantee deliveries day by day throughout the year.

Mr. PROXMIRE. The processors want to buy the milk for the lowest price they can and will buy from the producers who offer them the best terms. Borden's have every interest in keeping the price down.

The cooperative has a responsibility to its membership. It has to, if it is to operate for very long; it has to do all it can to get the best possible price. So the cooperatives serve an essential need. If they did not provide an opportunity for the farmers to have the benefit of some sort of effective negotiating organization, the processors would play them off against each other; and then the price received by the farmers would be even lower than it is now—and I believe the Senator from Illinois will agree that in many areas it is now shamefully low.

Mr. DOUGLAS. I was very much interested in the plight of the dairy farmers in the battles in connection with the Chicago milkshed in the early 1930's. Some of my friends assisted in the organization of the Pure Milk Cooperative Marketing Organization. I agree with this portion of its function; but are not we getting into a position in which each side protects the other, but with the result that there is an extremely high price for fluid milk? I have not checked up on the recent price of fluid milk to the consumers, and I believe it is around 24 to 25 cents a quart, or was when I last heard. How much per hundredweight do the dairy farmers in Wisconsin who belong to this organization receive?

Mr. PROXMIRE. That amount varies. At the present time it is about 7 cents a quart or three and a half dollars a hundredweight; that is the blend price they receive. The class I price would be higher—closer to 7½ cents a quart.

Mr. DOUGLAS. Then they get one-third of the retail price. How much would they get if they sold milk of the same quality and of the same butterfat content to the creamery, for manufacturing into butter or cheese?

Mr. PROXMIRE. They would get the regular support price, which is $3.14 a hundredweight—the national average, seasonally adjusted, or about 6 cents a quart.

Mr. DOUGLAS. One of the features of a monopoly, with which I have always disagreed, has been class prices—that is, to charge one group a higher price for an identical product, and to charge another group a lower price.

Mr. PROXMIRE. The Senator is talking about manufacturing milk, which is not milk that will meet class I requirements. Class I milk has to meet certain requirements that are quite different from those for manufacturing milk.

Mr. DOUGLAS. If a farmer's production under class I is only 60 percent for human consumption, the other 40 percent is sold for manufacturing purposes.

Mr. PROXMIRE. The Senator makes a good point. The fact is all milk that comes into the class I market, has to meet this very high and difficult standard. Not all of it, however, can be used for class I purposes, fluid consumption. Some of it will have to go for manufacturing purposes, where it competes with manufacturing milk that will not meet class I requirements. Too much of this milk is now going into manufacturing. That is what we want to get away from, and that is the problem this bill helps to solve.

Mr. DOUGLAS. If that is the purpose, that is fine. But the city consumers all over the country have been "taken for a ride," on the basis of being compelled to pay a higher price for milk destined for their consumption than the price of identical milk used in another channel. Of course, one of the traits of a monopoly is to charge different people different prices for the same article—solely according to their ability to pay.

Mr. ELLENDER. Mr. President, will the Senator from Wisconsin yield?

The PRESIDING OFFICER (Mr. McGOVERN in the chair). Does the Senator from Wisconsin yield to the Senator from Louisiana?

Mr. PROXMIRE. I yield.

Mr. ELLENDER. The 1937 Marketing Act was enacted during the first year that I was in Washington. So far as milk was concerned, the purpose was to insure that milk produced under strict sanitary conditions for sale to meet the needs for fluid consumption of a marketing area, would be sold at a premium, because of the fact that the producer had to maintain sanitary conditions at great cost; and the manufacturing milk which did not meet those requirements was to be sold apart from the sanitary milk. Of course some reserve supply of fluid milk would have to be provided, and this could be sold to the handlers at the manufacturing milk price. But we did not want to encourage the production of large supplies of high-quality milk meeting strict fluid requirements and then have it sold for manufacturing purposes at low prices.

However, when the Secretary of Agriculture fixed the minimum price at which the milk was to be sold, and developed the method by which all the milk produced in the marketing area was blended in price, there was an incentive to produce more milk for the fluid market than was needed to assure adequate supplies and reasonable reserves.

Today only 39 percent of the milk that is produced for direct consumption in the Chicago marketing area is actually used for fluid consumption. The rest is used for manufacturing purposes.

This bill seeks, as I understand, to make it clear that the Secretary of Agriculture can establish a pricing arrangement which will discourage production of milk for fluid markets in excess of that need for fluid requirements. Then producers of milk meeting these sanitary requirements will be able to obtain a good price for their milk, commensurate with the costs of meeting these requirements, and milk which is produced for manufacturing purposes can be sold at the support price which is equal to 75 percent to 90 percent of parity. Today that manufacturing milk sells for $3.14.

So we are trying to return to the law which was enacted in 1937, and have it administered as Congress intended. That is all this bill will do.

Mr. PROXMIRE. Yes, indeed. In fact, I understand that the chairman of the committee and other members of the committee feel that the Secretary of Agriculture could take that action now if he would.

Mr. ELLENDER. He could.

Mr. PROXMIRE. He feels that he cannot. The purpose of the bill is to clarify the situation and enable him to do it.

Mr. ELLENDER. The Senator is correct. Fifteen years or more ago the blended price was established. As a result, most of the milk which is now produced for manufacturing purposes is produced in the same facilities as is the milk which is used for direct consumption. It was never so intended under the law.

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

Mr. PROXMIRE. I yield.

Mr. AIKEN. I do not believe that the question posed by the Senator from Illinois [Mr. DOUGLAS] has been completely answered. When milk is sent into the Chicago market, which is a marketing order area, all of the milk is of the same quality. It is all produced under the same conditions. Forty percent of it is sold as fluid milk and goes into tea, coffee, and children drink it. The other 60 percent is used for manufacturing purposes. But that 60 percent is the same sanitary grade of milk as is the 40 percent.

Mr. DOUGLAS. That is precisely what I was trying to establish. The milk sells at a lower price, does it not?

Mr. AIKEN. It sells at a lower price, but it is the same high grade of milk.

Mr. DOUGLAS. The result is a dual price system.

Mr. AIKEN. I have not completely answered the Senator's question yet. The milk which goes into manufacturing is the same grade of milk that goes on the tables of consumers.

Mr. DOUGLAS. That is fine.

Mr. AIKEN. States outside the marketing order areas have laws for manufacturing milk. The conditions under which manufacturing milk is produced are entirely different under those laws. To the best of my knowledge, no State permits a bacteria count of more than 200,000 in raw milk or 30,000 in pasteurized milk for fluid consumption. In my State it is half of that—100,000 in raw milk and 20,000 for pasteurized milk. Yet the milk produced for manufacturing alone can have a permissible bacteria count of up to 10 million in some States and 3 or 2 million in most States.

The question is as follows: Do we wish to transfer the production of milk from areas which have the highest sanitary requirements to the areas which have the lowest sanitary conditions? The question is as simple as that. It is a mystery to me why the consumers of our country have not risen up. I think it is because they do not understand the milk business.

Mr. DOUGLAS. I am trying to establish some facts on which we can properly rise up.

Mr. AIKEN. I intend to speak on the subject before we finish the debate, and at that time I shall bring out more details. The effect of the bill will be to transfer the production of milk from the areas in which farms have the highest sanitary requirements to those having the lowest.

Mr. DOUGLAS. In effect, the Senator is saying that the States do not have as high sanitary standards as those of the Federal Government.

Mr. AIKEN. No. The manufacturing milk standards are set by the States.

Mr. DOUGLAS. The marketing orders are issued by the Department of Agriculture.

Mr. AIKEN. They have a set of standards for milk used for manufacturing purposes. Some of the States permit 3 milligrams of sediment per milliliter of milk. If the Senator does not know what "sediment" means, I can explain it to him in the corridor.

Mr. DOUGLAS. I believe I know that very well.

Mr. AIKEN. The Senator knows. He has seen a cow put a foot into a pail.

I wish to raise the standard of quality of milk in our country and not provide any incentive for lowering it.

Mr. DOUGLAS. Why do not the other States raise their standards then?

Mr. AIKEN. Not all the States are covered by the bill proposed by the Senator from Wisconsin, as far as I know. I should like to ask the Senator from Wisconsin how many States in the Union are covered by his bill?

Mr. PROXMIRE. All States having Federal marketing orders.

Mr. AIKEN. California is not covered. North Carolina and South Carolina are not covered.

Mr. PROXMIRE. Those States are not covered by Federal marketing orders.

Mr. AIKEN. They operate under State laws. Would the Senator's bill operate under State laws?

Mr. PROXMIRE. No; Federal law.

Mr. ELLENDER. There are no marketing orders in California.

Mr. AIKEN. Only 8 percent of the milk in Minnesota is subject to marketing orders; 92 percent of the production of that State would not come under the bill.

Mr. PROXMIRE. The fact is that the bill would not affect the movement of milk from Wisconsin to Vermont, Minnesota, or some other State. It would merely affect the distribution of payments to the farmers who produce milk in a particular marketing order, so that they would receive the class I price for that part of their milk which is sold as class I milk and a lower price for that part which is excess and would be sold for manufacturing purposes. Therefore the farmer would be discouraged from increasing his production and would be encouraged to drop his production and tailor it for a more economical operation.

Mr. AIKEN. Though excess production would not figure in the formula, it does affect the market. As the Senator knows, the Secretary of Agriculture fixes a minimum price. When a surplus exists in the market, the minimum price becomes the price in almost every case, though not always. So it would affect the consumer, I believe, if the surplus were eliminated. The price in the marketing order areas would naturally go up. The distributors would see to it that the price to the consumers would go up anyway.

Mr. PROXMIRE. As the Senator from Vermont knows, there is an enormous surplus now in the marketing areas. Fifty percent of the milk production is from those areas. A good deal of that is excess milk and beyond the requirements. There should be some excess. The Senator would agree that in Chicago 61 percent of the milk is excess milk and 39 percent is fluid milk. We could go a long ways toward curtailing production without putting the industry in a position in which the consumer of class I milk is in any danger of having his price go up.

Mr. AIKEN. I would agree, because a certain excess of the supply of milk is necessary in order to meet the market demands from day to day. The consumers of the country are getting much higher quality processed dairy products than they would if they had all those products produced in the areas which are much more lax in their sanitary requirements.

Mr. PROXMIRE. I shall come to that point in a moment.

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

Mr. PROXMIRE. I yield.

Mr. ELLENDER. As I understand the question of the Senator from Illinois, it is that if the bill should pass the Congress, the chances are that the price of milk which is sold throughout the country will be higher than that which now prevails. What is the Senator's position on that question?

Mr. PROXMIRE. My position on that question is that the price will not be higher. The bill will not affect the price of fluid milk to the consumer at all. It will not affect it.

Mr. ELLENDER. That is correct.

Mr. PROXMIRE. That point should be emphasized and underlined. The bill has nothing to do with the price paid by consumers. It is a good point. That is the question which the Senator from Illinois has asked.

Mr. ELLENDER. That is correct.

Mr. PROXMIRE. However, under the blend price system, as the proportion of milk used for manufacturing purposes increases, the blend price for all milk delivered under the order decreases.

Therefore, as deliveries of milk into the market increase, with the resultant lower price, all farmers are compelled to increase production in order to maintain their income.

Obviously, the effect is that producers are on a treadmill of increased production. Not only do the farmers suffer, but also the taxpayers suffer. It means that excess milk is produced. Under the law it is necessary for the Department of Agriculture to support milk at a minimum of 75 percent of parity. This year we are paying out $450 million, at least, and maybe more.

INCREASED DAIRY PRODUCTION LARGELY IN MARKETING AREAS

For example, since 1940 the number of markets covered by Federal orders has increased from 17 to 83. The amount of milk regulated under these orders has increased from less than 20 percent to almost 50 percent of all the milk marketed in the United States. Over the same period, the percentage of Federal order milk used for manufacturing purposes has increased from less than 30 percent to almost 40 percent. In some of the larger markets the amount of milk used for manufacturing purposes exceeds the milk used for fluid purposes. In the New York-New Jersey market only 49 percent, and in the Chicago market only 39 percent of the milk delivered by producers was used in class I in 1962.

These examples dramatize the contribution to surplus milk that is made by the marketing orders. The fact is that if we could eliminate the blend pricing system, we could go a long way toward relieving the burden on the taxpayer while at the same time giving the dairy farmer an opportunity to curtail his production to what is needed. It is fantastic that in the Chicago marketing area we should produce nearly twice as much excess milk—and most of the milk is produced by Wisconsin farmers—as is used for the fluid purpose for which the order is designed.

In other words, for every 1 quart that is used for fluid purposes there are 2 quarts of excess.

Mr. DOUGLAS. One and a half quarts.

Mr. PROXMIRE. It is nearly 2 quarts. One and a half quarts might be a bit more accurate.

Unquestionably the blend price is responsible for much of this increase in production. This is because the blend price encourages farmers to produce excess milk which goes into manufacturing purposes but returns to the farmer a blend price, above and usually far above the manufacturing price. In the same way, the blend price inhibits a farmer from reducing production because he does not receive the fluid price for any of his milk, regardless of how sharply production is reduced.

HOW BILL CORRECTS PROBLEM

This legislation corrects this situation both by discouraging farmers from increasing production and encouraging them to reduce production. This is because production in excess of allotments will receive only the lower manufacturing price that is, what the excess milk is actually worth. Decreased production will still permit the farmer to retain his fluid base which permits him to receive the higher fluid price for that part of his reduced production that falls within his base.

Mr. DOUGLAS. Mr. President, I hope my good friend does not mind my questions.

Mr. PROXMIRE. The questions are very helpful. This is a complicated subject, and it is good to have questions asked.

Mr. DOUGLAS. There is an initial difference in price for identical milk, merely because the milk is destined for different markets. Why should a can of milk which meets the same bacterial standards and other requirements, which goes into the manufacturing milk market, be sold for less than milk which goes into the fluid milk market? Why not have one price for both?

Mr. PROXMIRE. The reason is that the price for fluid milk relates to the demand for fluid milk, the market for fluid milk. It is the demand-supply situation which creates the situation in which the price is higher.

If the only milk were milk produced in America—as the Senator says, were milk which met the same sanitary requirements—there would not be a problem. Then there would be one price, and that would be it. That is not the existing situation.

The excess milk is put into manufacturing. In addition, the farmers of the State of Minnesota produce 90 percent of their milk exclusively for manufacturing purposes. The farmers of Wisconsin produce probably 80 percent of their milk exclusively for manufacturing purposes.

Most of the milk which is used for manufacturing does not have to meet the same requirements. It does not require the expensive equipment. It does not require the same investment. It does not require the same meticulous care. Therefore, it can be produced more cheaply.

We are trying to provide that milk which goes for manufacturing purposes shall bring a manufacturing milk price, and that milk which is used for fluid milk purposes shall get a fluid milk price.

Mr. DOUGLAS. But milk which is identical, which goes to the fluid milk market, gets a higher price.

Mr. PROXMIRE. The Senator is correct.

Mr. DOUGLAS. Why should there be a difference, merely because it is a different market, when the milk is the same at its origin?

Mr. PROXMIRE. That is the situation which exists at the present time. Under the blend price system, that situation exists at the present time.

Mr. DOUGLAS. The Senator is correct.

Mr. PROXMIRE. There are three prices now, in a sense. So far as the consumer is concerned, there is the fluid milk price, the blend milk price, and the manufacturing milk price.

This proposal would clarify the situation, by providing only two prices. Milk used for fluid purposes would be sold at the fluid milk price, and milk used for manufacturing purposes would be sold at the manufacturing milk price.

The reason why the situation cannot be made airtight, which I feel would completely satisfy the Senator from Illinois, is that we do not have a situation, and we are unlikely to have a situation, in which the farmers will produce precisely the amount of milk needed for fluid purposes and no more. There will always be some excess.

Mr. DOUGLAS. There could be one price, a blend price to apply to all milk going into manufacturing and into the fluid milk market—not three prices; not two prices; but one price.

Mr. PROXMIRE. If we provided that kind of situation, there would be some unfairness to the farmers who have spent all their money, made large investments, and so forth, to produce class I milk.

Mr. DOUGLAS. The farmer who could not meet the class I standards would be compelled to accept a lower price.

Mr. PROXMIRE. That would be quite complicated.

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

Mr. PROXMIRE. I yield to the Senator from Louisiana.

Mr. ELLENDER. I hope the Senator from Illinois understands that under the marketing agreement certain sanitation requirements must be met by the farmer, in order that he may receive the minimum price fixed by the Secretary of Agriculture. The cost of producing that milk, as the Senator from Wisconsin stated, is much greater than the cost of producing milk for manufacturing.

Mr. DOUGLAS. I do not wish to labor this point unduly, but I am talking about milk of identical quality, a part of which goes into the fluid milk market and receives not far from 30 percent more than the part of identical milk which goes into the manufacturing milk market. I speak of milk of identical quality.

I say that under this system the city consumers of milk are being forced to pay an excessive price and are being compelled to carry on their back, if I may mix my metaphors, the lower prices paid by the producers of butter and cheese.

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

Mr. DOUGLAS. I do not have the floor.

Mr. PROXMIRE. I am happy to yield to the Senator from Florida.

Mr. HOLLAND. Is it not true that this kind of situation is not confined to milk, but occurs naturally in other fields involving highly perishable commodities?

In the field of producing tomatoes, for instance, only tomatoes which can be taken to the fresh vegetable market—which are no better than the others which go into juice and into canneries—sell for a better price. They sell for a better price because they are used for a purpose which the housewife considers to be a superior purpose. But the tomatoes are not any better. The tomatoes which are put into juice or into cans are no poorer in quality, no less edible, as tomatoes, than those which go to the fresh vegetable channel. Is that not correct?

Mr. PROXMIRE. The Senator is correct.

Mr. HOLLAND. Let us consider the field of strawberries. Many strawberries are produced in my State.

The producers have found it highly desirable, because of a better price structure, to sell as many strawberries as possible to those who consume fresh strawberries. If a huge production were rushed into the trade at any fixed time that would be likely to cut down the price of all, so the strawberry producers carefully limit their sales in the fresh strawberry trade to those the market can take at a good price. They know they will not receive the same price for identical strawberries sent for various kinds of processing.

Is there anything illegal, unfair, or inequitable about that?

Mr. PROXMIRE. No. I believe the answer is apparent to the distinguished Senator from Illinois, who is the outstanding economist in the Congress today. I believe it is apparent.

That is what happens. Any producer has to produce for a market. He can expect, to the extent that he produces for that market, to get the market price. When he produces in excess of what the market will buy he can expect a lower price, and he must be willing to accept it.

If there were a uniform blend price for all milk, including manufacturing milk, that would mean that there would be a vast overproduction. There would be no way of providing the discipline which the lower manufacturing price system uses to discourage farmers from producing more than is needed.

At the present time there is an overproduction. If there were a blend price of say $4 a hundred, we would face many headaches in terms of overproduction, which would be enormous.

Furthermore, there would be difficulties because of the fact that some States have set up barriers to the free flow of milk, and insist on them. This would complicate the situation. That is the

great advantage of trying to price the product on the basis of the market and what the market will pay and what can be sold on the market. That is the reason why we run into conflict with the position of the Senator from Illinois. The difficulty is that we cannot have it both ways. The price cannot be based on the cost to the producer and on the market. This bill places the price of the milk on the basis of what the market will pay for it, and not on the costs of the producer.

Mr. DOUGLAS. That is the point. The Senator would hold up the city consumers for the higher price.

Mr. HOLLAND. Mr. President, if the Senator will yield, does the city consumer have to pay any more for fresh milk than I have to pay in the small town where I live, or the Senator from Wisconsin has to pay where he lives? Is not the difference in the form of the product which is offered and the use which the consumer is to make of it, rather than a question of penalizing the city or the village purchaser?

Mr. PROXMIRE. Yes. Fluid milk price adjustments are made on the basis of the cost of trucks, changes in daily requirements, bottling schedules, as well as the fact that the farmer has to have more expensive equipment and a bigger investment to produce the higher class milk.

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

Mr. PROXMIRE. I yield to the Senator from Vermont.

Mr. AIKEN. How much does the Senator from Wisconsin estimate enactment of the bill would increase dairy farm income?

Mr. PROXMIRE. The Department of Agriculture made an estimate, which I think was a very conservative one. It made an estimate for 1 year. In subsequent years I believe the increase in dairy farm income would be much greater. It was estimated the net income would be increased by $7 million.

Mr. AIKEN. The Senator is absolutely correct, but I believe it would cost more than $7 million to provide the machinery for putting the law into effect.

Mr. PROXMIRE. No machinery is required.

Mr. AIKEN. Only States that have marketing orders will share in the $7 million increase; and that would not include States like Georgia, California, and other States.

Mr. PROXMIRE. I have an editorial from Hoard's Dairyman in Wisconsin, which does a beautiful job of answering that allegation. The less excess milk produced in a marketing area, the less competition for farmers producing manufacturing milk. Farmers who produce manufacturing milk would have a better price. That is where the increase in the farmer's income will come from. It may be that the increase in the price to the dairy farmer will result from a higher price for cheese or ice cream. The Senator from Vermont will agree that a more equitable adjustment will be achieved, especially since the income of the farmer is too low.

Mr. AIKEN. That is correct. The spread between the consumer and the farmer has been increasing practically every year, but I am also aware of the fact that production of milk has dropped for 9 consecutive months. Production of butter has dropped 90 to 100 million pounds in 10 months. The production of cheese goes on the market as fast as it is ready; this reflects the fact that milk consumption is increasing at the same time production is going down.

The whole situation in dairying is much better. People tell me if they can only be left alone in the next few years, without having more legislation inflicted on them, they will reach a balance between supply and demand.

Mr. PROXMIRE. The Senator from Vermont is the outstanding expert on this question.

Mr. AIKEN. No.

Mr. PROXMIRE. Statistics may show that, but the dairy farmer has been waiting for a long time for a balance between demand and supply. Meanwhile, his income has dropped from 10 years ago, and all his costs have risen drastically. It will cost taxpayers $450 million for dairy supports this year, a great improvement over last year, but many people in the administration feel this is at least $100 million too much.

This measure would go a small way toward solving the serious problems of overproduction that most people believe have plagued us over the years. The farmers do not have to have this program unless they want it. It will not interfere with farmers in order areas if they do not want it.

Mr. AIKEN. The price of butter on October 1 was 4 cents a pound higher than it was a year ago.

Mr. PROXMIRE. Then it dropped 2 cents.

Mr. AIKEN. Yes, it dropped 2 cents. I did not want to bring that up.

Mr. DOUGLAS. Mr. President, I appreciate the Senator from Vermont's sentimental attachment to the cow, and I well understand the passionate affection he has for the cow so that anything that diminishes the demand for the products of the cow is viewed by him as something of a calamity. But may I point out that the decrease in consumption of milk is principally due to two factors.

In the first place, doctors have informed the public, correctly or incorrectly, about the dangers of cholesterol and the part which butterfats play in the stoppage of blood vessels, and therefore the effect which they have in stimulating strokes, heart attacks, and the like. I note that the dairy industry does not like that information. I have heard the Senator from Wisconsin make very strong speeches deprecating the emphasis on excess cholesterol, but that factor undoubtedly has played a part in the diminished consumption of butter, cream, ice cream, and so forth. Therefore, it has caused the price of the product to fall.

Mr. PROXMIRE. The Senator from Illinois is correct in his description of the effect on the public mind. Let me also point out that the American Medical Association has said there is no basis whatsoever for the assertion that dairy products cause excess cholesterol and heart disease or strokes.

Mr. DOUGLAS. Does the Senator take the word of the American Medical Association on these matters?

Mr. PROXMIRE. I do indeed give great weight to the word of the American Medical Association in matters affecting medicine.

Mr. DOUGLAS. The Senator should be very careful before he does that.

Mr. PROXMIRE. My father was a doctor. I think it is an excellent association. He was a member of the American Medical Association, and very proud of it.

Mr. DOUGLAS. The second point is that it is now possible to manufacture oleomargarine without paying the former punitive tax, and as a result people are getting more of their fats from vegetable fats rather than animal fats. I think this is to the good. Is the Senator going to say that, innately, butter is superior to oleomargarine?

Mr. PROXMIRE. It is.

Mr. DOUGLAS. In Wisconsin one has to consume a piece of cheese with every piece of pie, and it is almost a sin to use oleomargarine; but we use oleomargarine in Chicago. We like it. Physiologists and food chemists tell us it is as good as butter. So I say to my good friends from Wisconsin and Vermont—and they are my good friends—do not fight against progress. Do not, with your affection for the cow, bar the American consumers from protecting themselves from heart attacks, paralytic strokes, and getting the equivalent in nutrients and vitamins from vegetable oils rather than from butterfat.

Mr. AIKEN. Mr. President, I appreciate the second reference in 5 minutes by the Senator from Illinois to the affection of the Senator from Vermont for a cow. I am reminded of an incident that happened long ago when a tourist, possibly from Chicago, was traveling through my State. He stopped and talked to a farmer, and asked the farmer, "Is it true that Vermont has more cows than people?" The farmer said, "Yes. The census shows that." The tourist said, "Why do you have more cows than people?" The answer was, "We like cows." [Laughter.]

Mr. DOUGLAS. I think that statement bears out what I said—that the Senator from Vermont prefers cows to people.

Mr. AIKEN. No. We welcome people, too, but we do have affection for our cows.

Mr. DOUGLAS. The Senator is not going to cow me by that bull.

Mr. PROXMIRE. Mr. President——

Mr. BIBLE. Mr. President, if the Senator will yield, it seems to me this might be a proper place to ask a few questions, or does the Senator prefer that I not interrupt his prepared statement?

Mr. PROXMIRE. It is quite all right.

Mr. BIBLE. A number of Nevada farmers have indicated they have some questions about the pending legislation. I know that the Senator in charge of the bill will be able to answer these questions. I received a letter from the Nevada Farm Bureau.

The letter points out, first, that if the proposed legislation is adopted, the dairy producers will be under complete regulation for the first time.

Mr. PROXMIRE. That is absolutely incorrect. They would not be under any more regulation than they are at the present time. Regulation would not be affected. All that would be affected would be distribution of the milk revenues in order areas so far as the farmers are concerned. At the present time they receive a blend or average price, made up of the amount that goes for fluid purposes and the amount that goes for manufacturing purposes.

Under the proposed legislation they would receive one price, representing the fluid price for that which goes into fluid consumption, and the manufacturing price for their excess production. This would, if approved in a referendum, discourage farmers from producing excess milk, particularly in the Chicago and New York areas, where the surplus production is concentrated. However, they can produce as much or as little as they wish, and they can add cows or cut back on cows, as they wish. No regulation is involved.

UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE

Mr. President, I yield to the majority leader at this time, with the understanding that I do not lose my right to the floor.

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

Mr. MANSFIELD. Mr. President, I wish to propound a unanimous-consent request. It appears that debate on the Proxmire bill will require some time this afternoon. It is my understanding also that two or three further amendments will be offered, but they cannot be brought up until tomorrow.

Therefore, at this time, having tried to touch all bases on both sides—and perhaps not being too successful in doing so—I wish to propound the following unanimous-consent request:

That beginning with the convening of the Senate tomorrow there be a time allocation of 1 hour on each amendment and 1 hour on the bill, with the usual procedures and conditions in effect.

The PRESIDING OFFICER. Is there objection?

Mr. McCARTHY. Does that apply to amendments which have been submitted or that may be brought up?

Mr. MANSFIELD. To all amendments.

Mr. HOLLAND. With the customary provision relating to germaneness?

Mr. MANSFIELD. I have so stated.

Mr. AIKEN. Can the time on the bill be made 2 hours?

Mr. MANSFIELD. I amend my request to provide for 2 hours of debate on the bill.

Mr. KUCHEL. May it be understood that the proponent of the amendment will control half of the time, and the Senator designated by the majority leader will control the other half?

Mr. MANSFIELD. That is the usual procedure.

Mr. PROXMIRE. I believe the usual procedure is that the proponent of the amendment controls half the time, and the Senator in charge of the bill controls the other half, if he is opposed to the amendment; otherwise another Senator controls that half of the time. Usually it is assumed that the committee is opposed to amendments.

Mr. MANSFIELD. The majority leader controls half the time. I ask that the time for debate on the bill be made 2 hours.

Mr. KEATING. Does the Senator from Wisconsin indicate that he will oppose every amendment that will be offered?

Mr. PROXMIRE. No, indeed.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request made by the Senator from Montana? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective upon the convening of the Senate on Thursday, October 10, 1963, during the further consideration of the bill (S. 1915) to amend the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and to encourage the reduction of excess marketings of milk, and for other purposes, 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.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. PROXMIRE. Mr. President, I should like to add something to my answer to the Senator from Nevada. There is a very small, limited requirement in the bill that has not been in effect before. The order may provide for reports to be kept. The bill provides:

The order may provide for such reports and the keeping of such books and records by producers and by the person or persons to whom he may dispose of milk as the Secretary may prescribe and upon request of the Secretary such person or persons shall make required records available for inspection.

That means that if a farmer is in a marketing order that votes for the two-price system—and only if it votes for it—if the order further requires that records be kept, the farmer may have to keep records. It would not affect the whole industry, however.

Mr. BIBLE. As to those producers within a marketing area, if I understand the Senator from Wisconsin, if the producers within the area vote to come under the provision of the law, the Secretary of Agriculture may then prescribe rules for keeping books and records. Is that correct?

Mr. PROXMIRE. That is correct.

Mr. BIBLE. Do I further understand that the Secretary can also prescribe penalties for noncompliance?

Mr. PROXMIRE. There are no penalties in the bill. He cannot provide penalties.

Mr. BIBLE. What happens if the producer does not keep books and records?

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

Mr. PROXMIRE. There are no penalties imposed on the farmer if he fails to do so. There may be other ways of obtaining enforcement, as through specific enforcement or injunction, but there are no penalties. We believe the provisions of the bill would work without providing any penalty, without imposing any fine or imprisonment, because of the manner in which the marketing orders have been operating to date. Obviously, if there is so little discipline under the system that farmers refuse to cooperate in something in which they believe, the system would break down, and the next year there would not be this kind of system. There is no penalty provided in the bill. Some people may feel that this is a liability. We feel it is desirable that we at least try it for a year without a penalty being imposed.

Mr. BIBLE. The Senator's answer is that there is no penalty; that would carry with it the additional statement, I am sure, that the Secretary is not authorized within his own discretionary power to impose any kind of penalty. Is that correct?

Mr. PROXMIRE. That is correct. Of course it might be difficult to determine a producer's allotment if he kept no records as to his production or sales in various markets.

Mr. McCARTHY. I believe only 3 percent of the milk is produced under marketing orders. Let us assume that two-thirds of the producers voted to come under the terms of the Senator's bill. If someone in that group violated it, it would seem to me that the penalty would really operate within the marketing order itself, in that some action would have to be taken. He could not continue to receive the premium price for fluid milk, and be treated the same as everyone else with respect to the remainder.

Mr. PROXMIRE. His failure to keep records might make it very difficult to determine what his rights were. That is just a practical problem.

Mr. McCARTHY. The Senator is concerned with keeping records. Suppose the producer produced more?

Mr. PROXMIRE. It would be difficult to determine his rights, if he would not show what the facts were.

Mr. BIBLE. The answer would have to be that the bill would be self-policing. Is that correct?

Mr. PROXMIRE. Yes. The only restriction is with respect to keeping records. However, the overwhelming majority of farmers keep records. They must keep records if they wish to stay in business. Therefore enforcement provisions are not necessary because virtually all farmers keep records.

Mr. BIBLE. This would apply only to a marketing area and when and if people within the marketing area by a two-thirds vote agreed to accept it.

Mr. PROXMIRE. That is correct.

Mr. BIBLE. I believe what the Senator has said would be helpful in answering the Nevada State Farm Bureau.

I should like to ask one further question, and I would appreciate the Senator's thoughts on it. The Nevada State Farm Bureau states:

> We are also worried about the provisions in the bill to give the Secretary of Agriculture a great deal of decision-making authority. He has the power to set support prices from 0 to 90 percent of parity.

Mr. PROXMIRE. That is not a provision in the pending bill. That was in the Ellender bill, and that bill is not before the Senate.

Mr. BIBLE. As I understand, the range is from 75 to 90 percent.

Mr. PROXMIRE. That is correct.

Mr. BIBLE. That remains unchanged in the present bill, as compared with previous legislation.

Mr. PROXMIRE. That is correct.

Mr. BIBLE. I appreciate the assistance of the able Senator from Wisconsin. I am sure this information will be helpful in answering my friend in the Nevada State Farm Bureau.

Mr. PROXMIRE. I thank the Senator from Nevada.

In effect, the proposed amendment, in providing for a two price plan, would permit an individual producer to receive a good price for his proportionate share of the milk used for fluid consumption, and a separate, but lower price for all other milk delivered into the market.

This would be a desirable change for several reasons. First, it would tend to retard excess production, since individual farmers would no longer be required to increase production in order to maintain their income in the face of the constantly decreasing blend price, and might well find it to their advantage to decrease production.

Second, it would permit each individual farmer to produce at an economic level. With the pressure for increased production alleviated by this legislation, an individual farmer could pattern and adjust his production level to his individual needs, rather than being compelled by the actions of others to increase his production.

And third, one farmer's production would in no way affect the price and income received by another farmer.

At present, if other farmers who are under the marketing order increase their production, the price goes down. But in this proposal S. 1915, the farmer would not have to plead that he had to increase production in order to keep up with other farmers. Under the blend pricing system an individual farmer has little or no control over either the blend price he receives for his milk or his total income. Management decisions to increase production by others direct any individual farmer's effort. In order to maintain his income he must increase production as the price decreases.

Under the proposed legislation, however, any producer can control his own price and income. This is so because his allotment guarantees a high price for a specified quantity. Then to attain his income and economic objective he produces only that amount which maximized his returns. Other producers can adjust either upward or downward to suit their particular levels, but they will in no way affect any other producer's effort.

EXAMPLE OF HOW BILL WORKS

An example can best demonstrate the weaknesses of the present system and how this bill will stop the increases in dairy production.

Assume a farmer's herd produces and he markets through the marketing order 200,000 pounds of milk in a particular year. Assume that half of this milk—as in the New York-New Jersey area—goes into fluid or class I purposes and half goes into excess or manufacturing purposes. Assume further for simplicity purposes that the price for fluid milk is $5 per hundred and the price for manufacturing milk is $3 per hundred. Assume finally that the farmer has a base of fluid milk of half his production or 100,000 pounds.

Under both the present administration of the law and the proposed bill the farmer would receive $8,000 for the milk he marketed; that is, 200,000 pounds multiplied by $4. Under the present law he would receive a $4 blend price for each hundredweight he marketed. But under the proposed bill he would receive $5 per hundred for his first 100,000 pounds or base and only $3 a hundred or $3,000 for the second hundred thousand he marketed.

The incentive to reduce production and especially the incentive not to increase production shows up sharply when we see what happens under the present law and the proposed bill if the farmer decides to change the amount of his production.

Under the present law if the farmer cuts back production by 10,000 pounds—or about one cow—he loses the blend price or $400 in receipts. Under the proposed bill if he cuts back production 10,000 pounds he loses the class III or manufacturing price of only $300. Hence there is a significantly larger incentive under the bill for the dairy farmer to reduce his production.

SHARPLY DISCOURAGES INCREASED PRODUCTION

The incentive is likely to work even more sharply for the farmer contemplating an increase in production. Under the present law, if the farmer increases his production he receives the blend price of $4 per hundred or $400. But under the proposed bill if he increased production by 10,000 pounds he would receive only $300. He would not get $400; he would get only $300.

The reason this proposed legislation is likely to be so decisive in discouraging additional production is because the overwhelming majority of farmers throughout the Nation cannot cover their costs at $3 per hundred; and they know it.

The result is that the vast amount of farmers who take out pencil and paper to decide whether or not to add another cow and an additional 6,000 or 8,000 pounds of annual production to their herd will find that the addition will cost them money if the additional production only brings them the manufacturing price—in this case $3—and not the blend price—in this case $4.

PRESENT NATIONAL COST OF EXCESS PRODUCTION

Much of the evidence concerning the need for dairy legislation relates to excess production and the cost of the program to the Federal Government. It is true that production in the past few years, as well as now, is in excess of market needs.

During the marketing year 1961–62 the Federal Government was required to purchase 10.6 billion pounds of milk, on an equivalent milkfat basis, produced in excess of our needs. Last year the Department of Agriculture was required to purchase 8.9 billion pounds, and the estimates are that this year the Government will be required to purchase 8.8 billion pounds in excess of needs. The Government would be required to purchase 8.8 billion pounds because of an overproduction of milk on our farms.

IMMEDIATE COST SAVING

If this bill is enacted the Department of Agriculture estimates that production will be cut by about 600 million pounds and that there will be a net savings to the Government of approximately $26 million in the first year. That is a conservative estimate because it is based upon the assumption that it will require longer than a year for the marketing order areas to take advantage of the law and for the law to become fully effective. If we had asked for an estimate over a longer period, I think the result would have been quite different.

LONG-TERM SAVINGS FAR GREATER

In the subsequent years the savings on a cumulative basis will be substantial. This is another very desirable feature of the bill; that is, the feature of gradualism. There will be no sharp adjustment which could have a tremendous adverse economic and market impact on the entire dairy industry, to say nothing of consumer interests. It might also be well to point out here that consumer interests are fully protected under the law, and that any reductions in production would create absolutely no upward pressure on consumer prices. All we are doing here in this regard is to reduce the cost to the Government and save the taxpayers money.

It is also true that the income of dairy producers is pitifully small. For example, the Department of Agriculture reports that the average return per hour earned by milk producers on grade B, eastern Wisconsin farms in 1961 amounted to only 34 cents per hour. In 1960, this average return amounted to only 11 cents.

That is what these farmers earn, although they have greatly increased their efficiency and their investment. In 1961, they earned 34 cents an hour, and only 11 cents an hour in 1960. The income of these farmers is held down because of the excess production encouraged by the blend price in order areas. Anything we can do to cut down on excess milk

production will be a step forward toward improving incomes of these producers.

The most important single point about this bill is that it corrects what many consider to be an obvious paradox, which has resulted from the way the law has been administered by the Department of Agriculture. Under the Department's interpretation that the establishment of a uniform blend price is required in all cases, farmers are compelled to produce more and more, and yet every pound of milk delivered into the market in excess of market needs causes a lower price, or causes the Federal Government to step in and buy more milk with the taxpayers' money. This is in spite of the fact that the principal purpose of the law was to assure that farmers would receive a good price for milk; a price which would approach the parity price for milk.

The Agricultural Marketing Agreement Act of 1937 and its predecessors, the Agricultural Adjustment Acts of 1935 and 1933, insofar as these acts are related to milk, actually grew out of the needs of milk producers for assistance in achieving and maintaining some degree of bargaining power over the prices they received for milk.

The characteristics of milk itself contributed to producers' bargaining difficulties. Because of its bulky and perishable nature, milk must be moved promptly to market. Because milk is produced every day of the year, farmers necessarily must continue shipping it to market, even when market prices are not satisfactory.

Further, the production of milk varies widely with the seasons, and the demand varies from day to day. Because of its perishable nature, milk cannot be stored to balance the peaks and valleys of supply. The industry, therefore, is compelled to produce a reserve to make sure that the supply will be sufficient at all times. Milk which is not needed for fluid use is manufactured into dairy products.

HISTORICAL PROBLEM

As early as 1910, producers in a number of markets had banded together into cooperative associations for the purpose of gaining bargaining power over prices for their milk. Impetus was given to the cooperative movement by the Clayton Act of 1914 and by the Capper-Volstead Act of the early 1920's, and producers concentrated on solving their problems through cooperative efforts.

During the early years, the cooperative associations attempted to bargain with milk dealers, or handlers, for a flat price for all milk, regardless of use. However, the pressure of reserve supplies, normal to the fluid milk industry, led to a breakdown of the flat price plan. Some handlers refused to take this excess milk from producers at the flat price, because it had a lower value when converted to manufacturing uses. Handlers with excess milk attempted to dispose of it by increasing consumer sales. Such handlers would offer fluid milk to all or some of their customers at prices lower than those of competitors. Then they would lower the flat price paid to producers to recover any loss on such reduced prices.

In an effort to promote stability in milk markets, cooperatives next developed the classified price system. This system was in effect in a number of the largest markets in the country by about 1920. Along with the classified price plan, various pooling arrangements were used.

Mr. President, I wish the Senator from Illinois [Mr. DOUGLAS] were here just now. I hope he will have an opportunity to read these remarks because I believe they constitute a more detailed historical answer to his question about why there is a price difference between fluid milk and manufacturing milk—particularly fluid milk which is used for manufacturing purposes.

These cooperative-sponsored price plans succeeded, or failed, according to the extent to which producers were able to organize the supply of milk under control of the cooperatives. General economic conditions were also influential factors. During the 1920's industrial activity in the cities was at a high level; cooperatives attempted to include in their membership all of the producers in the market, and the voluntary plans of the cooperatives were relatively successful.

But there were advantages in remaining outside of these pricing arrangements. Some producers and handlers could not be persuaded to join the marketwide programs. When the economic depression of the early 1930's struck, the voluntary plans failed to maintain satisfactory prices.

In the early 1930's, Congress authorized emergency aid programs for many segments of the economy. Such programs also were undertaken to assist milk producers. Under the Agricultural Adjustment Act of 1933, a program of licenses was developed. All milk dealers in a given market were required to pay producers on a classified price basis, and to pool the returns to farmers either on a handler or marketwide basis. Later, the act of 1935 provided for marketing orders instead of licenses.

The Agricultural Marketing Agreement Act of 1937, under which marketing orders are regulated today, is largely a restatement of the provisions relating to marketing agreements of the act of 1935.

BASIC LAW NEVER AMENDED

It might be well to point out that the substantive provisions of this act as they relate to milk marketing agreements have not been amended since the act was passed. This is the first time that the Senate will consider a substantive amendment to that act.

A detailed analysis of the bill is set out at page 8 of the committee report, and I will discuss here only its principal provisions. The bill provides for apportioning sales in the highest use classification or classifications, plus necessary reserves, among producers on the basis of their deliveries during a representative period, with due allowance for abnormal conditions, hardship cases, and producers who operated during only part of the representative period. Producers who delivered milk, but not under the order, at the time the allotment provisions became effective, would receive allotments on the same basis as those who were at that time delivering under the order. The allotment provisions would therefore not be a barrier to the movement of milk from any part of the country into the order market; and any milk producer anywhere in the country could market his milk under the order on the same basis, insofar as the allotment provisions are concerned, as any other producer. Producers who did not market their milk in the order area prior to the date of the order would, however, continue to be subject to any provisions which might be included in the order under existing section 8c(5)(D). Under that section a producer who was not regularly delivering milk to the regulated market prior to the effective date of the order may be required to take the lowest class price for the first 2 to 3 months after he begins delivering to the regulated market.

In other words, Mr. President, we were very anxious to provide in this bill that no barriers would be erected. One of the objections made to that—by those who, I believe, have not read the bill very carefully or studied the committee report or the hearings—was that the bill might constitute a basis for erecting barriers against the flow of milk. We were very careful to make sure that the bill would not do that. I was particularly careful, because those concerned in both Wisconsin and Minnesota—Republicans and Democrats, alike—have fought extremely hard against the barriers that interrupt and interfere with the free flow of milk, because such barriers cost our producers a great deal and are, we believe, inequitable and unfair.

ENTRY OF NEW PRODUCERS PROVIDED FOR

Equitable provision is made for new producers entering production after the effective date of the allotment provision. Allotments may be transferred only if the Secretary deems such action in the best interests of the public, existing producers, and prospective new producers. Allotments may be adjusted from time to time.

Producers would receive the lowest class price for milk delivered in excess of their allotments. The remainder of the amounts required to be paid by handlers into the pool would be distributed to producers pro rata on the basis of their allotments. Thus for his allotment milk the producer would receive his share of the amount required to be paid for milk needed for fluid use, plus adequate reserves, and for his excess milk he would receive the lowest class price.

In order to prevent a producer from delivering his allotment milk to the regulated market at the higher price provided therefor, and then dumping his excess milk on markets normally supplied by other producers, the order may provide for reducing allotments or payments from the pool in such cases.

The order provisions provided for by the bill must be separately approved by producers to become effective, and may be separately terminated. Thus they may be disapproved or terminated without affecting the remainder of the order.

The remaining provisions of the bill provide for reports and records, review of allotments, and matters of a technical or clarifying nature.

Mr. President, I wish to call to the attention of the Senate an editorial supporting this bill. The editorial was published in one of the oldest and most widely circulated and highly regarded dairy publications in the Nation—Hoard's Dairyman, which is published in Fort Atkinson, Wis. A very good friend of mine who, I believe, supports the bill and is a very astute student of dairy economics and of the dairy farmers' problem, has argued that the bill would not do much for the manufacturing milk producer who is in a market order area and does not produce milk for fluid purposes. I believe that is wrong. An overwhelming majority of the farmers in Wisconsin produce milk for that purpose.

Let me read the brief editorial from Hoard's Dairyman which I believe answers the charge that the bill would help only the relatively small number of farmers—who, incidentally, produce half the milk in this country—who produce milk under marketing orders:

It is well known that we have supported strongly a class I base program. The opposition recently has argued that manufacturing milk producers would not benefit; in fact, would be discriminated against. Others have said that even Federal milk order producers would take a decrease in net income. Here, specifically, are the arguments:

National Creameries: "The bill has nothing in it which will alleviate the depressed conditions of manufacturing milk producers."

Farmers Union: "It discriminates against manufacturing milk producers * * * offers little incentive to curtail production in order areas."

We, of course, would not support the bill if we were not convinced that manufacturing milk dairymen would benefit. And, we contend, the record is overwhelmingly on the side of class I bases. There are several markets in the United States where cooperatives have been strong enough to make a class I base program work outside the existing Federal milk order.

We selected six of these markets, those with which we are familiar, and averaged their performance. These markets balance supply and demand to an 85 percent class I utilization. In contrast, all Federal order markets had only 61 percent class I utilization last year.

What does this mean to manufacturing milk dairymen? Simply this: If all milk orders had 85 percent class I use, there would have been 14½ billion pounds less milk dumped from Federal orders on the manufacturing milk market. Recall that Government surplus purchases last year were about 10 billion pounds.

In other words, what they are saying is that on the basis of the experiments which a number of cooperatives have made—including, incidentally, one in Milwaukee—it has been found that they are so able to manage their market that 85 percent of the milk produced for them goes into fluid uses. If that provision could be applied nationally in other marketing orders, there would be a reduction in production of 14½ billion pounds of milk, which would be not only good for the manufacturing farmer but also good for the taxpayer.

I continue to read from the editorial:

We contend that this "dumped milk" was produced at a fictitious price because farmers produced for the blend and not the manufacturing price, which the extra milk was really worth. And the people who were really hurt were manufacturing milk producers. Were it not for the dumped milk, manufacturing milk prices would be a great deal higher than they are today.

But, says another critic, farmers would have to cut back production in order markets, take a loss in net income.

American Farm Bureau: "If the farm price for fluid uses remains unchanged, the average farmer's gross income would drop when he cut his milk production. His fixed costs of production would continue whether or not he produced excess milk. This would cause a decline in his net income."

What happened in the six markets using class I bases? In July, the average producer shipped 13.4 percent more milk. At the same price, his gross income would be 13.4 percent higher * * * and his net, obviously, even greater.

How does this come about? Simply because farmers retire and go out of business in class I markets, too. In these markets, 7.9 percent of the dairymen retired or sold out and the dairymen who remained picked up their class I bases. Or, a new dairyman could get the base just as easily as one already on the market.

We do not contend that passage of the class I base bill and its use will immediately put dairymen in Utopia. But we do agree with those dairymen who have used and are using class I bases (Hoard's Dairyman round table, Jan. 10, 1963). This marketing procedure benefits all dairy farmers. Given an opportunity to work, we can look to the future with confidence as well as hope.

Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. On page 2, line 25, it is proposed to strike the period following the word "effective" and insert ": *Provided*, That if any dairy farm of such a dairy farmer has been transferred to another person and no allocation based on deliveries from such farm has been issued when milk is first delivered therefrom as producer milk under the order, such transferee then operating the farm shall be provided any allocation for which the said dairy farmer would otherwise have been eligible based on deliveries from such farm."

Mr. PROXMIRE. Mr. President, the purpose of the amendment is to clarify the clear intent of the bill, not only on the part of the author, but all members of the committee, and I believe probably also the opponents of the bill. The bill would probably be interpreted by the Secretary of Agriculture in the way expressed in the amendment anyway. The amendment will make it clear.

The bill provides that a farmer producing milk anywhere on the date an allotment provision is incorporated in an order can obtain an allotment at any time that he begins delivering milk under the order. He might begin shipping milk to the order market a year after the order becomes effective, but he is still entitled to an allotment on the same basis as if he had been delivering to the order market on the day the order became effective.

The amendment provides that when such a farmer sells his farm to another farmer without having availed himself of this right, his successor in interest will have the same right to an allotment, if he should decide to ship to the order market. The farmer who buys the farm then will not be left without an allotment, but will have the same right to an allotment as his transferor. Otherwise, the value of the farm might fall drastically. At least it would drop very sharply if a farmer could not sell his farm as a dairy unit, particularly if the farm was organized to produce and sell milk for fluid purposes.

The necessary equipment is very expensive. The only basis on which a farmer might recover his investment would be if he could sell the farm to another farmer who might wish to sell milk in the marketing order area.

The amendment provides that a farmer buying such a farm would have the same opportunity to obtain an allotment and sell his milk under any marketing order that his seller would have had as a producer of milk on the date the order became effective.

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

Mr. PROXMIRE. I am delighted to yield to the Senator from New York.

Mr. KEATING. If Mr. X bought a farm from Mr. Y, would Mr. X continue to have the same allotment that Mr. Y had or would he receive a new allotment? Would the determination be within the discretion of the Secretary of Agriculture?

Mr. PROXMIRE. The Senator presents a case in which X would not have had an allotment before?

Mr. KEATING. I am assuming that Mr. X buys the farm from Mr. Y, who has an allotment. Does Mr. X get the allotment which Mr. Y had, or is Mr. X in the hands of the Secretary of Agriculture as to what allotment he shall have?

Mr. PROXMIRE. The amendment relates only to the case in which Y did not have an allotment, but had a history which would entitle him to an allotment if he should begin shipping to the order market. The problem would arise only if the farm were sold after an order providing for allotments had become effective. There might be a period of a few days or a week or a year after the order became effective before a producer might decide to ship to the order market, and assert his right to an allotment. He might well never ship to that market. In the meanwhile, if the farm were sold, the buyer would have no history at all. The man from whom the farm was bought and who would have a history would normally expect to have an allotment. Then the history would be transferred. That would be the effect of that particular sale. The history would be transferred. The new owner could obtain an allotment if he decided to ship to the order market.

Mr. KEATING. Would the transfer of history apply only before allotments had been made?

Mr. PROXMIRE. What is the Senator's question?

Mr. KEATING. Would the transfer of history apply only before allotments had been made?

Mr. PROXMIRE. That is correct. If the seller of the farm obtained an allotment on the basis of his history, the purchaser could not also obtain an allotment on the basis of the same history. The Secretary might permit the transfer of the allotment, but there would not be two allotments on the basis of the same history.

Mr. KEATING. In other words, the amendment of the Senator would not in any way deal with the problem of Mr. X, a new man going into the dairy business, and buying a farm from a man who previously had an allotment. Mr. X would not acquire that allotment when he bought the farm.

Mr. PROXMIRE. That is correct. Under the bill there is authority for the Secretary to transfer allotments in such cases. The ambiguity arose when the farmer had history entitling him to an allotment, but the allotment had not been made. But the bill is very clear that if farmer X should buy from farmer Y, and farmer Y had an allotment, the Secretary would have authority to provide for the transfer of the allotment under such circumstances, and for the sale to the new man.

Mr. KEATING. I understand that he has such authority, but has he not also the authority to fix a new allotment? Can he not do either one of two things—transfer the existing allotment or give the purchaser a new allotment?

Mr. PROXMIRE. Oh, yes.

Mr. KEATING. So the prospective purchaser would be left at the mercy of the Secretary of Agriculture, who would determine whether he would get the allotment that the former owner of the farm had or would get a new allotment.

Mr. PROXMIRE. The Senator is correct. Any Secretary of Agriculture—Benson, Freeman, or any other Secretary—it seems to me, would be very likely to issue regulations which would enable the Department to administer the program on the basis of history. That would be the fair and equitable way. It would be inconceivable that a Secretary would arbitrarily discriminate against a new buyer and prevent him from getting the full value of his farm by giving him a tiny allotment that was not in proportion to the allotment which the seller had.

Mr. KEATING. I would hope that the Senator is correct in his appraisal.

Mr. PROXMIRE. Of course, that has nothing to do with the amendment which I have offered. It concerns the provisions of the bill.

Mr. KEATING. Some of the misapprehension which has been voiced to me about the bill arises from the provision which would give the Secretary of Agriculture discretion as to the amount of allotment which the purchaser shall have.

I was wondering why it was not provided that when a farm is sold the allotment shall go with it, without giving the Secretary of Agriculture authority to change the allotment?

Mr. PROXMIRE. It is quite possible that the new owner might not want the allotment. That happens with respect to many farms. In many cases a farmer sells a farm and the buyer—who perhaps is his son—has a factory job he wants to hold, and therefore wishes to go into handling beef cattle and does not wish to do much farm work, or wishes to get out of dairying and do something else with the land. The seller may have moved his cows to an adjoining farm and be continuing in the dairy business. Under those circumstances any automatic transfer would be unfortunate and unnecessary.

Mr. KEATING. I can appreciate that; but if the buyer continues dairying I think it would be better to provide that he would have the same allotment as the man who sold him the farm. I understand that the amendment which the Senator has offered relates only to the period of time before an allotment has been made.

Mr. PROXMIRE. The difficulties and complications were so many that the committee felt that the decision should be left to the Secretary of Agriculture. A farmer might sell his cows to one person, as often happens, at an auction, and sell the farm to somebody else. The farmer might sell some of his cows to one farmer and some to someone else. It is a difficult and complicated situation to attempt to cope with by a fixed and rigid law.

It seems that any Secretary of Agriculture—certainly those about whom I know anything—does his best to administer programs honestly and fairly, particularly in view of the fact that the dairy farms ordinarily are small units. This does not involve big operators. A big operator would still be a tiny factor in the total picture.

Mr. KEATING. In any event, the amendment does not relate to the transfer of allotments, but relates to the transfer of a farm before an allotment has been granted, or to what the Senator has described as a transfer of history.

Mr. PROXMIRE. That is correct.

Mr. KEATING. Is it the Senator's intention to attempt to dispose of the amendment this evening?

Mr. PROXMIRE. I should like to do so. I know of no Senator who would object to it. In my judgment, it is really a technical correction. If there is any objection, of course I shall be happy to hold it over. It involves no inconvenience to hold it over until tomorrow. There will be a session on the bill tomorrow, anyway, under the unanimous-consent agreement.

Mr. KEATING. Has the Senator cleared this amendment with the distinguished Senator from Vermont, the ranking minority member on the Committee on Agriculture and Forestry?

Mr. PROXMIRE. No. I shall be happy to hold it over. I believe the Senator from Vermont will approve it, but if it is considered sufficiently significant it can be held over.

Mr. KEATING. I am informed that the Senator from Vermont is at the White House now attending some conference. I know nothing about his position. On his behalf I believe I should request that the Senator hold it over until tomorrow.

Mr. PROXMIRE. That is satisfactory.

Mr. KEATING. I thank the Senator.

Mr. ELLENDER. Mr. President, for months the Senate Committee on Agriculture has had dairy legislation under consideration.

A number of bills were introduced early in the session. Among them was S. 398, a bill introduced by me, which provided for a class I base plan, and in addition, proposed price supports for manufacturing milk and butterfat at from 0 to 90 percent of parity.

Hearings were held on all bills. Subsequently, a compromise bill was developed. Hearings were again held, this time on the compromise plan and S. 1317.

The results of this continuing effort is S. 1915, a bill introduced by the Senator from Wisconsin [Mr. PROXMIRE]. This bill provides for inclusion in milk marketing orders of a provision under which each producer will be allotted his proper share of the market for milk needed for fluid use, including necessary reserves. Then, for milk delivered by the producer in excess of his allotment, he would receive only the surplus use price, that is the lowest class price. The remainder of the amount required to be paid by handlers for milk purchased by them would be divided pro rata among producers upon the basis of their allotments, subject, of course, to adjustments for quality, location, and certain other factors.

I might add, that in my opinion, the Secretary already has this authority, although past departmental opinions have questioned it.

Under milk marketing orders handlers are required to pay different minimum prices for milk depending on the use to which they put the milk. Handlers' payments are pooled and producers are then paid a uniform price, subject to certain adjustments.

Section 8c(5)(B)(d) of the Agricultural Adjustment Act provides that such uniform price shall be subject to adjustment "equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers and associations of producers, on the basis of their marketings of milk during a representative period of time." While this provides for an adjustment in the uniform price, the adjustment is one which would equitably "apportion the total value of the milk purchased."

I contend, and many others contend, that the law therefore provides, in effect, authority for apportionment of the total value of the milk on the basis of history. The main purpose of a marketing order is to assure the market of the amount needed for fluid consumption, plus necessary reserves, and to assure farmers a fair price for meeting those needs. The type of plan contemplated by the bill will contribute to carrying out this purpose.

Under the authority of section 8c(5)(B)(d) the Secretary has provided for so-called base-excess plans under which each producer receives a base amount,

based on his marketings during a representative period; and the total value of the milk is then apportioned so that the producer receives a higher price for milk delivered by him within his base amount and a lower price for milk delivered in excess of his base.

The Department for many years has questioned whether this authority can be used to achieve the principal objective of the law, and suggested that it must be restricted to plans designed to minimize violent seasonal fluctuations in milk production. But, the language of section 8c(5)(B)(d) contains no reference to violent seasonal fluctuations and contains no suggestion that it is to be restricted to the elimination of such fluctuations.

The Department's question as to the broader use of this authority is based not so much on the law as on a statement in the committee reports, which is quoted in the committee report on S. 1915. The quoted language could not, and does not appear to have been intended to, limit the clear language of the law. It is discussed fully in the committee report on S. 1915; and I believe that the existing law now authorizes inclusion in marketing orders of the provisions contemplated by S. 1915.

The main purpose of the bill is to remove any doubt as to the Secretary's authority, to encourage him to use it, and to suggest some policies that might be followed.

If a plan along the lines provided by the bill were put into effect in a market, it would tend to retard the excess production of milk. The Department of Agriculture also reports that it will reduce Government costs slightly and improve farm income slightly. These are desirable features, and for these reasons I support the bill.

However, I feel compelled to state that this bill falls far short of correcting the fundamental problem facing the dairy industry. That problem, of course, results from a Government guaranteed price with a no restrictions whatsoever on production. Naturally under such favorable conditions, production has increased substantially, and the Government has to pay the price. By "Government", I mean the taxpayers of this Nation.

The dairy price support program has been one of the most costly programs administered by the Department of Agriculture. The realized losses by the Government on this program since its inception through May 31, 1963, exceed $2.7 billion. I realize that milk is an important commodity, and that these expenditures have represented only about 5 percent of the income received by milk producers; but this is still a very costly program.

While we usually speak of the dairy problem in terms of the surpluses of manufactured dairy products acquired under the dairy price support program, the milk marketing order program which started 30 years ago, under the Agricultural Adjustment Act certainly has been a contributing factor.

Federal orders were established to provide for the orderly marketing of fluid milk, geared to the market's needs. They were not designed to encourage the production of surplus milk. The important thing they were to accomplish was to permit the carrying of the small quantity of reserve supply which is so necessary to the efficient operation of a market without allowing this reserve supply to set the price for the whole market. The marketing orders accomplish this by providing a minimum price for fluid milk, commensurate with the higher cost of producing milk which will meet fluid milk quality requirements. They set a separate minimum price for the reserve supplies consistent with the manufacturing uses to which they are put. It was never intended that these pricing arrangements should be used to encourage the marketing of ever-increasing amounts of surplus milk.

The objective of the bill that I introduced last year and again this year is exactly what the objective of the act has always been, that is, to provide a good price for milk needed to meet fluid requirements, including the reserves necessary thereto; but my bill would have been mandatory. It would have required allotments whenever supplies were excessive. I believe that producers in Federal order markets would be better off under the provisions of my bill than they are at present or will be under the measure we are now considering. I believe a base plan of the type I suggested would have been an effective instrument in reducing surpluses, and as it did so, it would reward those dairy farmers who had reduced their production. There is no logic whatsoever in encouraging the production of $3 milk in an area where producers need $5 to $6 to cover the cost of producing milk.

However, it soon became apparent during the hearings that my bill was too severe for any serious consideration. There was too much active opposition to it by major segments of the industry. As a matter of fact, even after the Department of Agriculture proposed less stringent language it was still thought too severe by some.

Be that as it may, the fact remains that my bill was unacceptable.

In its place, however, we have a bill, S. 1915, which I believe will be helpful, over a period of years, in reducing production in market order areas. As a result we anticipate that there will be some savings to the taxpayer, and at the same time a slight increase in income to farmers.

I am a realist, therefore, I have given up hope on my bill. Instead, I support S. 1915, the measure now before the Senate, because it will accomplish some good.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCARTHY. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HART in the chair). Without objection, it is so ordered.

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

Mr. McCARTHY. I yield to the Senator from Rhode Island.

Mr. PELL. I thank the Senator from Minnesota for yielding to me.

SEPARATION OF INTELLIGENCE AND OPERATIONAL FUNCTIONS IN THE CIA

Mr. PELL. Mr. President, the assessment of intelligence and the carrying out of covert or paramilitary operational activities are two very different functions. These days we often hear the words "conflict of interest." But, if there was ever a conflict of interest, it is when the same group of men, first, collect intelligence and make an assessment of the intelligence they have collected and coordinated, and then, secondly, proceed to carry out an operation on the basis of the selfsame intelligence they have collected and assessed. The temptation to trim the intelligence or, at least, their assessment of it, to suit the operation is well nigh irresistible.

An excellent example of the tragic results that can result from the failure to separate the assessment of intelligence from operational activities was demonstrated at the Bay of Pigs 2½ years ago. If one result was drawn, if one lesson was learned, from that affair, it was that the responsibility for intelligence collection and assessment must be separated from the responsibility for carrying out operational activities.

I remember being among the small group of public officials who publicly took a stand prior to the Bay of Pigs, warning that an invasion would be unlikely of success since the majority of the Cuban people at that time favored the regime, a conclusion derived from my own visit to Cuba following my election in 1960 and a conclusion which I announced publicly after my return. After the Bay of Pigs, a board was set up and the general impression was that there would be drastic overhauls in our Central Intelligence Agency, including a separation of responsibility between those who gather and assess intelligence as opposed to those who carry out operational activities.

In fact, not only does the centralization of responsibility for the gathering and assessment of intelligence and the carrying out of subsequent operations rest under the same roof here in Washington, but the chiefs of station in the field appear to be carrying on these dual and conflicting responsibilities.

In this connection, too, we all recall President Kennedy's instruction to our Government personnel abroad on May 29, 1961, when he said that only the American Ambassador should be responsible for all American Government activities abroad. The President instructed that each Ambassador be fully informed about the activities of all agencies of the American Government in the country to which he is assigned. Yet, I must say that the Ambassador who is both completely at ease and fully informed about all the activities conducted by American Government people in the area of his assignment and aware of all the messages home is indeed a rare bird.

I fully realize that the Central Intelligence Agency is in general run and manned by remarkably brilliant, dedicated, and responsible individuals and that it has scored many successes. I also realize that, being an intelligence organization, the Central Intelligence Agency is in the defenseless position of being attacked for its public failures but unable to discuss freely its successes.

The question where there is doubt in my mind is whether the total number of successes outweigh the total number of failures; whether our American national interest in totality has been helped or hampered by the Central Intelligence Agency. And, when this determination is made, I believe we must separate the intelligence and assessment functions from the operational functions.

My own personal view is that a complete, fair assessment would show that the United States would have, on balance, gained greatly as the result of its intelligence collection and assessment activities. But I also believe that, on balance, the U.S. national interest may well have lost more than it has gained from its CIA operational activities, particularly if one takes into account the lives and the dollars that have been lost in the carrying out of these activities. And I believe that an objective appraisal will show that when decisions to carry out operational activities have gone sour, the reason for clouded judgments has simply been that the same group assesses the intelligence and then proceeds to carry out the operation.

Actually, in South Vietnam, where, as the public press has set forth, we have had an excellent and very able Central Intelligence Agency chief of station, we might find ourselves in a better position if there were a greater separation between collecting and assessing of intelligence on the one hand and the carrying out of the subsequent operations on the other. We might not then be playing quite the same role we now do where the United States is helping finance and arm the South Vietnam regime's special forces, which carry out the persecution, beating up, and abuse of political opponents. I do hope that, in order to improve our situation in South Vietnam and throughout the world, the administration will make more positive steps to separate the responsibilities for the gathering and assessment of intelligence from the carrying out of subsequent operational activities.

In this connection, I ask unanimous consent to insert in the RECORD at this point a well thought-out editorial from Tuesday's Washington Post illustrating the necessity of such a separation.

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

OUR MAN IN SAIGON

The recall of the CIA chieftain in South Vietnam should not be an occasion for recrimination. It should be an occasion for some useful reconsideration of the general role of an intelligence agency in foreign affairs. Ambassador Lodge is reportedly concerned about the prevailing arrangement that makes the CIA both an intelligence-gathering organization and an operational agency in the field. Mr. Lodge is not alone in his concern.

In theory, within the CIA, the intelligence and operational activities are kept separate. In practice, the two functions cannot be kept apart so easily; experience has shown that agency operatives in the field have a tendency to use intelligence to support an operational decision. The result, too often, is that Washington receives neither impartial intelligence nor benefits from operations based on a hard-headed perception of reality.

Clearly the CIA is at a disadvantage in any public debate of its activities; the agency cannot speak for itself. Success often goes unnoticed; failure just as often may lead to an exaggeration of the CIA's responsibility. This is the price that secrecy exacts. But public concern in the agency's performance is legitimate and should not be equated with an attempt to smear or to impeach the motives of any CIA official.

What is sorely needed is a thorough and fair overall study of the intelligence community. Such an inquiry ought to deal with rivalry between the CIA and the Defense Intelligence Agency. It ought to draw on experience in other countries where intelligence and operational activities are lodged with separate organizational entities. And Congress should take the initiative in launching such a study.

For too many years, Members of Congress have closed their eyes to the need for legislative scrutiny into intelligence operations. Yet who else can do the job? The public lacks the facts; the administration has a record to defend; the Agency cannot be expected to study itself. Enough has come to light to justify an impartial inquiry, which might properly be conducted by a special legislative commission drawing on Members of both Chambers and upon private citizens of stature and experience.

If an investigation should discover no grounds for changing the present arrangement, public apprehension would be lessened. If an investigation should disclose need for basic changes, then the country might be saved from future embarrassment. In either case, the United States would be the gainer and Congress would have discharged a duty that it has been far too reluctant to perform.

Mr. PELL. I thank the Senator from Minnesota for yielding, and recall to his mind that I was a cosponsor with him in the previous Congress of a resolution that would have gone far in this direction, establishing a joint committee for supervision of the Central Intelligence Agency.

Mr. McCARTHY. Mr. President, I was pleased to yield to the Senator from Rhode Island. There are special problems regarding the Central Intelligence Agency. I join him in expressing the hope that the Agency itself may support changes such as he recommends, and that the administration may respond not only to the criticisms about the Central Intelligence Agency and some of the more or less obvious indications of its operational failures, but what I think are some of the inadequacies of the whole structure of intelligence gathering and intelligence interpretation, and determine its action based on such information and interpretations.

If such action is not forthcoming from the Agency and such support is not forthcoming from the executive branch of the Government, Congress should move on its own initiative to try to improve the general operations of the Agency.

REDUCTION OF EXCESS MARKETINGS OF MILK

The Senate resumed the consideration of the bill (S. 1915) to amend the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and to encourage the reduction of excess marketings of milk, and for other purposes.

Mr. McCARTHY. Mr. President, at the proper time tomorrow, on behalf of myself, the Senator from Oregon [Mrs. NEUBERGER] and the Senator from South Dakota [Mr. McGOVERN] I shall call up an amendment to the pending legislation, Amendment No. 193.

There is widespread unrest and uneasiness and concern among dairy farmers. In my opinion such concern on the part of dairy farmers is wholly justified. They find themselves in an economic situation which continues to grow more and more distressing. Dairy farmers are not receiving the benefits or returns from their work which are justified. Nor are they receiving the benefits of the Government program which was designed to insure at least a reasonable return to them for what they contribute to the general economy and general welfare.

There is little hope for improvement in this situation unless Congress takes steps to reduce the surplus which depresses the dairy market and takes some steps to insure that dairy farmers will receive something approaching a fair return, or at least a fairer return, in the way of payment for that which they produce.

The legislation being sponsored today by the Senator from Wisconsin [Mr. PROXMIRE] takes one very limited step toward that objective, but, in my judgment, it falls far short of what is needed.

Of the major farm commodities which are under mandatory price supports, only the dairy industry shows a decline in the support prices received today as compared to 3 years ago.

In 1960, the average support price for wheat was $1.78 a bushel. In 1963, the average support price was $2.

In the case of corn, in 1960 it was $1.06 a bushel. In 1963 it is $1.25 a bushel.

In the case of cotton, the price per pound for upland, middling one-inch, was $0.3242 in 1960. In 1963, it is $0.3247.

In the case of peanuts, the 1960 average price support was $0.1006. It is $0.112 in 1963.

In the case of rice, it was $4.42 in 1960. In 1963, it is $4.71.

In the case of flue-cured (11–14) tobacco, it was $0.555 in 1960. In 1963 it is $0.566.

In the case of milk for manufacturing purposes, the average support price in 1960 per hundred pounds was $3.22. In 1963 it is down to $3.14.

In my opinion, the producers of nearly all farm commodities deserve a higher income and a better price for their commodities. But it is clear from the comparative position of dairy price supports and dairy income that dairy farmers have more reason for dissatisfaction and

greater need for remedial legislation—and that Congress, therefore, has a greater responsibility in this area.

The proposed legislation should be considered not only as dealing with the dairy industry, but also against the whole broad background in our approach to what is called the "farm problem."

Some commentators through the years have referred to what they call the farm bloc, and in recent months have observed that the farm bloc is "gone" or has disintegrated. I believe it is misleading to refer to a farm bloc, since there is no such organized bloc in Congress.

Of course, Members of Congress have a particular concern and a particular responsibility for farmers who produce specific crops in their districts or States.

However, the record of Congress over the past 25 years shows that many important pieces of farm legislation were enacted with the active support of Members of Congress from urban districts and urban States. In other words, farm legislation was not "put over" by adding up a farm bloc of sufficient votes to pass its legislation, or placed on the statute books by a kind of log-rolling operation. Rather, it was in response to recognition by a majority of the Members of Congress of a justification and a need for this type of legislation, even though it applied primarily to the agricultural sector of our economy and to farmers.

There have been some partisan differences, of course, with respect to the correct approach to farm legislation. However, this is true with respect to almost every issue that comes before Congress. We should not enact legislation on a "bloc" basis. Congress should take problems as they come and review them and determine whether legislation is needed. The judgment should be based ultimately on whether legislation is in the national interest, and what is demanded by justice. If we were to act only when the States represented by a majority of the Members of Congress were directly benefited, much of the legislation in the way of development of water resources, and of other important conservation undertakings, which characterized the last 50 years of our history, would never have been initiated.

It is said that many Members of Congress are now indifferent to farmers and farm problems, particularly since the wheat program was rejected. I do not know whether it is true. Perhaps action on the pending dairy program may afford the first real test. Certainly I hope it is not true because the problems and difficulties of dairy farmers are serious and need attention.

The dairy program is not the same as the wheat program. Each must be dealt with separately. Each represents a particular approach to a specific problem.

In the case of the dairy industry, we are faced with the problem of continuing surpluses. The dominant influence upon the dairy industry and upon dairy prices today is the tremendous surplus of dairy products, for which there is no ready market. It acts to drive prices down toward the minimum support level, which currently is $3.14 per hundredweight for manufacturing milk. The surplus is so great that last year it cost the Government nearly $500 million to maintain prices even at this near substandard or subsistence level.

In the last marketing year, the surplus of milk was 8.9 billion pounds of the 118 billion pounds marketed, or about 7.5 percent.

In April 1962, the price support level dropped to the minimum of 75 percent of parity set by law, from $3.40 per hundred to $3.11. It was predicted by some a year ago that the surplus problem would take care of itself because the 30-cent drop in support price would discourage production.

At best, that was a theory. Even if it were sound as a theory, it would be a questionable way to bring about adjustment in the production of milk. It shows little concern for the welfare of thousands of dairy farmers who individually have no way of bringing supplies in line with demand. It would represent a kind of squeeze-out theory for bringing about an adjustment in American agriculture.

In any case, this approach has failed, as many who discussed it at the time said it would fail. Despite bad weather and the sharp drop in price supports, milk production during the first 7 months of 1963 was less than 1 percent below that of the same period last year.

The estimates of the Department of Agriculture indicate that the surplus for the present marketing year will be 8.8 billion pounds, or almost identical with that of last year, and that the net cost to the Government will be $453 million.

The unfortunate fact is that the present dairy support program has broken down. It is extremely costly. It has proved inadequate in solving the problem of surpluses, and inadequate in meeting the problems of the dairy farmer.

The committee bill, which has been discussed this afternoon, would permit dairy producers in a Federal marketing order to amend their orders to eliminate the blend price system.

The bill would permit an allotment of class 1 sales for fluid milk to dairy producers in Federal orders. Thus a producer could retain his share of the premium price class I sales even if he did not expand production or if he cut back on production.

The amendment we intend to propose tomorrow is not in opposition to the committee bill or a substitute for it. Rather, the adoption of our amendment would make the committee proposal effective within the Federal marketing orders themselves. Without our amendment, I have serious doubts as to whether the program which is recommended in the committee bill would have any very significant effect.

I regret that the bill reported by the committee is limited to the class I base allotment plan. It fails to meet the very serious problems which are disrupting the dairy industry, both inside and outside marketing orders.

The committee bill is enabling legislation. It is not mandatory. The adoption of its provisions by producers in any Federal order market must be preceded by a hearing and a producer referendum.

In the absence of any incentive, such as provided by the surplus reduction payments provided in our amendment, there is little evidence that producers would rush to amend their orders. And if the orders are changed, it is equally unlikely that many producers would reduce production unless they received incentive payments to do so. At best, the committee bill gives some promise over a period of years of removing the incentive to expand, but it is insufficient by itself to meet the present problems. I doubt very much that it would have a significant effect upon the more serious problems which may arise in the future.

The committee program will not reduce the surpluses of milk appreciably in the next year. The Department estimates show that it would reduce surpluses from 8.8 billion pounds to 8.2 billion pounds, a relatively small reduction. The committee program will not produce any substantial increase in net dairy income.

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

Mr. McCARTHY. I yield.

Mr. PROXMIRE. First, I commend the Senator from Minnesota for his amendment. I shall certainly support it. It adds strength and substance to the bill and helps it to do a substantial job.

But it is not true that there is a distinct possibility that the committee bill, although it can be improved by the amendment of the Senator from Minnesota, could provide a significant reduction in production over the years? In other words, can we not assume that if this program succeeds in three or four instances, after a while other marketing orders will adopt it? Does it not seem logical that gradually the excess production which has plagued us from the marketing orders, and which is so huge now, would be substantially reduced if farmers no longer have the incentive that they have under the blend-pricing system? Is it not true that this might, over a time, result in a significant improvement?

I realize that the Senator from Minnesota is not satisfied—neither am I—with taking a long time to solve a problem which is of immediate, in some cases urgent, concern to farmers. It would be much more satisfactory if the action could be taken more promptly.

My reason for interrupting the Senator at this point is that while I share his view—and his amendment would be a great improvement, and I shall vote for it—is it not true that the committee bill, too, might afford an opportunity to provide a substantial improvement for the dairy farmer?

Mr. McCARTHY. It would almost certainly result in some improvement. The question is whether it would be a significant improvement. A second question would be, How much time would it take to bring about the improvement which we are seeking? At best, it would apply to less than 50 percent of all the milk which is being produced in the country, and it would directly affect only 187,000 dairymen, leaving some 600,000 outside and beyond its reach—except indirectly those outside might expect to benefit somewhat as a result of limita-

tions that might occur within the marketing order itself.

Mr. PROXMIRE. It would have this indirect effect, which could be highly important. Hoards Dairyman points out the experience which six dairy cooperatives had with this proposal, and has enabled them to increase class I fluid utilization from a 61-percent national average to 85 percent, and if that should become the rule, it would diminish the production of manufacturing milk by some 14 billion pounds, and thus completely solve our surplus problem and create a demand-supply situation that could sharply increase the price for manufacturing milk. I certainly do not anticipate that it would go that far, but I think it points to the possibility that there could be a significant indirect effect on the 600,000 farmers. I share the concern of the Senator from Minnesota for the 600,000 farmers, because in Wisconsin, as well as in Minnesota, the overwhelming majority of farmers produce milk for manufacturing purposes and are not under marketing orders.

Mr. McCARTHY. I suggest that it might not help 600,000, because the economic pressure by that time would have forced thousands of them to the wall. But it could affect the industry as a whole. This kind of squeeze-out might result in an adjustment of supply and demand, although, in my judgment, it would require legislation somewhat more effective and permanent than that which regulates the market at this time.

Mr. PROXMIRE. The Senator does not mean to say that it would not be of help to the 600,000.

Mr. McCARTHY. Oh, no.

Mr. PROXMIRE. Some of them might drop by the wayside before the program could become effective.

Mr. McCARTHY. And it would have an effect, indirectly, but it would be too little and too late for many. But in itself it seeks a positive good. I do not mean to say that it should not be passed. But as the Senater indicated, we might also pass a somewhat more comprehensive bill before we finish with dairy legislation at this session of Congress.

The committee bill is enabling legislation; it is not mandatory. There would be no compulsion except that compulsion which is accepted by two-thirds of the members of any marketing order who decide to impose that kind of limitation upon themselves.

In the same way, the amendment which I propose is in no way compulsory. No individual member would be bound by the vote of any other percentage or any other number of dairy producers—neither two-thirds nor 50 percent nor 90 percent. Each dairy farmer who might participate under the program provided by my amendment to the bill would be acting solely on his own initiative.

I should like to note the need of dairy producers who are outside marketing orders today.

The most serious limitation in the committee bill is that it provides direct benefits only for producers in Federal order markets. They are a minority of the Nation's producers. As I stated earlier, some 187,000 producers sell in the 83 Federal order markets, but another 600,000 or more dairy producers market outside Federal orders, and these dairymen market more than 50 percent of the milk produced in the Nation. If we were to establish an order of priorities, we should take care of those who are outside marketing orders, who have nothing available to them in the way of protection except the 75-percent support which is in the basic law.

This production goes largely for manufacturing purposes. It does not generally bring the premium prices which are guaranteed in Federal order markets for class I sales for fluid use. The price of manufacturing milk in many areas is that of the minimum price support for this type of milk, which is currently $3.14 a hundred pounds.

I do not believe we should be content with a bill which ignores the welfare of the majority of dairy farmers.

Mr. President, the situation is similar to that which existed in the case of feed grains before Congress enacted the Emergency Feed Grains Act in 1961. The immediate need is for a program to reduce the surplus which undermines the market and to restore some degree of balance to the dairy market. At the same time, there is a need to raise the income of dairy farmers.

The amendment which we propose would provide a program of incentive payments to reduce the surplus and, at the same time, improve the net income of dairy farmers.

The amendment provides for two kinds of surplus reduction payments:

First, producers in Federal order markets who agree to cut back production 10 percent or more would be paid reduction payments of up to $2.50 a hundred pounds on the amount they reduced their marketings. This provision would provide an incentive to make the committee proposal effective. Producers could retain their share of the class I sales, and receive the price agreed upon under the marketing order, and they would be assisted in making the adjustment in cutting their "excess" production, which goes for manufacturing usage.

Second, producers outside Federal market orders would be given production payments of up to 50 cents a hundred pounds on the manufacturing milk they marketed if they agreed not to expand production.

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

Mr. McCARTHY. I yield.

Mr. MUSKIE. As I understand the Senator's amendment, it is directed, in part, to criticism which the Senator makes of the Proxmire bill, in that the Proxmire bill affects only dairy producers who are under Federal marketing orders. Is that correct?

Mr. McCARTHY. That is correct.

Mr. MUSKIE. How many producers are under Federal marketing orders?

Mr. McCARTHY. In the 83 marketing orders now in existence, there are about 187,000 separate dairy producers.

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

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Minnesota yield to the Senator from Maine?

Mr. McCARTHY. I yield.

Mr. MUSKIE. I am interested in asking my next question for this reason: The dairy farmers of Maine sell under two different arrangements; under State law there is a Maine price-control feature and dairy farmers who sell under the Maine law have the advantage of the higher price on the market than do the Maine dairy farmers who sell on the so-called Boston market or under a blended price. So I am interested in any amendment—and I believe the amendment of the Senator from Minnesota is such an amendment—which would improve the lot of both groups of farmers—those who sell in the Boston market under the Federal marketing order and those who sell in Maine under State law. Therefore, I wish to know whether the amendment of the Senator from Minnesota would be of any benefit to Maine dairy farmers who are not selling under the Federal marketing order; and if so, why?

Mr. McCARTHY. I do not know the percentage of milk that is marketed under Maine law and sold as fluid milk; but about 42 percent of milk produced in Maine is marketed under the Federal marketing order. In addition, there is some measure of protection given under the State law; and this would mean that about 60 percent of the milk production in Maine could benefit from my amendment. It is possible that the 42 percent marketed in Federal orders would be eligible for some kind of benefits under the committee bill, although those producers might not respond to it. We believe the bill would put many of them in a position in which they would be hard-pressed to decide whether to participate in the referendum and agree to the limitation or not, especially in the absence of the provisions in my amendment, which would provide for a $2.50 reduction payment in addition to the provisions of the committee bill.

Mr. MUSKIE. I have not had a great deal of reaction from Maine dairy farmers on either the bill of the Senator from Wisconsin or the amendment of the Senator from Minnesota, but such reaction as I have had has been favorable to the amendment, and—I say with all due respect to the distinguished Senator from Wisconsin—rather indifferent to his bill. This is why I am interested in having the Senator pinpoint the distinction between the two.

Mr. McCARTHY. It is my judgment that it would be difficult for participants in the Federal marketing orders in almost all areas of the country to weigh the possible advantages or the possible disadvantages of the referendum being proposed to them. In view of the rejection by the wheat farmers, in their referendum, of the plan offered to them—although I thought the evidence rather clearly argued for its acceptance in the referendum, in view of the evident advantages—it is my judgment that in many of the marketing order areas the choice would be such a difficult one that the disposition would be to say: "Let us not bother with the referendum. Let us go on producing as we have been, for the blended price."

The purpose of our amendment is to provide an incentive for cutting production. This would be true in the case of those producing under Federal marketing orders. The amendment provides surplus reduction payments to assist them. The committee bill does provide some incentive for reduction in the marketing order areas, but the amount would depend upon the price determination; and the decision would be a very difficult one to make, I believe.

In addition to the effect on production for sale outside the marketing order areas, my amendment provides two other incentives: One is an incentive to hold the line, and not expand production; the other is an additional payment to those who reduce their production to 95 percent of their historic base.

Mr. MUSKIE. As I understand, both groups of dairy farmers in Maine would be provided with an incentive of some kind, under his proposal, to cut production or at least to hold the line.

Mr. McCARTHY. That is correct. Under the committee bill, if two-thirds of the dairymen producing under the Federal marketing order agreed to allocate the class I share of the market, this restriction would be imposed upon the other one-third.

But outside of that, those who are interested in participating under the program provided by my amendment would find no compulsion of any kind. If a dairyman wished to expand his production or if a newcomer wished to go into the dairy industry, he could do so freely, and he would receive only the present price support, which is 75 percent of parity. If, however, a current producer agreed to maintain his present level of production, the amendment would give him an incentive payment of 20 cents per hundred pounds for manufacturing milk simply because he held the line; and if he agreed to produce only 95 percent of his base, he would be paid surplus reduction payments of approximately 40 cents a hundred.

Mr. MUSKIE. I thank the Senator from Minnesota for his explanation.

From the point of view of the taxpayers, I understand that the result of the Senator's amendment would be to cut the current surpluses of milk, to reduce the cost to the Government, and to increase the net increase of dairy producers. Is this a fair evaluation?

Mr. McCARTHY. It should be the objective of both the committee bill and of my amendment to the committee bill. The estimates are that under the committee bill the costs would be reduced approximately $26 million or $27 million, on an annual basis.

Mr. PROXMIRE. The first year.

Mr. McCARTHY. That would accompany an increase of approximately $7 million a year in dairy income. The estimates are that the committee bill and my amendment would reduce the Government's cost approximately $37 million a year, and the net income of the dairy farmers, both those under the marketing orders and those outside the marketing orders, probably would be increased by $150 million.

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

The PRESIDING OFFICER (Mr. HART in the chair). Does the Senator from Minnesota yield to the Senator from Wisconsin.

Mr. McCARTHY. I yield.

Mr. PROXMIRE. Mr. President, I should like to comment on the remarks of both the Senator from Minnesota [Mr. McCARTHY] and the Senator from Maine [Mr. MUSKIE].

In the first place, I stress the point that under the committee bill there will be no loss. Under my bill, if those in the marketing orders do not want them, they will be in the same position as the one they are in now, for they do not have to approve allotments. They will have a choice, whereas at present they do not have one. Representations have been made to me from every section of the country—from New England, from the Northwest, from the South, the Middle West, and the East—by dairy farmer representatives who insist that their farmers are enthusiastic in wanting the committee bill. Only an hour ago, I heard from a gentleman in New York who told me that on the basis of the study made by the Grange, they found that an overwhelming majority of the dairy farmers want the bill the committee is reporting. On that basis, if they really want this bill—and those representatives know their farmers quite well—the chances are they will vote for allotments in the referendum, and that will be bound to help the dairy farmers who are not in the marketing order areas, and it will be bound to have the effect of reducing the production of excess milk. Therefore, it is sure to help the farmers in Maine who are producing manufacturing milk, because they are in competition with those in marketing order areas who produce the excess milk, and they are bound to be benefited. Any substantial reduction in the production of manufacturing milk will improve the price. The ones who have registered their position are the ones who under the marketing orders would be directly and immediately affected.

I support the amendment of the Senator from Minnesota [Mr. McCARTHY]. I believe it is a good amendment. However, I wish to emphasize my belief that there is merit in the committee bill; and if the McCarthy amendment is not adopted, I believe there will still be sufficient merit in the bill to recommend its approval.

Mr. MUSKIE. As I understand the difference, the McCarthy amendment would add to the bill some additional incentives.

Mr. PROXMIRE. That is correct. There is now an incentive, under the bill; but the Senator from Minnesota makes an excellent case for his point that there are no direct incentives for all dairy farmers to reduce their production. There is an incentive for farmers who produce 50 percent of the Nation's milk to reduce production but not for all dairy farmers in a State to reduce. The amendment of the Senator from Minnesota provides that incentive.

Mr. MUSKIE. In Maine the division as between dairy farmers who sell under the Maine law and those who sell under the Boston law on the Federal level is such that the first group has had greater influence over the years with respect to the Maine law than the second group has had. The first group is a little larger than the second.

I am interested in knowing the extent to which the Senator from Wisconsin has heard from dairy farmers outside the Federal marketing orders—from Maine, New England, or other areas of the country—and what their reaction has been.

Mr. PROXMIRE. The vast majority of farmers in both Minnesota and Wisconsin are outside the marketing order. Their position has been one of very strong support for the McCarthy amendment. That is what they are interested in. By and large, they are not particularly interested in the committee bill, because those farmers would not be directly and immediately affected by it. Most farmers in Wisconsin who are in marketing order areas are very enthusiastic about the bill. I believe that if the situation were explained to the other farmers, they would be enthusiastic for both bills. I think they would benefit indirectly.

Mr. MUSKIE. I appreciate the enlightenment which both of my distinguished colleagues have given me on these measures.

Mr. McCARTHY. Mr. President, under the terms of the amendment which we are proposing, producers outside the Federal market orders would be given production payments of up to 50 cents per hundred on the manufacturing milk they marketed if they agreed not to expand production. The amendment also provides that the Secretary could establish different levels of payments. He could make one level of payments at 20 cents per hundred for those who hold the line and do not expand their marketings of manufacturing milk, and he could offer a higher level—40 cents per hundred—for those who agreed to cut back by 5 percent.

Under the amendment both types of payments would be for a limited period, until April 1, 1965. The program would be entirely voluntary. Each farmer could choose to enter or not. It would involve no referendums. As I indicated, no farmer would be compelled to respond to the program by virtue of a vote of two-thirds of his fellow dairy farmers, 50 percent of them, 30 percent, or 99 percent, but each would make his own decision. Anyone who wished to go into the dairy industry or to expand his present operation could do so and receive price supports under existing law.

The Department of Agriculture in its views and estimates, said:

> At the same time, should legislation provide only for class I base plans in Federal orders, the results would be so limited that neither the necessary reduction in total national milk production nor the much-needed improvement in total dairy income would be achieved.

The Department has also reported on the bill which I introduced—S. 1961. If the amendment we intend to offer were adopted, the program would then be the same as provided in this bill.

The Department has given its approval to this bill. In the report Secretary Freeman stated that the passage of my bill would—

First, increase the income of dairy farmers; second, reduce Government costs; and, third, reduce Government stocks of surplus dairy products.

It could be added that it would not have the immediate effect of raising prices to consumers in any way. It could be anticipated that it would have the effect of reducing the cost of dairy products to the consumer. The Secretary said that—

It could also lead to improvement in the performance of milk marketing orders by reducing the incentive to market milk in excess of the quantities needed for fluid purposes.

Thus, passage of S. 1961 would be a decided improvement over the present situation.

Mr. President, I ask unanimous consent that the Department report on my bill be printed at this point in the RECORD.

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

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, August 20, 1963.

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

DEAR MR. CHAIRMAN: This is in reply to your request of August 1 for a report on S. 1961, a bill to amend the Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and to encourage adjustments in milk marketing and for other purposes.

This bill would authorize two significant changes in our existing dairy price programs:

(1) Base excess pricing plans designed to encourage surplus adjustment in Federal milk marketing orders, and

(2) A program of incentive payments to encourage surplus adjustment to be operated in conjunction with the dairy price support activities under the Agricultural Act of 1949.

Section 1 of the bill would authorize provisions in Federal milk marketing orders under which each producer under an order might be allocated a pro rata share of the sales of milk in the marketing area for the higher valued fluid uses, including a portion of the reserves which are essential to the market, in proportion to his deliveries during a prior representative marketing period. Such provisions would make specific allowances for allocations to new producers and to dairy farmers who were not producers under an order at the time the initial allocations were made. Order provisions would also prescribe the terms upon which allocations or marketing history might be transferred among producers and the manner in which individual producers might obtain a review of their allocation or base.

Section 2 of the bill would authorize the Commodity Credit Corporation to make payments to dairy farmers to encourage adjustments in the marketing of milk and butterfat so as to reduce the amount of surplus dairy products acquired by the Government under the dairy price support program. This section provides for two types of payments:

(1) Payments on milk marketed for manufacturing usage of up to 50 cents per hundredweight to producers who agree to restrict their marketings to the same level they marketed in a prior period or to some percentage of that level; and

(2) Payments to producers under Federal milk marketing orders of not to exceed $2.50 per hundred pounds for each hundred pounds by which they reduce marketings from the level they marketed during a prior period.

The bill further provides, with respect to the payments on milk for manufacturing usages, that more than one level of payment may be established for producers outside the Federal milk marketing orders. This would authorize making payments at one level to those producers who did not reduce but restricted their marketings to the level of the prior period, while a higher level of payment, not to exceed 50 cents per hundredweight, might be made to producers who did reduce their marketings by some given percentage. Payments to producers under Federal milk marketing orders would be at a uniform rate for each hundred pounds reduction in marketings. Payments in either case would be established at such levels as the Secretary determined appropriate to accomplish the objective of surplus reduction within the prescribed limits.

This bill would not improve the dairy price support program as much as the proposals presented before your committee on April 3 of this year and still preferred by this Department. Nevertheless, the bill would (1) increase the income of dairy farmers; (2) reduce Government costs; and (3) reduce Government stocks of surplus dairy products.

It could also lead to improvement in the performance of milk marketing orders by reducing the incentive to market milk in excess of the quantities needed for fluid purposes. Thus, passage of S. 1961 would be a decided improvement over the present situation.

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

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

Mr. McCARTHY. The Department, by request, made an estimate of the present program as compared to the committee bill and to my bill (S. 1961).

The Department estimates show that a surplus reduction payment program as provided by my amendment would, first, cut the surplus by over 50 percent, from 8.8 billion pounds to 4.2 billion pounds; second, increase the net income of dairy farmers by $150 million; and, third, reduce Government costs by $37 million as compared to costs under the existing program.

I ask unanimous consent that the Department table be printed in the RECORD at this point.

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

The estimated program results of S. 1915 and S. 1961 for 1963–64 compared to present program are as follows:

Item	Unit	Present program		S. 1915 class I base plan	S. 1961 McCarthy program with 20- and 40-cent payments [1]
		1962–63 marketing year	1963–64 marketing year		
	(1)	(2)	(3)	(4)	(5)
Support level, by purchases	Hundredweight	3.11	3.14	3.14	3.14
Milk production	Billion pounds	125.5	125.5	124.9	120.9
Marketings (milk equivalent):					
Fluid milk and cream	do	54	54.4	54.4	54.4
Manufacturing milk and cream	do	64	64.0	63.4	59.4
Total	do	118	118.4	117.8	113.8
Commercial demand (milk equivalent):					
Fluid milk and cream	do	54.0	54.4	54.4	54.4
Manufacturing milk and cream	do	55.1	55.2	55.2	55.2
Total	do	109.1	109.6	109.6	109.6
Surplus [2]	do	8.9	8.8	8.2	4.2
CCC purchases:					
Butter	Million pounds	355	350	320	113.5
Cheese	do	140	140	145	180
Nonfat dry milk	do	1,270	1,200	1,150	848
CCC purchase price:					
Butter	Cents per pound	58	58	58	58
Cheese	do	34.6	35.6	35.6	35.6
Nonfat dry milk	do	14.4	14.4	14.4	14.4
CCC net expenditures, purchases (gross)	Million dollars	511	484	458	296
Reduction payments: [3]					
Quantity (milk equivalent)	Billion pounds				2
Rate per hundredweight	Dollars				2
Total	Million dollars				40
Production payments: [4]					
Quantity (milk equivalent)	Billion pounds				37.3
Rate per hundredweight	Dollars				0.20–0.40
Total	Million dollars				111
Total outlay	do	511	484	458	447
Sales proceeds	do	31	31	31	31
Total net program expenditures	do	480	453	427	416
Dairy farm cash receipts:					
From marketings	do	4,836	4,871	4,865	4,775
Payments	do				151
Total receipts	do	4,836	4,871	4,856	4,926
Effect on net producer income	do		0	+7	+150

[1] 20-cent payments to manufacturing milk producers who do not exceed their base period marketings and 40-cent payments to those who reduce 5 percent. This estimate assumes 50 percent of manufacturing milk producers participate with 20 percent reducing 5 percent to receive the higher payment. Variations in the percentage of producers reducing do not significantly effect program cost though larger participation would significantly increase net producer income.

[2] Milk equivalent milk fat basis.

[3] Payment on reduction below base in Federal order markets.

[4] Payment on manufacturing grade milk.

Mr. McCARTHY. Mr. President, Mr. Herschel D. Newsom, the master of the National Grange sent me a copy of his letter to Senator ELLENDER, chairman of the committee, and I should like to conclude by quoting from it. The Grange has given continuous support to my dairy proposal. The same is true of the Farmers Union and some other farm and milk marketing organizations.

The letter of Mr. Newsom of the Grange covers the whole case most adequately. He states:

Since the injury to the economic position of those who produce almost half the milk in the Nation as a result of Federal legislation, as it applies to the Federal market orders, it appears to us to be a matter of justice that prompt measures be taken by the Federal Government to alleviate the distressing situation that exists in the nonregulated markets, especially in the great Wisconsin and Minnesota area. This appears to us to be a matter of elemental justice.

We would, therefore, strongly urge the adoption of that section of the McCarthy bill that makes provision for the unregulated markets. We would, however, make the provision that the total of the income derived from the market plus the subsidy payment should not exceed the total of the 1962–63 level of prices for these unregulated markets, plus 50 cents. This, then, would phase out the payment program as the market situation improved.

To my knowledge, this is the first time that legislation has been proposed which would try to solve the problems that face those in both the regulated and unregulated markets. We believe that the combination of remedies proposed by the combination of the Proxmire and McCarthy bills will help to bring an end to the long-time warfare between the manufacturing and class I areas of the Nation. The improvement in the supply-demand situation resulting from this legislation will be of inestimable value in our attempts to prevent the exploitation of dairy farmer producers by those who prefer to make the continuation of unmanageable surpluses and farm bankruptcy the major provisions of agricultural policy.

Mr. President, I ask unanimous consent to insert the letter in the RECORD at this point.

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

SEPTEMBER 24, 1963.

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

DEAR MR. CHAIRMAN: The Grange supported the principles of the dairy legislation which you introduced at the beginning of this session, as you will recall. You were taking a very practical approach toward bringing the Federal market orders into reasonable balance in their supply and demand situation.

We are glad, however, to support now the measure as reported out by your committee, because it contains several of the basic principles which we believe to be sound and feel strongly, therefore, that the enactment of this measure would be a very substantial step in the proper direction, though it would, in our judgment, clearly be short of serving some of the objectives earlier discussed by us with your committee.

The situation in several of our Federal orders is more critical, in my opinion, than is realized by some of our contemporaries. We simply want you to know, therefore, that we will, with yourself, watch for opportunities to implement additional proposals made by you. We, however, strongly support the measure which your committee will take to the floor of the Senate to allow these Federal orders and their producers to go through the slow processes, of themselves initiating the necessary amendments to the existing marketing orders and getting them adopted through the regular hearing processes.

In the meantime, the situation in the Federal orders continues to become more and more acute. The overall increase in production in 71 comparable Federal order markets has been above the 1962 comparable period of January–July by 541 million pounds, while class I milk sales increased only 372 million pounds.

In the New York-New Jersey market (the most critical situation in the Nation), milk production from January–July this year is up 4.1 percent over last year (182 million pounds) and 5.1 percent over 2 years ago, compared to an increase in class I sales of only 1.9 percent over last year (61 million). The result is an increase in surplus of 221 million pounds in just the first 5 months of this year in this one market, and it is now 25–30 percent over supplied with milk.

The rapid adjustment which everybody who opposes dairy legislation was pointing to at the first of the year has now been reversed. CCC purchases jumped from 40.6 percent in March to 158.9 percent in April of the 1962 level. July was up 84.1 percent of the 1962 level. Furthermore, CCC purchases for January–July, although below 1962, were above those for the same period for all other years except 1953 and 1954. Cheese purchases in July amounted to 22 million pounds, 4 million above last July's acquisition.

The January–July total of acquisitions of nonfat dry milk this year was 728 million pounds compared with 971 million for the same period in 1962. Part of the credit for this decline, however, must go to the payment-in-kind program, which moved more than 80 million pounds of nonfat dry milk through the commercial export market during January–July this year.

Uncommitted stocks of butter and butter oil representing the quantity of Commodity Credit Corporation, rather CCC holdings, were 432 million pounds at the end of July, 66 million pounds above a year earlier. Those who point to the decline in Government cold storage holdings of butter, which are down to 343 million pounds compared to 419 million in July of 1962, must remember that this year's figures do not reflect the large amounts of butter that have been converted to butter oil.

The estimated amount of butter oil held by the Government was about 130 million pounds butter equivalent in July. This gives us a total of all stocks of butter held by the Government of 473 million pounds, including the butter equivalent, and this is a gain in holdings of 119 million pounds from January 1 to the end of July.

It should, therefore, be clear that if the situation, which continues to be critical in the Federal market order areas, is going to be materially improved by the proposed legislation in S. 1915, that it will be necessary to adopt as an amendment to this legislation the second section of the McCarthy bill, S. 1961. The National Grange believes that the adoption of this legislation would speed up the adjustment of the Federal marketing order areas to the demand situation, improve and stabilize farm income, be a material savings to the taxpayer, and make a substantial contribution to the stability of the total agricultural marketing picture.

Under existing legislation, in which the blend-pricing system in effect subsidizes the production of surplus milk in Federal orders, great harm has come to the producers of milk for the manufactured market in those areas which depend alone for the manufactured milk market for the sale of their milk.

We are convinced that the implementation of the Proxmire bill will improve this situation in the unregulated markets. The information which comes to our office indicates that producers in these areas are in such serious trouble that many of them will be substantially injured if this improvement in Federal marketing orders is substantially delayed. The record also shows that these people have not been responsible for the surplus production which is at the root of our current problem.

Since the injury to the economic position of those who produce almost half the milk in the Nation as a result of Federal legislation, as it applies to the Federal market orders, it appears to us to be a matter of justice that prompt measures be taken by the Federal Government to alleviate the distressing situation that exists in the nonregulated markets, especially in the great Wisconsin and Minnesota area. This appears to us to be a matter of elemental justice.

We would, therefore, strongly urge the adoption of that section of the McCarthy bill that makes provision for the unregulated markets. We would, however, make the provision that the total of the income derived from the market plus the subsidy payment should not exceed the total of the 1962–63 level of prices for these unregulated markets, plus 50 cents. This, then, would phase out the payment program as the market situation improved.

To my knowledge, this is the first time that legislation has been proposed which would try to solve the problems that face those in both the regulated and unregulated markets. We believe that the combination of remedies proposed by the combination of the Proxmire and McCarthy bills will help to bring an end to the longtime warfare between the manufacturing and class I areas of the Nation. The improvement in the supply-demand situation resulting from this legislation will be of inestimable value in our attempts to prevent the exploitation of dairy farmer-producers by those who prefer to make the continuation of unmanageable surpluses and farm bankruptcy the major provisions of agricultural policy.

We appreciate your own deep concern and intelligent interest in this problem. Your assistance in trying to accomplish these worthwhile legislative goals merits, and will generate gratitude from increasing numbers of dairymen across America as your real purpose becomes better known and understood. The Grange will work toward such understanding.

Respectfully yours,
HERSCHEL D. NEWSOM,
Master.

Mr. McCARTHY. Mr. President, I yield the floor.

Mr. HUMPHREY. Mr. President, I wish to put myself on record tonight as favoring the adoption of the McCarthy amendment to the bill, making a national dairy program a reality. There is an urgent need for such a program. Minnesota farmers are receiving $3.14 per hundred pounds for manufacturing milk, which reflects a price support of only 75 percent of parity.

According to Department of Agriculture studies of typical farm costs and returns, dairy-hog farms in southeastern Minnesota have an average investment of $48,960 in land, buildings, equipment, and livestock. Their net income, less than $3,000, gives them a return of less than 50 cents an hour for their family and hired labor.

We in the Senate who represent States where the biggest volume of manufacturing milk is produced are in the minority. Therefore we need the understanding and support of our colleagues

in areas where dairying is not a major enterprise, as well as in areas to benefit from the provisions of S. 1915.

The dairy legislation before us today will have little, if any, effect in States where manufacturing milk is produced. The provisions of the McCarthy amendment are urgently needed by manufacturing milk producers in Minnesota, Wisconsin, and other States where milk is produced for processing—cheese, nonfat milk, and butter. The combination of S. 1915 and this amendment constitutes the kind of a package that will benefit all dairy producers—those in Federal market order areas and in manufacturing milk areas. To pass dairy legislation for either of these areas is to deal with the problem of excessive production of manufacturing milk in piecemeal fashion.

S. 1915 would authorize producers in Federal order areas to amend their orders so that class I bases could be established for individual farms. The established procedure for amending market orders would be retained under the provisions of the bill. This procedure will mean that up to 2 years will be required to amend Federal orders with no noticeable reduction in excess production in the interim.

Mr. President, I recognize the desirability of individual farm bases for class I milk in Federal order areas. I would not deny dairy farmers, operating under Federal orders, legislation they believe to be constructive and worthwhile in their areas. My colleague [Mr. McCarthy] fully agrees with this position. His amendment still would permit the establishment of class I bases in Federal order areas.

It is important that the Members of the Senate bear in mind that the passage of a bill which would deal only with the Federal milk order markets would leave out dairy farmers who produce 60 percent of our total milk supply.

The 186,000 dairy farmers who market their milk under a Federal order are well outnumbered by the 242,000 other commercial dairy farmers whose production goes into manufactured dairy products. Besides these 242,000 dairy producers for whom milk production is the principal source of income, there are a million and a quarter more dairy farmers to whom dairy income is important, even though some other commodities may be of greater value.

These figures indicate that it would be a mistake to legislate only for the 186,000 producers under the Federal milk orders and to ignore the income problem of a million and one-half other producers.

In my State of Minnesota, we have less than 4,000 dairymen who produce for the milk order markets at the Twin Cities and twin ports and we have 81,000 other producers who would not benefit in any direct way from the adoption of a limited bill, such as the so-called class I base plan.

In fact, if the figures were carefully examined, it would be seen that there are only a very few States in which the manufacturing milk producers do not outnumber the fluid milk producers.

A further measure of the importance of income protection on manufacturing milk is the fact that, even in the Federal order markets, an average of about 40 percent of the milk is in excess of fluid needs and must find a use in manufactured dairy products.

So, only about 30 billion pounds of milk produced in the Nation qualified for class I pricing under Federal orders—that is about 25 percent of the total of 118 billion pounds being marketed annually. Some 88 billion pounds of milk production, or about 75 percent of the volume, would not benefit from a Federal order class I base program.

Still another important thing to consider is that, in addition to being many times more numerous than the milkshed producers and accounting for a greater share of the Nation's milk volume, the manufacturing milk producers have, over the years, had a tighter cost-price squeeze.

Facing up to the intolerable buildup of carryover of nonfat dry milk, butter, and cheese—a problem just as much that of market order areas as manufactured milk areas—prompts the need for the Senate today to view the need of dairy producers everywhere for a workable, sound means to national supply adjustment and increased income.

Mr. President, I commend the Senator from Louisiana [Mr. Ellender], chairman of the Agriculture and Forestry Committee, for his very thoughtful and constructive approach to dairy legislation this year. He provided the foundation for the action which has transpired with his eloquent appeal of August 17 last year for a constructive and helpful attitude on the part of the dairy industry in working out the details of a national dairy program. The Senator from Louisiana [Mr. Ellender] said at that time:

> The bill that I am introducing is intended as a starting point for discussion. * * * I am hopeful that the milk producers and their representatives and others in the milk industry will come in with suggestions for improvements in this legislation or alternative, workable proposals. I am hopeful that the industry will do everything in its power to put its house in order before drastic legislation becomes necessary. * * *
>
> While the bill that I have introduced may not be the ultimate solution to our problems, certainly it does point the way for a voluntary reduction in supplies by offering producers a lower price for milk and cream which are neither needed nor necessary, and which, as the Secretary of Agriculture has pointed out, cannot even be given away. I feel certain that the farmers of this Nation do not want their Government to spend huge sums of money in order to support the price of milk, which cannot be used. * * *
>
> There is no doubt but that the hearings will result in renewed efforts by those who are sincerely interested in agriculture to develop a sound, workable program.

Mr. President, no Member of the Senate is as knowledgeable on the subject of the problems of dairy producers as the distinguished Senator from Louisiana who has served as chairman of the Senate Agriculture and Forestry Committee for 26 years.

The major significance of the amendment offered by the Senator from Minnesota [Mr. McCarthy], is that it is an attempt not only to recognize but to bring together the major provisions of dairy bills before the Senate this year. It is a well-conceived blueprint for the dairy industry. It provides for a class I base plan and a voluntary program for manufacturing milk areas. All that is needed for the Senate to support a national dairy program is the adoption of the amendment before the Senate to establish a program for manufacturing milk areas.

The program is voluntary. It retains the present general price support level of 75 percent of parity. It strengthens the class I base plan by making it possible for producers under market orders to cut production and receive incentive payments of up to $2.50 per hundredweight on the amount by which they reduce their marketings.

In manufacturing milk areas, the Secretary of Agriculture is authorized to establish a program of incentive payments for dairy producers who agree not to expand production over their last year's production and producers who agree to cut their production by 5 percent from last year's production. Incentive payments would be adjusted depending upon the route an individual producer chooses. Producers reducing their production would receive a somewhat higher payment. Provisions of the amendment which apply to market order areas and to manufacturing milk areas would be effective until April 1, 1965.

Mr. President, the package of legislation available to dairy producers upon the adoption of the McCarthy amendment would cut Government expenditures from $484 million—the cost of the current program in the 1963–64 marketing year—to $447 million, a reduction of $37 million. At the same time it would raise the income of dairy farmers by $150 million. As compared to the 1963–64 marketing year and the present program, butter purchases would be cut from 350 million pounds to 114 million pounds; nonfat dry milk from over 1 billion pounds, to 848 million pounds.

Price supports to dairy producers were reduced to 75 percent of parity over 17 months ago. Since that time there has been no significant adjustment in production. The level of production in the first 7 months of 1963 was less than 1 percent below that in the same period of 1962. The surplus of milk in the 1962–63 marketing year was 8.9 billion pounds of the 118 billion pounds marketed. The total net program of the Government was $480 million. For the 1963–64 marketing year it is anticipated that a further surplus of 8.8 billion pounds can be expected at a net cost of $453 million to the Government for price support purchases.

When Secretary Freeman voiced his views on the legislation now before the Senate, he estimtaed that the class I base plan would cut Government expenditures by only $25 million, while raising farm income only $7 million.

In a letter to the Senate Committee on Agriculture and Forestry dated August 20, Secretary Freeman said S. 1961, which as the Senator from Wisconsin, who is handling the proposed legislation knows, is the same as the amendment

of the Senator from Minnesota [Mr. McCARTHY] to the bill, would:

First, increase the income of dairy farmers; second, reduce Government costs; and, third, reduce Government stocks of surplus dairy products.

It could also lead to improvement in the performance of milk marketing orders by reducing the incentive to market milk in excess of the quantities needed for fluid purposes. Thus, passage of S. 1961 would be a decided improvement over the present situation.

The time has come for the Senate to pass a dairy program for all dairy producers—a national program.

Surplus milk in New York State is the same as surplus milk in Minnesota or Wisconsin. Overproduction of such milk in Minnesota works to the detriment of the producer in New York, and vice versa.

I urge a vote in behalf of the amendment because it would increase the income of dairy producers; it will reduce Government costs, and it will reduce Government stocks of surplus dairy production.

I commend the Senator from Wisconsin for his tenacious performance in reference to dairy legislation, as well as with relation to many items of proposed legislation. The Senator from Wisconsin, as a member of the Committee on Agriculture and Forestry, has given many hours, days, and weeks to the preparation of helpful and meaningful legislation not only in the field of general agricultural commodities, but specifically in relation to dairying.

The dairying industry is costly. It is complex. The dairying industry is fundamental to a progressive agriculture and to an effective agriculture. Dairying is a part of soil conservation. Dairying is one of the most important areas of our entire agricultural economy. To have legislation such as is now on the books is to accept inadequate legislation. It does not do the job. It piles up surpluses and leaves the income level of dairy producers too low.

The legislation now on the books increases the cost of the program to the taxpayer and puts the Government of the United States into the storage business far more than it ought to be. The program advanced today by the Senator from Wisconsin [Mr. PROXMIRE] and by my distinguished colleague [Mr. McCARTHY] would improve the situation considerably. I join in support of their efforts.

Mr. CHURCH. Mr. President, the pending measure would establish an allotment system for milk production. While it is true that the system would be subject to referendum, and that compliance would not be compulsory, I think it is clear that the legislation contemplates a new program for farmers which seeks to limit production by means of artificial incentives or controls.

Farmers have recently rejected, by a clear and decisive vote, a wheat program designed to limit production through allotment controls. The vote against it was decisive throughout the country, and was overwhelming in my State. In view of this recent demonstration of farmer hostility to Government supply-management programs, I think it is untimely to consider other legislation based upon quota or allotment systems.

Mr. President, the bill now before us applies to milk production. Pending in the Agriculture Committee is another bill which would impose a system of acreage allotments on potato production. It is strenuously opposed in my State. Until such time as there is evidence of a change of mind by the farmers, I shall oppose farm bills which have the effect of putting or keeping the Federal Government into the supply-management business.

Accordingly, I intend to vote against amendments which would strengthen the control features of the pending measure, and against the bill itself.

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it adjourn until 12 o'clock noon tomorrow.

The PRESIDING OFFICER (Mr. HART in the chair). Without objection, it is so ordered.

WE ARE POISONING THE AIR

Mr. MUSKIE. Mr. President, it is extremely difficult for the average citizen to understand how fast the problem of air pollution is growing in this Nation today and how inadequate are our efforts to deal with it. That is why it is so important to bring this message to the public in layman's terms that are readily understood by all. I know of no better example of this than the article by the distinguished Senator from Connecticut [Mr. RIBICOFF] entitled "We Are Poisoning the Air," which appears in the current issue of Look magazine.

In forthright fashion, the article points up the seriousness of the air pollution problem to our health and economy, the inadequacy of existing programs at all levels of government, and the need for specific clean air legislation at the Federal level.

As chairman of the Special Subcommittee on Air and Water Pollution, I can attest to the great contribution the Senator from Connecticut has made to the Senate's consideration of these and other problems of environmental pollution. His is not a new-found interest. While he was Secretary of Health, Education, and Welfare the budget for air pollution control programs doubled. His ultimatum to the automobile industry to install blowby devices as standard equipment in new cars will be long remembered. And his calling a national conference on air pollution which was held last December helped set the stage for an all-out effort in behalf of air pollution legislation by the administration.

Mr. President, I ask unanimous consent that the article entitled "We Are Poisoning the Air" be inserted in the RECORD at this point.

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

WE ARE POISONING THE AIR

(By ABRAHAM RIBICOFF, U.S. Senator from Connecticut)

Must we Americans always wait for disaster before we do something about dangers we have been aware of for years—even decades?

Ever since the 1940's, we have seen the need for tighter drug regulations. But it has taken the terrible tragedy of thalidomide—babies born without limbs—to get action. Now, we are ticking off the years of growing danger in another field—pollution of our air.

What major disaster will it take to get action against this menace? We have already seen some tragedies. But perhaps because they were isolated, we have not yet been forced to act.

In 5 days of dense, choking smog, during October 1948, 43 percent of the people of the heavily industrialized community of Donora, Pa., were made ill by the smoke and poisonous gases that streamed from factory smokestacks. The town's death toll: 20.

In November 1953, New York City suffered a similar "temperature inversion"—a lid of warm air overlaid cooler, heavier air at ground level. For 10 days, the stagnant mass trapped the metropolitan area's pollutants, and "smaze" hung over the city. By the time it blew out to sea, more than 240 people were dead.

The full cost of the New York disaster was not realized until years later, when death records for the period were compared with those of years before and after the 10-day "smaze." The only factor to which the investigators could attribute the increased mortality rate was air pollution.

The problem is not confined to the United States. A doctor who visited London last December hardly recognized the city. Gray-brown fog, heavy and smoky, lay thick on the ground. An acrid smell of sulfur and smoke almost overwhelmed him. He noticed a metallic taste in his mouth, an irritating tickle in his nose and throat, and his eyes smarted.

There was little traffic on the streets. The few people who were out wore scarves or surgical masks or held handkerchiefs to their faces. Lighted advertising signs could scarcely be read at a distance of 100 feet. A London bobby, framed by the fog, a handkerchief clasped to his face, stood in front of a newsstand with a large chalk sign that read: "Smog Deaths Rise."

The doctor coughed, and shivered with the cold. But he knew he was lucky; he was neither asthmatic nor prone to respiratory ills. Others were less fortunate. The death toll from what the experts called a "minor skirmish with air pollution" in London was first put at 106. Then, in February of this year, city Health Officer J. A. Scott, after examining hospital records and death certificates, gave the final official count. The "killer smog" had taken 340 lives.

This disaster struck 3,000 miles away. But at almost exactly the same time, a stagnant air mass over the Northeastern United States caused a steady, alarming increase in pollution levels from Richmond to Boston. If we had not been lucky—if this mass of contaminated air had not been blown out over the ocean in time—the United States might have suffered the worst air-pollution calamity in history.

There have been noticeable air-pollution episodes in many cities of the country. In New Orleans and in Weirton, W. Va., thousands of people have become sick from breathing dirty air. Even in Washington, D.C.—a city without much industry, but with automobiles and homes and government offices—the sulfur dioxide level was more

than 0.3 parts per million of air for more than 8 hours on February 6 of this year. In Los Angeles, which has an infinitely more acute pollution problem, a "smog alert" goes into effect when sulfur dioxide levels reach 3 parts per million of air. Then industries burning sulfur-laden fuel oil must switch to natural gas.

If a sensible man knew that someone was pumping filthy waste matter into the air of the room where he was sitting, he would not stay there. He would not let his wife or child or even his dog stay. If he had no other choice, he would at least open the windows to clear the air.

We cannot abandon our smog-darkened cities, of course. So we continue to breathe the polluted air, and unless it is disastrously dirty, we usually don't even know what we are doing to our lungs. This dirty—"polluted"—air makes our livestock ill and so reduces meat and milk production, stunts and sometimes destroys our crops. It corrodes buildings, bridges, monuments, and structures of all kinds. By reducing visibility, it creates traffic hazards and poses a threat to air navigation.

Expert estimates of the high price we are paying for filth in the air today run into billions of dollars a year. Some of our metropolitan centers suffer damages of up to $100 million a year. The daily average of airborne pollutants in one of our largest cities is 25,000 tons. The U.S. Public Health Service, which directs the Federal Government's modest anti-air-pollution program, estimates that polluted air costs every man, woman, and child in this country something like $65 a year—and the cost is going up. Increased cleaning and laundry bills, the destruction of stone and metal building materials, depressed property values, higher home-maintenance expenses and a host of other economic losses contribute to the ever-rising cost.

That $65 total obviously does not include the most important cost—the cost to our health. We do not have any realistic figures for the medical and hospital care of people made sick by breathing—day in and day out, year in and year out—air that is simply not fit to breathe. Neither do we know exactly how many people each year die of air pollution. But many scientists feel that dirty air may have a good deal to do with aggravating heart conditions and respiratory diseases such as asthma, chronic bronchitis, emphysema and lung cancer—particularly among older people. Surgeon General Luther L. Terry said recently that "there is strong circumstantial evidence" that airborne sulfur compounds "trigger outbreaks of upper respiratory infections." Ironically, our superlative technology, increasing industrial output and rising standard of living are the real culprits.

As more people crowd together in bigger cities and drive more millions of automobiles and trucks, contamination of our air becomes more serious—sometimes critical. We burn fuels in many ways to produce the power and goods necessary to our high standard of living. Usually, we do not burn any fuel completely. Our factories and automobiles throw chemical compounds into the air. Acted upon by sunlight, they produce new compounds more damaging and toxic than the original wastes. So we turn our precious atmosphere into a vast dump for gases, fumes, and dusts. We have created sewers in the sky.

We know a great deal about the causes of air pollution. But what are we as a nation doing about it? Right now—almost nothing. More than 107 million Americans live in communities that are troubled by polluted air, according to the Public Health Service. Yet only 15 States have comprehensive air-pollution-control programs, and not more than 6 actually carry on effective enforcement operations. There are only 85 cities and towns that spend $5,000 or more a year on air-pollution-control programs, yet over 6,000 communities are troubled by dirty air.

Often, we face an interstate problem. Air has no respect for State lines; the winds know no artificial boundaries. According to the 1960 census, 38 million Americans live in population centers—like Chicago and New York—that are really interstate in character. All of these people are affected by air pollution, but no really adequate interstate agency exists to protect them.

For a little more than 8 years, the Federal Government—chiefly through the U.S. Public Health Service—has been trying to help meet the threat of air pollution. Federal money, facilities, and manpower have been used for research, to help train scientists, engineers, and technicians in the specialized skills needed in the field of air-quality measurement and control, and to give technical help to local agencies and industry. Much valuable information has been assembled.

The facts are in. We know what poisons the air we breathe. We also know many ways to help clean our atmosphere. For example, we know how to remove solid particles of filth from the air by trapping them with filters, by spinning the air and letting centrifugal force do the job, or by electrifying the particles so that they will be drawn to and held on charged metal plates. If the pollutant is a gas, we have ways of "cleaning" it with a spray of water, cooling it so the unfit substances will condense and be washed away, or burning it to render it harmless.

I have introduced in the U.S. Senate legislation that will help us safeguard our precious air supply. My first bill, the Clean Air Act of 1963, would put teeth into the Federal air-pollution program. It would:

1. Establish an air-pollution research and development program on a national scale.

2. Set up a 10-year, $74 million program of grants to State, local, and regional agencies to help them in developing, initiating, or improving their own programs for the prevention and control of air pollution.

3. Establish Federal enforcement measures against air pollution, patterned after the enforcement procedures of the Federal Water Pollution Control Act.

A similar bill passed the House of Representatives in July; Senate hearings on my bills and proposals by Senators MAURINE B. NEUBERGER and CLAIR ENGLE began September 9. I am hopeful the Senate will complete action on the Clean Air Act of 1963 in this session of Congress.

If we are to clean up our air, a large part of the job must be done by private industry. But we can't simply point the finger at private industry and say, "You are causing some of the pollution—do something about it." The purchase and installation of equipment to control pollution is a big expense—bigger than some private industries can bear alone. Unlike many capital outlays that ultimately produce new profits, these costs serve the health and safety of all the public. There must be some public sharing with private enterprise of the economic burden of these expenditures, and I have introduced two other bills that would help private industry to control air and water pollution.

The first of these bills would lessen the economic impact of the cost of pollution control to industry through tax relief. The second would make inexpensive credit available to small firms that might otherwise have difficulty financing purchases of pollution-control equipment.

Time was when there seemed to be no harm in dumping wastes into our rivers and streams or letting them pour into the air. People were not harmed, so it seemed; anyway, a smoky mill town was a sign of new prosperity. In those days of innocence, words like "air pollution" and "smog" were novel, strange, almost meaningless to most of us. We had some general notion about smoke-control projects in St. Louis and Pittsburgh. A little later, we heard about the Los Angeles smog, and one of our popular comedians defined "smog" this way: "A nasty rumor started by tourists who insist on breathing." But smog—or polluted air—is no joke nowadays. It is a threat to our economy, to our health, and to our lives. The air we breathe is free. But if it is filled with filth, it's no bargain. We've delayed long enough. Let's act. Let's clean the air.

TESTIMONY BY VALACHI ADDED EVIDENCE OF NEED FOR TRUTH-IN-LENDING BILL

Mr. DOUGLAS. Mr. President, the recent testimony of the criminal mobster, Valachi, has given added evidence of the need for our truth-in-lending bill, S. 750. Valachi's testimony indicated that moneylending, next to gambling, was the most profitable source of income to the criminal syndicate. His testimony indicated that on personal loans he was able to get 20 percent interest for 12 weeks. On a loan of $1,000 for 12 weeks, $1,200 would be repaid at $100 per week. The real annual rate of interest was therefore over 150 percent, and on renewals, the real rate of interest was even higher. I am informed that this practice is true of the criminal syndicates in other cities, as well as New York.

The passage of the truth-in-lending bill, S. 750, would bring these activities out in the open and would require these loan "sharks" to furnish borrowers with information as to what they were actually charging. Furthermore, any willful violation of the law by the syndicate would make them subject to Federal criminal prosecution and sentence, and thus give the Justice Department an added handle by which they could put these men where they belong. This would serve in much the same fashion in these matters as do the internal revenue laws.

Mr. PROXMIRE. Mr. President, will the Senator yield for a brief colloquy?

Mr. DOUGLAS. I am glad to yield.

Mr. PROXMIRE. I commend the Senator from Illinois for making such a marvelous fight for the truth-in-lending bill and for his alertness in taking advantage of the notorious national statement. What struck me about the statement was that the Valachi rate of interest of about 150 percent is not unusual. Many people who listened to that testimony would say, "Only a member of Cosa Nostra would think of charging that." The Senator will recall that the testimony before the committee for the past several years, culminating in the testimony in New York, has shown that this is a typical interest rate. In some cases, as I recall, the rate of interest was 300 percent.

Mr. DOUGLAS. 340 percent in one case.

Mr. PROXMIRE. That is correct. In many cases it has been above 200 percent, and often above 100 percent. It is really a great national shame. It could well be corrected by the legislation proposed by the Senator from Illinois. As

the Senator says so well, if Congress can enact Federal legislation affecting this situation, there will be Federal enforcement agencies at work. That is the kind of thing which will really bring Valachi—and others who are a little more legal in their actions—to account, because the Federal Government will enforce its laws.

Mr. DOUGLAS. I thank the Senator from Wisconsin. He has been a mighty reinforcement in this battle. I hope that many of the responsible opponents of the bill will wish to dissociate themselves from certain others of the opponents.

Mr. MORSE. Mr. President, I commend both the Senator from Illinois and the Senator from Wisconsin for their comments on the bill about which the Senator from Illinois has spoken. I did not know the Senator intended to speak on that subject, but as he was speaking there came to my mind an interesting conversation I had with my wife the other day, when I said, "I do not see any monthly bills coming in from such-and-such a department store in the District of Columbia." She enlightened me as to why there were no bills coming from that department store.

Do Senators know what I learned? I learned that the store charges 6 percent interest per month on unpaid accounts.

Mr. DOUGLAS. That is almost incredible.

Mr. MORSE. Six percent a month. She said, "Of course, I have stopped doing business with them."

Last night I conducted public hearings on a minimum wage bill for the District of Columbia. The great Washington Board of Trade provided a long chain of non sequiturs typical of its lack of social conscience in opposition to a fair minimum wage bill for the District of Columbia. They not only presented an executive vice president but also, as a second witness, a young lady connected with one of the large department stores.

I sat there appalled that in 1963 an official representative of the Washington Board of Trade and an official representative of a great department store in the District of Columbia were opposing $1.25 an hour as a minimum wage for breadwinners in the District of Columbia.

I thought of the conversation with my wife and the usurious interest rates which are being charged, apparently quite commonly, in the District of Columbia on credit accounts. Of course, it is said, "If you do not want to pay it, you do not have to take credit." That is exactly what we are doing. We can do that.

Mr. DOUGLAS. Six percent a month is 72 percent a year.

Mr. MORSE. Certainly.

I suggest to the Washington Board of Trade that they need a little housekeeping in regard to sweeping out some of the improper business practices which prevail in the District of Columbia.

I will tell the Senator my response to those two witnesses when they got through. It was, "No questions." I would not think of dignifying that kind of testimony by wasting any time questioning such testimony.

This situation is related to the Alliance for Progress. We are hammering away at Latin America—and rightly so—saying, "We cannot be of assistance in Latin America unless you do something about your usurious interest rates." We think they are shocking. I think so. Interest rates of 13 to 30 percent are legal in many Latin American countries.

We had better take a look at some of our own. Exploitation of the poor is not limited to Latin America. It is common in the United States, to our everlasting shame.

This is an example of what I mean. I did not mean to discuss this matter, but that is what the Senator from Illinois always does to me. He always opens up a new vista because of his great wealth of understanding in many fields. I am very glad he has made the comment he has made, in the hope that the bill can be passed.

Mr. DOUGLAS. I appreciate the comment of the Senator from Oregon, who always speaks on the side of the people.

I see present in the Chamber the great junior Senator from New York [Mr. KEATING]. I know he will be pleased that the attorney general of New York, a member of his great party, Mr. Louis Lefkowitz, has endorsed the truth-in-lending bill. So we have been finding support in what hitherto have been unlikely places. I know that my friend from New York, who has as high an estimation of Mr. Lefkowitz as I do, will be deeply impressed by the support of the attorney general of New York.

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

Mr. DOUGLAS. I yield.

Mr. KEATING. I thank the Senator for his tribute to our great attorney general, who has been in the forefront of the fight for the protection of the consumer in the conduct of his office and has taken a leading role in that direction. I am glad to know from the Senator of his support of this specific legislation. I can assure the Senator the views of Mr. Lefkowitz will carry great weight with the Senator from New York when he reaches the point of studying the legislation, which I assume the Senator from Illinois will shortly report from his committee.

Mr. DOUGLAS. I wish I could say that, but inside the committee we are running into the usual bipartisan alliance against progress which impedes us very much; but we are hoping this ice jam may break under the rays of truth.

Mr. KEATING. I was not sure of the legislative situation.

Mr. DOUGLAS. It is true that thus far we have been unable to get the bill out of committee because of the bipartisan alliance against progress.

Mr. KEATING. Would the Senator's bill take care of the difficulties cited by the Senator from Oregon? Would it require that the interest rates may be made clear?

Mr. DOUGLAS. It would require that the interest rate be stated, not in monthly terms, but in annual terms. So it would be stated as 72 percent.

Mr. KEATING. In other words, a bill from a department store instead of showing the interest as 6 percent, would have to show it is at the rate of 72 percent a year?

Mr. DOUGLAS. Yes. That would have a wholesome effect.

Mr. KEATING. I am glad to be helpful to the Senator from Oregon in any of his domestic problems.

Mr. MORSE. Does the Senator have his checkbook with him?

Mr. KEATING. Except that I would not want to pay his bills.

U.S. FOREIGN POLICY IN RELATION TO LATIN AMERICA

Mr. MORSE. Mr. President, I wish to speak a few minutes on the Latin American crisis in U.S. foreign policy.

I spoke earlier this afternoon in colloquy with the Senator from Alaska [Mr. GRUENING], and said that as an accommodation to my friend, the Senator from Wisconsin [Mr. PROXMIRE], who is in charge of the pending bill, I would withhold until the close of the day the completion of my observations.

I do not know of anyone who is sure of what State Department policy is toward recent developments in Latin America. Certainly I do not know of any member of the Foreign Relations Committee of the Senate who is sure. I am not sure that the State Department is sure. I am only hoping that the remarks that I have been making on this subject may be helpful to the State Department in crystallizing policy either along the lines of views I have been expressing or clear-cut opposition to those views, because this is a situation which we cannot have both ways.

If the State Department plans to do business as usual with military juntas in Latin America, it had better be prepared to do business with Communist dictators there, too, because that is what we will spawn down there if we go along with military overthrows of civilian governments.

The history of the postwar era in Latin America is entirely contradictory to the theory that military coups are the preferred alternative to Communist takeovers. The fact is that military governments do more to encourage Communist takeovers than do any of the failings of Juan Bosch, or Romulo Betancourt, or any of the other elected presidents who are threatened by their own military forces or who have already been deposed.

The world of Batista, with its suppression of freedom, its assassinations, its political murders, created the climate that enabled the Communists of Cuba to gain power. In Venezuela and in Colombia, it was military-sponsored dictators whose terroristic regimes gave rise to street riots, demonstrations, and the other manifestations of popular rebellion that the Communists are trained to capitalize on and ride to power.

There is not a man in the Department of State who has any idea of how a military coup, once it is accomplished, will turn out. At its very best, it may reestablish constitutionalism. At worst, it will lay the groundwork for a Communist

takeover. I am at a complete loss to understand what there is in either of these possible outcomes that justifies our support of such a coup.

The overthrow of Batista, Rojas, and Jiminez in the late 1950's convinced North and South America alike that it was time to try constitutional government as an alternative to military repression.

Now we are hearing that the bad old days may not have been so bad after all. The State Department's spokesmen are talking about going back to a policy that clearly failed before and had to be junked.

They are kidding themselves if they think they can do better with military juntas than with elected governments in Latin America. If they think civilian governments are risky, surely they should know from history that military juntas are infinitely more risky.

To date, there is only one Communist government in Latin America, and it followed a Fascist, military-backed dictator. Whatever the failings of the democrats in Latin America, none has yet given way to a Castro.

It is the military juntas, with their rigidity and their history of clinging to power regardless of the cost to the people of their country, that are the real breeding ground of communism in Latin America.

The real answer to Secretary Martin is that military governments do not even provide any security against communism. A military coup, with all the repressions that go with it, fosters and creates the instability that gives the Communists their greatest opportunity. The State Department has no way whatever of knowing whether a military coup will eventually return control to civilians, as in Peru, or become increasingly dictatorial, as in Guatemala. The Department is playing a far more dangerous game in playing along with a military coup than in playing along with constitutionalism, even if the danger of communism were the only consideration.

I also want to forewarn the State Department that it had better watch out that it may not be guilty of some false assumptions in regard to Peru and the Argentine, for we have no way of knowing how successful the apparent trend toward civilian control following a military coup may be in those two countries.

That does not justify a military coup in either country, or, in my opinion, our recognition of it. That recognition cannot be squared with the statements we made at the time the Alliance for Progress program was initiated. But there are many who hold to the point of view that in both Peru and the Argentine the civilian governments will be only as successful as the military powers in the background are willing to permit them to be, and that their reforms will go only as far as that residual military power allows them to go.

That is the danger that always exists when a government comes into power with a military coup; and when it comes into power through a military coup it is also very difficult to throw off the cloak of suspicion that enshrouds it.

It is extremely important, as shown in an article dealing with Venezuela that I shall cite in a moment, that we now make crystal clear to all South America that the Dominican coup and the Honduras coup will never have American support.

The Honduras coup has an interesting difference from some of the coups. The Honduras coup occurred a very few days before a scheduled national election. It was pretty well known that the leading candidate for President—almost everyone agreed that he would be elected—was campaigning on a proposal to bring the Honduran military under civilian control.

There is a novel situation in Honduras. Under the Honduran Constitution the military has gained autonomy. The candidate for President was of the opinion that if they were going to have really true constitutional processes in Honduras and a constitutionalism in which the people really were the masters, and not the servants, of their Government, they could not have an autonomous military authority in the country above the Constitution. So he was proposing in his campaign that the military be brought under civilian control.

The military realized that the people were supporting that position and that this candidate was going to be elected.

One of the sad things about Latin American dictatorships is that they are the product of the American military system by way of training. Of course, they were armed with American weapons under the military aid program. That is known all over Latin America and elsewhere in the world. Therefore it is said to us, when we go there as representatives of the United States, at various international conferences, "Your hands are dirty; they are not clean. The United States must assume its full share of responsibility for subjugating freedom in various parts of the world by use of American military weapons and by the training of military personnel through the American military training program." It is a pretty difficult argument to answer.

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

Mr. MORSE. I yield.

Mr. PROXMIRE. I was struck this morning by the article in the Washington Post, which documented this matter in some depth, and pointed out that in both Honduras and the Dominican Republic, and, in other military coups in South America, these men received their training in this country. The article listed the names of the men and where they received their training in this country.

I wonder whether there is some possibility, either by being selective in our training, or perhaps in being careful that our training also provides some indoctrination in democratic principles, to some extent, of seeing to it that men who are trained in this country understand that this country believes deeply in the fundamental importance of civilian control of the military and in constitutional government, and that we feel that the military exists for the sole purpose of defending the people in a particular area and in promoting freedom and constitutional processes.

Mr. MORSE. The Senator is correct. We must follow the course of action which the Senator outlines. We must stop giving military aid anywhere where there is not complete civilian control of the military, and where we are not completely satisfied that the military aid is not going to be used to subvert freedom. I believe we have a responsibility to do that.

The State Department is playing a far more dangerous game in playing along with the military coup than it would play if it supported constitutionalism, even if the dangers of communism were the only consideration. For example, communism grew far stronger under the Jiminez dictatorship in Venezuela than it was either before or after that regime. As I pointed out the other day, the failure of military governments to forestall communism was the whole reason for turning to constitutionalism supported by the Alliance for Progress.

I ask unanimous consent to insert in the RECORD at this point an article published in this afternoon's Evening Star, for October 9, 1963, entitled "Latin Coups Force Decision on U.S." I wish first to read a brief excerpt from the article:

On one side, Venezuelans hear a State Department spokesman declare that the United States is inclined to support the Venezuelan-Costa Rican call for a hemispheric foreign ministers meeting over the illegal military takeovers. They see the United States suspend diplomatic relations and hear Secretary of State Rusk announce withdrawal of U.S. economic and military aid missions from the Dominican Republic and Honduras.

But on the other side they read excerpts of what amounts to a policy statement by Assistant Secretary of State Edwin Martin in Sunday's New York Herald Tribune implying that military coups are not always a bad thing in Latin America and citing the eventual democratic outcome of military takeovers last year in Argentina and Peru as examples.

In the eyes of President Betancourt no third way exists for the United States. His inflexible position is dictated by far more than an abstract devotion to democratic processes.

Mr. Betancourt himself is deeply engaged in a deadly struggle against both Communist terrorism and a restive military for the survival of civilian democracy in this oil-rich country on the Caribbean rim of South America.

Whatever the public denials, officials here live with the fear that the Venezuelan military will use the same anti-Communist excuse as the Dominican and Honduran military to veto the national elections due here December 1 and in the name of law and order prevent a civilian successor to Mr. Betancourt from being installed.

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

LATIN COUPS FORCE DECISION ON UNITED STATES

(By George Sherman)

CARACAS, October 9.—The prevailing view in this key capital is that the United States stands at a decisive crossroads in its policy toward Latin America.

It is a crossroads dramatically marked by military coups d'etat during the past 2 weeks in the Dominican Republic and Honduras.

In the view of high Government officials here, one road now leads to U.S. recognition and eventual accommodation with accomplished military facts and the other to U.S. support of throwing a hemispheric "cordon sanitaire" around the new and "illegal" regimes.

The Venezuelan Government is already far along the second road. The standing policy of President Romulo Betancourt is strongly to condemn military seizures of power and automatically to withdraw diplomatic recognition. But at this point the confused picture transmitted here from Washington is that the United States is attempting to stagger down both roads at once.

On one side, Venezuelans hear a State Department spokesman declare that the United States is "inclined" to support the Venezuelan-Costa Rican call for a hemispheric foreign ministers meeting over the illegal military takeovers. They see the United States suspend diplomatic relations and hear Secretary of State Rusk announce withdrawal of United States economic and military aid missions from the Dominican Republic and Honduras.

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Whatever the public denials, officials here live with the fear that the Venezuelan military will use the same anti-Communist excuse as the Dominican and Honduran military to veto the national elections due here December 1 and in the name of law and order prevent a civilian successor to Mr. Betancourt from being installed.

This fear comes out in an unbending determination that the United States should join in making an example of the two new military governments. At times officials show more emotion than logic in expounding their views. They are not at all sure a foreign ministers meeting would insure a peaceful transition back to civilian constitutional government or how it would control the havoc bound to result in the countries isolated by hemispheric economic and diplomatic sanctions.

SEE PROVIDING INCENTIVE

They will sit and listen quietly to the argument that limited U.S. diplomatic recognition and economic aid to military governments once they clearly hold power—can be a powerful weapon for obtaining definite commitments on new elections and restoration of constitutional governments. They are even willing to admit that this U.S. policy of democratic promises paid dividends this year in Argentina and Peru, where the military establishments handed over power to the newly elected authorities.

But in the end the Venezuelan argument always comes back to a simple black-and-white issue: the United States must draw a line here and now to deter future military coups d'etat in Latin America. They say that without firm and unyielding opposition to new regimes—whatever the consequences in the Dominican Republic and Honduras—the military establishments all over the southern continent will have an incentive to follow suit.

ASSUME U.S. POWER

The important ingredient in this argument is an unconscious assumption that the United States has the power to make and break governments in the hemisphere. Few Venezuelan officials seem to have thought through how the use of this power in concert with the smaller countries of the hemisphere against undemocratic governments would fit into that most sacred of all inter-American principles—nonintervention.

Even the least suggestion here that the United States might in fact have to intervene in Venezuela to preserve the Betancourt government against the military causes a storm of indignation from all sides. Officials uniformly maintain that the leaders of the Venezuelan military are dedicated to maintaining democracy and have repeatedly proved their loyalty to the civilian government.

No evidence other than a flood or rumors currently exists to disprove this contention. Nevertheless, responsible observers still do not rule out the possibility that within the next 2 months Venezuela may be a key country where the United States will once more be called upon to make an example for Latin America.

Mr. MORSE. Mr. President, the other day I put into the RECORD an article and a personal letter which I received from the deposed President of Guatemala, who was a victim, in the recent past, of a military coup in Guatemala. We need to refer to it frequently, because in both the letter that he wrote to the New York Times, which I inserted in the CONGRESSIONAL RECORD, and in the much longer personal letter which he wrote to me, which I also inserted in the CONGRESSIONAL RECORD, he points out that the propaganda of the militarists, and the argument that they used with which to fool the people, and the alibi that they present—and I have heard it in the halls of Congress in recent days—is that the coup was necessary because the deposed President was soft on communism. If there was any elected President who was not soft on communism, it was President Ydigoras. Yet the excuse was used even in his case.

To the military mind, of course, any democratic proposal is interpreted as being soft on communism. Democratic Presidents are for land reform in Latin America. That is being soft on communism in the eyes of the military juntas. Tax reform is being soft on communism in the minds of the military in Latin America. Let us not forget that the military are usually of the class of the oligarchs. Let us not forget that in most instances the high officers of the Latin American military come from the families of the oligarchs. It is a matter of caste. It is a matter of social and economic prestige. The undeniable fact is that the Latin American military caste system has continued to foist upon the mass of the Latin American people terrible economic restrictions and exploitations which have led to the poverty, disease, and degradation that characterize so many million people living in Latin America.

The United States must stop supporting it. The United States must make perfectly clear that it is not going to support the military caste system of Latin America. The military caste system offers no hope for economic freedom in Latin America. If we continue to support the military caste system of Latin America, we will continue to impose on the mass of Latin American people deprivation, feudalism, and economic exploitation. To overcome that we made a great show to the world that we were offering Latin America the Alliance for Progress program.

Before I conclude these remarks, I wish to point out what the commitments of the President of the United States were at the time. I stand squarely behind those commitments. I am only asking the State Department to stand by them. The weaseling that has been coming out of the State Department in the past 96 to 120 hours cannot be squared with the promises of the President to support democratic regimes in Latin America.

I now invite the attention of Senators to an editorial entitled "Recommended Reading," published in the Washington Post of October 8, 1963. I do not want to cause any heart attacks in the editorial rooms of the Washington Post, but I wish to commend the editors of the Post. The Washington Post has been doing a grand job, in keeping with the highest responsibilities of free journalism in this country, in the articles and editorials it has been publishing on the entire Latin American situation. I recommend the high level of journalism of the Washington Post on this subject to American journalism generally. If the press will only live up to its educational responsibilities that go along with the guarantee of a free press, public opinion will be much more enlightened than it is in regard to the facts about U.S. foreign policy in Latin America.

The editorial begins:

Assistant Secretary Martin's animadversions about the difficulties of democratic governments in Latin America, on the nobility of some of the military regimes that have had to liquidate them and on the inability of the United States to do anything about it—in any case—are not likely to prevent more military coups. They are more likely to encourage them.

Those who speak for this country ought to be staying that we will not deal with unconstitutional regimes, that we prefer even inefficient elected governments to the most competent military government. It is one of the weaknesses of elective systems that they occasionally turn up an administration that is riddled with nepotism, reeking with privilege, saddled with graft and crippled by sheer incompetence. When that happens, the citizens ought to turn to the constitutional means of providing a legal alternative at the first opportunity. They ought not turn to a military regime for an instant remedy.

The editorial continues:

There is a great deal of truth about Latin America's past in Secretary Martin's remarks. But this administration was going to change the bad old past of military dictatorships. It was not to be an administration that looked with complacency and resignation on military coups.

Before the election, Mr. Kennedy said that this country should "strengthen the cause of freedom throughout all Latin America"; that we should not allow Latin America to be "unsure of our stand on native dictators as well as Communist dictators."

Mr. President, I wonder how the people in the Dominican Republic react to the words of the President at this hour. I wonder what the people of Honduras and Guatemala think about the words of the President at this hour, with respect to what has happened to them under a military coup. I wonder if they are not asking the question—and rightly—whether we intend to deliver on the President's words that we should not allow Latin America to be "unsure of our stand on native dictators as well as Communist dictators"; or his words, as the Post editorial continues:

That we ought to "make the American Revolution the chief import of Latin America"; that our policy in Latin America should "precede events and not follow them"; that the Eisenhower administration "lacked the leadership and the vigor to act"; that "we ought to eliminate all despotism in Latin America"; that we have let Latin Americans think we are "more interested in stable regimes than free governments."

I cannot weigh the recent remarks of the Assistant Secretary of State for Latin American Affairs, Mr. Martin, and reach any other conclusion than that he is saying, in effect, that we are more interested in stable regimes than in free government. Of course, I do not believe his policy will even result in stable regimes for long.

When Assistant Secretary Martin talks about "good" military juntas and "bad" military juntas, I repeat what I said earlier this afternoon: There are no "good" military juntas, by the very nature of the beast. It is a beast that devours freedom. It is a beast that pounces upon a democratic government and destroys it.

Stability cannot possibly be established unless one wants to say that there is a stable democratic government after it has been devoured and put inside the military junta.

The impression that the State Department has left with me, as chairman of the Subcommittee on Latin American Affairs of the Committee on Foreign Relations, and has left with some other Senators with whom I have talked today, who listened to the discussion of the Committee on Foreign Relations this morning, and who listened to the Martin briefing the other day before the Committee on Foreign Relations, is that the Department is playing with the idea that it is more interested in military junta regimes and their front-men civilian stooges in Latin America than in free government.

The editorial continues with the words of the President:

More interested in fighting against communism than in fighting for freedom.

It is interesting, when we talk with American military personnel who give us briefings, to observe how the Communist bugaboo has taken over their thinking, and how so many of them, apparently, are perfectly willing to follow in support of military dictatorship at the cost of freedom, because they have victimized themselves with the propaganda that if military juntas are not supported, the countries will go Communist.

The Washington Post editorial concludes:

The President made some good speeches about Latin American affairs, during the campaign. Assistant Secretary Martin ought to read them.

Mr. President, I recommend it. It is sorely needed in the Department of State in these critical hours.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Latin Policy Defense Brings Added Discord," published in the Washington Post of October 8, 1963.

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

LATIN POLICY DEFENSE BRINGS ADDED DISCORD

(By Murrey Marder)

The Kennedy administration's efforts to justify its Latin American policy in the face of a series of military coups took on added dimension yesterday—and discord.

A high-ranking official said that the large number of fledgling democracies that have developed in Latin America in the last few years have meant there are more vulnerable governments in office.

With these young democracies attempting social and economic reforms, he said, tensions have been intensified, and the old order is fighting to retain its prerogatives.

The official said in a background discussion of foreign policy that, in a comparative sense, the kind of military coups that have taken place in the last 2 years represent progress.

The progress, he said, is reflected by the fact that in recent military takeovers, the Latin military regimes have been more civilized than their predecessors. Instead of old-style dictatorial methods, the official said, the new regimes recognize a responsibility to the people and a necessity to return to constitutional government.

This does not mean that the United States favors or condones military coups, the official emphasized. But he said the changing pattern, nevertheless, represents a gain during a transition stage of pain, difficulty and turmoil in altering historic patterns.

Under the rules of the background conference the official could not be identified. But the views were an amplification of the policy expressed in public on Sunday by Edwin M. Martin, Assistant Secretary of State for Inter-American Affairs. In discussing military coups, Martin said that some have produced beneficial results, in Argentina, Peru, and elsewhere; he said democracy cannot be imposed by "fiat."

ALLIANCE UNDERCUT

Senator WAYNE MORSE, Democrat, of Oregon, yesterday criticized Martin's argument and rationale, charging that it undercuts and destroys the entire premise of the Alliance for Progress.

Martin has done just what he denied doing, delivered an apology for military coups and strong-man rule in Latin America, charged MORSE, who is chairman of the Senate Foreign Relations Subcommittee on Latin America.

The Martin policy, said MORSE, would be a throwback to 1957 policy "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."

RESULTS FAR FROM IN

MORSE said that even in the best of cases cited by Martin—Peru and Argentina—the results are far from in. MORSE said that in Guatemala, which Martin mentioned, there does not even appear to be any election in sight, nor, similarly, does there appear to be any return to constitutional processes in sight in Ecuador.

Even so, these are the exceptions, said MORSE, and Mr. Martin does not mention the general rule that the more common result is that the longer military regimes stay in power, the more rigid and more cynical they become.

"We should have it clearly understood from the officials in charge of Latin American affairs," said MORSE, "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."

SEES SMOKESCREEN

All U.S. aid to the Dominican Republic and Honduras has been suspended, and the aid missions recalled. But MORSE said yesterday, "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."

But informed sources last night said that officials of the Agency for International Development are urging the administration to make a very tough stand on withholding aid to the two countries, as a warning to others.

There have been claims in both the Dominican Republic and Honduras that a dominant reason for the military coups there was what has been called a dangerous softness of the constitutional regimes on communism. But American official sources said that in neither case was that the true major reason for the coups, which also involved mixtures of military, political, and economic opposition and desire to maintain threatened positions of privilege.

Mr. MORSE. Mr. President, that is a fascinating article. I had something to say about it in my discussions with the Secretary of State this morning in the Committee on Foreign Relations. On Monday, I made a highly critical speech dealing with Assistant Secretary Martin's article that was published in the Sunday Washington Post and the Sunday New York Times. It was a most unfortunate article. It has performed a great disservice to our country. It has created much confusion and misunderstanding throughout Latin America.

The article, the repercussions of which are reflected in the story published this afternoon in the Washington Star, came from a correspondent in Venezuela who reported on the perplexity and the confusion that exist there today because of doubt as to what America's policy really is in regard to military juntas. As I told the Secretary of State this morning, the Martin article could not possibly produce anything except confusion and misunderstanding.

This article is supplemented today by an article which I believe does great disservice to the foreign policy of the United States. The latter article also emanates from the State Department. It is important for us to consider the implications of the article, for this is the first statement to come from the State Department, following my criticism of U.S. policies in regard to the Dominican Republic and Honduras, and also in regard to the general problem, throughout all of Latin America, raised by the coups

in the Dominican Republic and in Honduras.

This article is by Murrey Marder, one of our most able reporters:

The Kennedy administration's efforts to justify its Latin American policy in the face of a series of military coups took on added dimensions yesterday—and discord.

A high-ranking official said that the large number of fledgling democracies that have developed in Latin America in the last few years have meant there are more vulnerable governments in office.

In that anonymous statement, the high-ranking official proceeded to cover some of the points I raised in my speech in the Senate in criticism of the policies of the State Department in regard to Latin America.

This morning I said to the Secretary of State, "What is the matter? Why do you not attach the name to this 'high-ranking' State Department spokesman? If it is you, the Secretary, say so. If it is the Director of Aid, Mr. Bell, who attended the hearings this morning, say so. If it is the Under Secretary, Mr. Ball, tell the American people who the 'high-ranking' official spokesman is. If it is the Assistant Secretary of State, Mr. Martin"—who I suspect is the official involved, although I do not know that—"use his name."

Mr. President, we are not going to strengthen the lines of relationships between the State Department and the Senate Foreign Relations Committee with such anonymous attacks. I hope it will not be necessary for me to make that criticism again to the Secretary of State. I want him to know that I can take anything he or anyone else in his Department dishes out. However, when the State Department purports to make an answer to criticisms made by me, when speaking as Chairman of the Subcommittee on Latin American Affairs, the American people need to know the source of the answer.

I say to the Secretary of State that under our system of checks and balances, Congress should have an opportunity to place responsibility on the individual on whose shoulders it belongs.

Let me say to the journalists of America that this is a very interesting example of managed news; it is not an example of the exercise of freedom of the press. It is the kind of news release tactic that we would expect in a nondemocratic society, but not in a democratic society. Any time anyone in the State Department wishes to criticize me or any other Senator, he should come out into the open and should identify the criticism with his name.

But the article goes on, as follows:

The official said in a background discussion of foreign policy that, in a comparative sense, the kind of military coups that have taken place in the last 2 years represent progress.

Imagine that, Mr. President. Here we find that an official of the U.S. Department of State, in the face of the position we have taken in the Alliance for Progress, and in the face of the promises the President of the United States made, when he was a candidate for the Presidency in 1960, to support constitutional systems, not military dictatorships, had the audacity to say that the kind of military coups which have taken place in the last 2 years represent progress.

Instead, they represent retrogression. Military coups represent a beastly, devouring attack on the organs of democracy.

I read further from the article:

The progress, he said, is reflected by the fact that in recent military takeovers, the Latin military regimes have been more civilized than their predecessors. Instead of old-style dictatorial methods, the official said, the new regimes recognize a responsibility to the people and a necessity to return to constitutional government.

But, Mr. President, what has happened to the Constitutions, under the coups? What has happened to the Presidents, under the coups? What has happened to the congresses, under the coups? They have been destroyed. Their power has been destroyed, and the congresses have been ended. The Presidents and all the other executive officers have been thrown out, and those in charge of the coups have announced that the Constitutions are no more.

In the case of Guatemala, we hardly drew a deep breath before we decided to keep the aid going to the junta that overthrew President Ydigoras. All indications are that conditions in Guatemala are deteriorating. It was in March, in the case of Guatemala, that we should have slammed shut the door on military juntas. Our failure to do so was probably an encouragement to the conspirators in the Dominican Republic and Honduras.

Mr. CHURCH. Mr. President, will the Senator from Oregon yield?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Oregon yield to the Senator from Idaho?

Mr. MORSE. I yield.

Mr. CHURCH. I have listened with much interest to the remarks of the distinguished Senator from Oregon, and I wish to commend him for the leadership he has given, as chairman of the Subcommittee on Latin-American Affairs, in connection with matters relating to American foreign policy in the Western Hemisphere. The Senator from Oregon knows that I share his misgivings about the military coups d'etat that have occurred in recent months in Latin America.

I believe there are ways in which we can modify the foreign-aid program so as to put the military forces of Latin America on notice that penalties attach as a matter of law when military power is abused and constitutional governments are deposed.

I know that the Senator from Oregon has one such amendment under consideration. I wish him to know that in his effort to secure the adoption of that amendment he will have the full support of the senior Senator from Idaho. I commend him for his work and for the splendid speech that he is making on the floor of the Senate this afternoon.

Mr. MORSE. I thank the Senator from Idaho very much. I wish the RECORD to show, and I desire to have the people of Idaho and the Nation know, that for several years the Senator from Idaho has been one of the most effective leaders in the Committee on Foreign Relations in a serious attempt that has been made to do exactly what he has pointed out. He stood for the military aid that is necessary actually to maintain internal security and avoid a Communist coup. But he has also stood for placing limits on the amount of such aid because of the danger of building up an all-out-of-proportion military strength not needed to meet a threat of a Communist take-over, but used so frequently as weapons for the staging of military coups. He has also been one of the leaders in trying to place the type of restrictions he is talking about now on the granting of military aid.

We must do it also with respect to economic aid. The military leaders must understand that both military and economic aid are at an end if they are followed by devouring attacks upon the organizations of constitutionalism in Latin America. In my judgment, such progress as we have made—and we have made some—is due in no small measure to the statesmanship of the Senator from Idaho. As his colleague on the committee, I thank him from the bottom of my heart for the great assistance he has been to me.

Mr. CHURCH. I thank the Senator.

Mr. MORSE. Mr. President, going back to the article of Mr. Marder, he said:

This does not mean that the United States favors or condones military coups.

Of course not. That is what we would call very good footwork on the part of the "high spokesman" for the State Department, whoever he may be. He puts a little tiptoe dancing into his act as a change of pace. He said that it does not mean that the United States favors or condones military coups. However, he had just finished pointing out that there are good coups and bad coups. I do not know what worse nonsense a spokesman for the State Department could engage in. He said:

The changing pattern, nevertheless, represents a gain during a transition stage of pain, difficulty, and turmoil in altering historic patterns.

Mr. President, I ask that Senators listen as the article continues, attributing the statements to this high State Department spokesman:

Under the rules of the background conference the official could not be identified.

I ask the American people, "How much stock should you take in such an anonymous statement?" The Department's tactic in conducting this kind of interview was the tactic of propaganda. It placed every word he had to say under suspicion.

That is not the way information should be given to a free people. That kind of press interview cannot be reconciled with a free press in our country. The American people are entitled to know who he is. They are entitled to make clear to him that no matter who he is or what position he occupies, he is a servant of the American people and not their master, nor does he have the right to prostitute his position in the manner that he did in that kind of inter-

view; for this is illegitimacy as far as information service is concerned. He ought to come clean and admit that the State Department officials are disturbed, as I happen to know they are, about some of the criticisms they have been receiving from a half dozen or more U.S. Senators in the last few days. They are not going to answer us successfully with that kind of prostituted journalism.

So I said to the Ambassador and to the Assistant Secretary of State, both by the name of Martin, "I think we have reached the point where the people of the Dominican Republic must learn that so long as that military coup is in power"—and it is still in power behind a facade of three so-called civilian councilmen out in front who have no more power than the military gives them—"and so long as the constitutional system remains subjugated, they will get no assistance from the United States."

The point was raised, "But that might play into the hands of the Communists."

So far as the people are concerned, it does not make any difference whether they live under a Fascist regime or a Communist regime so far as individual rights are concerned. A police state is a police state whether it is Communist or Fascist. If we were to add up the brutalities and cruelties of the police states of communism and the police states of Fascism, it would be difficult to draw any line of demarcation between them so far as human suffering and loss of human rights are concerned.

The article continues:

> But the views were an amplication of the policy expressed in public on Sunday by Edwin M. Martin, Assistant Secretary of State for Inter-American Affairs. In discussing military coups—

That is some basis for my suspicion that probably the "high spokesman" in discussing military coups was Martin himself. Referring to the article of last weekend, the author indicated that Martin said "Some have produced beneficial results, in Argentina, Peru, and elsewhere; and he said "democracy cannot be imposed by fiat."

I also wish to advise Mr. Martin that democracy cannot be developed either by recognizing military coups or military takeovers and then supporting them with American money.

When we had the briefing by Martin and Martin the other day before the Committee on Foreign Relations, I put to them the proposal that in these circumstances I believe we have reached the point at which we must serve notice on all the rest of the military throughout Latin America that if they stage a military coup, they will cut themselves off from the United States in respect to any form of relationship with the United States—military, economic, and diplomatic.

I do not "buy" the military alibi, "if we do not support these military takeovers, the Dominican Republic and Honduras may go Communist." We have Batista's legacy to remind us of that fallacy.

In the Dominican Republic the people did not know freedom for 31 years until Bosch was elected. No one questions the fact that there had been a perfectly proper election.

In Honduras there was a democratically elected President, a man about whom I formed a favorable impression when I was one of the congressional aids who accompanied the President to the conference at Costa Rica earlier this year. I saw President Morales in action. I talked to him, and had an opportunity to observe him or to "size him up," as we say.

The impression was created with me that he was a constitutionalist, that he was a civilian leader, that he believed in democratic processes, that he was carrying out the duties of an executive. He, too, as President, supported the position taken by the candidate for the Presidency who was admitted to be far out in the lead, that the military should be brought under civilian control. We have let him down. When we let him down, we let down all freedom in Latin America and increased the danger of more military coups with more eventual Communist takeovers, as I said at the beginning of this speech. That is regrettable.

I sincerely hope that the State Department will clarify its position on this matter. I said to the Secretary of State this morning, "It is not enough to answer that you have cut off military aid and economic aid."

We have a rather extensive Peace Corps operation in the Dominican Republic. Members of the Peace Corps are probably closer to the Dominican people than any other mission we have. This is not something to be done without suffering, hardships, and heartaches. It will be necessary for the people of the Dominican Republic also to understand that the price of freedom comes high—but it is worth it.

I said to the Secretary, "I think you should bring back the Peace Corps." That perhaps would dramatize to the common people more than anything else that we mean business when we say we are not going to support a country so long as a military junta is in direct or indirect control.

Yesterday I spent as much time as I could, prior to being called to the floor to handle the vocational education bill, with the man who would be Ambassador to the United States if President Bosch were still in power in the Dominican Republic, Ambassador del Rosario. When I was called to the Chamber, I left him with my administrative assistant and with my legislative assistant. They conferred with him for 2 hours or more. With his complete approval, that conference was taken down in shorthand. It is being transcribed. It will be submitted to him for any editing for accuracy he wishes to make. Then, as I made clear to the Secretary of State this morning, I shall be glad to discuss the contents of the transcript with him.

Because he may very well speak on the subject later, another Senator also had a conference with this Ambassador. He agreed with me this morning when I said to the Secretary of State: "Mr. Secretary, if only 10 percent of what Ambassador del Rosario told us was factual, we cannot justify American foreign policy in the Dominican Republic."

Some days ago I submitted to the Secretary of State a memorandum dealing with allegations that I considered involved gross misconduct on the part of American business interests in the Dominican Republic. That was before I had the conference with the legitimate Dominican Ambassador to the United States.

The Secretary of State assured me this morning that the letter I sent containing a long list of requests for information would be responded to as rapidly as the information I asked for could be gathered, but that the Department would not wait until it got all the information. They would give it to me on the installment plan, which I appreciate very much.

There can be no misunderstanding of my position with respect to my appraisal of the Secretary of State. I believe that the Secretary of State, Dean Rusk, is one of the most dedicated public servants with whom I have ever worked in my many years in the Senate. He has an extremely difficult assignment. He cannot possibly be aware at all times of all the details and all the phases of American foreign policy. He must delegate responsibility. He has to rely upon his subordinates. He has been involved in recent weeks in European and Russian matters.

I do not want to have anything in my two speeches today indicate any lack of confidence on my part in Secretary Rusk or any criticism of Secretary Rusk as Secretary. I am critical of what has been coming out of the State Department. I only seek to have the Secretary take cognizance of it, evaluate it, and announce what his policy will be. I hope it will be a policy that can be justified on the facts.

I am satisfied there have been American business interests and individuals in Latin-America so antigovernment that they gave support to anti-Bosch movements in the country. They helped finance the campaign against him, and prior to the coup they worked very closely with the military junta.

Let me say to American business interests abroad: "You cannot justify that course of conduct. You cannot expect the American people to come to your assistance financially and, if a crisis develops, with the expenditure of American blood, if you yourselves are in any way involved in a cause-to-effect relationship that produced the crisis."

I shall say no more about that this afternoon. I shall have more to say after I receive from the State Department the information for which I have asked.

I think there is also involved in our problems with the Latin American countries, and the formulation of American foreign policy in respect thereto, the necessity of our announcing to American business interests what our position is going to be if they work counter to the established American foreign policy in Latin America. If they are going to work counter to the established American foreign policy in Latin America in relation, for example, to the Alliance for Progress program, I am not interested in their crying on the American taxpayer's

shoulder for relief. I am certainly not in favor of giving them any assistance, either. They must recognize that we are all in the policy boat together. When that policy has been formulated and clearly stated, no American businessman in any foreign country can ever justify permitting himself to become involved in any way in opposition to an existing constitutional form of government.

In the Washington Post for today, October 9, there is an excellent editorial on the Latin American situation, entitled "Using the Sponge." I ask unanimous consent that it be inserted in the RECORD at this point.

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

USING THE SPONGE

After the strong man with a dagger, Lord Acton admonished, comes the small man with a sponge. The maxim applies with peculiar force to the Dominican Republic, where those responsible for the overthrow of President Juan Bosch have every motive for sponging up the pages of the past. Of course, Mr. Bosch had imperfections as a President; he may have been almost as bad as some of the less illustrious incumbents of our White House. But the white-haired President seems hardly recognizable as a man in some of the stories that depict him as a cunning monster.

The fact is that in the Dominican Republic Mr. Bosch had powerful enemies from the moment he was sworn in as President. The main opposition party, which had presided over the preceding provisional government, felt cheated of victory when Mr. Bosch won his election. Military men, used to virtual veto power over civilian authority, resented Mr. Bosch's presumption that he was their superior. Some business interests were hostile from the outset because they regarded Mr. Bosch as a leftist.

It comes as no surprise that these interested parties should seek to justify the overthrow of a constitutional President. But it is disquieting that U.S. officials should place more stress on how impossible Mr. Bosch was as President than on the grievous rupture of the Dominican Republic's evolution from arbitrary rule. In South Vietnam another regime holds power that many U.S. officials feel is "impossible." Yet in the larger interests of winning the war against communism, the United States is swallowing its doubts and is working with Mr. Diem.

Doubtless there were problems in Santo Domingo before the coup. But there were no widespread demonstrations against the regime, and no one could fairly complain that Mr. Bosch was repressive. It would be a sad circumstance if the only impossible governments the United States could support effectively were autocratic and unpopular tyrannies. No doubt, if President Betancourt were overthrown tomorrow in Venezuela, some of the same apologists for passivity would be quick to argue that he, too, was impossible—just look at the disorder in Caracas.

Mr. MORSE. In part, the editorial reads:

It comes as no surprise that these interested parties should seek to justify the overthrow of a constitutional President. But it is disquieting that U.S. officials should place more stress on how impossible Mr. Bosch was as President than on the grievous rupture of the Dominican Republic's evolution from arbitrary rule. In South Viet-Nam another regime holds power that many U.S. officials feel is "impossible." Yet in the larger interests of winning the war against communism, the United States is swallowing its doubts and is working with Mr. Diem.

Doubtless there were problems in Santo Domingo before the coup. But there were nc widespread demonstrations against the regime, and no one could fairly complain that Mr. Bosch was repressive. It would be a sad circumstance if the only impossible governments the United States could support effectively were autocratic and unpopular tyrannies. No doubt, if President Betancourt were overthrown tomorrow in Venezuela, some of the same apologists for passivity would be quick to argue that he too, was impossible—just look at the disorder in Caracas.

Mr. President, that editorial goes to the heart of the problem.

We must make up our minds which side of the fence we are on. We must make up our minds whether we are for democratic, constitutional government, or whether we are going to support the overthrow of constitutional governments by military juntas who say that they do it because the governments they overthrow, although constitutional, were soft on communism.

That old red herring is pretty well known to many of us. It is not limited to the Dominican Republic. It is not limited to Honduras. During my service in the Senate it has been dragged across the floor of the Senate time and time again. It has smelled its way on to political platform after political platform in American campaigns for the past 13 years or more.

It is about time to make perfectly clear that we are not going to formulate American foreign policy on the basis of the old red herring that we can justify supporting a dictatorship because the government it overthrew, although perfectly constitutional, elected in a free election, selected by the people under an election system that has never been open to question, was soft on communism.

That Barnum and Bailey bunkum has no place in the news releases of the State Department, and I hope we shall hear no more of this kind of apologia coming from the Department of State. Neither do we need any more sending up of trial balloons to see if silence will prevail in the Senate if a high, undisclosed, anonymous spokesman for the State Department sends one up and says, "After all, not all of the juntas are so bad."

There are two other articles which I ask unanimous consent to have inserted in the RECORD in making my case this afternoon: One from the Washington Post of this morning entitled, "Naive Honduran Rule Abetted Military Plats," and one in the same paper entitled "Leaders of Latin Juntas Were Trained in United States," to bear out what the Senator from Alaska pointed out in his brilliant address today.

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

U.S. ARMS, INACTION HELPED—NAIVE HONDURAN RULE ABETTED MILITARY PLOTS

(By Dan Kurzman)

TEGUCIGALPA, HONDURAS, October 8.—The military coup that overthrew the democratic Government of Honduras last Thursday was rooted, like most Latin American coups, in military ambition, rightist greed, government naivete and U.S. indecision.

These factors, in potent combination, made a coup inevitable. Under the deposed regime of President Ramon Villeda Morales, the military enjoyed a constitutional position perhaps unique in the world. It was not directly responsible to the executive branch of the government, but only to itself and, in limited degree, to the legislature.

Military leaders were jealous of their autonomy and feared that they would lose it after elections that were scheduled for later this month. The presidential candidate of Villeda Morales' Liberal Party, Modesto Rojas Alvarado, was strongly favored to win, and the military was convinced that he would seek to reduce its power.

That Rojas would do just that, appeared, in military eyes, to be reflected in the refusal of the Villeda Morales government to let the army supervise the elections in accordance with the constitution.

Ironically, the United States, which tried to discourage the coup, is to a considerable degree responsible for having paved the way for it. In 1954, the Honduran Army was weak, disunified, and severely lacking in political influence. But with the pro-Communist Guatemalan regime of Gen. Jacobo Arbenz consolidating its power, the United States poured arms into neighboring Honduras for use by Guatemalan Gen. Castillo Armas, who eventually invaded his Red-controlled country and ousted Arbenz.

But in order to disguise this interference in Guatemala's internal affairs, the United States signed a military assistance treaty with Honduras which called for the importation of the arms, as a byproduct. The treaty also provided for the establishment of a strong Honduran Army. Col. Oswaldo Lopez Arellano, became chief of the armed forces, a job from which he finally catapulted into his present position as head of the military government.

Until the very day of the coup, the United States was a helping friend, as attested by the Alliance for Progress handclasp emblems painted on military trucks that have carried political prisoners to jail since the coup.

REDS, CORRUPTION BLAMED

In an interview, Lopez said that corruption and Communist infiltration in the government were factors in the coup, but he made it clear that the threat to the army's position was the principal element.

Like most modern Latin American military leaders today, he does not appear to oppose democracy as such. He is only opposed to it in the measure that it endangers military influence and privileges.

Nor was the military immune to efforts by rightist politicians, mainly of the Nationalist Party, to exaggerate these dangers for their own purposes.

The rightists were horrified by Liberal Party attempts to push through communistic social and economic reforms. Most Honduran businessmen favored a coup, and their sentiment was shared by U.S. businessmen here.

"Maybe now things will be more efficient," a representative of one American firm said.

Significantly, the buildup of the armed forces with American aid was started under and nurtured by a Nationalist Party regime—a fact that the Nationalists have not let military leaders forget.

If the military lacks comprehension of democracy, democratic leaders appear to have been equally ignorant of the realities of military power. Rodas, like President Juan Bosch of the Dominican Republic, who was ousted in a similar coup 2 weeks ago, virtually dared the military to take action.

CIVIL GUARD WAS ISSUE

With incredible naivete, Rodas, in his campaign speeches, constantly emphasized that, as president, he would build up the strength of the Civil Guard, presumably a Liberal Party police arm, at the army's expense. This

force was created by Villeda Morales in 1959 as a counterpoint to the army when it was suspected that the latter, particularly because of its autonomous nature, could not be trusted.

Unlike Venezuelan President Romulo Betancourt, the Honduran leaders would not compromise with the military.

In view of these factors, anything the United States might have done short of using force, may have been futile. Nevertheless, many observers here think the tough statement issued by Secretary of State Dean Rusk announcing severance of diplomatic and economic relations apparently for a prolonged period, was much too long in coming.

U.S. officials here tried to persuade the military not to launch a coup, but, handicapped by the examples of America's soft action after other coups, particularly in the Dominican Republic, it was hard to convince the army leaders that the United States meant business.

LEADERS OF LATIN JUNTAS WERE TRAINED IN UNITED STATES

(By John G. Norris)

Most of the professional military men responsible for toppling four Latin American democracies this year are graduates of U.S. military schools, a survey showed yesterday.

Since April, military juntas have ousted the elected governments in Guatemala, Ecuador, Dominican Republic, and Honduras and taken power into their own hands.

The new strongman of Honduras, Col. Osvaldo Lopez Arrello, who took over last week with the backing of the armed forces, is U.S.-trained. He spent the years 1942–45 at U.S. Air Force bases and schools.

Two ranking officers of the Dominican Republic army, who were reported behind the ouster of President Bosch last month, have attended U.S. military schools. Maj. Gen. Victory Elby Vinas Roman, the defense minister, is a graduate of the U.S. Armor School, Ft. Knox, Ky., the Army here said.

The Dominican Embassy said that Brig. Gen. Elias Wessin y Wessin, director of training for the Dominican armed forces, is a graduate of the U.S. Army School in the Panama Canal Zone.

The senior member of the four-man junta in Ecuador that deposed the President in July, Vice Adm. Ramon Castro Jijon, is a 1949 graduate of the U.S. Navy General Line School, Monterey, Calif., the Navy Department here said. Admiral Castro also attended a shorter course in antisubmarine warfare tactics at the U.S. Navy base at Key West.

Another member of the Ecuadorian junta, Col. Guillermo Freile, former commander-in-chief of the navy, graduated from the U.S. Air Force Command and Staff College, Maxwell Air Force Base, Ala., in 1960.

The Ecuadorian Embassy said that the two army members of the junta have not attended U.S. military schools. Col. Marcos Gandara, former director of the war college, studied in Spain and Italy, and Col. Luis Cabrera, former army commander-in-chief, took Chilean military courses.

Col. Enrique Peralto Azurdia, who headed the coup that deposed the democratic government in Guatemala in April, has not attended any U.S. military schools, according to the Guatemalan Embassy here. His chief of staff, Col. Miguel Ponciano, trained at U.S. Air Force schools in 1946–47.

There has been dispute over the effects of the long-standing program of inviting Latin American officers to attend U.S. military schools. Supporters of the policy have argued that not only does it orient a powerful group in Latin America toward the United States, but that the association of the military men from south of the border with the democratically imbued U.S. armed forces will in time indoctrinate them in democratic ways.

This concept was shaken last year in Peru when critics stressed that three of the four military commanders who staged a coup were trained in U.S. military schools. Its supporters stressed that changing the Latin American tradition of the coup d'etat was bound to take years, and they now note that the Peruvian junta carried out its promise to hold elections, which put a constitutional government in power.

Argentina military chiefs similarly have used their influence to restore elective government, though, like their counterparts in Peru, they still hold considerable behind-the-scenes power. Washington is keeping close watch to see what the four juntas set up this year do in this regard.

Mr. MORSE. I close by saying that I have made a speech this afternoon that has been more in the nature of a somewhat rambling conversation with the Senate and the American people than a formal address. But it is necessary that there be a great deal of talk in America on this subject, a great deal of turning over in our thoughts of the various questions about American foreign policy.

I sincerely hope that our great Secretary of State will not limit himself to briefings before the Foreign Relations Committee of the Senate. I good naturedly and most respectfully recommend to him that he engage in some high level briefing in the State Department on United States-Latin American policy. The American people need to know, and know quickly, what the crystalized policy is going to be in respect to these dictatorships. I do not want to see us make the mistake we made in Guatemala. Guatemala is a bad example for us. We did not make a good record there. We went along with that coup; and up to the very moment that I speak, we have no assurance of any elections in Guatemala in the foreseeable future; and there is certainly no return to democratic government in Latin America.

That is the pattern we must avoid if we are not to do exactly what the Senator from Alaska [Mr. GRUENING] said in his speech today was likely to happen, for the Alliance for Progress is at the crossroads.

Mr. President, all of American foreign policy, at least in Latin America, is at the crossroads. The American people have a right to ask the State Department, in the first instance, and, if it becomes necessary, the President of the United States himself, "Which fork in the road are you taking?"

I fervently plead and pray that the road we will go down will be the road that will lead to unqualified support of constitutional governments in Latin America.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MILITARY JUNTAS AND DEMOCRACY IN LATIN AMERICA

Mr. HUMPHREY. Mr. President, I note that the distinguished Senator from Oregon, who is chairman of our Latin American Affairs Subcommittee, and who has done such an outstanding job in that subcommittee, has spoken this evening with respect to certain developments in Latin America, and policy positions of the Government relating to those developments. I should like for a few moments to make a statement concerning certain disturbing reports which I have read in the press.

Mr. President, this morning's Washington Post reports the disturbing news that a number of the leading military men responsible for overthrowing constitutional governments of the Dominican Republic and of Honduras during the past 2 weeks are graduates of U.S. military schools. According to this report, the principal plotter behind the Dominican coup, Lt. Col. Wessin y Wessin, is a graduate of the U.S. Army School in the Panama Canal Zone. The principal military hatchetman behind the attack on the constitutional government of Honduras, Col. Lopez Arrello, was trained in U.S. Air Force schools. These are but two of the most important leaders in the coup d'etats of the past 2 weeks who received their training in military schools in the United States. This pattern was also characteristic of the military leaders who overthrew the Governments of Guatemala, and Ecuador early this year. It is most disturbing and raises some basic questions about our whole military assistance program.

I might add that in the instance of Peru, the officer who arrested the President of Peru, President Prado, who was such a good friend of the United States, and who stood with us at every critical moment of our history in recent years, was trained at the Fort Benning Tank School, and rode in an American tank up to the gates of the palace.

At the time this was very disturbing to me, and it is still very disturbing to me. I protested vigorously on the floor of the Senate not only that action by the officer of the Peruvian army and the use of American-made equipment, but also, of course, the action of the overthrowing of a constitutionally elected president of a great people and a fine country.

The basic premise on which we have been operating on is that by training Latin American military leaders in U.S. military schools we would be not only imbuing in them a friendship for the United States but also instilling in them an appreciation of constitutional government and free institutions. It has been assumed that the experiences of the Latin American military leaders in the military schools, combined with the influence of the friendships formed with American military leaders, would leave them sympathetic to a democratic political tradition which makes military leaders subordinate to the decisions of civilians.

The experience of the past 2 weeks, combined with the earlier experience in Peru, Ecuador, and Guatemala, suggests

that the assumptions should be questioned. The present evidence seems to indicate that in too many cases we have not been able to indoctrinate military leaders with the virtues of free democratic government, and the necessity of adherence to civilian authority. We have been able to teach the Latin American military how to use tanks and airplanes and have apparently not been able to convince them of the wisdom of the Declaration of Independence and the U.S. Constitution. They accept our military technology and technical training, but apparently little of the political tradition of democracy.

This raises some question about the adequacy of the programs of our military schools. What do we teach the Latin American military leaders in these schools? Is the program in these schools confined to the teaching of military tactics, strategy, and the use of weapons? Or do our programs also include something in the field of philosophy, the social sciences and the humanities, something in the field of political science, economics, sociology? Is the curriculum designed not only to teach them the techniques of modern warfare but also the fundamentals of free constitutional government? I do not know what the answer to these questions is. But I do know that the time is long overdue to closely scrutinize these programs, and to review completely our program for training Latin American military leaders in U.S. schools.

There has been far too much evidence recently that our military assistance program in Latin America has in too many cases merely generated more military power to be used for domestic political purposes; to be used not for preserving internal security or defending the nation against external threats, but for consolidating and strengthening the position of the military in the society as a whole.

I wish to be very careful in my remarks. I am happy to say that in some countries this has not been the case; that, for example, some time ago in Brazil the military did insist upon the protection of constituted authority. It is fortunate that in other areas this has also happened. The reason why I rise to make these remarks is that there is the danger of the spread of this plague, these coup d'etats by the military, through other areas of Latin America where there is social, economic, and political instability.

I wish to say for the benefit of my colleagues, for the RECORD, and also for the benefit of our administration, that the fight that is being made on the floor of the Senate by the distinguished Senator from Oregon, as he speaks out courageously and forthrightly on this subject is one that is in our national interest, in the interest of the continuation of an effective foreign aid program, and in the interest of an effective American foreign policy. We might just as well let the people of America know that we do not intend to bail out the military juntas with American dollars, American goods, or American manpower.

I wish to say on the floor of the Senate today, as was said earlier in committee that the time has come to insist that these juntas be removed from our political and economic patronage. It is time to insist that we will withdraw not only our military aid and economic aid, but all our programs of support until these illegal governments are purged of the plotters and a constitutional government is restored.

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

Mr. HUMPHREY. I yield.

Mr. MORSE. I do not mean to interrupt the Senator, but I would be less than appreciative if I did not rise quickly to say that I appreciate very much his kind reference to me. I wish the RECORD to show that it is the courage and forthrightness of the Senator from Minnesota, along with such men as I have already referred to, like the Senator from Idaho [Mr. CHURCH], in the Foreign Relations Committee, who made perfectly clear to me that in my position as chairman of that subcommittee I had no alternative but to do what I can to try to bring out these facts, in the hope that we can get them weighed and evaluated in the State Department, and bring about whatever changes in our foreign policy are necessary, so that the administration of the Alliance for Progress program will keep faith with our great President's promises with regard to it when he initiated the program.

Mr. HUMPHREY. I thank the Senator. I know the Senator has said on several occasions that unless action is taken, and unless we make it crystal clear to these military gun-toting would-be dictators that they are going to be denied any benefits from this country, this plague, this sickness will spread, and the Alliance for Progress will be doomed to failure.

I support the Alliance for Progress. The Senator from Oregon has supported it. He has been one of the architects of it in terms of legislative effort to make it a meaningful force in the Western Hemisphere.

But I predict that unless there is clear, unequivocal, rejection of help for juntas, the funds for the Alliance for Progress will be in serious jeopardy. I regret to have to say this, but I have said it privately to officials in the Government, so why not say it publicly? I will take a back seat to no one in the Senate in supporting the foreign aid program. But when I see what is happening in South Vietnam, what is happening in Korea, and what is happening in Latin America, how can we ask the American people for more and more aid unless we demand, to the best of our ability, that the principles we enunciate as the guide for these programs be adhered to, so far as we are concerned.

Therefore, I speak up, not as an enemy, not as an opponent of American foreign policy, or of our foreign aid program, but as a friend—a true friend.

The kind of training that goes into our military assistance program is one that merits our serious and thoughtful examination. It raises some question about the adequacy of the programs of our military schools. What do we teach the Latin American military leaders in those schools? Are the programs of those schools confined to teaching military tactics, strategy, and the use of weapons? Or do the programs also include instruction in the fields of philosophy, social science, and the humanities? Do they teach something in the fields of political science, economics, and sociology? Do they teach of Jefferson? Do they teach the principles that are the basis of our constitutional system and their constitutional system? Is the curriculum in the military schools designed to teach not only the techniques of modern warfare, but also the fundamentals of free constitutional government? I do not know what the answer to these questions is; but I do know that the time is long overdue to scrutinize these programs closely and to review completely our program for training Latin American military leaders in our schools.

So far as being able to add appreciably to the military power of the United States or the Western Hemisphere by our military training programs in Latin American countries or for Latin American military leaders, that is subject to some controversy and dispute. We do not really increase the military power of the United States by training a substantial number of Latin American military officers. What we seek to do is to train men for the responsibility of leadership within a free society.

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

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. The point which the Senator from Minnesota makes is extremely important. The Senator from Oregon made it brilliantly a short time ago, when we had a short colloquy on the subject. The Senator from Minnesota is absolutely correct. This is a subject about which I said something earlier: that is, that we should indeed insist on training in constitutional responsibility; training in civilian control; training in the subordination of the military to the elected officials, and so forth.

Does not the Senator from Minnesota also agree that we should impose some conditions concerning the kind of men who are sent to American military schools for training, and about the kind of system which that particular country may follow in selecting its military leaders in their own training systems?

The point which the Senator from Wisconsin is trying to make is that any short course in democracy, no matter how good it is, and lasting a period of only a few months at a military school, may not "take" unless it is backed up by an understanding on the part of the country itself that the men it sends there will be men who have had some grounding—at least, elementary grounding—in the importance of democracy and the importance of military subordination to civilian authorities, and that there will be a followup on this basis. In other words, it must be an integrated program, not simply based on a course or two. Such courses as are given are very important; I do not mean to demean them. But they would probably be inadequate to provide the kind of appreciation on the part of those people of the overwhelming importance of civilian control and constitutional government.

Mr. HUMPHREY. The Senator's point is well made. I would hope that as the RECORD is studied by officials of our own Government, these suggestions, these proposals, and these observations will not only be given consideration, but will be given constructive and affirmative consideration. We have had enough evidence to the contrary. We have had enough evidence to indicate that what has been taking place has not been good enough. Therefore, we have a right to expect some improvement. I suggest that the proposals made by the Senator from Wisconsin surely merit acceptance and support.

Mr. President, there has been far too much evidence recently that our military assistance program in Latin America has in too many cases merely generated more military power to be used for domestic political purposes; to be used not for preserving internal security or defending the nation against external threats, but for consolidating and strengthening the position of the military in the society as a whole.

I digress to say that the able Senator from Idaho [Mr. CHURCH], on past occasions, together with the Senator from Oregon [Mr. MORSE], in committee pointed this out. I am sure the Senator from Oregon at times has been a bit discouraged because the Senator from Minnesota did not always come around to the point of supporting some of the suggestions he made. But I wish to make it clear now that when the military assistance items come up for consideration under the Alliance for Progress, there will be a brandnew look at each one of them, because in too many instances military assistance has not assisted freedom or democracy or the people of the countries to which it has been given. All too often it has assisted some military clique to throw out elected governments. All too often, elected governments have been thrown out simply because they were trying to carry out reforms that the U.S. Government has demanded of our Latin American neighbors under the terms of the Alliance for Progress. The men who were thrown out of office by the military were often the first victims of the bitter antagonism, opposition, and animosity of the most reactionary, radical, rightwing groups in their own country. All too often the men who were tossed out of office by the military juntas were the very men who had led the reform program that the U.S. Government had insisted upon. That surely was true in the case of President Bosch and also in the case of President Villeda-Morales, of Honduras.

I might add that President Villeda-Morales was a moderate man. I know him. He would be considered in this body as a middle-of-the-roader. He would be considered, certainly, as a man of the center, not of the left of center.

But he was apparently too progressive for some of the forces that were at work in Honduras. I think I know why. It was because he was trying desperately, in that little country, which has many serious social and economic problems, to make the Alliance for Progress work. In so doing, land reform laws had to be passed. In so doing, corruption had to be curtailed. When one starts to do those things in some countries, there are certain forces that will conspire to get rid of the reform government.

The record ought to be crystal clear in the instance of the Dominican Republic. It will be to the eternal credit of Juan Bosch that he is honest, that he insisted upon honesty in his government. It has been said that he was not a good administrator; that he did not have much political finesse or political know-how. But one thing that he did should be noted carefully: He kept a good watch on the treasury; he refused to let the burglars come in and run off with it. He refused to let certain military officers take money on the side for contracts for planes, tanks, and guns.

I think the American people would like at least one quality above all others in the leaders they seek to help in the countries they seek to help, and that is integrity—collective integrity and personal integrity. Juan Bosch offered that, among his many fine qualities.

I know also that the President of Honduras, too, was attempting to bring better order and better accounting into the government of his country.

Mark my words, Mr. President—and I sound this warning note tonight: Unless the juntas are stopped, severe penalties will be imposed—namely, our assistance and our recognition will be cut off.

So I believe the United States should at once let all the world know that it does not intend to tolerate any coup d'etat in Venezuela, where freedom is being tested as in few other places in the world.

I can just hear people starting to say again that President Betancourt has many limitations, and he does not know how to deal with the left, does not know how to deal with the right, and has a background that some people do not like. But, Mr. President, the only people who have a right to pass judgment on the character of these men are those who elect them or defeat them in the election process.

President Betancourt is an avowed friend of the United States of America, and this Government had better make it crystal clear to every would-be admiral, general, colonel, sergeant, or whoever it might be, that we will not tolerate for 1 minute, a coup d'etat or a military junta in Venezuela. Make no mistake about it, Venezuela has a great interest in American economic assistance, American trade. We are the market for their oil. We are their market for many other products. More importantly, we are a friend of freedom in Venezuela, a country which once was ruled by a ruthless dictator. Each one of the countries that suffered the anguish, the pain, the disease of dictatorship, takes time to recover. It takes the help of a good friend to stand by them so that they will have a chance to recover, so that they will have a chance to build strong democratic institutions.

You cannot build a strong democratic institution, Mr. President, if you have terror from the left, or obstruction and reaction from the right, compounded by military officers or a military group threatening the very existence of constitutional government.

It is to the credit of the military in Venezuela that it is cooperating with their President who is their commander in chief; and I wish to commend them for that. I hope that the responsible military officers in that country will remember that for the future welfare of Venezuela and the relationships between our country and theirs, that responsibility to the constitution, responsibility to civilian authority will do more to promote a prosperous Venezuela, a strong Venezeula, and a free Venezuela than anything they can do.

In the light of recent events, it certainly makes no sense to pour heavy hardware into Latin American countries whose economies cannot sustain such exorbitantly expensive military establishments. Their national security is not strengthened by it. Any possible external military threat to the security of any Latin American country can and will be repulsed by the United States. Any country that is attacked from the outside can be confident of assistance by other American States as well as the United States. And if there is such a military threat arising in the hemisphere, as there was in the case of Cuba last fall, we can be certain that the United States will take the action necessary. We proved last year our ability and our determination to defend this hemisphere both north and south against any external military threat. And yet many Latin American nations continue to devote large sums of money to armaments.

What this area needs is an effective arms control agreement. That is what it needs—arms control, not an arms buildup. We should be promoting that, we should be promoting a completely nuclear-free zone in Latin America. We should be promoting as a matter of national policy a reduction of all unnecessary military items—air forces—and navies that are not needed for internal security purposes. They cannot afford them. We are having trouble affording them, Mr. President. And what is more, when we send military equipment to one nation, we must send it to another; and thus we promote antagonisms.

The current situation in which many countries compete for military forces which are too large for their immediate needs and are too expensive to be maintained without outside assistance is deplorable.

I believe it is time, after the events of the past 2 weeks, to initiate a general review of the question of arms assistance to Latin America.

Before we vote Alliance for Progress funds, Mr. President, I can assure the Senate right now, as one member of that committee, that I shall join with the persistent, the able, and the intelligent and brave member of the Senate committee, the Senator from Oregon [Mr. MORSE] in carefully reviewing the military programs. I believe that he will find that he has enough allies in the Senate to get that kind of review that is needed.

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

Mr. HUMPHREY. I yield.

Mr. MORSE. I do not wish to interrupt the Senator's remarks, but I should like the RECORD to reflect how good the Senator from Minnesota makes me feel. The announcement I have just heard means that the Senator from Minnesota, taking that position it means that we are going to win. We are going to win.

Mr. HUMPHREY. We will at least make an honest effort. I believe there are a sufficiently large number of Senators aroused to succeed in the demand for a review of our programs.

And it is not enough for the United States alone to undertake the review. It must be done by the Latin American countries as well, for that reason it should be done through the OAS. If we were to do it alone, it would be ineffective. If we deny certain countries military assistance and are not supported in this policy by the hemisphere as a whole, the individual country could easily obtain military equipment elsewhere. That is why I say we should make this whole matter of arms reduction in Latin America a matter of national policy. This is a matter requiring some hemispheric agreement and quickly. If we have made some progress in the past 2 years in equipping Latin American governments to counter internal security threats from the left, and some progress in providing the legal means for assisting governments harassed by such threats, we have still to cope with the problem of internal threats from the right, particularly from rightist military coups. This is a problem which we cannot solve by ourselves. Unless the Latin American nations are willing to address themselves to it, freely elected constitutional governments will continue to be subject to overthrow from irresponsible military cliques.

Mr. President, in the disturbing pattern of events in the past weeks, there was one event which took place last Friday which I find encouraging. On Friday, October 2, 1 day after the coup in Honduras, the U.S. Government not only suspended diplomatic relations with Honduras but immediately announced the withdrawal of its entire military aid mission and its entire economic aid mission. At the same time, it announced the withdrawal of the AID mission and the military mission from the Dominican Republic. This decisive action, although it came too late in the case of the Dominican Republic, should serve as a clear indication of U.S. policy toward dictators and toward military cliques who topple elected governments. It should be a warning to those in similar situations in the future that if they move against freely elected constitutional governments which are supported by the United States, we will cut them off from all military and economic assistance immediately. Had this precedent been set before and consistently applied, the trend of recent history in the Caribbean may well have been different. However, I am hopeful that the policy represented by our recent actions in cutting off aid will not represent merely a passing reaction to the situation of the moment, but rather a firm policy which will guide our future as well as our present dealings with Latin American governments. Certainly the events of the past 2 weeks indicate that actions speak louder than words. The action of the U.S. Government in cutting off the two military cliques in the Dominican Republic and Honduras is an indication of our determination to follow a policy of supporting the development of constitutional government under the Alliance for Progress. It indicates that this Government means what it says when it insists that the Alliance for Progress is not only designed to achieve economic development, but also the development of free democratic political institutions in this hemisphere. We have done well, in the case of the Dominican Republic and Honduras, to have cut off military and economic assistance, and to have withdrawn our military and economic AID personnel. We should not restore either until significant measures are taken to return to constitutional government in those two countries.

Mr. President, I ask unanimous consent to have the following articles and editorial published in today's issue of the Washington Post: "Leaders of Latin Juntas Were Trained in United States"; "Naive Honduran Rule Abetted Military Plots," and an editorial entitled "Using the Sponge" printed at this point in the RECORD:

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

LEADERS OF LATIN JUNTAS WERE TRAINED IN UNITED STATES

(By John G. Norris)

Most of the professional military men responsible for toppling four Latin American democracies this year are graduates of U.S. military schools, a survey showed yesterday.

Since April, military juntas have ousted the elected governments in Guatemala, Ecuador, Dominican Republic, and Honduras and taken power in their own hands.

The new strongman of Honduras, Col. Osvaldo Lopez Arrello, who took over last week with the backing of the armed forces, is U.S.-trained. He spent the years 1942–45 at U.S. Air Force bases and schools.

Two ranking officers of the Dominican Republic Army, who were reported behind the ouster of President Bosch last month, have attended U.S. military schools. Maj. Gen. Victory Elby Vinas Roman, the Defense Minister, is a graduate of the U.S. Armor School, Fort Knox, Ky., the Army here said.

The Dominican Embassy said that Brig. Gen. Elias Wessin y Wessin, director of training for the Dominican armed forces, is a graduate of the U.S. Army school in the Panama Canal Zone.

The senior member of the four-man junta in Ecuador that deposed the President in July, Vice Adm. Ramon Castro Jijon, is a 1949 graduate of the U.S. Navy General Line School, Monterey, Calif., the Navy Department here said. Admiral Castro also attended a shorter course in antisubmarine warfare tactics at the U.S. Navy base at Key West.

Another member of the Ecuadorian junta, Col. Guillermo Freile, former commander-in-chief of the Navy, graduated from the U.S. Air Force Command and Staff College, Maxwell Air Force Base, Ala., in 1960.

The Ecuadoran Embassy said that the two army members of the junta have not attended U.S. military schools. Col. Marcos Gandara, former director of the war college, studied in Spain and Italy, and Col. Luis Cabrera, former army commander in chief, took Chilean military courses.

Col. Enrique Peralto Azurdia, who headed the coup that deposed the democratic government in Guatemala in April, has not attended any U.S. military schools, according to the Guatemalan Embassy here. His chief of staff, Col. Miguel Ponciano, trained at U.S. Air Force schools in 1946–47.

There has been dispute over the effects of the longstanding program of inviting Latin American officers to attend U.S. military schools. Supporters of the policy have argued that not only does it orient a powerful group in Latin America toward the United States, but that the association of the military men from south of the border with the democratically imbued U.S. Armed Forces will in time indoctrinate them in democratic ways.

This concept was shaken last year in Peru when critics stressed that three of the four military commanders who staged a coup were "trained in U.S. military schools." Its supporters stressed that changing the Latin American tradition of the coup d'etat was bound to take years, and they now note that the Peruvian junta carried out its promise to hold elections, which put a constitutional government in power.

Argentine military chiefs similarly have used their influence to restore elective government, though, like their counterparts in Peru, they still hold considerable behind-the-scenes power. Washington is keeping close watch to see what the four juntas set up this year do in this regard.

NAIVE HONDURAN RULE ABETTED MILITARY PLOTS

(By Dan Kurzman)

TEGUCIGALPA, HONDURAS, October 8.—The military coup that overthrew the democratic government of Honduras last Thursday was rooted, like most Latin American coups, in military ambition, rightist greed, government naivete and U.S. indecision.

These factors, in potent combination, made a coup inevitable. Under the deposed regime of President Ramon Villeda Morales the military enjoyed a constitutional position perhaps unique in the world. It was not directly responsible to the executive branch of the government, but only to itself and, in limited degree, to the legislature.

Military leaders were jealous of their autonomy and feared that they would lose it after elections that were scheduled for later this month. The presidential candidate of Villeda Morales' Liberal Party, Modesto Rodas Alvarado, was strongly favored to win, and the military was convinced that he would seek to reduce its power.

That Rojas would do just that, appeared, in military eyes, to be reflected in the refusal of the Villeda Morales government to let the army supervise the elections in accordance with the constitution.

Ironically, the United States, which tried to discourage the coup, is to a considerable degree responsible for having paved the way for it. In 1954, the Honduran army was weak, disunified, and severely lacking in political influence. But with the pro-Communist Guatemalan regime of Gen. Jacobo Arbenz consolidating its power, the United States poured arms into neighboring Honduras for use by Guatemalan Gen. Castillo Armas, who eventually invaded his Red-controlled country and ousted Arbenz.

But in order to disguise this interference in Guatemala's internal affairs, the United States signed a military assistance treaty with Honduras which called for the importation of the arms, as a byproduct. The treaty also provided for the establishment of a strong Honduran army. Col. Oswaldo Lopez Arellano, became chief of the armed

forces, a job from which he finally catapulted into his present position as head of the military government.

Until the very day of the coup, the United States was a helping friend, as attested by the Alliance for Progress handclasp emblems painted on military trucks that have carried political prisoners to jail since the coup.

REDS, CORRUPTION BLAMED

In an interview, Lopez said that corruption and Communist infiltration in the government were factors in the coup, but he made it clear that the threat to the army's position was the principal element.

Like most modern Latin American military leaders today, he does not appear to oppose democracy as such. He is only opposed to it in the measure that it endangers military influence and privileges.

Nor was the military immune to efforts by rightist politicians, mainly of the Nationalist Party, to exaggerate these dangers for their own purposes.

The rightists were horrified by Liberal Party attempts to push through "communistic" social and economic reforms. Most Honduran businessmen favored a coup, and their sentiment was shared by U.S. businessmen here.

"Maybe now things will be more efficient," a representative of one American firm said.

Significantly, the buildup of the armed forces with American aid was started under and nurtured by a Nationalist Party regime—a fact that the Nationalists have not let military leaders forget.

If the military lacks comprehension of democracy democratic leaders appear to have been equally ignorant of the realities of military power. Rodas, like President Juan Bosch of the Dominican Republic, who was ousted in a similar coup 2 weeks ago, virtually dared the military to take action.

CIVIL GUARD WAS ISSUE

With incredible naivete, Rodas, in his campaign speeches, constantly emphasized that, as president, he would build up the strength of the civil guard, presumably a Liberal Party police arm, at the army's expense. This force was created by Villeda Morales in 1959 as a counterpoint to the army when it was suspected that the latter, particularly because of its autonomous nature, could not be trusted.

Unlike Venezuelan President Romulo Betancourt, the Honduran leaders would not compromise with the military.

In view of these factors, anything the United States might have done short of using force, may have been futile. Nevertheless, many observers here think the tough statement issued by Secretary of State Dean Rusk announcing severance of diplomatic and economic relations apparently for a prolonged period, was much too long in coming.

U.S. officials here tried to persuade the military not to launch a coup, but, handicapped by the examples of America's "soft" action after other coups, particularly in the Dominican Republic, it was hard to convince the army leaders that the United States meant business.

USING THE SPONGE

After the strong man with a dagger, Lord Acton admonished, comes the small man with a sponge. The maxim applies with peculiar force to the Dominican Republic, where those responsible for the overthrow of President Juan Bosch have every motive for sponging up the pages of the past. Of course Mr. Bosch had imperfections as a president; he may have been almost as bad as some of the less illustrious incumbents of our White House. But the white-haired President seems hardly recognizable as a man in some of the stories that depict him as a cunning monster.

The fact is that in the Dominican Republic Mr. Bosch had powerful enemies from the moment he was sworn in as president. The main opposition party, which had presided over the preceding provisional government, felt cheated of victory when Mr. Bosch won his election. Military men, used to virtual veto power over civilian authority, resented Mr. Bosch's presumption that he was their superior. Some business interests were hostile from the outset because they regarded Mr. Bosch as a leftist.

It comes as no surprise that these interested parties should seek to justify the overthrow of a constitutional president. But it is disquieting that U.S. officials should place more stress on how impossible Mr. Bosch was as president than on the grievous rupture of the Dominican Republic's evolution from arbitrary rule. In South Vietnam another regime holds power that many U.S. officials feel is impossible. Yet in the larger interests of winning the war against communism, the United States is swallowing its doubts and is working with Mr. Diem.

Doubtless there were problems in Santo Domingo before the coup. But there were no widespread demonstrations against the regime, and no one could fairly complain that Mr. Bosch was repressive. It would be a sad circumstance if the only impossible governments the United States could support effectively were autocratic and unpopular tyrannies. No doubt, if President Betancourt were overthrown tomorrow in Venezuela, some of the same apologists for passivity would be quick to argue that he, too, was impossible—just look at the disorder in Caracas.

THE SALE OF WHEAT TO RUSSIA

Mr. HUMPHREY. Mr. President, I support the President's decision to permit the private grain trade in the United States to sell wheat to the Soviet Union and Eastern bloc countries for hard currency; that is, for dollars or gold. I commend President Kennedy for this forthright and courageous act.

This decision was made after many conferences and discussions with Members of Congress and others. The entire matter has been widely discussed in the press and on radio and television. The President based his decision in part on factors I will list at the conclusion of my remarks—points I have made in repeated speeches in the Senate since September 16. These are factors listed by the executive branch of our Government as the basis for the President's decision announced at his news conference today.

Mr. President, I ask unanimous consent to insert at this point in the RECORD a list of these considerations. I hope this will help Members of Congress and the American public to better understand why the decision was made.

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

THE SALE OF AMERICAN WHEAT TO THE SOVIET UNION AND EASTERN EUROPE

I. ADVANTAGES OF PERMITTING THE COMMERCIAL SALE OF WHEAT TO THE SOVIET UNION AND EASTERN EUROPE

A. Foreign policy considerations

1. Will demonstrate once again to the Soviet leaders that peaceful agreements with the United States which serve the interests of both parties are possible, and that a continuation of the presently improved climate is in their economic interest.

2. Will demonstrate to the world the superiority of free agriculture and free enterprise over the Communist collectivist system.

3. Will require the Soviet Union to divert its limited reserves of gold, dollars, and foreign exchange from military and industrial developments to food.

4. Will be in keeping with a longstanding American tradition of sending food to hungry people, whether their governments are free or friendly or not. In 1922, under the Harding administration, Herbert Hoover's American Relief Administration fed 18 million Russians, though many of our Americans complained.

5. Will improve the standing of the United States in the eyes of the Russian people, who are reported to be apprehensive about coming food shortages, price increases, and lower quality diets.

6. Will help avoid whatever harsher internal policies the Kremlin might need to impose on the Russian people during a period of food shortages, and will maintain the Soviet consumer's level of expectation and demand.

7. Could lead to increased trade, increased opportunities for contact, increased exchanges of individuals and information.

8. Will not be diverted to Cuba or Red China, under terms of the export license to be issued. Cuba's wheat import requirements appear to be fulfilled by the Australian and Canadian deals.

9. Will not be used for manipulation in world markets, where American and Canadian surplus stocks will remain large while the Soviets' needs remain pressing.

10. Will be known to the Soviet people through the Voice of America broadcasts, which have not been jammed for several months.

B. Domestic economic considerations

1. Will permit American farmers and the American economy to share in the gains which other nations have been reaping for many years in sales of wheat and flour to the Communist bloc. The increase in farm income alone is estimated to be around $100 million.

2. Will benefit our balance of payments, without (in view of Soviet need for this wheat to make good their own commitments) displacing any of our regular wheat export markets. The Russians will either pay in gold or sell gold for dollars in the London market, thus increasing support of the dollar and decreasing the pressure on our gold.

3. Will reduce CCC surplus stocks, reducing Federal budget expenditures more than $200 million on a sale of 150 million bushels.

4. Will bring added income and employment to American shipping, longshoremen, and railroad workers as well as grain traders, millers, and farmers.

5. Would strengthen farm prices in the United States.

6. Will be conducted through the normal competitive channels of the private American grain trade in the same manner as all other such exports are handled, with the forces of competition and supply and demand, and the Government's control over CCC prices and export licenses and subsidies, curbing any prospect for excessive profit.

7. Would not reduce our ability to export to other, more friendly customers or reduce U.S. stocks to a dangerous or undesirably low level, in view of the 800 million bushels or more expected to remain in our carryover.

C. Consistency with U.S. and allied policy

1. Is consistent with U.S. trade with Soviets and Eastern Europe since World War II.

Our exports to U.S.S.R. in the last year of the previous administration, for example, which were twice as high as they were in 1962, included synthetic rubber, steel sheets helicopters, farm machinery, and textile machinery.

2. Is consistent with U.S. sales of agricultural commodities (mostly cattle hides and tallow) to the Soviet Union for many years, under the last three administrations. Since we have been sending to the Soviets agricultural commodities not in surplus, it is obviously desirable to allow the export of those, such as wheat, that are in surplus. While distinct foreign policy reasons motivated our sale of subsidized farm commodities to Poland in exchange for local currencies, that practice also indicates the logic of selling such commodities behind the Iron Curtain for dollars.

3. Is consistent with our longtime insistence that we are willing to trade with the Soviets in consumer goods.

4. Would not require us to accept similar offers, if any, from Red China, North Vietnam or North Korea, inasmuch as transactions with those regimes involve a different statutory (Trading With the Enemy Act) and diplomatic (nonrecognition) framework. Foodstuffs are not embargoed from Cuba now.

5. Would not weaken our effort to restrict free world shipping and trade with Cuba and Communist bloc, inasmuch as we have never sought to restrict East-West agricultural trade and it is presently flourishing in most other countries.

6. Cannot, for example, be criticized by the French, who have extensively sold farm commodities to the Communist Chinese as well as Eastern Europe, or by the West Germans, who do an extensive trade with the Eastern Zone they do not even recognize. Both nations bought American wheat last year and then sold wheat flour to the Communist Chinese, which is hardly a better use of our wheat than our selling it directly to the Soviets.

7. Is consistent with the recent actions of Canada and Australia, who also sold subsidized wheat to the Soviet Union, and of other allies who are selling subsidized wheat flour to bloc nations.

8. Involves no real subsidy to either the Soviet Union or the U.S. exporter. The only actual subsidy, if any, is the difference between the world price and the price paid to the higher cost American wheat farmer under our farm price support system—and this amount is paid regardless of where and whether the wheat is sold. Thus the loss to the taxpayers is reduced whenever we can sell wheat abroad for dollars—and this obviously can only be done at the world price. We have been vigorously seeking new export markets for our wheat—and would require the Soviets to pay the full world price like any other commercial buyer.

II. THE DISADVANTAGES OF NOT PERMITTING THIS TRANSACTION

1. Will permit Soviet propagandists to exploit among other nations our unwillingness to reduce tensions and relieve suffering.

2. Will convince the Soviets that we are either too hostile or too timid to take any further steps toward peace beyond the test ban treaty; that we are more interested in exploiting their internal difficulties, and that the logical course for them to follow is a renewal of the cold war.

3. Will not prevent the Soviets from obtaining additional wheat from other free nations—including additional deals with Australia, Argentina, and smaller Middle Eastern suppliers—enabling the farmers, grain dealers, railroads, ports, and longshoremen in those countries to obtain the profits which would otherwise have come to the United States.

4. Will not prevent the Soviets and Eastern European nations from obtaining our own wheat indirectly in the same manner as they are presently—by purchasing from West Germany, France, and others, flour made out of American wheat.

5. Will not impair the Soviet cold war effort, inasmuch as their essential domestic requirements can probably already be filled by the purchases concluded with Canada and Australia.

III. THE STATUTORY FRAMEWORK OF THIS TRANSACTION

This sale is not prohibited by any act of Congress and does not require the consent of the Congress.

1. Although in July of 1961, at the height of the Berlin crisis, the Congress included in the Agricultural Act of 1961 a declaration of policy against the sale of subsidized agricultural commodities to unfriendly nations, (a) Congress has made no attempt to give a binding effect to such a statement of intent, although it had many opportunities to do so; (b) discussion of this particular amendment on the House floor indicated that many Members could well have assumed that it applied only to Public Law 480-type sales on long-term credit or for soft, local currencies, and not to commercial sales for dollars or gold; and (c) such a statement of congressional intent was more pertinent to the United States-U.S.S.R. climate which prevailed at the time of its adoption than to today's cautious search for ways of reducing tensions.

2. The Johnson Act—which prohibits American loans to nations in default on old obligations to American creditors—does not apply to ordinary commercial credit transactions incident to the sale of goods.

3. Neither the Battle Act nor the Export Control Act prohibits the commercial sale of foodstuffs to any country; and this transaction would not be under Public Law 480.

IV. THE MECHANICS OF THE TRANSACTION

The United States does not, as a rule, engage in state trading; and this Government's participation in this transaction is thus limited to: (a) A formal Commerce Department announcement informing the grain trade that export licenses will be made available under specified terms for the shipment of wheat and other agricultural commodities to and for use in the Soviet Union and Eastern Europe; and (b) Wheat exported to the U.S.S.R. will be drawn from surplus CCC stocks by the grain trade when the trade's own supplies are exhausted. We must be prepared to take care of our domestic needs, as well as our normal commercial exports and our Public Law 480 commitments.

Our private grain traders would negotiate on amounts and price with the Soviets. At present we envision the sale of 3 to 6 million tons (roughly 100 to 200 million bushels) of wheat for shipment from the United States during the next 6 months, payment to be made either in cash (dollars or gold) upon delivery, or, as in the Canadian agreement, a minimum of 25 percent cash on delivery, and 25 percent each 6 months thereafter for 18 months, with interest.

The Soviets will be treated like any other cash customer. Our grain trade exporters would sell at the same world price and by the same methods as they sell to all other nations.

ADJOURNMENT

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 adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 14 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, October 10, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate October 9 (legislative day of October 3), 1963:

IN THE NAVY

The following-named Naval Reserve Officers Training Corps candidates to be permanent ensigns in the line of the Navy, subject to the qualifications therefor as provided by law:

Anthony J. Adaschik	Bruce Luxford
Chester W. Allen III	Hugh H. MacDonald II
John W. Allin	Leonard A. Magazine
Jess W. Anderson	James S. McLeish
George R. Armstrong	Phillip L. Middleton
James R. Barrett	Don A. Miller, Jr.
Harry J. Benson	Richard W. Minnich, Jr.
Wilbur L. Benz	Carl M. Mullen
Robert J. Brady	David J. Mundhenke
John C. Clary	Arthur J. Oleary
Michael L. Cline	Ernest H. Pomerantz
Phillip C. Craig	Dennis L. Prewitt
Richard M. Czaplinski	Thomas O. Pugh
Alfred S. Dansker	John R. Riley
Marvin E. Davenport	Halary S. Sawicki
Robert K. Dawson	Thomas J. Schmiege
Ralph E. Dillen	David R. Schneider
Roland E. Dukes	Robert W. Sharp, Jr.
Braxton C. Ellis	Philip K. Sherman, Jr.
Michael H. Erskine	William B. Sims, Jr.
Herbert E. Fish	Luther F. Sitten
Thomas H. Grayson	Dean K. Smith
Alan E. Hardtarfer	Phillip V. Starnes
James B. Hawkes	Yasuto Tana
Jared N. Heindel	Richard A. Tudor
Charles H. Hoffman	Haskell T. Waddle
Bruce A. Hopkins	William R. Weigel
William R. Joa	Mark H. Weston
James E. Kennedy	Fredric C. Zimmerman
Donal L. Knutson	
William T. Lehman	

The following-named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

David J. Hammer
Charles E. Johnston
Russell Meyer

Ward G. Gypson (Naval Reserve officer) to be a permanent lieutenant in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law.

Milledge E. Granger, Jr., OC-1, USN, to be a permanent ensign in the Supply Corps of the Navy in lieu of ensign in the line of the Navy, as previously nominated and confirmed.

The following-named (civilian college graduates) to be permanent lieutenants, lieutenants (junior grade), and temporary lieutenants in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law:

James H. Blake	Stephen W. Stamper
Richard D. Kentala	George C. Strong
Thomas N. Salmon	

Walt W. Magnus (Naval Reserve officer) to be a permanent lieutenant and a temporary lieutenant commander in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law.

The following-named (Naval Reserve officers) to be permanent lieutenants in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law:

Alvin S. Morrison	Eugene J. Weigel, Jr.
Robert J. Stepnick	

The following named (Naval Reserve officers) to be permanent lieutenants, lieutenants (junior grade), and temporary lieutenants in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law:

Ernest B. Bass, Jr.	Milton C. Clegg
John W. Canal	Thomas L. Hurst
Robert B. Carmody	Edward P. Leonard

Joseph S. Mach
Richard W. Mohr
Paul W. O'Shields
Charles T. Stefl
Frank E. Zotter

The following-named enlisted personnel to be ensigns in the Medical Service Corps of the Navy, for temporary service, subject to the qualifications therefor as provided by law:

William J. Snittjer
Jerry L. Johnson
Allen O. Woods
Larry W. Johnson
Samuel C. Bazzell
Jason A. Wilson
Robert R. Sonntag, Jr.
Frederick F. Briand
Gary R. DeLisle
Harold D. Cash
Robert Peck
Kenneth L. Postel
James D. Schweitzer
Bob L. Ozment
Donald K. Bain
Richard L. De Vault
Thomas E. Thomas
James D. Smith
Edgar P. Webb
Austin A. Eckmyre, Jr.
William H. Strohl
Harold J. Stanton
Jack T. Lewis
Elwin J. Hays
Francis L. Windholz
Zachary M. Davies
Lawrence F. Raymond
Ralph E. Anderson, Jr.
Charles B. Alexander
George H. Gregory
Myron J. Hickey
William F. Mullins
Elvin L. Schlegel, Jr.
Ronald J. Coutts
Earl R. Wooll
Archie R. Howell
Richard A. Robinson
Robert M. Dotson
Leonard J. Hmel
Wesley B. Combs
Robert E. Gillett, Jr.
Edward D. Prout
Charles M. Butts

IN THE MARINE CORPS

The following-named (Naval Reserve Officers' Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Charles C. Abbott
Roger L. Ackerman
Andrew G. Anderson, Jr.
George T. Armstrong
Albert G. Ayre
Thomas C. Bache, Jr.
William E. Bartels, Jr.
Dan P. Beckner
Robert A. Beeler
Robert R. Beers
Carl E. Beimfohr
Leonard G. Bethards
Edward A. Bishop
Edward L. Bonham
Donald E. Borders
Leslie W. Boyer, Jr.
Dennis F. Brandon
Jonathan C. Brooks
Robert P. Brown
Eugene G. Buglewicz
John G. Burns
Charles L. Carl
Anthony V. Carrano, Jr.
Frank J. Casa
Richard M. Cavagnol
John A. Cegalis
John T. Chapman
James D. Cleary
John R. Clickener
David P. Cotellesse
Arthur O. Cravets
Gary W. Cunningham
John L. Daniewicz
Stephen M. Day
Bruce H. De Woolfson, Jr.
Paul D. Dolwick
Thomas C. Donatell
Mitchell O. Driskell
Karl F. G. Dupuy
William G. Duroe
Kendall Ellingwood, Jr.
George R. Emerson
David E. England
Douglas B. Eskridge
George K. Eubanks
Richard J. Evans
Jerry J. Farro
Joseph A. Fernandez
William A. Forney
John D. Forter
William C. Foster
Laurence V. Friese
David E. Fritz
David P. Garner
Jeffrey R. Gilbert
Robert A. Goldberg
Arthur D. Graff
John P. Grattan
Richard H. Griffin
Peter D. Haines
James L. Hall
Edward M. Hamilton
Henry S. Harrison
John H. Hartman
Frederick L. Hatton
Jack C. Hawk
William T. Henderson
Robert F. Henricksen
Donald R. Hess
Jerry T. Hewitt
John T. Hill
Patrick E. Hollands
Russell L. Holman
Mark W. Howe
Larry G. Hutcheson
Robert F. Itnyra
Anthony A. Johnson
Lawrence R. Johnson
William C. Joiner
Frederick K. Jones
Arthur E. Joyce
Edward J. Kabala
David M. Kahl
Richard R. Kane
William M. Kay
Dennis S. Kennedy
William G. King
Shelton F. Lankford
Lewis C. Larson
Peter E. Laux
Antone J. Lazos
John P. Leidy
William C. Leigh III
George P. Levendis
Jimmy L. Lindsey
John C. Listerman
Peter H. Lowry
William T. Lowther
Herbert G. Lyles
Thomas MacBain, Jr.
Thomas E. MacDermant
Douglas L. Marshall
Glen H. Martin
Malcolm R. Massie, Jr.
Charles G. Mason
John M. McCoy, Jr.
Thomas E. McMahan
Edward A. Miller, Jr.
Ernest M. Miller, Jr.
Gerald L. Miller
Byron J. Moody
Roger A. Murray
Emmett E. Noll
James R. O'Bryan
Anthony M. O'Connel
John J. O'Connell
James R. O'Reilly
William A. Parker
Richard A. Partin
Charles H. Paul
James C. Perso
Douglas W. Pickersgill
Lawrence A. Price, Jr.
Robert J. Puskar
John N. Rachac
William Rankin
Thomas C. Rauwald
Joseph M. Reber
Mark A. Rehrauer
Clarence O. Reynolds, Jr.
Kevin G. Rick
Leonard H. Ronnie, Jr.
Herbert G. Roser
David R. Russell
Robert W. Saum, Jr.
Paul J. Schiller
Harvey T. Schmit
Timothy P. Schwartz
George J. Shartle
John D. Singer III
Jerry W. Smith
Charles S. Snell
Robert F. Soneson
Larry J. Statham
Thomas W. Steele
Louis C. Stengel III
John M. Stevens
David E. Strong
David H. Stoughton
John J. Tedesco, Jr.
Jack C. Thompson
David L. Tinder
Robert E. Tscham
Robert A. Van Houten
Richard H. Voigt
James A. Vollendorf
Dwight A. Wallick
James A. Wegge
James F. Wells
William K. Westling
John J. Whitehouse
Charles G. Williams, Jr.
Mansel M. Wood
Joseph D. Wright
William E. Wright, Jr.
Richard B. Zey
Richard T. White, Jr.

The following-named (meritorious noncommissioned officers) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Harris R. Angell, Jr.
Allan F. Ayers
Ronald E. Banks
Edward C. Brown
Charles O. Burke
Russell E. Cazier
William A. Detki
Terry G. German
Jerry M. Giles
George T. Greig
Alvin W. Hansen, Jr.
John V. Hayslip
William R. Herder
Rodney P. Kempf
James L. Klingerman
Melvin P. Krone
David R. Laughlin
Robert L. MacDougall
James M. Macevitt III
William H. McKinley
David K. Neilson
Lionel Parra, Jr.
Lowell W. Patak
Ido E. Pistelli
David E. Saarela
John L. Schensnol
Raymond A. Stewart, Jr.
James R. Walker

The following-named officer of the Marine Corps for temporary promotion to the grade of captain, subject to the qualifications therefor as provided by law:

David L. McEvoy.

EXTENSIONS OF REMARKS

Centennial Roadside Park Is Tribute to Growth and Expansion of West Virginia State Road Commission Development Division

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, October 9, 1963

Mr. RANDOLPH. Mr. President, West Virginia's proximity to major centers of population in the Eastern United States makes it ideally suited as a vacationland and recreation area for millions of Americans. Consequently, citizens of the Mountain State are vitally concerned with the development of tourism, recreation facilities, and parks. Aid from the Federal Government has helped this growth and improvement, particularly through the ARA, which approved a grant and loan of nearly $24 million in June of this last fiscal year.

On Sunday, October 6, it was my pleasure to participate in the dedication ceremonies of West Virginia's Centennial Roadside Park on U.S. 219, in Tucker County. The 500 persons in attendance were addressed by Gov. W. W. Barron and State Road Commissioner Burl A. Sawyers.

Taking part in the program were Rev. Andrew Mann, of Thomas; Master of Ceremonies Joe Gilmore, of Parsons; the American Legion Post No. 22 Color Guard; the Parsons and Davis Mountaineer High School Bands; the Boys Forestry Camp Choir, directed by the Reverend Harry Atzenhoter; and State Senator Kenton J. Lambert, of Parsons. Distinguished guests present were Representative Harley O. Staggers and State Senator Dallas Wolfe. Both men spoke. Also introduced was Commissioner Hulett Smith, of West Virginia's Department of Commerce.

I request that my remarks at the dedication of the State's 100th roadside park be printed in the RECORD.

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

EXCERPTS FROM REMARKS BY SENATOR JENNINGS RANDOLPH, DEMOCRAT, OF WEST VIRGINIA, AT STATE CENTENNIAL PARK DEDICATION NEAR PARSONS, W. VA., U.S. 219 IN TUCKER COUNTY, SUNDAY, OCTOBER 6, 1963

A few days ago I was privileged to address a conference gathering of 1,500 officers, members, and guests of three important parks organizations. The groups assembled were the American Institute of Park Executives, the American Association of Zoological Parks and Aquariums, and the National Conference on State Parks.

The consensus of recreation specialists from all States of the Nation was that for those of us concerned with the preservation, utilization, and development of this Nation's vast potentials in recreational resources, this is a decisive time * * * a time of moving forward.

This State centennial park, in its location of scenic grandeur, demonstrates one of the